

# ***NUECES COUNTY TEXAS***



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2013



# NUECES COUNTY, TEXAS

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2013



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

County Commissioners  
Mike Pusley, Precinct 1  
Joe A. Gonzalez, Precinct 2  
Oscar O. Ortiz, Precinct 3  
Joe McComb, Precinct 4

County Clerk  
Diana T. Barrera

County Attorney  
Laura Jimenez

County Purchasing Agent  
Elsa Saenz

County Auditor  
Dale Atchley, CPA

Director of Commissioners Court Administration  
Steve Waterman

Director of Public Works  
Glen Sullivan



Prepared by the staff of the Nueces County Auditor Office

Ben Abalos  
Fred Chavera  
Lisa Davis  
Elva Fuentes  
Aidee Hernandez  
Harry Horak  
Connie Larioz  
Elizabeth Non  
Diana Rosas  
Anna Velazquez

NUECES COUNTY, TEXAS  
 Comprehensive Annual Financial Report  
 Year Ended September 30, 2013

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
County Auditor's Letter of Transmittal . . . . .	3
GFOA Certificate of Achievement. . . . .	8
Organizational Chart. . . . .	9
List of Elected and Appointed Officials. . . . .	10
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report. . . . .	13
Management's Discussion and Analysis. . . . .	17
Basic Financial Statements	
Statement of Net Position . . . . .	35
Statement of Activities. . . . .	36
Balance Sheet - Governmental Funds. . . . .	38
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds. . . . .	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. . . . .	42
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund. . . . .	44
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - U.S. Marshal Contract. . . . .	49
Statement of Net Position - Proprietary Funds. . . . .	50
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds. . . . .	51
Statement of Cash Flows - Proprietary Funds. . . . .	52
Statement of Fiduciary Net Position - Agency Funds. . . . .	53
Notes to the Financial Statements. . . . .	55
Required Supplementary Information	
Texas County and District Retirement System Schedule of Funding Progress. . . . .	77
 <b>SUPPLEMENTARY INFORMATION</b>	
Nonmajor Governmental Funds. . . . .	81
Combining Balance Sheet - Nonmajor Governmental Funds. . . . .	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds. . . . .	89
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual	
Road Fund. . . . .	95
Stadium and Fairgrounds Fund. . . . .	96
Law Library Fund. . . . .	97
Airport Fund. . . . .	98
Inland Parks Fund. . . . .	99
Coastal Parks Fund. . . . .	100
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual Special Revenues Fund . . . . .	102
Internal Service Funds	
Combining Statement of Net Position - Internal Service Funds. . . . .	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Internal Service Funds. . . . .	107
Combining Statement of Cash Flows - Internal Service Funds. . . . .	108
Fiduciary Funds	
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds. . . . .	111
Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds. . . . .	112

Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds Detail.....	113
---	-----

**STATISTICAL SECTION**

	EXHIBIT	
Net Position by Component - Last Ten Fiscal Years .....	1	116
Changes in Net Position - Last Ten Fiscal Years .....	2	118
Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	3	120
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	4	122
Assessed and Taxable Valuations - Last Ten Fiscal Years .....	5	124
Property Tax Levies - Direct and Overlapping Governments - Last Ten Fiscal Years.....	6	126
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years.....	7	128
Principal Taxpayers - Current Year and 10 Years Ago.....	8	131
Tax Levies - Last Ten Fiscal Years.....	9	132
Property Tax Levies and Collections - General Fund and Debt Service.....	10	134
Property Tax Levies and Collections - Farm to Market.....	11	136
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Deb to Total General Governmental Expenditures .....	12	138
Ratio of Net General Bonded Debt Outstanding .....	13	140
Computation of Direct and Overlapping Debt .....	14	143
Legal Debt Margin Information Bonds and Certificates of Obligation		
Issued Under Texas General Law - Last Ten Fiscal Years.....	15	144
Pledged Revenue Coverage - Last Ten Fiscal Years .....	16	146
Miscellaneous Statistical Data - Last Ten Fiscal Years.....	17	148
Principal Employers - Current Year and 10 Years Ago.....	18	150
Construction and Commercial Permits Valuations - Last Ten Fiscal Years .....	19	152
Deposits of FDIC Insured Institutions - Last Ten Fiscal Years .....	20	154
Housing and Motor Vehicle Sales Volume - Last Ten Fiscal Years .....	21	156
Full-Time Equivalent County Government Employees by Function - Last Ten Fiscal Years.....	22	158
Operating Indicators by Function/Program - Last Ten Fiscal Years .....	23	160
Capital Asset Statistics by Function - Last Ten Fiscal Years .....	24	162
Salaries and Surety Bonds of Elected Officials.....	25	165
Summary of Insurance Coverage.....	26	166

**Federal and State Award Program**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters base on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	171
Independent Auditor's Report on Compliance for each Major Federal Program and Internal Control over Compliance Required by OMB Circular A-133/State of Texas Single Audit Circular.....	173
Independent Auditor's 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/State of Texas Single Audit Circular.....	175
Schedule of Findings and Questioned Costs.....	177
Schedule of Prior Audit Findings.....	178
Corrective Action Plan.....	179
Schedule of Expenditures of Federal and State Award Program.....	181
Notes to Schedule of Federal and State Award Program.....	185

# INTRODUCTORY SECTION







DIANA ROSAS, M.A.M.  
FIRST ASSISTANT

ELVA FUENTES  
INTERNAL AUDIT SUPERVISOR

DALE ATCHLEY, C.P.A.  
COUNTY AUDITOR

LISA DAVIS, C.I.O.  
EXECUTIVE ACCOUNTANT

901 LEOPARD STREET, RM 304  
CORPUS CHRISTI, TX 78401

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

March 28, 2014

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Nueces (County) for the fiscal year ended September 30, 2013 as audited by Ernest R. Garza and Company, P.C.

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

The County's financial statements have been audited by Ernest R. Garza and Company, P.C. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

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

## **Profile of Nueces County**

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

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

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

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

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted excluding the debt service fund. For the general fund, the comparison is presented on page 44 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the general fund and the U.S. Marshal contract, the comparisons are presented in the Supplemental Nonmajor Governmental Funds subsection of this report.

### **Unemployment Rate**

The unemployment rate for Nueces County as of September 30, 2013 is 5.8%, an increase from last year's rate of 5.7%. The County's unemployment rate is lower than the State's average unemployment rate of 6.5 percent. Both the State of Texas and the County are lower than the national average rate of 7.2 percent.

### **Retail Sales**

Retail sales are up, by 8.33% as compared to the previous fiscal year. Total sales volume continues to increase. The Eagle Ford Shale natural gas development is projected to have a positive economic impact for the next ten years.

### **Construction and Commercial Permits Valuations**

In 2013 the City of Corpus Christi issued 10.2% more construction permit valuations as compared to the prior year for a total of \$529,809,599. Construction permits seem to be on the rise again since 2008. This year saw the highest issuance of permits in the last ten years for a total of 6,314 issued. Please see Exhibit 19 for more information.

### **Local Economy**

The County of Nueces is the twelfth largest county in the State of Texas with a population of 347,020. The county has a varied manufacturing and industrial base. Major industries located within the county include industrial, petrochemical, construction, meat processing, banking and financial services.

Housing sales dollars went up along with the number of units sold went up by 20.25%. The housing sales volume is \$829,025,327. Please see Exhibit 21 in the statistical section for more detail.

The economic indicators continued to show a growing trend in the local economy, this continues to contribute to the bottom line remaining strong and stable and is in a better position than many areas of the country.

### **Future Economic Developments**

Property tax valuations are expected to rise further along with several of the other major economic indices due to the Eagle Ford Shale formation and drilling. Even though the community is seeing strong economic growth, the commissioners court continues to plan expenditures in a conservative manner. The 2013/2014 budget kept expenditures at or near the same levels as the prior budget

### Long-term Financial Planning

Factors were considered in preparing the County's budget for the 2013/2014 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The county reaffirmed the policy of setting aside adequate financial resources in the fund balance of the general fund to ensure that current and future services or operations would not be severely impacted by any economic slowdown, emergency, national disaster or any unforeseen circumstance. The priorities inherent to the 2013/2014 budget and future budgets are to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable and realistic budgets to enhance accountability; (3) recognize employee talent by awarding a continuance pay for every three years of service, (4) establish procedures that are in compliance with statutory requirements and (5) utilize technology to improve efficiency.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nueces County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

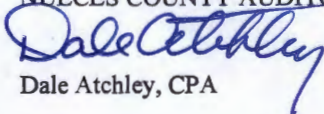
A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last eighteen years (fiscal years ended 1993 through 2012). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA on March 31, 2014 with enhancements since filing with the bond agencies in compliance with continuing disclosure requirements on March 28, 2014.

The GFOA also awards for the Distinguished Budget Presentation. This is the first year that the county has participated in this program. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document will be judged to be proficient as a policy document, a financial plan, an operations guide, and a communication device. We believe that our budget document will qualify for this award. We look forward to hearing from the GFOA on the budget.

The preparation of the CAFR could not have been accomplished without the dedicated services of the county auditor office staff. Their work is reflected in this financial report and it is appreciated. We also thank the members of the commissioners court and their staff and all other county officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

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

Respectfully submitted,  
NUECES COUNTY AUDITOR

  
Dale Atchley, CPA





Government Finance Officers Association

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

Presented to

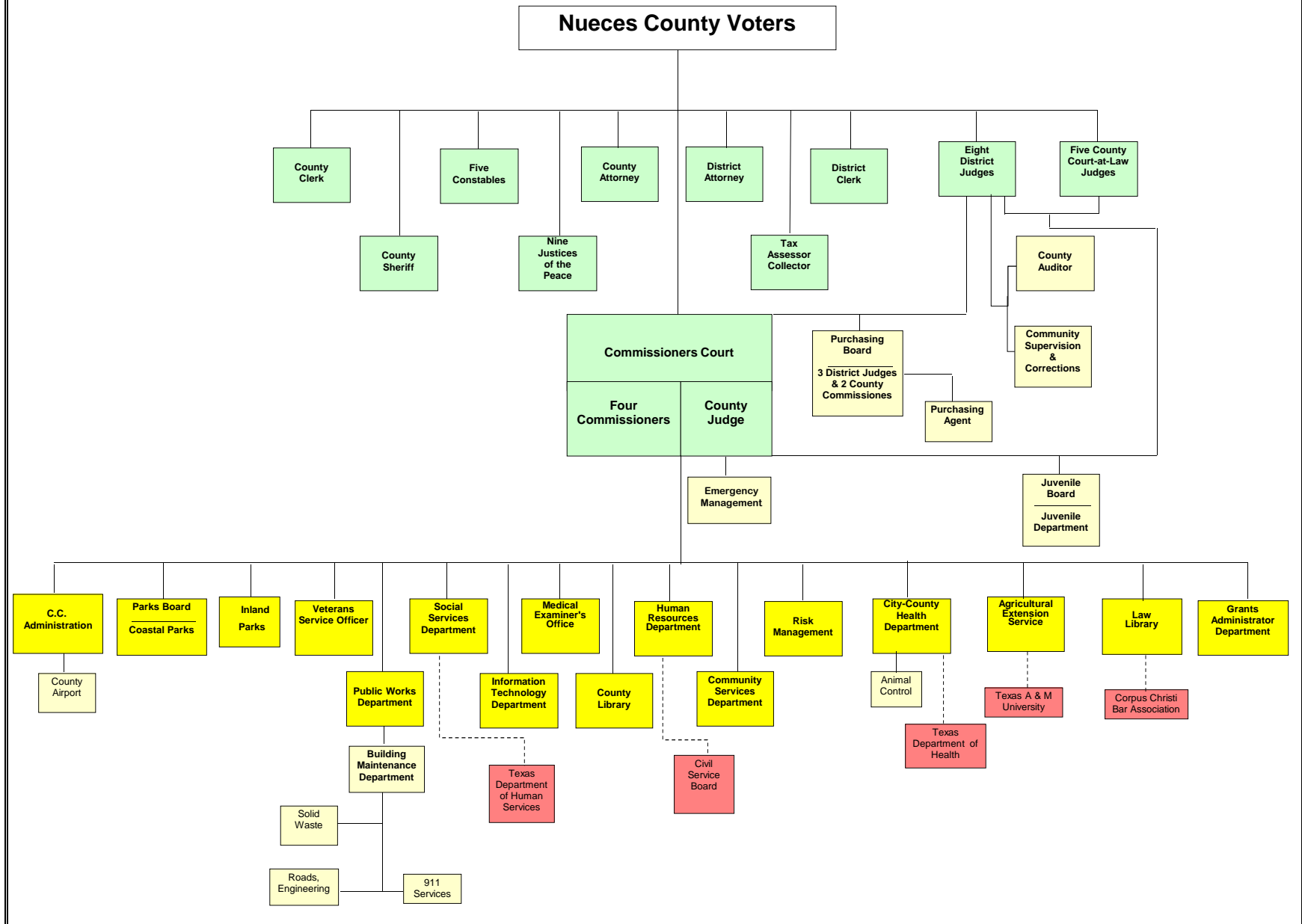
**Nueces County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# NUECES COUNTY ORGANIZATION CHART



# Nueces County, Texas

## List of Principal Officials

### As of September 30, 2013

#### Elected Officials

Samuel L. Neal, Jr.	County Judge
Mike Pusley	County Commissioner Prt 1
Joe A. Gonzalez	County Commissioner Prt 2
Oscar Ortiz	County Commissioner Pct 3
Joe McComb	County Commissioner Pct 4
Laura A. Jimenez	County Attorney
Diana T. Barrera	County Clerk
Kevin Kieschnick	Tax Assessor-Collector
Robert J. Vargas	Judge County Court at Law 1
Lisa Gonzales	Judge County Court at Law 2
DeeAnne Galvan	Judge County Court at Law 3
James E. Klager	Judge County Court at Law 4
Brent Chesney	Judge County Court at Law 5
Nanette Hasette	Judge 28 <sup>th</sup> District Court
Bobby Galvan	Judge 94 <sup>th</sup> District Court
Angelica Hernandez	Judge 105 <sup>th</sup> District Court
Sandra Watts	Judge 117 <sup>th</sup> District Court
Guy Williams	Judge 148 <sup>th</sup> District Court
Jose Longoria	Judge 214 <sup>th</sup> District Court
David Stith	Judge 319 <sup>th</sup> District Court
Missy Medary	Judge 347 <sup>th</sup> District Court
Mark Skurka	District Attorney
Patsy Perez	District Clerk
Joe Benavides	Justice of the Peace 1-1
Henry A. Santana	Justice of the Peace 1-2
Robert Balderas	Justice of the Peace 1-3
Janice K. Stoner	Justice of the Peace 2-1
Larry Cox	Justice of the Peace 2-2
Adolfo G. Contreras	Justice of the Peace 3
Daniel D. Neblett, Jr.	Justice of the Peace 4
Roberto H. Gonzalez, Jr.	Justice of the Peace 5-1
Hermilo Pena, Jr.	Justice of the Peace 5-2
Jim Kaelin	Sheriff
Robert Cisneros	Constable Pct 1
Jerry C. Boucher	Constable Pct 2
Jimmy Rivera	Constable Pct 3
Robert W. Sherwood	Constable Pct 4
Frank Flores III	Constable Pct 5

#### Appointed Officials & Dept Directors

Ida G. Garza	County Librarian
Norma Alicia Davila	County Extension Agent
Michael J. Biddle	Director of Info Technology
Jason Ott	County Extension Agent
Lance Esswein	Risk Manager
Toby Cross	Veteran's Service Officer
Ray Fernandez	Medical Examiner
Abraham Gonzales, Jr.	Director of Law Library
Julie Guerra	Director of Human Resources
Dale Atchley	County Auditor
Edward Herrera	Director of Community Services & Inland Parks
Roxanna Sandoval	Grants Administrator
Anne E. Lorentzen	Court Administrator
Rebecca Rach	Director of Human Services
Scott Cross	Director of Coastal Parks
Annette Rodriguez	Interim Director of Public Health
Elsa Saenz	Purchasing Agent
Glen R. Sullivan	County Road Engineer
Rebecca G. Flanigan	Legal Advisor, Director
Homer Flores	Chief Juvenile Probation Officer
Danielle Hale	Emergency Management Coord.
Steve Waterman	Director of Commissioners Court



# FINANCIAL SECTION





**ERNEST R. GARZA  
AND COMPANY, P.C.**  
*Certified Public Accountants*

10201 Leopard #A  
Corpus Christi, Texas 78410  
Bus. (361) 241-2452  
Fax No. (361) 242-1525  
Toll Free 1-800-241-1272

6102 Ayers St. #106  
Corpus Christi, Texas 78415  
Bus. (361) 723-0685  
Fax (361) 723-0689

**INDEPENDENT AUDITOR'S REPORT**

March 28, 2014

The Honorable County Judge  
and County Commissioners  
Nueces County, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nueces County, Texas (the "County") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Nueces County Hospital District whose assets were \$116,728,085 and revenues were \$126,583,237. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Nueces County Hospital District, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Nueces County, Texas, as of September 30, 2013 and the respective changes in financial position and where applicable, cash flows, there of and the respective budgetary comparison for the General Fund, and U.S. Marshall Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information on pages 17 through 31 and 76 be presented to supplement the basic financial statements. Such information, although not a required 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nueces County, Texas' basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal/state awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning and is also not a required part of the financial statements.

The combining and individual non-major fund statements and schedules, and the schedule of expenditures of federal/state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund statements and the schedule of expenditures of federal/state awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Ernest R. Garza & Company, P.C.  
Certified Public Accountants  
Corpus Christi, Texas

March 28, 2014

A handwritten signature in black ink, appearing to read "Ernest R. Garza & Company, P.C.", written in a cursive style.



## Nueces County, Texas

### MANAGEMENT'S DISCUSSION AND ANALYSIS

From the managers of Nueces County, Texas (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here and in conjunction with the additional information we are furnishing in our letter of transmittal, which can be found on pages 3-6 of this report, the basic financial statements, and the accompanying notes to those financial statements. This management discussion and analysis (MD&A) includes comparative data for the prior year.

#### FINANCIAL HIGHLIGHTS

- At fiscal year end, the County's government-wide total assets (excluding component units) exceeded its liabilities and deferred inflows of resources by \$132,684,133. As compared to the prior year, net position decreased by (\$5,970,912) or 4.31%.
- In contrast to the government-wide statements, the County's governmental funds reports a combined ending fund balance of \$51,688,616; an increase of \$737,662 in comparison with the prior year.
- The general fund total fund balance of \$21,512,574 reflects a decrease of (\$507,335) from the previous year. After adjusting for amounts for prepaids and inventories (nonspendable) and the minimum 25% fund balance (committed), there is a \$2,358,047 remaining in unassigned.
- The County's general obligation debt decreased by \$6,031,337. The balance of general obligation debt at year end is \$111,024,428. The debt service fund balance is \$4,165,398 or 37.66% of next year's debt service requirements.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

##### Government-wide financial statements

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

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

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

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

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

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

### **Fund financial statements**

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

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

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

The County maintains twenty-seven governmental funds (excluding proprietary and fiduciary funds): twenty-four special revenue funds, a debt service fund, a capital projects fund and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, U.S. Marshal Contract fund, and capital projects fund which all are considered major funds under the classification guidelines issued by GASB. Data from the other twenty-three special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

The County adopts annual appropriated budgets for all its governmental funds except for its capital projects and grant funds. A budgetary comparison statement has been provided for the general fund, and the U.S. Marshal Contract fund to demonstrate budgetary compliance. A budget comparison statement is not presented for the capital projects fund because an annual budget is not adopted on the capital projects fund. Multi-year individual project budgets are adopted and maintained instead. Neither a budgetary comparison statement nor a schedule on the debt service fund is presented because only debt service activity is involved. Schedules of budget to actual are presented for all remaining funds elsewhere in the report except the grants fund for which an annual budget is not adopted similar to the capital projects fund.

The governmental fund financial statements can be found on pages 38-49 of this report followed by the Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual for the general fund and U.S. Marshal Contract funds.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented as a single presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 50-52 of this report.

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



The basic fiduciary fund financial statements can be found on page 53 of this report.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 55-77 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 76 of this report.

Immediately following the notes and the required supplementary information on pensions are the combining statements referred to earlier in connection with the nonmajor governmental funds, the internal service funds and the fiduciary funds. Combining and individual fund statements and schedules can be found on pages 81-113 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As stated earlier, net position may serve over time as a useful indicator of a government’s financial position. At the close of the fiscal year, the County’s assets exceeded liabilities by \$132,684,133 and are summarized below along with comparative data from the previous year.

<u>Governmental Activities</u>		
	Fiscal Year 12/13	Fiscal Year 11/12
Current and other assets	\$101,993,330	\$104,007,019
Capital assets (net of depreciation)	<u>173,842,862</u>	<u>185,358,136</u>
Total assets	275,836,192	289,365,155
Current and other liabilities	26,030,740	26,724,850
Long-term liabilities	<u>117,121,319</u>	<u>123,985,260</u>
Total liabilities	143,152,059	150,710,110
Net position:		
Invested in capital assets	83,933,928	90,846,187
Restricted	12,502,545	17,328,598
Unrestricted	<u>36,247,660</u>	<u>30,480,260</u>
Total net position	<u>\$132,684,133</u>	<u>\$138,655,045</u>

The largest portion of the County’s net position (70.65%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, software systems, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding.

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

Restricted net position total \$12,502,545 and comprise 9.42% of total net position. Restricted resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and grant conditions. The remaining balance of net position is *unrestricted net position* which total \$36,247,660 and may be used to meet any county obligations. At the end of the current fiscal year, Nueces County is able to report positive balances in all three categories of net position.

**Governmental activities.** Governmental activities decreased the County's net position by (\$5,970,913). Key elements of this decrease are as follows:

**Changes in Net Position  
Governmental Activities**

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Difference	Percent of Change
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$26,580,264	24.96%	\$23,060,051	22.50%	3,520,213	15.27%
Operating grants and contributions	7,298,475	6.85%	9,230,257	9.01%	(1,931,782)	-20.93%
Capital grants and contributions	-	0.00%	194,861	0.19%	(194,861)	-100.00%
General Revenues:						
Property taxes	68,079,584	63.94%	65,494,382	63.90%	2,585,202	3.95%
Other taxes	1,562,313	1.47%	3,858,512	3.76%	(2,296,199)	-59.51%
Unrestricted Investment earnings	134,583	0.13%	226,253	0.22%	(91,670)	-40.52%
Grants and contributions not restricted to a specific programs	380,041	0.36%	343,915	0.34%	36,126	10.50%
Gain on sale of assets	2,440,008	2.29%	83,687	0.08%	2,356,321	2815.64%
<b>Total revenues</b>	<b>106,475,268</b>	<b>100.00%</b>	<b>102,491,918</b>	<b>100.00%</b>	<b>3,983,350</b>	<b>3.89%</b>
<b>Expenses:</b>						
General government:	14,441,357	12.84%	13,319,250	12.59%	1,122,107	8.42%
Buildings and facilities	11,214,282	9.97%	9,490,211	8.97%	1,724,071	18.17%
Administration of justice	23,559,375	20.95%	23,654,964	22.36%	(95,589)	-0.40%
Law enforcement and corrections	28,701,541	25.52%	27,986,723	26.45%	714,818	2.55%
Social services	2,797,707	2.49%	2,606,445	2.46%	191,262	7.34%
Health, safety and sanitation	2,343,115	2.08%	1,992,715	1.88%	350,400	17.58%
Agriculture, education and consumer sciences	761,011	0.68%	776,594	0.73%	(15,583)	-2.01%
Roads, bridges and transportation	17,441,342	15.51%	14,810,777	14.00%	2,630,565	17.76%
Parks and recreation	6,290,622	5.59%	6,140,480	5.80%	150,142	2.45%
Interest on long-term debt	4,895,833	4.35%	5,019,143	4.74%	(123,310)	-2.46%
<b>Total Expenses</b>	<b>112,446,185</b>	<b>100.00%</b>	<b>105,797,302</b>	<b>100.00%</b>	<b>6,648,883</b>	<b>6.28%</b>
Increase (Decrease) in net position	(5,970,917)		(3,305,384)		(2,665,533)	80.64%
Net position - beginning	138,655,050		141,960,434			
Net position - ending	\$ 132,684,133		\$ 138,655,050		\$ (5,970,917)	-4.31%

Comparing the ending net position to the previous year, there was a decrease of (\$5,970,917). In comparison to the prior year, revenues increased by \$3,983,350 and total expenses increased by \$6,648,883, which resulted in the decrease from the prior year net position. Again, the change in net position for this current fiscal year was a net decrease of (\$5,970,917), making the ending balance of net position equal to \$132,684,133.

**REVENUES** - As shown in the table above, total revenues increase by \$3,983,350. There are three large swings that comprise most of this net increase. Property taxes increased \$2,585,202 due to a slight increase in net taxable value.

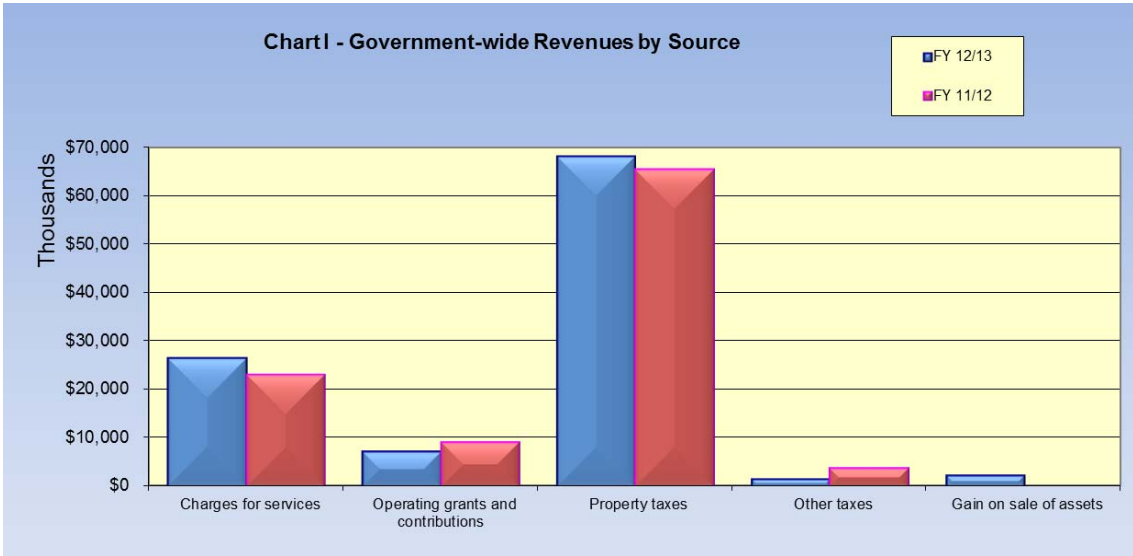
Charges for services reflect a net increase from the previous year of \$3,520,213. There are numerous items in this category, but this increase is traceable to mainly two revenue types: fees of office and the centralized tax collection commission.

Sale of Asset indicated an increase of \$2,356,321 in which the majority is due the sale of land. All other revenue categories reflect steady performance compared to the previous year.

Operating grants and contributions decreased by (\$1,931,782) which is mainly due to reduction in grant funding.

Other taxes reflect a decrease of (\$2,296,199) which is attributed to change in revenue category.

Investment earnings were (\$91,670) lower than the prior year. This was expected since some of the long time investments matured and were reinvested at lower rates.



The County’s government-wide revenue sources are graphically presented in Chart – I. Countywide, 63.94% of total revenues come from property taxes. The second largest revenue source, 24.96% comes from charges for services, which includes fees of office, medical examiner fees, fine collections, motor vehicle registrations and intergovernmental tax collection fees. Operating grants and contributions comprise 6.85% of the County’s total revenues and cover juvenile, senior community services, law enforcement, child support, and other operations.

Chart IIA compares the net of program revenues and expenses for fiscal year 2012.

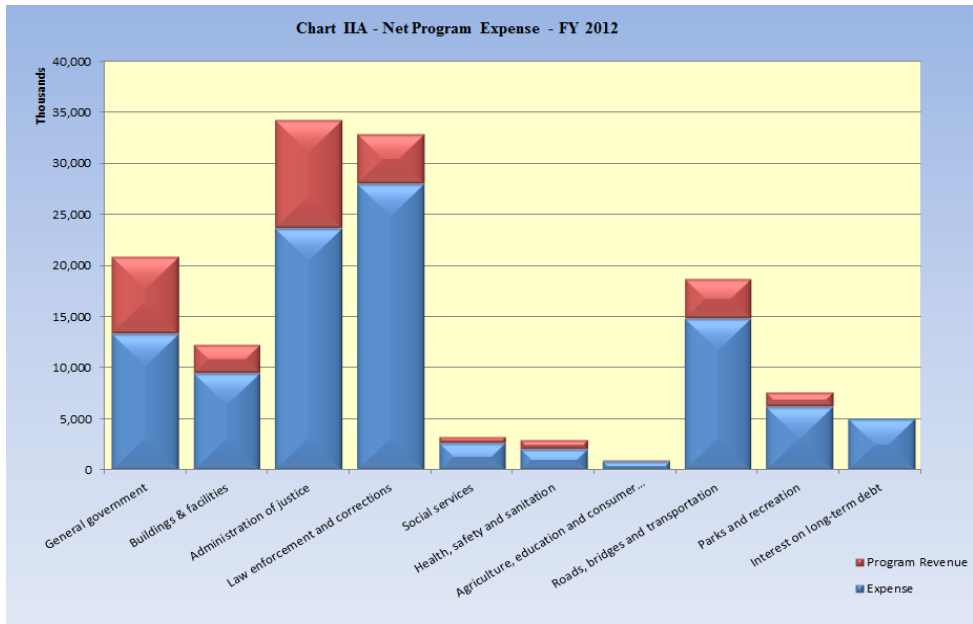
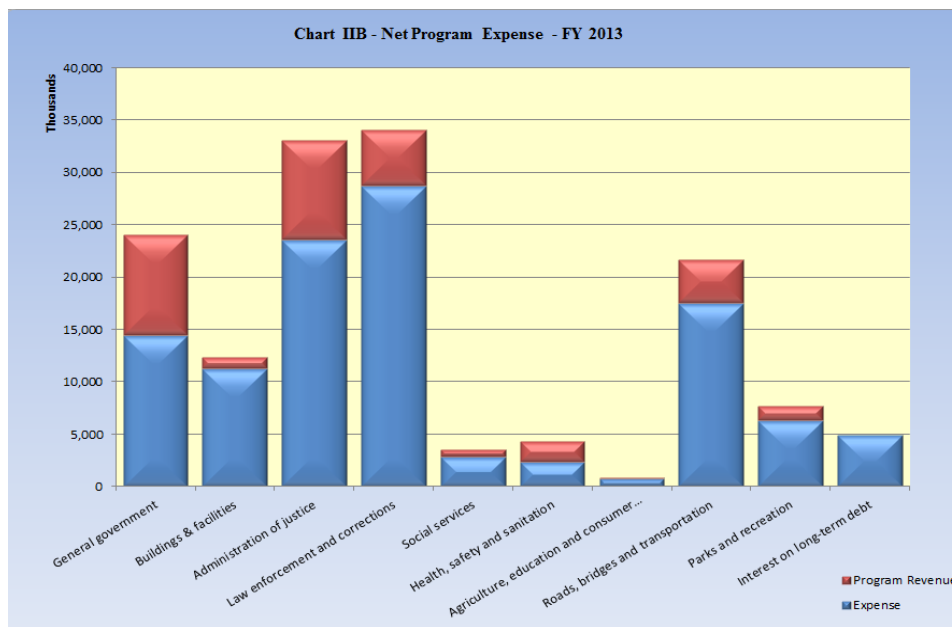


Chart IIB, on the following page, compares the net of program revenues and expenses for fiscal year 2013. In comparing Chart IIA and Chart IIB, they appear to remain very similar.



**EXPENSES** - Expenses increased by 6.28%, or \$6,648,883. The largest increases in expenditures were road, bridges, and transportation and building and facilities functions.

Expenditures were tightly controlled during the year and commissioners court froze vacant positions. Depreciation expense increased by \$779,571 due to several completed projects.

In Chart IIB program revenues are matched up with the corresponding governmental activity to show what activities are most dependent on property taxes. As Chart IIB shows, the activity with the lowest net program expenses is agriculture, education, and consumer sciences. Law enforcement and administration of justice also reflect a large portion of the activity costs are paid for with program revenues. There are no excess program revenues in any governmental activity. Therefore all governmental activities rely on property tax revenue to maintain services.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls are the framework of the County's fiscal management system and for recording accountability. The County has maintained a double A (AA/Aa) underlying bond rating since 1998. And in November 2008, Standard & Poor's increased the credit rating on the County's outstanding bonds from "AA" to "AA+".

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$51,688,616 higher by \$737,662 in comparison with the prior year. Excluding capital projects fund, ending balances of governmental funds increased by \$2,407,368. This increase is attributed mostly to both higher revenues and minimal increase in operating expenditures.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total general fund balance was \$21,512,574. As compared to previous year, the total fund balance decreased by (\$507,335). The total fund balance represents 29.27% of the sum of total general fund budgeted and transfer in revenues. The Commissioners Court adopted a resolution to maintain a minimum general fund reserve balance of 25% of budgeted general fund revenues and transfers in. Twenty-five percent of total budgeted revenues and transfers is \$18,373,139, which is designated as committed, leaving \$2,681,591 as unassigned after adjusting for prepaids and inventories. Applying this measure (using the total fund balance) toward the general fund expenditures and transfers out calculates to be approximately 3.80 months of operating expenditures. The 25% fund balance was considered necessary since Nueces County is a coastal county and as such has a higher exposure to risk.

The debt service fund ended with a \$4,165,398 fund balance a net increase of \$219,410 as compared to prior year. Debt service payments totaled \$10,970,186 and revenues and transfers in totaled \$12,169,337. The debt service tax rate of 0.058213 appears correct for practical purposes when comparing the revenues to debt service requirements. The ending fund balance in the debt service fund at year end will be applied to future debt payments.

The U.S. Marshal contract fund is considered a major fund because the liabilities exceed 10% of total liabilities of all governmental funds. This special revenue fund accounts for the federal inmates that the County houses under a contract with the U.S. Marshal service. Instead of housing the inmates in the county jail, however, the County sub-contracts with a private prison for placing the federal inmates. Contracts with the U.S. Marshal service as well as with the private prison operators were recently renegotiated to a higher rate. As expected the revenue streams increased resulting in a net increase in fund balance of \$307,886 at the end of the fiscal year.

The capital projects fund is used to account for all of the major capital projects that are funded by either debt instruments or the general fund. The remaining fund balance at fiscal year-end was \$10,332,775, which is a net decrease of (\$1,669,706) when compared to prior fiscal year. This decrease in fund balance is the result of no new funding for new major capital projects and the continued ongoing expenses for multiyear projects. It is expected for the fund balance to continue to decrease as multiyear projects are completed.

Other governmental funds has a total combined fund balance of \$15,176,652. The road and bridge fund is included within this category, as well as the grant fund and other funds restricted to specific purposes. The total combined fund balance increased as compared to the previous year by \$2,387,407.

The following table presents revenues by source with comparisons to the prior year. All the funds are included but most of the changes are due to the general fund.

#### Governmental Funds – Revenues by Source

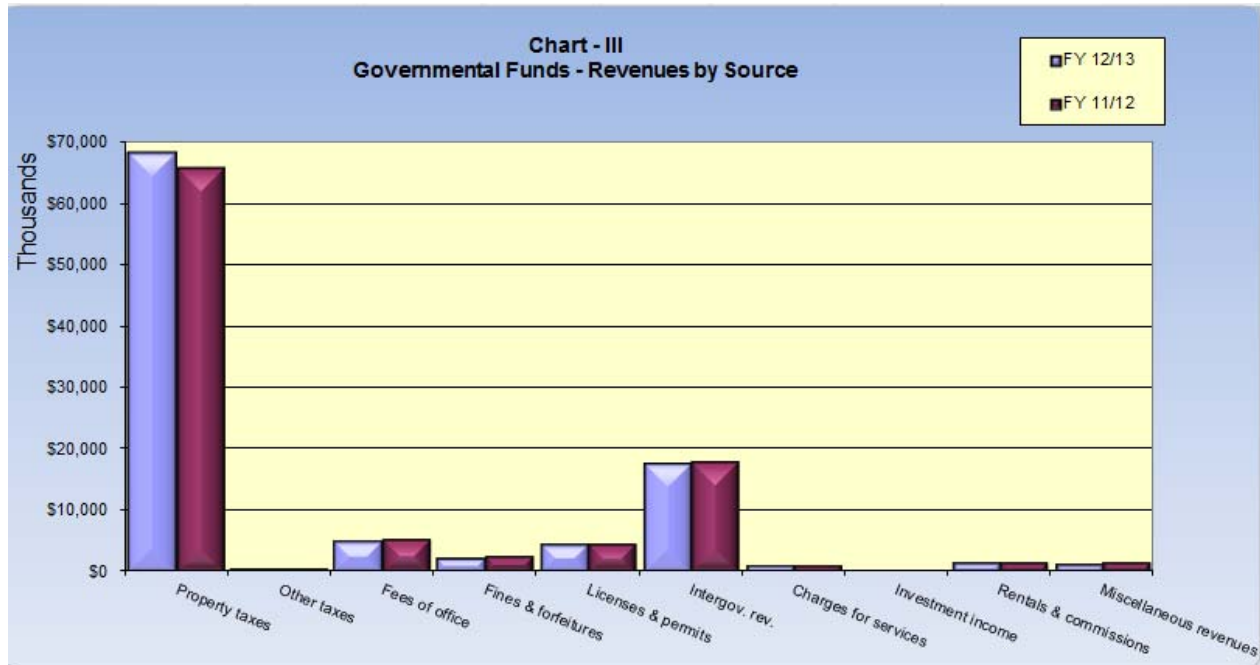
	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$68,227,630	59.33%	\$65,803,580	59.64%	\$2,424,050	3.68%
Other taxes	391,784	0.34%	382,730	0.35%	9,054	2.37%
Fees of office	5,089,036	4.43%	5,296,898	4.80%	(207,862)	-3.92%
Fines and forfeitures	2,287,821	1.99%	2,551,595	2.31%	(263,774)	-10.34%
Licenses and permits	4,402,803	3.83%	4,418,683	4.00%	(15,880)	-0.36%
Intergovernmental revenues	17,645,491	15.34%	18,088,623	16.39%	(443,132)	-2.45%
Charges for services	970,996	0.84%	940,888	0.85%	30,108	3.20%
Investment income	128,746	0.11%	215,294	0.20%	(86,548)	-40.20%
Rentals and commissions	1,521,251	1.32%	1,500,566	1.36%	20,685	1.38%
Miscellaneous revenues	1,062,154	0.92%	1,417,049	1.28%	(354,895)	-25.04%
<b>Total revenues</b>	<b>101,727,712</b>	<b>88.46%</b>	<b>100,615,906</b>	<b>91.19%</b>	<b>1,111,806</b>	<b>1.11%</b>
Other Financing Sources						
Sale of Assets	2,440,008	2.12%	86,789	0.08%	2,353,219	2711.43%
Issuance of Debt	-	0.00%	861,731	0.78%	(861,731)	-100.00%
Transfers in	10,829,801	9.42%	8,778,061	7.96%	2,051,740	23.37%
<b>Total revenues &amp; other financing sources</b>	<b>\$114,997,521</b>	<b>100.00%</b>	<b>\$110,342,487</b>	<b>100.00%</b>	<b>\$4,655,034</b>	<b>4.22%</b>

Some observations on the revenues are as follows:

- The increase in property tax revenues of \$2,424,050, an increase of 3.68%, is attributed to a slight increase in the net taxable value.
- The decrease in investment income, (\$86,548), is due to long term investments maturing and being reinvested at a lower rate. Year end balances of cash, cash equivalents, and investments are \$866,704 higher this year than what the balances were a year ago. Considering this, the decline in investment income is due to lower interest rates.
- The decrease of (\$443,132) in intergovernmental revenues is due to reduction in grant funding.

The remaining revenue categories remain strong and show no significant change from the previous year. Considering the national economic environment, these are excellent results.

Please refer below to Chart III, Revenues by Source, for a graphic presentation of the table on the previous page. Revenues are comparably constant in all categories, except for property taxes, fees of office, and intergovernmental revenue.

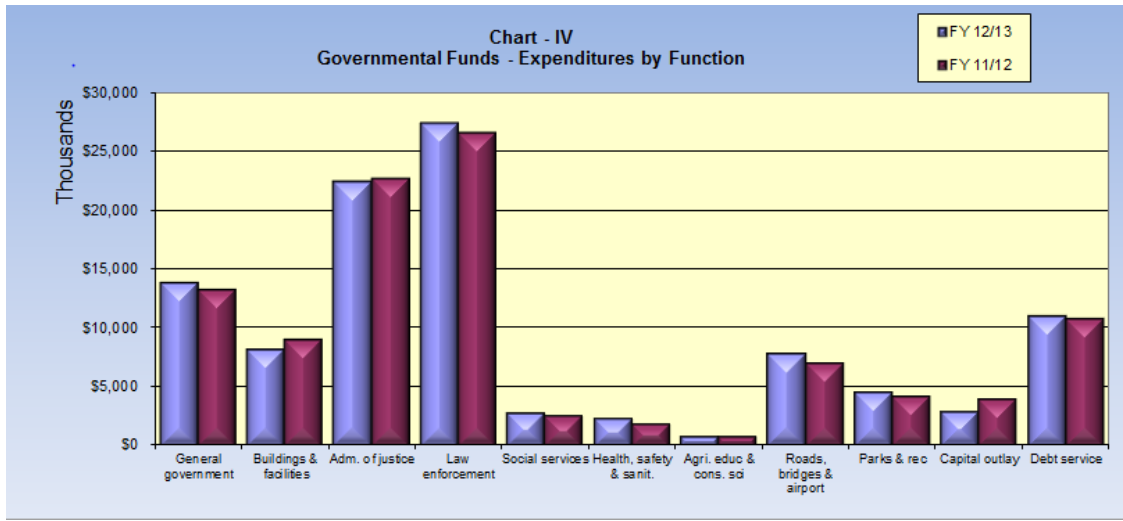


The following table presents expenditures by function comparisons to the prior year. All the funds are included but as with revenues, most of the changes are due to the general fund.

### Governmental Funds – Expenditures by Function

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Increase (Decrease)	Percent Change
General government	\$14,139,402	12.37%	\$13,112,040	11.81%	\$1,027,362	7.84%
Buildings and facilities	8,071,874	7.06%	7,028,399	6.33%	1,043,475	14.85%
Administration of justice	22,370,784	19.58%	22,581,136	20.35%	-210,352	-0.93%
Law enforcement	27,313,577	23.90%	26,024,288	23.45%	1,289,289	4.95%
Social services	2,672,416	2.34%	2,500,076	2.25%	172,340	6.89%
Health, safety and sanitation	2,171,721	1.90%	1,800,123	1.62%	371,598	20.64%
Agriculture, education, and	682,633	0.60%	712,929	0.64%	-30,296	-4.25%
Roads, bridges, and airport	7,809,892	6.84%	6,600,256	5.95%	1,209,636	18.33%
Parks and recreation	4,471,466	3.91%	4,009,444	3.61%	462,022	11.52%
Capital outlay	2,756,107	2.41%	7,071,181	6.37%	-4,315,074	-61.02%
Debt service	10,970,186	9.60%	10,763,673	9.70%	206,513	1.92%
<b>Total expenses</b>	<b>\$103,430,058</b>	<b>90.52%</b>	<b>\$102,203,543</b>	<b>92.09%</b>	<b>1,226,515</b>	<b>1.20%</b>
Transfers out	\$10,829,801	9.48%	\$8,778,061	7.91%	2,051,740	23.37%
<b>Total expenses and transfers out</b>	<b>\$114,259,859</b>	<b>100.00%</b>	<b>\$110,981,604</b>	<b>100.00%</b>	<b>\$3,278,255</b>	<b>2.95%</b>

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



Total expenditures increased by \$3,278,255 or by 2.95% compared to the prior year. The largest increase is in the law enforcement function due to the collective bargaining agreement. Continuance pay for employees contributed to the increase in all functions.

In summary, total governmental fund balances increased by \$737,662. Combined fund balances for all governmental funds totaled \$51,688,616.

**Proprietary funds.** The County’s only type of proprietary fund is an internal service fund, commonly referred to as the self-insurance fund. The proprietary fund is not included in with the governmental funds just described, but are combined in with financial results presented on the government-wide basis.

Unrestricted net position of the self-insurance fund at the end of the year amounted to \$1,303,920 with \$371,888 belonging to the workers compensation fund, \$126,186 belonging to the general liability fund, and \$805,846 belonging to the group health insurance fund.

The self- insurance fund reports all liabilities on the full accrual basis and includes claims that have occurred but not yet been reported. Complete details on each fund can be found on pages 105-108.

**GENERAL FUND**  
*Financial analysis*

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

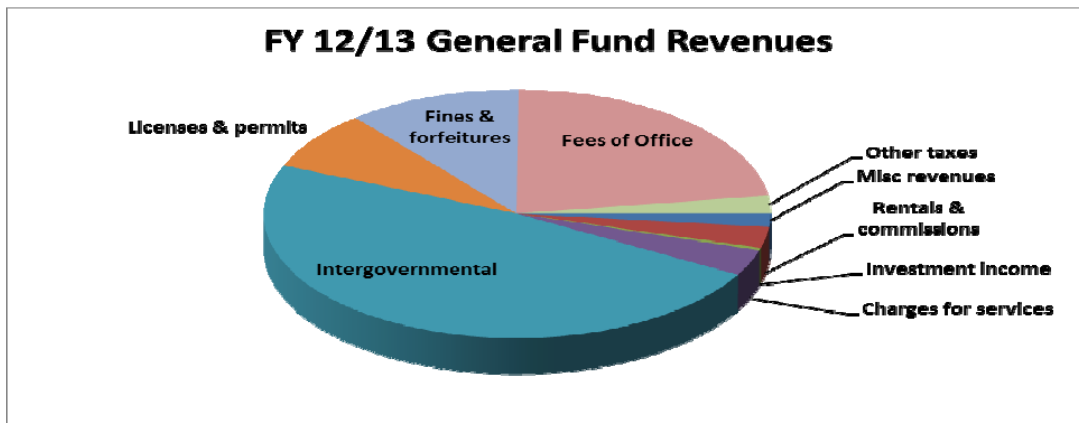
**General Fund  
Actual Revenues Comparison to Prior Year Actual**

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Variance Positive (Negative)	Percentage of Change
Property taxes	\$ 56,218,001	75.17%	\$ 54,283,207	74.63%	\$ 1,934,794	3.56%
Other taxes	390,783	0.52%	381,972	0.53%	8,811	2.31%
Fees of Office	3,816,767	5.10%	4,003,508	5.50%	(186,741)	-4.66%
Fines and forfeitures	1,884,026	2.52%	2,132,420	2.93%	(248,394)	-11.65%
Licenses and permits	1,296,361	1.73%	1,395,261	1.92%	(98,900)	-7.09%
Intergovernmental revenues	8,157,269	10.91%	7,258,853	9.98%	898,416	12.38%
Charges for services	576,246	0.77%	601,092	0.83%	(24,846)	-4.13%
Investment income	55,725	0.07%	100,770	0.14%	(45,045)	-44.70%
Rentals and commissions	458,485	0.61%	455,489	0.63%	2,996	0.66%
Misc revenues	292,352	0.39%	618,903	0.85%	(326,551)	-52.76%
<b>Total revenues</b>	<b>73,146,015</b>	<b>97.81%</b>	<b>71,231,475</b>	<b>97.93%</b>	<b>1,914,540</b>	<b>2.69%</b>
Transfers-in	1,640,719	2.19%	1,502,198	2.07%	138,521	9.22%
<b>Total revenues and transfers-in</b>	<b>\$ 74,786,734</b>	<b>100.00%</b>	<b>\$ 72,733,673</b>	<b>100.00%</b>	<b>\$ 2,053,061</b>	<b>2.82%</b>

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

- As mentioned earlier, the 3.68% increase in property tax revenue is attributed to an increase in net taxable valuation.
- Miscellaneous revenue decreased by (\$326,551) or 52.76%.
- Investment income decreased by (\$45,045) due to long term investments maturing and being invested at a lower rate.
- Fines and forfeitures revenue decreased by 11.65% compared to the prior year when we had an abnormal high collects. We believe that they have leveled out.
- Intergovernmental revenues increased by \$898,416 or 12.38% due to an increase in motor vehicle sales tax.

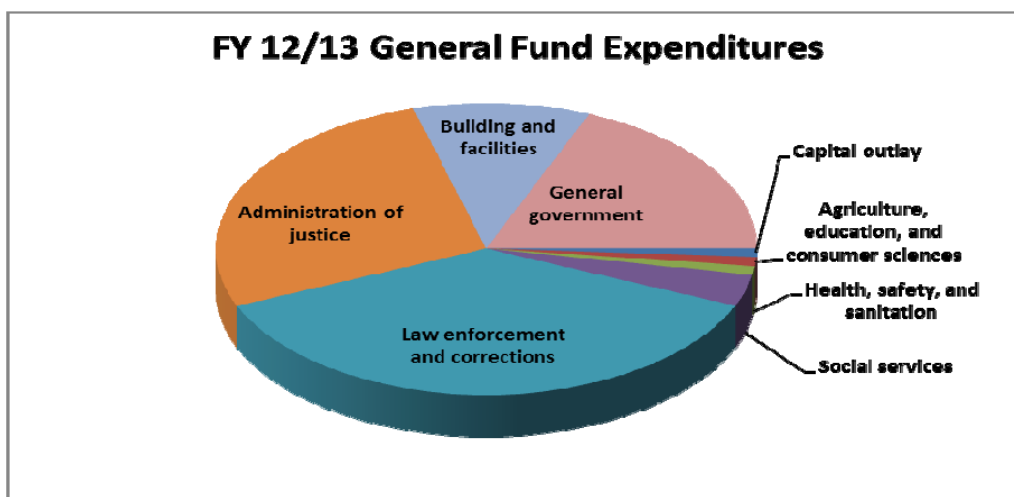
All other general fund revenues reflect stable and consistent performance.





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

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Variance Favorable (Unfavorable)	Percentage of Change
General government	\$ 12,750,016	16.93%	\$ 12,244,705	16.86%	\$ 505,311	4.13%
Building and facilities	7,174,452	9.53%	6,822,574	9.39%	351,878	5.16%
Administration of justice	18,401,976	24.44%	18,056,461	24.86%	345,515	1.91%
Law enforcement and corrections	25,230,834	33.51%	24,811,539	34.16%	419,295	1.69%
Social services	2,413,269	3.21%	2,352,845	3.24%	60,424	2.57%
Health, safety, and sanitation	641,689	0.85%	1,005,382	1.38%	(363,693)	-36.17%
Agriculture, education, and consumer sciences	678,785	0.90%	709,376	0.98%	(30,591)	-4.31%
Capital outlay	620,539	0.82%	513,987	0.71%	106,552	20.73%
Total expenditures	<u>67,911,560</u>	<u>90.20%</u>	<u>66,516,869</u>	<u>91.58%</u>	<u>1,394,691</u>	<u>2.10%</u>
Transfers-out	<u>7,382,509</u>	<u>9.80%</u>	<u>6,119,552</u>	<u>8.42%</u>	<u>1,262,957</u>	<u>20.64%</u>
Total expenditures and transfers- out	<u>\$ 75,294,069</u>	<u>100.00%</u>	<u>\$ 72,636,421</u>	<u>100.00%</u>	<u>\$ 2,657,648</u>	<u>3.66%</u>



Total expenditures and transfers out increased by 3.66% from the prior year. In comparison to the national consumer price index (CPI) over the last twelve months all index items increased 1.2% before the seasonal adjustment. The county's expenditures without including transfers out are slightly above the index.

The highest increase in expenditures was in the law enforcement function followed by buildings and facilities.

*Budgetary highlights*

In total, the original budget and the final amended budget were equal although significant changes were made between the functions. Actual expenditures and transfers out for this fiscal year (budget basis) ended \$4,697,342 under total appropriations for an expenditure level of 94.13%. Actual revenues and transfers in came in \$1,294,177 over budget, or 101.76% of budget.

Last year actual revenues and transfers in came in at 103.16% of budget and expenditures and transfers out came in at 94.19%. Overall, the FY12/13 actual results compared to the FY11/12 budget reflects a decrease of (\$507,335) over the prior year and an ending fund balance of \$21,512,573.

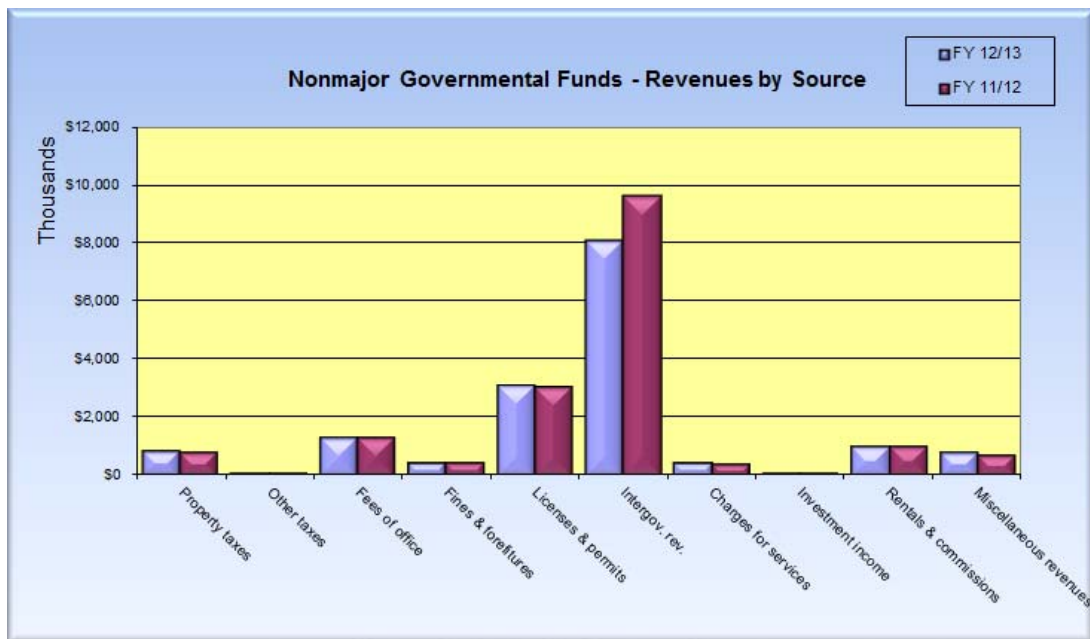
**Nonmajor Governmental Funds**

There are twenty-three nonmajor governmental funds reported in combining statements as well as individually elsewhere in this report. Most of these funds are subject to restrictions and can be used for only specified purposes.

**Nonmajor Governmental Funds – Revenues by Source**

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$831,253	3.21%	\$785,740	3.22%	\$45,513	5.79%
Other taxes	1,001	0.00%	758	0.00%	243	0.00%
Fees of office	1,271,604	4.92%	1,293,390	5.30%	(21,786)	-1.68%
Fines and forfeitures	403,795	1.56%	419,175	1.72%	(15,380)	-3.67%
Licenses and permits	3,106,442	12.01%	3,023,422	12.38%	83,020	2.75%
Intergovernmental	8,062,228	31.17%	9,612,989	39.36%	(1,550,761)	-16.13%
Charges for services	394,750	1.53%	339,796	1.39%	54,954	16.17%
Investment income	36,514	0.14%	54,584	0.22%	(18,070)	-33.10%
Rentals and commissions	969,656	3.75%	953,883	3.91%	15,773	1.65%
Miscellaneous revenues	769,802	2.98%	649,840	2.66%	119,962	18.46%
<b>Total revenues</b>	<b>15,847,045</b>	<b>61.27%</b>	<b>17,133,577</b>	<b>70.16%</b>	<b>(1,286,532)</b>	<b>-7.51%</b>
<b>Other Financing Sources</b>						
Transfers in	7,578,948	29.30%	7,200,913	29.49%	378,035	5.25%
Sale of Assets	2,440,008	9.43%	86,789	0.36%	2,353,219	2711.43%
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$25,866,001</b>	<b>100.00%</b>	<b>\$24,421,279</b>	<b>100.00%</b>	<b>\$1,444,722</b>	<b>5.92%</b>

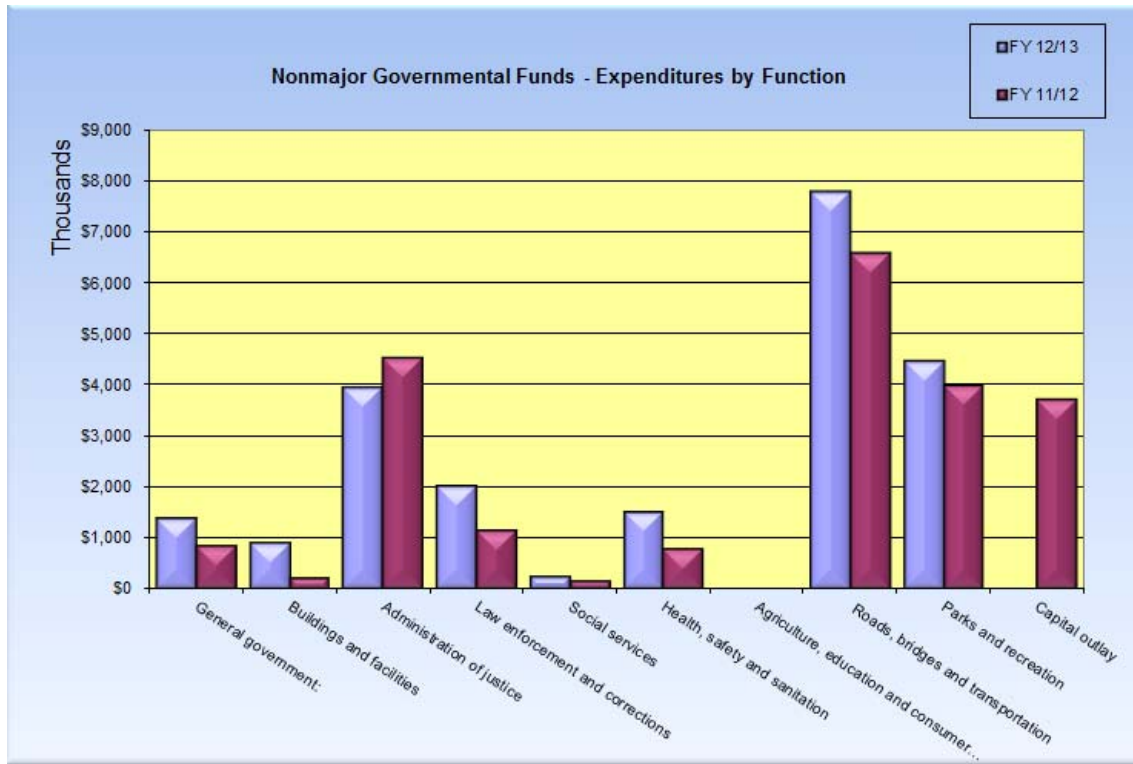
Total revenues for the nonmajor governmental funds are (\$1,286,532) lower when compared to the previous year. Miscellaneous and licenses and permits have the largest revenue increases. The specific revenue streams are, again, the commission on collecting motor vehicle sales tax and the election machine usage fees. Other than intergovernmental, overall revenues are steady, strong and consistent.



### Nonmajor Governmental Funds – Expenditures by Function

	FY 12/13	Percent of Total	FY 11/12	Percent of Total	Increase (Decrease)	Percent of Change
General government:	\$1,389,386	5.92%	\$854,834	3.61%	\$534,552	62.53%
Buildings and facilities	897,422	3.82%	205,825	0.87%	691,597	336.01%
Administration of justice	3,968,808	16.90%	4,524,675	19.12%	(555,867)	-12.29%
Law enforcement and corrections	2,017,919	8.59%	1,152,346	4.87%	865,573	75.11%
Social services	259,147	1.10%	147,231	0.62%	111,916	76.01%
Health, safety and sanitation	1,530,032	6.52%	794,741	3.36%	735,291	92.52%
Agriculture, education and consumer sciences	3,848	0.02%	3,553	0.02%	295	8.30%
Roads, bridges and transportation	7,809,892	33.26%	6,600,256	27.89%	1,209,636	18.33%
Parks and recreation	4,471,466	19.04%	4,009,444	16.94%	462,022	11.52%
Capital outlay	-	0.00%	3,738,401	15.80%	-3,738,401	-100.00%
Transfers Out	1,130,674	4.82%	1,634,754	6.91%	(504,080)	-30.84%
<b>Total expenditures and transfers out</b>	<b>23,478,594</b>	<b>100.00%</b>	<b>23,666,060</b>	<b>100.00%</b>	<b>(187,466)</b>	<b>-0.79%</b>

Expenditures and transfers out for the nonmajor governmental funds decreased by (\$187,466) from the prior year. Capital Outlay and administration of justice had the largest decreases in expenses. Roads bridges and transportation, law enforcement and corrections, and health, safety, and sanitation had the largest increase in expenditures.



Ending fund balances increased by \$2,387,407 for a total balance of \$15,176,652.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The County’s investment in capital assets for its governmental activities as of September 30, 2013, amounts to \$ 194,958,356 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress.

Total investment in the County’s net capital assets decreased by (\$12,943,596) or 6.23%.

Nueces County Capital Assets (net of depreciation)		
	2013	2012
Land	\$4,272,918	\$6,090,433
Building and improvements	98,983,194	104,067,999
Furniture, equipment and machinery	10,381,451	10,426,005
Computer Software Systems	360,478	396,849
Infrastructure	64,117,739	70,467,283
Construction in progress	<u>16,842,576</u>	<u>16,453,383</u>
	<u>\$194,958,356</u>	<u>\$207,901,952</u>

Additional information on the County’s capital assets can be found in note IV-C on pages 66-67 of this report.

**Long-term debt.** At September 30, 2013, the County had general obligation debt outstanding in the amount of \$112,859,467. This amount is the total of certificates of obligation and revolving loans through the State of Texas. This total debt is backed by the full faith and credit of the County. Chapter 1301, as amended, of the Texas Government Code, limits the amount of bonds that is payable from the \$0.80 Constitution Tax Rate issued for the purposes as follows:

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

Although, obligations for courthouses, jails, and certain other types of facilities may be under the authority of other provisions of Texas law, the County’s current debt limitation using the 1½% shown above is \$404,665,315, which puts the County’s outstanding debt at 27.89% of this legal limit.

**NUECES COUNTY’S OUTSTANDING DEBT**

Governmental Activities		
	2012	2013
Combination revenue and certificates of obligation	\$108,780,000	\$103,355,000
LoanSTAR loans/energy texas loans	<u>8,275,767</u>	<u>7,669,428</u>
Sub-total	117,055,767	111,024,428
Premium on debt	<u>2,201,958</u>	<u>1,835,039</u>
Total	<u>\$119,257,725</u>	<u>\$112,859,467</u>

Since its upgrade in rating in 1998, the County maintains an “AA+” rating from Standard & Poor’s and an “Aa” rating from Moody’s for general obligation debt. Additional information on the County’s long-term debt can be found in note IV-F on pages 69-71 of this report.

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

- The unemployment rate for Nueces County as of September 30, 2013 is 5.8%, an increase from last year's rate of 5.7%. The County's unemployment rate is lower than the State's average unemployment rate of 6.5 percent. Both the State of Texas and the County are lower than the national average rate of 7.2 percent.
- School enrollment for 2013 is 61,620, which is an increase of 594 students from last year.
- Retail sales went up this year by 8.33% as compared to prior year for a total increase of \$397.468 million.
- Net taxable value (NTV) increased by 10.25%. Last year there was an increase of 1.68%.
- Port tonnage decreased by 1.87%.
- It is estimated that population increased by 1.28%.

All these factors were considered in preparing the County's budget for the 2013/2014 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The priorities inherent to the 2013/2014 budget were to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable and realistic budgets to enhance accountability; (3) recognize employee talent by awarding a continuance pay for every three years of service, (4) establish procedures that are in compliance with statutory requirements and (5) utilize technology to improve efficiency.

External issues affecting the 2013-2014 budget included: countering cuts in state and federal funding, adapting to higher pension costs, funding pay increases for law enforcement according to collective bargaining agreement and maintaining the fund balance at 25% of the sum of revenues and transfers in.

The County budget for FY 2013/2014 included the following to enact the priorities within the current economic conditions:

- Adopted a property tax rate that is slightly higher than the effective tax rate. Commissioners court adopted a tax rate for 0.345187 per \$100 value which is lower than the prior year's tax rate of 0.355295 per \$100 value. The adopted tax rate is 6.98% higher than the effective tax rate of 0.322678.
- Provided a 1% cost of living increase for law enforcement under the Nueces County Collective Bargaining Agreement.
- Implemented the seventh year of a continuance pay plan where employees and elected officials received a pay increase of 2 ½% every three years of service.
- Included a pay reclassification of fifty-six positions at a cost of \$184,824.
- Provided limited new program funding
- Maintains current service levels
- Maintains total non-salary expenses for all operating funds at or near the same level as the prior year.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances including the component units. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

Or visit our website at: [www.co.nueces.tx.us](http://www.co.nueces.tx.us)



# BASIC FINANCIAL STATEMENTS





**NUECES COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**September 30, 2013**

	<b>Primary Governmen</b>	<b>Component Uni</b>
	<u>Governmental Activities</u>	<u>Hospital District</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 46,881,105	\$ 100,363,608
Investments	17,679,827	6,002,026
Receivables (net of allowance for uncollectibles)	15,662,127	927,710
Due from component unit	88,699	-
Due from agencies	-	-
Inventories	137,947	-
Prepays	428,131	141,089
Other assets	-	13,890
Capital assets (not being depreciated):		
Land	4,272,918	3,076,926
Construction in progress	16,842,576	-
Capital assets (net of accumulated depreciation):		6,202,836
Buildings and improvements	98,983,194	-
Furniture, equipment and machinery	10,381,451	-
Computer Software Systems	360,478	-
Infrastructure	64,117,739	-
Total assets	<u>275,836,192</u>	<u>116,728,085</u>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	23,241,094	1,362,794
Due to component unit	-	-
Accrued payroll payable	1,554,484	79,524
Accrued interest payable	598,544	36,004
Unearned revenue	636,618	-
Non-current liabilities:		
Due within one year	6,876,275	1,740,000
Due in more than one year	110,245,044	1,873,833
Accrued Compensated Absences	-	-
Total liabilities	<u>143,152,059</u>	<u>5,092,155</u>
<b>NET POSITION</b>		
Invested in capital assets	83,933,928	5,737,166
Restricted for:		
Debt service	4,165,398	-
Commissioners court purpose:	2,346,902	-
County attorney funds	49,340	-
County clerk purposes	2,661,691	-
Tax assessor collector purposes	41,990	-
Juvenile programs	93,750	-
District attorney purposes	139,882	-
District clerk purposes	23,130	-
County sheriff purposes	374,935	-
Judicial and law enforcement purposes	1,075,868	-
Law enforcement & district attorney education	17,177	-
Other purposes	1,512,482	-
Unrestricted	36,247,660	105,898,764
Total net position	<u>\$ 132,684,133</u>	<u>\$ 111,635,930</u>

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

**NUECES COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2013**

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b><u>Functions/Programs</u></b>			
<b>Primary government:</b>			
Governmental Activities:			
General government	\$ 14,441,357	\$ 9,385,296	\$ 216,985
Buildings and facilities	11,214,282	501,910	574,608
Administration of justice	23,559,375	6,078,678	3,401,381
Law enforcement and corrections	28,701,541	4,720,538	642,413
Social services	2,797,707	95,401	610,392
Health, safety and sanitation	2,343,115	601,846	1,352,408
Agriculture, education and consumer sciences	761,011	36,355	369
Roads, bridges and transportation	17,441,342	3,805,227	439,919
Parks and recreation	6,290,622	1,355,013	60,000
Interest and fees on long-term debt	4,895,833	-	-
Total primary government	<u>112,446,185</u>	<u>26,580,264</u>	<u>7,298,475</u>
<b>Component Units:</b>			
Hospital district	<u>52,962,061</u>	<u>90,204,114</u>	<u>656,850</u>
Total component units	<u>\$ 52,962,061</u>	<u>\$ 90,204,114</u>	<u>\$ 656,850</u>

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

<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Primary Government</u>	
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Hospital District</u>
\$ -	\$ (4,839,076)	\$ 1,999,241
-	(10,137,764)	494,637
-	(14,079,316)	-
-	(23,338,590)	-
-	(2,091,914)	-
-	(388,861)	50,249,500
-	(724,287)	-
-	(13,196,196)	-
-	(4,875,609)	-
-	(4,895,833)	-
<u>-</u>	<u>(78,567,446)</u>	<u>52,743,378</u>
-	-	37,898,903
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,898,903</u>

General revenues:		
Property taxes	68,079,584	32,258,672
Alcohol beverage and other taxes	1,562,313	-
Unrestricted investment earnings	134,583	83,048
Grants and contributions not restricted		
to specific programs	380,041	-
Gain on sale of assets	2,440,008	-
Miscellaneous	-	3,380,553
Total general revenues	<u>72,596,529</u>	<u>35,722,273</u>
Special Item:		
loss on write off of hosp. recvbl (Notes IV. E)	-	(15,118,214)
Change in net position	(5,970,917)	58,502,962
Net position - beginning	138,655,050	53,132,968
Net position - ending	<u>\$ 132,684,133</u>	<u>\$ 111,635,930</u>

**NUECES COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2013**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,035,033	\$ 2,128,002
Investments	7,100,820	2,048,685
Receivables (net of allowance for uncollectibles)	2,735,355	26,700
Due from component unit	88,699	-
Due from other funds	1,956,394	-
Prepays	372,272	-
Inventories	85,572	-
Total assets	\$ 32,374,145	\$ 4,203,387
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 7,843,386	\$ 8,265
Accrued payroll	1,303,916	-
Due to other funds	1,484,384	5,000
Unearned revenue	3,250	-
Other liabilities	102,297	-
Total liabilities	10,737,233	13,265
Deferred inflows of resources:		
Deferred property taxes	124,338	24,723
Total deferred inflows of resources	124,338	24,723
Fund balances:		
Nonspendable	457,844	-
Restricted	-	4,165,398
Committed	18,373,139	-
Assigned	-	-
Unassigned	2,681,591	-
Total fund balances	21,512,574	4,165,398
Total liabilities, deferred inflows of resources and fund balances	\$ 32,374,145	\$ 4,203,386

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 264,797	\$ 7,523,955	\$ 14,525,177	\$ 44,476,964
-	3,024,426	5,132,130	17,306,061
10,375,546	2,914	1,255,716	14,396,231
-	-	-	88,699
-	33,274	-	1,989,668
944	-	54,915	428,131
-	-	52,375	137,947
<u>\$ 10,641,287</u>	<u>\$ 10,584,569</u>	<u>\$ 21,020,313</u>	<u>\$ 78,823,701</u>
\$ 10,137,257	\$ 216,182	\$ 3,867,288	\$ 22,072,378
2,813	-	247,755	1,554,484
-	35,612	464,672	1,989,668
-	-	633,368	636,618
-	-	630,060	732,357
<u>10,140,070</u>	<u>251,794</u>	<u>5,843,143</u>	<u>26,985,505</u>
-	-	518	149,579
-	-	518	149,579
944	-	95,234	554,022
500,273	-	7,773,056	12,438,727
-	10,332,775	-	28,705,914
-	-	7,308,362	7,308,362
-	-	-	2,681,591
<u>501,217</u>	<u>10,332,775</u>	<u>15,176,652</u>	<u>51,688,616</u>
<u>\$ 10,641,287</u>	<u>\$ 10,584,569</u>	<u>\$ 21,020,313</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	194,958,356
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are unavailable in the funds	149,579
Internal service funds are used by management to charge the costs of workers compensation insurance, general liability coverage and group health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,303,920
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(115,416,339)</u>
Net position of governmental activities	<u>\$ 132,684,133</u>

**NUECES COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the year ended September 30, 2013**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property taxes	\$ 56,218,001	\$ 11,178,376
Other taxes	390,783	-
Fees of office	3,816,767	-
Fines and forfeitures	1,884,026	-
Licenses and permits	1,296,361	-
Intergovernmental revenue	8,157,269	72
Charges for services	576,246	-
Investment income	55,725	11,148
Rentals and commissions	458,485	-
Miscellaneous revenues	292,352	-
Total revenues	73,146,015	11,189,596
<b>EXPENDITURES</b>		
Current:		
General government	12,750,016	-
Buildings and facilities	7,174,452	-
Administration of justice	18,401,976	-
Law enforcement and corrections	25,230,834	-
Social services	2,413,269	-
Health, safety and sanitation	641,689	-
Agriculture, education and consumer sciences	678,785	-
Roads, bridges and airport	-	-
Parks and recreation	-	-
Capital outlay	620,539	-
Debt Service:		
Principal retirement	-	6,031,337
Interest and other fees	-	4,938,849
Total expenditures	67,911,560	10,970,186
Excess (deficiency) of revenues over (under) expenditures	5,234,455	219,410
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	1,640,719	979,741
Transfers out	(7,382,509)	(979,741)
Sale of assets	-	-
Bond Issuance	-	-
Bond Defeasance	-	-
Premium of Bonds Issued	-	-
Total other financing sources and uses	(5,741,790)	-
Net change in fund balances	(507,335)	219,410
Fund balances - beginning	22,019,909	3,945,988
Fund balances - ending	\$ 21,512,574	\$ 4,165,398

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 831,253	\$ 68,227,630
-	-	1,001	391,784
665	-	1,271,604	5,089,036
-	-	403,795	2,287,821
-	-	3,106,442	4,402,803
1,425,922	-	8,062,228	17,645,491
-	-	394,750	970,996
-	25,359	36,514	128,746
-	93,110	969,656	1,521,251
-	-	769,802	1,062,154
<u>1,426,587</u>	<u>118,469</u>	<u>15,847,045</u>	<u>101,727,712</u>
-	-	1,389,386	14,139,402
-	-	897,422	8,071,874
-	-	3,968,808	22,370,784
64,824	-	2,017,919	27,313,577
-	-	259,147	2,672,416
-	-	1,530,032	2,171,721
-	-	3,848	682,633
-	-	7,809,892	7,809,892
-	-	4,471,466	4,471,466
-	2,135,568	-	2,756,107
-	-	-	6,031,337
-	-	-	4,938,849
<u>64,824</u>	<u>2,135,568</u>	<u>22,347,920</u>	<u>103,430,058</u>
<u>1,361,763</u>	<u>(2,017,099)</u>	<u>(6,500,875)</u>	<u>(1,702,346)</u>
-	630,393	7,578,948	10,829,801
(1,053,877)	(283,000)	(1,130,674)	(10,829,801)
-	-	2,440,008	2,440,008
-	-	-	-
-	-	-	-
<u>(1,053,877)</u>	<u>347,393</u>	<u>8,888,282</u>	<u>2,440,008</u>
307,886	(1,669,706)	2,387,407	737,662
193,331	12,002,481	12,789,245	50,950,954
<u>\$ 501,217</u>	<u>\$ 10,332,775</u>	<u>\$ 15,176,652</u>	<u>\$ 51,688,616</u>

**NUECES COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Amounts reported for governmental activities in the statement of activities (page 32) are different because:

Net change in fund balances---total governmental funds (page 37)	737,662
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(11,217,143)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(1,978,592)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(148,046)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,598,024
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	61,619
Internal service funds are used by management to charge the costs of workers compensation insurance, general liability coverage and group health insurance to individual funds.	-
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(24,441)</u>
Change in net position of governmental activities (page 33).	<u><u>\$ (5,970,917)</u></u>

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





**NUECES COUNTY, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - to Actual GAAP
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property Taxes	\$ 56,120,935	\$ 56,120,935	\$ 56,218,001	\$ 97,066
Other Taxes	365,000	365,000	390,783	25,783
Fees of Office	3,574,000	3,574,000	3,816,767	242,767
Fines & Forfeitures	2,430,000	2,430,000	1,884,026	(545,974)
Licenses & Permits	129,300	129,300	154,216	24,916
Motor Vehicle Services	2,750,000	2,750,000	3,503,317	753,317
Intergovernmental Revenue	4,168,954	4,168,954	4,922,208	753,254
Housing Inmates & Juveniles	969,500	969,500	873,889	(95,611)
Charges For Services	536,000	536,000	576,246	40,246
Investment Income	130,000	130,000	55,725	(74,275)
Rentals and Commissions	370,000	370,000	458,485	88,485
Refunds and Reimbursements	181,000	181,000	237,118	56,118
Other Income	130,000	130,000	55,234	(74,766)
<b>TOTAL REVENUES</b>	<b>71,854,689</b>	<b>71,854,689</b>	<b>73,146,015</b>	<b>1,291,326</b>

**EXPENDITURES**  
GENERAL GOVERNMENT

County Commissioner Prct 1	\$ 157,225	\$ 166,598	\$ 158,909	\$ 7,689
County Commissioner Prct 2	163,488	163,488	153,011	10,477
County Commissioner Prct 3	163,949	163,949	160,869	3,080
County Commissioner Prct 4	163,798	163,798	151,637	12,161
County Judge	273,630	272,954	262,658	10,296
Commissioners Court Management	420,876	421,153	409,438	11,715
Grants Administration	213,901	213,901	188,154	25,747
Risk Management	160,306	168,821	168,820	1
County Attorney	1,271,645	1,271,645	1,230,891	40,754
County Clerk	589,672	583,579	513,786	69,793
County Clerk-Treasury	258,623	267,675	267,675	-
County Clerk Collections	245,187	245,187	218,090	27,097
Election Expense	655,054	655,054	386,124	268,930
Tax Assessor-Collector	2,678,103	2,667,710	2,636,879	30,831
Information Technology	1,953,961	1,958,375	1,721,278	237,097
Human Resources	295,895	295,895	290,561	5,334
County Auditor	1,405,068	1,405,068	1,365,201	39,867
County Purchasing	503,257	503,257	470,189	33,068
Veteran's Service	104,323	104,323	99,319	5,004
General Employee Benefits	176,826	177,139	163,096	14,043
General Administration	2,710,667	2,643,563	1,733,431	910,132
Total General Government	14,565,454	14,513,132	12,750,016	1,763,116

(continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP
	Original	Final		Positive (Negative)
<b>EXPENDITURES</b>				
<b><u>BUILDINGS AND FACILITIES</u></b>				
Courthouse General Repairs	178,924	213,924	196,601	17,323
Ronnie H. Polston Bldg	58,850	58,850	55,867	2,983
Bill Bode County Building	63,713	63,713	56,510	7,203
Robert N Barnes Regional Juvenile Facility	547,552	590,377	529,248	61,129
Broadway Warehouse	11,089	11,089	7,217	3,872
Records Management Department	461,935	461,935	366,269	95,666
CSCD Cook Building	165,293	177,693	169,469	8,224
Mechanical Maintenance	3,671,983	2,832,300	2,508,357	323,943
Agua Dulce Building	41,412	46,412	45,890	522
Bishop Building	78,685	88,365	80,620	7,745
Port Aransas Building	42,187	54,387	44,761	9,626
Johnny S Calderon Building	236,386	241,386	233,757	7,629
Keach Library Building	222,065	244,659	199,387	45,272
Agricultural Building - Robstown	52,175	58,592	58,592	-
Medical Examiner Building	44,949	96,949	90,608	6,341
Building Superintendent	1,394,748	1,397,248	1,387,920	9,328
Welfare Building - Robstown	21,268	25,768	24,068	1,700
Hilltop Facility	163,180	163,180	143,373	19,807
Precint III Yard Buildings	21,745	22,845	19,243	3,602
McKenzie Annex	861,895	916,595	839,337	77,258
Robstown Community Center	54,232	54,232	52,901	1,331
Senior Community Service Buildings	53,789	53,789	46,489	7,300
David Berlanga, Sr. Building	23,826	23,826	17,968	5,858
Total Buildings and Facilities	8,471,881	7,898,114	7,174,452	723,662
<b><u>ADMINISTRATION OF JUSTICE</u></b>				
County Court at Law 1	559,377	559,377	532,766	26,611
County Court at Law 2	565,218	566,013	500,069	65,944
County Court at Law 3	563,455	582,450	582,450	-
County Court at Law 4	580,237	571,719	537,348	34,371
County Court at Law 5	861,950	861,950	773,875	88,075
Legal Aid	95,907	95,907	95,684	223
Magistrate/Drug/DWI	248,264	256,314	241,416	14,898
Court Administration	1,362,930	1,362,930	982,861	380,069
Court Master	131,457	131,656	118,095	13,561
28th District Court	631,713	609,439	457,733	151,706
94th District Court	630,288	630,288	578,154	52,134
105th District Court	378,405	378,405	367,419	10,986
117th District Court	628,540	628,540	588,851	39,689
148th District Court	554,462	577,592	502,600	74,992
214th District Court	594,940	582,690	550,920	31,770
319th District Court	626,821	611,660	581,048	30,612
347th District Court	569,980	594,580	465,112	129,468
Juvenile Probation	2,120,335	2,126,700	2,101,432	25,268
Juvenile Detention	1,329,690	1,329,790	1,315,465	14,325
Justice Boot Camp	1,383,631	1,377,166	1,336,432	40,734
District Clerk	2,385,280	2,385,280	2,312,976	72,304
Child Support Division	45,774	45,774	41,417	4,357
Justice of the Peace 1-1	227,962	227,962	227,951	11
Justice of the Peace 1-2	239,907	250,133	250,133	-
Justice of the Peace 1-3	218,574	218,773	218,772	1

(Continued)

**NUECES COUNTY, TEXAS**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace 2-1	264,013	275,656	272,763	2,893
Justice of the Peace 2-2	200,466	200,466	194,875	5,591
Justice of the Peace 3	167,242	167,242	164,418	2,824
Justice of the Peace 4	159,744	160,394	154,296	6,098
Justice of the Peace 5-1	211,917	211,917	208,853	3,064
Justice of the Peace 5-2	148,457	138,231	138,138	93
Medical Examiner	1,029,224	1,029,224	1,007,654	21,570
Total Administration of Justice	19,716,160	19,746,218	18,401,976	1,344,242
 <b><u>LAW ENFORCEMENT &amp; CORRECTIONS</u></b>				
District Attorney	3,946,655	3,947,539	3,807,685	139,854
County Sheriff	5,380,272	5,385,991	5,224,954	161,037
Id Bureau	624,020	632,343	631,357	986
Jail	12,823,305	12,827,372	12,682,656	144,716
Constable 1	642,806	647,308	634,567	12,741
Constable 2	598,864	603,419	575,573	27,846
Constable 3	420,865	426,278	410,564	15,714
Constable 4	448,525	453,091	452,806	285
Constable 5	833,238	839,042	810,672	28,370
Total Law Enforcement & Corrections	25,718,550	25,762,383	25,230,834	531,549
 <b><u>SOCIAL SERVICES</u></b>				
Social Services - Administration	902,688	902,688	810,247	92,441
Social Services - Social Services	576,307	576,307	531,920	44,387
Children Protective Services	110,368	110,368	64,724	45,644
Senior Community Services	862,734	862,819	798,651	64,168
Hilltop Community Services	51,080	53,771	53,091	680
Social Mental Services	153,714	155,845	154,636	1,209
Total Social Services	2,656,891	2,661,798	2,413,269	248,529
 <b><u>HEALTH, SAFETY AND SANITATION</u></b>				
Emergency Services	24,800	30,490	30,490	-
Emergency Management	186,339	178,694	152,604	26,090
911 Program	45,307	45,307	43,752	1,555
Code Enforcement	121,291	121,291	117,143	4,148
Animal Control	300,458	301,303	297,700	3,603
Total Health, Safety and Sanitation	678,195	677,085	641,689	35,396
 <b><u>AGRICULTURE, EDUCATION &amp; CONSUMER SCIENCES</u></b>				
Agricultural Extension	249,195	249,195	214,182	35,013
Family & Consumer Sciences	82,795	82,795	71,180	11,615
County Library	399,510	399,510	393,423	6,087
Total Agriculture, Education & Consumer Sciences	731,500	731,500	678,785	52,715
 <b><u>CAPITAL OUTLAY</u></b>				
Capital Outlay greater than \$5,000	650,000	620,567	620,539	28
Total Capital Outlay	650,000	620,567	620,539	28
 Total Expenditures	\$ 73,188,631	\$ 72,610,797	\$ 67,911,560	\$ 4,699,237
 Excess (deficiency) of revenues over (under) expenditures	(1,333,942)	(756,108)	5,234,455	5,990,563

(continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,637,868	1,637,868	1,640,719	2,851
Transfers out	<u>(6,802,780)</u>	<u>(7,380,614)</u>	<u>(7,382,509)</u>	<u>(1,895)</u>
 Total other financing sources (uses)	 <u>(5,164,912)</u>	 <u>(5,742,746)</u>	 <u>(5,741,790)</u>	 <u>956</u>
 Net change in fund balances	 (6,498,854)	 (6,498,854)	 (507,334.51)	 (5,991,519)
 Fund balances - beginning	 <u>20,441,629</u>	 <u>20,441,629</u>	 <u>22,019,909</u>	 <u>(1,578,280)</u>
Fund balances - ending	<u><u>\$ 13,942,775</u></u>	<u><u>\$ 13,942,775</u></u>	<u><u>\$ 21,512,574</u></u>	<u><u>\$ (7,569,799)</u></u>

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



**NUECES COUNTY, TEXAS**  
**U. S. MARSHAL CONTRACT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Fees of Office	\$ -	\$ -	\$ 665	\$ 665
Intergovernmental revenue	1,144,001	1,144,001	1,425,922	281,921
Total revenues	1,144,001	1,144,001	1,426,587	281,921
<b>EXPENDITURES</b>				
Law Enforcement:				
Personnel services	60,091	60,091	64,824	(4,733)
Reserve appropriations	36,058	36,058	-	36,058
Total expenditures	96,149	96,149	64,824	31,325
Excess (deficiency) of revenues over (under) expenditures	1,047,852	1,047,852	1,361,763	313,246
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,053,877)	(1,053,877)	(1,053,877)	-
Total other financing sources (uses)	(1,053,877)	(1,053,877)	(1,053,877)	-
Net change in fund balances	(6,025)	(6,025)	307,886	313,246
Fund balances - beginning	6,025	6,025	193,331	187,306
Fund balances - ending	\$ -	\$ -	\$ 501,217	\$ 500,552

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

NUECES COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2013

	<u>Governmental  Activities -  Internal  Service Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,404,142
Investments	373,766
Receivables (net of allowance for uncollectibles)	<u>1,265,895</u>
Total assets	<u>4,043,803</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	<u>1,168,716</u>
Total current liabilities	1,168,716
Noncurrent liabilities	
Estimated claims liability	<u>1,571,167</u>
Total noncurrent liabilities	<u>1,571,167</u>
Total liabilities	<u>2,739,883</u>
<b>NET POSITION</b>	
Total net position - unrestricted	<u><u>\$ 1,303,920</u></u>



NUECES COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year ended September 30, 2013

	<u>Governmental Activities - Internal Service Funds</u>
Operating revenues:	
Premiums and reimbursements	\$ 8,582,922
Operating expenses:	
Benefit payments	6,293,562
Insurance premiums and bonds	1,911,209
Self-insurance claims	22,635
Administration	<u>385,795</u>
Total operating expenses	<u>8,613,201</u>
Operating income (loss)	<u>(30,279)</u>
Non-operating revenues:	
Investment income	<u>5,838</u>
Total non-operating revenue	<u>5,838</u>
Change in net position	(24,441)
Total net position - beginning	<u>1,328,361</u>
Total net position - ending	<u><u>\$ 1,303,920</u></u>

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

NUECES COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2013

	Governmental Activities - Internal <u>Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 6,561,507
Receipts from employees	1,009,822
Receipts from other participants	978,362
Receipts from reimbursements and refunds	39,187
Payments for benefit claims	(6,293,562)
Payments for insurance and bond policies	(1,594,743)
Payments for administration	(403,495)
Payments for settlements and claims	<u>(4,935)</u>
Net cash provided in operating activities	<u>292,143</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	400,000
Transfers out	<u>(400,000)</u>
Net cash provided for noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	440,415
Interest received	<u>(810,338)</u>
Net cash provided by investing activities	<u>(369,923)</u>
Net increase in cash and cash equivalents	(77,779)
Cash and cash equivalents - beginning	<u>2,481,921</u>
Cash and cash equivalents - ending	<u><u>\$ 2,404,142</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income (loss)	\$ (30,278)
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	22,201
(Increase) decrease in due from other funds	(1,850)
Increase (decrease) in estimated claims liabilities	(14,654)
Increase (decrease) in deferred revenue	-
Increase (decrease) in accounts payable	316,724
Increase (decrease) in due to other insurance	<u>-</u>
Total adjustments	<u>322,421</u>
Net cash provided by operating activities	<u><u>\$ 292,143</u></u>

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

NUECES COUNTY, TEXAS  
 STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 September 30, 2013

	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 19,028,240
Accounts receivable	816,993
Prepays	10,589
Total assets	\$ 19,855,822
<b>Liabilities</b>	
Accounts payable	\$ 15,307,874
Accrued payroll payable	297,098
Due to other governments and agencies	1,850,101
Funds held in escrow	2,400,749
Total liabilities	\$ 19,855,822

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



NUECES COUNTY, TEXAS  
Notes to the Financial Statements  
September 30, 2013

**I. Summary of significant accounting policies**

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

GASB Statement No. 45, "Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions" has been implemented in this report. This statement had no impact on the County's expenditures since the County does not provide any post-employment benefits other than a pension to retirees. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

In fiscal year 2012, the county implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The fiscal year 2013 financial report continue to reflect these changes. GASB 54 is intended to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classification that compromise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" This Statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also require related disclosures. In addition to assets the statement of financial position and or balance sheet will report a separate section called deferred outflows of resources. In addition to liabilities the statement of financial position and or balance sheet will report a separate section called deferred inflows of resources. The deferred inflows represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow resource (revenue) until that time.

**A. Reporting entity**

*Primary Government*

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

The accompanying basic financial statements present the government and it's discretely presented component units defined according to criteria in GASB Statement No. 14, The Financial Reporting Entity. There are no blended component units included in this financial report.

*Component Unit*

GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34", modifies certain requirements for inclusion of component units as if they were part of primary government (that is, blending) in certain circumstance and clarifies the reporting of equity interest in legally separate organizations. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination

should be made and the types of relationships that generally should be considered in making the determination.

Behavioral Health Center of Nueces County, formerly known as Nueces County Mental Health and Mental Retardation Community Center dba MHMR, did not meet the financial dependency criteria for inclusion as component unit of Nueces County per GASB Statement No. 61. The Behavior Health Center is legally separate from Nueces County, and though the County appoints members to the board of trustees, the County has no fiscal responsibility to the Center.

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

Christus Spohn Health System (Spohn) leases the District's hospital, Memorial Medical Center (MMC), and its satellite clinics and is responsible for their operations. The lease calls for payments to be made over 30 years at which point the operating responsibility of MMC reverts back to the District unless such agreement is extended. The District's primary mission is to coordinate with Spohn in making available high quality, accessible and cost effective hospital and healthcare services to the indigent and needy residents of Nueces County, consistent with statutory requirements and available resources. The District has no component units as defined by Governmental Accounting Standards Board. Although the District and County Commissioners' Court appoint three of the members of the Board of Trustees of Spohn as part of the master agreement between the two parties, Spohn does not qualify as the component unit. The District does not approve the budget of Spohn, nor have any rights to surpluses of Spohn.

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

Nueces County Hospital District  
555 N. Carancahua, Suite 950  
Corpus Christi, Texas 78401-0835

## **B. Government-wide and fund financial statements**

### *Primary Government*

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

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

Separate fund financial statements are provided for the governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The general fund, debt service fund, capital projects fund, and U.S. Marshals fund are major funds and are reported in separate columns in the fund financial statements.

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

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

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

Intergovernmental revenues, rents, commissions, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County, which includes delinquent property taxes, licenses, fees and fines. For grants, like the government-wide financial statements, the revenue is recognized when all the eligibility requirements have been met.

The County reports four major governmental funds:

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

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

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

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

All other governmental funds are combined and reported as nonmajor. Nonmajor funds include road fund, inland and island parks, grants and other special revenue funds.

Additionally, the County reports the following fund types:

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

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

## **D. Assets, liabilities, and net position**

### **1. Deposits and investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of less than 90 days and local government pools. State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. and its agencies, certificates of deposit, brokered CD's, local government pools, repurchase agreements, and direct obligations of states, agencies, counties, cities, and other political subdivisions of any state rated "A" or its equivalent.

Investments for the County, as well as for its component units, are reported at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

### *Components Unit*

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

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

## **2. Receivables and payables**

### *Primary Government*

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade receivables are directly written-off when circumstances indicate a receivable is no longer collectible usually within one year a receivable was incurred. The property tax receivable allowance is equal to 100 percent of the balances older than 11 years plus .5 percent of the balances less than 11 years old which includes the current year's levy. Property taxes are levied prior to September 30 based on taxable value as of January 1 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

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

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

## **3. Inventories and prepaid items**

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

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

## **4. Capital assets**

Capital assets, which include land, buildings and improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimate useful life in excess of two years, plus the exception list.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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



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

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

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

## 5. Compensated absences

Accumulated vacation and sick leave is accrued when incurred and reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

All full-time employees accumulate vacation benefits in varying amounts depending on years of service and sick leave benefits accrue at the rate of twelve days per year as determined by the employee's work schedule. On termination and retirement, the County pays employees for unused, accumulated vacation leave time up to maximum of 96 hours for civilian personnel and 102 hours for law enforcement. Unused compensatory time of non-exempt employees is fully paid upon termination or retirement. Sick leave benefits are payable only upon retirement, and not termination of employment. One half of the unused sick leave is paid up to a maximum of thirty days to those employees who retire from the County.

### *Component Unit*

The District employees earn paid time off and sick leave. Paid time off accumulates from year to year up to a maximum of two years accrual. Semi-annually, employees can elect to be paid in lieu of utilizing paid time off at a rate of 80% of time earned. Sick leave accumulates up to a maximum of 1,440 hours. Upon termination of employment, employees may receive pay for their unused paid time off. Sick leave is not convertible to paid time off or additional pay. The cost of paid time off is recognized when earned by employees.

## 6. Long-term obligations

### *Primary Government*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, and any gain or loss on refunding are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount and bond issuance costs.

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

### *Component Unit*

GASB No. 65 which was effective December 15, 2012 discusses the treatment of debt issuance costs. The board evaluated these costs and concluded that with the exception of prepaid insurance costs related to services provided in the current period and thus they should be expensed in the current period.

## 7. Fund Equity

### *Primary Government*

In the fund financial statements governmental funds report fund balance that are not available for appropriations or are legally restricted by outside parties for a specific purpose are divided into five classifications based primarily on the extent to which the county is bound to observe constraints imposed upon the use of the resources. As required by GASB Statement Number 54 the fund balance amounts are reported as non-spendable, restricted, committed, assigned or unassigned. The classifications of fund balance are as follows:

Non-spendable - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action through a resolution of the commissioners court. Those committed amounts cannot be used for any other purpose unless the commissioners court removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by commissioners court, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the commissioners court or state statute. Commissioners court or a county official delegated that authority by commissioners' court has the authority to assign amounts to a specific purpose. This policy is established by commissioners court pursuant to which the authorization to assign amounts to a specific purpose is given by commissioners court orders and resolutions.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

#### County Fund Balance Policy

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The County's has in the past and continues to hold a conservative approach to monitoring expenditures to ensure that fund balances stay strong. In order to do so, Commissioners court adopted a resolution and order on September 5, 2012 establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2012-2013 budgeted revenues and transfers in order to maintain sound fiscal policies and an excellent bond rating.. These good management practices contributed toward the credit rating agencies deciding to reaffirm the County's "double A" ratings (AA+ and Aa2). As Standard & Poor's stated, "[Our] stable outlook also reflects our expectation that County officials will maintain reserve levels at a strong level. By a majority vote in a scheduled meeting of the Commissioners court, the Court may commit fund balances and it may modify or rescind these commitments. The Commissioners court may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds such as the County Judge.

## II. Reconciliation of government-wide and fund financial statements

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

General obligation debt	\$ 111,024,428
Premium (net)	1,835,039
Capital leases	196,358
Accrued interest payable	598,544
Compensated absences	<u>1,761,970</u>
Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 115,416,339</u>

### B. Fund Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenue, expenditures, and change in fund balance includes a reconciliation between *net changes in fund balance - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation indicates, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this (\$11,217,143) difference are as follows:

Capital outlay	\$3,877,620
Depreciation expense	<u>(15,094,762)</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>(\$11,217,143)</u>

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this (\$1,978,592) difference are as follows:

In the statement of activity, the loss on the disposal of capital assets is reported. However, in the governmental funds, the disposal does not change financial resources. Thus the change in net position differs from the change in fund balance by the loss of the capital assets disposed.	<u>(\$1,978,592)</u>
Net adjustment to decrease <i>net changes in fund balance - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>(\$1,978,592)</u>

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$6,598,024 difference are as follows:

General obligation debt principle repayments	\$ 6,031,337
Capital leases reconciliation	199,776
Amortization of issuance costs, premiums and deferred charges	<u>366,911</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 6,598,024</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$61,619) difference are as follows:

Change in compensated absences	(\$28,016)
Accrued interest	<u>(33,603)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>(\$61,619)</u>

### III. Stewardship, compliance and accountability

#### A. Budgetary information

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

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

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

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

#### B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized in the governmental funds to the extent - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. All outstanding purchase orders at fiscal year end automatically carry over to and encumber into the next budget year unless Commissioners court individually approves them as an encumbrance to the prior year. Encumbrances outstanding at fiscal year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of September 30, 2013, the encumbrance balances for the governmental funds are reported as follows:

	Restricted	Committed	Assigned	Total
General Fund	\$ -	\$ 397,978	\$ -	\$ 397,978
Capital Projects Fund	-	1,262,197	-	1,262,197
U.S. Marshal Fund	1,862	-	-	1,862
Nonmajor Governmental	<u>1,509,629</u>	<u>-</u>	<u>23,580</u>	<u>1,533,208</u>
Total	<u>\$ 1,511,491</u>	<u>\$ 1,660,174</u>	<u>\$ 23,580</u>	<u>\$ 3,195,245</u>

#### IV. Detailed notes on all funds

##### A. Investments

The County's investment policy is in accordance with the laws of the State of Texas. The policy identifies authorized investments and investment terms, collateral requirements and safekeeping requirements for collateral.

The County's demand deposits are fully covered by collateral held in the County's name by the County's agents, the Federal Reserve Bank of Boston and the Federal Home Loan Bank of Dallas. The County's collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held by Frost Bank (the county depository bank) and Wells Fargo Bank and American Bank continue to collateralize our demand deposits.

The County's investments are comprised of (U.S. Agencies), Federal Home Loan Bank, and Fannie Mae and Freddie Mac bonds. Local government investment pools with ratings no lower than AAA or AAA – or an equivalent rating of at least one national recognized rating service. Currently the County is using Texas Class public investment pool. This pool is the AAA Rated Texas Class, administered by Cutwater Investor Services Corporation with Wells Fargo as the custodian of funds through September 30, 2013. Effective October 1, 2013 Texas Class is managed by Public Trust Advisors. Texas Class is in compliance with the provisions of Texas Public Funds Investment Act.

At year end, the County's investment balances were as follows:

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Government sponsored securities	\$ 8,735,827	727
Local government investment pools	30,673,300	1
Brokered Certificate of Deposits	<u>8,944,000</u>	<u>402</u>
Total	<u>\$ 48,353,127</u>	<u>206</u>

##### Credit risk

Nueces County seeks to control the risk of loss due to the failure of a security issuer or grantor by purchasing only eligible investments and requiring prior approval of investment vendors with which it transacts business and by having the bank collateralize deposits account at greater than 100% at the market value. Texas statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.); and certificates of obligations issued by a state or national bank domiciled in Texas.

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. In addition to other provision of the PFIA designed to promote liquidity and safety of principal, the (PFIA) requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or 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. All investments noted above are rated AAA-m by Standard & Poor's and Aaa by Moody's. House Bill 2226 (effective 6/17/2011) amends Section 2256.010(b) of the Government Code which allows the County to invest in certificate of deposit through a broker or depository institution. This allows the broker or depository institution to arrange investing for certificates of deposit in one or more federally insured depository institutions, wherever located. Currently the County is investing in brokered certificate of deposits.

##### Concentration of credit risk

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

## Interest rate risk

In accordance with the County's investment policy, the County manages exposure to declines in the fair market value by laddering its investment portfolio and by limiting its weighted average days to maturity to less than 365 days in the operating portfolio. With the declining interest rates the county has shortened our investment ladder and cash equivalents have increased. As a result we were under the 365 day investment policy limit. Due to the low interest environment the County has been investing toward the lower end of the range of the ladder in order to reduce the interest rate risk.

### Component Unit

The District's investment policies and types of investments are governed by the Texas Public Funds Investment Act ("PFIA"). The District's management believes that it has complied with the requirements of the PFIA and the District investment policies. At September 30, 2013, the District segmented time and distribution analysis of the portfolio by market sector including the Health Benefit Trust. At year end, the District's investment balances were as follows:

	<u>Fair Value</u>	Investment Maturities in Years	
		<u>Less Than One Year</u>	<u>One to Four Years</u>
U.S. Agency			
Federal Home Loan Mortgage Corporation	\$6,001,692	-	\$6,001,692
Federal Home Loan Bank	-	-	-
Government National Mortgage Association	334	-	334
AAA-Rated Local Govt			
Investment Pools:			
Texpool	84,681,490	84,681,490	-
Logic	17,297	17,297	-
TexStar	15,050,734	15,050,734	-
Money Market Mutual Funds	359,225	359,225	-
Collateralized Bank Accounts	613,937	613,937	-
Petty Cash	<u>150</u>	<u>150</u>	<u>-</u>
Total investments	<u>\$106,724,859</u>	<u>\$100,722,833</u>	<u>\$6,002,026</u>
% of Total Portfolio		94.38%	5.62%

The District's policy is to report money market investments and short-term participating interest earning investment contracts at amortized cost and to report non-participating interest-earning investment contracts using a cost-based measure. However, U.S. Government Agency Securities are reported at fair value based on quoted market values. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value.

## Credit risk

The primary stated objective of the District's adopted Investment Policy is the safety of principal, liquidity, diversification and yield. Credit risk within the District's portfolio among the authorized investments approved by the District's adopted Investment Policy is present only in time and demand deposits, repurchase agreements, commercial paper, municipal obligations (rated A or better by at least one nationally recognized rating agency (NRSRO)) and AAA rated SEC registered money market mutual funds and mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities.

State law and the District's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit (CD), to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these depositories (banks and savings banks). Certificates of deposit are limited to a stated maturity of three years. Collateral, with a 102% margin, is required and collateral is limited to obligations of the U.S. Government, its agencies or instrumentalities. Independent safekeeping is required outside the pledging bank's holding company with monthly reporting. Securities are priced at market on a daily basis as a contractual responsibility of the bank. State law and the district's adopted Investment Policy require inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. State law and the District's adopted Investment Policy also requires a procedure to verify continued FDIC weekly

State law and the District's adopted Investment Policy restricts investment to AAA rated SEC registered money market mutual funds striving to maintain a \$1 net asset value as further defined by State law.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating agency. The District's adopted investment policy further restricts investments to AAA-rated, "2a-7 like" (constant dollar) local government investment pools.

### Concentration of credit risk

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The District's adopted Investment Policy establishes diversification as a major objective of the investment program.

As of September 30, 2013, holdings in US Government securities with ratings of AAA represented 5.62% of the total portfolio. Investment in the State Treasurer's local government investment pool, Texpool, represented 79.35% of the total portfolio. Investment in a second local government investment pool, LOGIC, represented .02% of the total portfolio. Investment in a third local government investment pool, TexStar, represented 14.09% of the total portfolio. Holdings in an AAA-rated money market mutual fund represented .34% of the total portfolio. The remaining .58% of the portfolio is invested in FDIC insured or fully collateralized bank deposits.

### Interest rate risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum stated maturity date of three years and at least a 33% if the District's investments shall be obligations of the U.S. Government. To insure liquidity a minimum of 10% shall be liquid. The maximum weighted average maturity (WAM) of twelve (12) months. A segmented time distribution analysis is shown above.

As of September 30, 2013, the portfolio contained two holdings in the portfolio with stated maturity dates beyond one year representing 5.62% of the total portfolio, and the weighted average of the combined portfolio was 35 days.

As of September 30, 2013, the portfolio contained one non-callable Federal Home Loan Mortgage Corporation (FHLMC) note with a current market value of \$3,000,804, coupon rate of .35% maturing March 18, 2015. Additionally, the District has one callable FHLMC note with a current market value of \$3,000,888, coupon rate of .50%, maturing July 30, 2015 and one Government National Mortgage Association (GNMA) pass through mortgage backed note with an original par value of \$100,000 and current market value of \$334 and a coupon rate of 9%. The GNMA note was purchased October 1, 1986, matures on October 15, 2016; however the final payment is expected as of July 15, 2015.

### Custodial credit risk

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

As of September 30, 2013, the portfolio contained no certificates of deposit and no repurchase agreements. All bank demand deposits were fully collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

## B. Receivables

### Primary Government

Receivables as of September 30, 2013 for each major fund, nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Grants	Total
Governmental activities:				
General fund	\$ 3,178,306	\$ 2,611,017	\$ -	\$5,789,323
Debt service	631,925	1,976	-	633,901
U.S. marshal	-	10,375,546	-	10,375,546
Capital projects fund	-	2,914	-	2,914
Nonmajor funds	67,537	402,423	852,775	1,322,735
Internal service fund	-	<u>1,265,896</u>	-	<u>1,265,896</u>
Total – governmental activities	3,877,768	14,659,772	852,775	19,390,315
Less:				
Allowance for uncollectible taxes	<u>(3,728,188)</u>	-	-	<u>(3,728,188)</u>
Total – governmental activities, net	<u>\$ 149,580</u>	<u>\$ 14,659,772</u>	<u>\$ 852,775</u>	<u>\$ 15,662,127</u>

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

	Unavailable	Unearned
Delinquent property taxes receivable (general fund) net	\$ 124,338	\$ -
Delinquent property taxes receivable (debt service fund) net	24,723	-
Delinquent property taxes receivable (road fund) net	518	-
Grant advances prior to meeting all eligibility requirements	-	623,478
Total deferred/unearned revenue for governmental funds	<u>\$ 149,579</u>	<u>\$ 623,478</u>

#### Component Unit

As of September 30, 2013, the Receivables for the District are as follows:

Taxes receivable	1,906,431
Less: allowance for uncollectible	<u>(978,721)</u>
Net total receivables	<u>\$ 927,710</u>

### C. Capital Assets

#### Primary Government

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Completed Projects	Retirements	Adjustment	Ending Balance
<b>Governmental activities:</b>						
Capital assets not being depreciated:						
Land	\$ 6,090,433	\$ -	\$ -	(1,817,515)	-	\$ 4,272,918
Construction in progress	<u>16,453,383</u>	<u>2,258,031</u>	<u>(1,868,838)</u>	-	-	<u>16,842,575</u>
Total capital assets, not being depreciated	<u>22,543,816</u>	<u>2,258,031</u>	<u>(1,868,838)</u>	<u>(1,817,515)</u>	-	<u>21,115,594</u>
Capital assets being depreciated:						
Buildings and improvements	171,838,705	43,992	353,039	(136,344)	-	172,099,392
Furniture, equipment and machinery	26,917,375	1,523,051	44,953	(961,591)	252,139	27,775,927
Software	527,776	52,546	-	-	-	580,322
Infrastructure	<u>177,334,315</u>	-	<u>1,470,846</u>	-	-	<u>178,805,161</u>
Total capital assets, being depreciated	376,618,171	1,619,590	1,868,838	(1,097,935)	252,139	379,260,803
Less accumulated depreciation for:						
Building and improvements	(67,770,706)	(5,376,188)	-	30,696	-	(73,116,198)
Furniture, equipment and machinery	(16,491,370)	(1,809,268)	-	906,162	-	(17,394,476)
Software	(130,927)	(88,917)	-	-	-	(219,844)
Infrastructure	<u>(106,867,033)</u>	<u>(7,820,390)</u>	-	-	-	<u>(114,687,423)</u>
Total accumulated depreciation	<u>(191,260,035)</u>	<u>(15,094,762)</u>	-	<u>936,858</u>	-	<u>(205,417,940)</u>
Total capital assets, being depreciated, net	<u>185,358,136</u>	<u>(13,475,172)</u>	-	-	-	<u>173,842,863</u>
Governmental activities capital assets, net	<u>\$207,901,952</u>	<u>(\$11,217,142)</u>	<u>\$ -</u>	<u>(\$1,978,592)</u>	<u>\$ 252,139</u>	<u>\$194,958,356</u>



Depreciation expense for the year ended September 30, 2013 was charged to functions/programs of the County as follows:

Governmental activities:	FY 2013	FY 2012	Increase (Decrease)
General government	\$ 300,634	\$ 285,421	\$ 15,213
Buildings and facilities	3,289,722	2,061,118	1,228,604
Administration of justice	570,251	554,443	15,808
Law enforcement and corrections	711,719	1,225,782	(514,063)
Health, safety and sanitation	135,626	128,888	6,738
Social services	43,588	39,833	3,755
Agriculture, education and consumer sciences	50,710	47,123	3,587
Roads, bridges and transportation	8,076,176	8,066,774	9,402
Parks and recreation	<u>1,916,337</u>	<u>1,905,810</u>	<u>10,527</u>
Total depreciation expense – governmental activities	<u>\$ 15,094,762</u>	<u>\$ 14,315,192</u>	<u>\$ 779,570</u>

At September 30, 2013 the County's construction commitments are as follows:

Project Description	Project Budget	Balance
Fairgrounds Improvements	\$ 7,602,481	\$ 174,543
Information Technology Systems & Upgrades	10,261,323	3,120,205
Jail Renovations	6,267,096	63,536
Juvenile Justice Center Renovations	1,304,413	321,431

Several projects were completed during the year and have been put into service in the amount of \$1,868,838. There is approximately \$2,340,857 available to begin new projects.

*Component Unit*

Capital assets activity for the District for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,076,926	\$ -	\$ -	\$3,076,926
Total capital assets, not being depreciated, net	<u>3,076,926</u>	<u>-</u>	<u>-</u>	<u>3,076,926</u>
Capital assets being depreciated:				
Buildings and improvements	-	-	-	-
Furniture, equipment and machinery	1,326,961	7,243	28,031	1,306,173
Buildings Leased to Spohn	28,073,023	-	-	28,073,023
Construction in progress	-	-	-	-
Total capital assets, being depreciated:	<u>29,399,984</u>	<u>7,243</u>	<u>28,031</u>	<u>29,379,196</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Furniture, equipment and machinery	(977,879)	(82,480)	27,008	(1,033,351)
Buildings Leased to Spohn	(21,730,852)	(412,157)	-	(22,143,009)
Total accumulated depreciation	<u>(22,708,730)</u>	<u>(494,637)</u>	<u>27,008</u>	<u>(23,176,360)</u>
Total capital assets, being depreciated, net	<u>6,691,253</u>	<u>(487,394)</u>	<u>1,023</u>	<u>6,202,836</u>
Governmental activities capital assets, net	<u>\$ 9,768,179</u>	<u>(\$487,394)</u>	<u>\$ 1,023</u>	<u>\$9,279,762</u>

**D. Interfund receivables, payables and transfers**

*Primary Government*

The composition of interfund balances as of September 30, 2013, is as follows:

<b>Due to/from other funds:</b>		
	Due from	Due to
General Fund	\$ 996,308	\$ 600
Debt Service Fund	-	5,000
Capital Projects	600	-
Nonmajor Funds	-	991,308
<b>Total</b>	<u><u>\$ 996,908</u></u>	<u><u>\$ 996,908</u></u>

Interfund receivables and payables occur between those funds that have separate bank accounts. Transactions that occur in the normal course of business are recorded in the general ledger before the physical cash in bank is exchanged.

Amounts owed to capital projects (the receivable fund) are for projects partially funded with other funds.

Amounts payable by capital projects result from capital project expenditures paid for by another fund. Since the expenditure belongs to a fund other than the one paying, an interfund receivable has to be created.

**Due to/from primary government and component units:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government – general fund	Component unit – district	<u><u>\$88,699</u></u>

**Interfund transfers:**

	<u>Transfers in:</u>				
	General Fund	US Marshal Contract	Capital Projects	Nonmajor Governmental	Total
<u>Transfers out:</u>					
General fund	\$ -	\$ -	\$ 630,393	\$ 6,752,116	\$ 7,382,509
Capital projects	-	-	-	283,000	283,000
Nonmajor governmental	<u>586,842</u>	<u>1,053,877</u>	-	<u>1,523,573</u>	<u>3,164,292</u>
<b>Total transfers out</b>	<u><u>\$ 586,842</u></u>	<u><u>\$ 1,053,877</u></u>	<u><u>\$ 630,393</u></u>	<u><u>\$ 8,558,689</u></u>	<u><u>\$ 10,829,801</u></u>

The General Fund provides most of the transfers. The Inland Parks Fund, Airport Fund, Stadium Fairgrounds Fund and other nonmajor funds are dependent upon the General Fund for financial support. The transfer from Capital Projects Fund to Special Revenue Fund is for technology advancement projects. The General Fund also provides most of the required matching funds for grants.

**E. Leases**

Nueces County as of September 30, 2013 has entered 2 capital leases agreements for the purchase of heavy equipment, the amount capitalized is \$252,139. Payments for the equipment during the fiscal year are \$47,512 and \$12,000 totaled \$59,512. Payments include interest at a rate of 3.20% and 3.31% respectively per annum.

*Component Unit*

Effective as of October 1, 2012, the District and Spohn had a contract change with leasing hospital, clinic real estate and equipment. The District and Spohn renegotiated their current relationship as entered in 1996 to amend and terminate the existing Master Agreement, Lease Agreement, and Indigent Care Agreement, and entered into a Spohn Membership Agreement to establish a structure for the joint membership of Spohn with the District. The Spohn Membership Agreement includes (1) provisions stipulating the parameters for the healthcare services that Spohn will continue to provide to the Nueces

County indigent residents during the term of the Spohn Membership Agreement, without payment by the District to Spohn for such services, (2) operative provisions and parameters for Spohn's continued use of the District's Memorial Medical Center facilities and satellite clinics during the term of the Spohn Membership Agreement in a manner consistent with the substantive and maintenance provisions in the former Lease Agreement, without payment of rent by Spohn to the District for such use, and (3) a Spohn net patient revenue allocation and sharing arrangement between Spohn and the District, the amount of which is determined each year prior to October 1.

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

As a result of the changes to the lease agreement, the remaining lease receivable for equipment sold to Spohn and accounted for as a sales-type capital lease in 1996 is now suspended. The remaining receivable balance of \$15,118,214 was written off as a loss on the government-wide statement of activities. On the governmental fund financial statements income from the lease had been deferred so there was no effect on current period revenues and expenditures.

**F. Long-term debt**  
*Primary Government*

The following items comprise the county's outstanding general obligation debt at September 30, 2013:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Combination Tax and Revenue Certificates of Obligation, Series 2004	3.00% -5.00%	2004	2026	\$ 4,025,000
LoanStar Revolving Loan Program	3.00%	2004	2016	337,988
Combination Tax and Revenue Certificates of Obligation, Series 2007	4.00% -5.00%	2007	2027	33,305,000
General Obligation Refunding Bonds, Series 2010	3.00%	2010	2022	40,280,000
State Energy Conservation Office LoanStar Revolving Program Loan	2.00%	2012	2027	7,331,440
General Obligation Refunding Bonds, Series 2012	3.00% -5.00%	2012	2026	<u>25,745,000</u>
Sub - total general obligation debt				111,024,428
Premium on debt (net)				<u>1,835,039</u>
Total general obligation debt at September 30, 2013				<u>\$ 112,859,467</u>

On April 14, 2004, the County issued \$91,800,000 in Combination Tax and Revenue Certificates of Obligation, Series 2004 due in installments of \$3,825,000 to \$5,880,000 through February 15, 2026, with interest rate ranging from 3.00% to 5.00%. The proceeds are being used for road and bridge construction, new construction for a showbarn at the county fairgrounds, renovating various county buildings, and pier reconstruction. This particular Certificate of Obligation was refunded through General Obligation Refunding Bonds, Series 2010 and General Obligation Refunding Bonds, Series 2012. The balance of the Series 2004 has been adjusted to reflect the new outstanding bond balance.

On March 23, 2004, the County approved LoanSTAR a revolving loan mechanism up to the maximum amount of \$1,548,630 with the Texas State Energy Conservation Office under the Comptroller of Public Accounts. As of July 21, 2006 only \$1,185,764 has been used and included \$40,753 in accrued interest for a total of \$1,226,517. Upon completion of the project quarterly payments of \$36,602 were scheduled over the next 9.75 years. The proceeds were used to improve energy efficiency by replacing interior lighting in several county buildings, install programmable thermostats, and replace selected heat pumps, chiller, and HVAC units.

On January 18, 2007, the County issued \$34,500,000 in Combination Tax and Revenue Certificates of Obligation, Series 2007 due in 21 installments of \$50,000 to \$7,880,000 (average installment equals \$1,642,858) through February 15, 2027. The interest coupon rates range from 4.00% to 5.00% with a net interest cost of 4.409288% to the County. The proceeds are being used for new construction for a heritage center, jail repairs, County road 52, finish prior and new construction projects and improving the county's information technology systems.

On May 12, 2010, the County approved LoanSTAR, a revolving loan mechanism up to a maximum of \$7,930,497 with State Energy Conservation Stimulus Program under the Comptroller of Public Accounts. As of May 22, 2012 Nueces County owed the State \$8,064,228 with the first payment due November 2012. The interest rate on the loan will be at 2.00 % for a payback period of 11.9 years with quarterly payments of \$156,289. The purpose of this program is to increase the energy efficiency of public sector buildings and facilities in order to create or retain jobs, reduce energy consumption, reduce greenhouse gas emissions, increase energy cost savings and install commercially-available renewable energy. The County anticipates repaying this loan from the energy savings measures implemented through building and facility improvements.

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

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

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

<u>Governmental Activities</u>			
Fiscal Year Ending September 30	Principal	Interest	Total Debt Service Requirements
2014	\$ 6,419,917	\$ 4,639,569	\$ 11,059,486
2015	6,713,813	4,387,417	11,101,230
2016	7,184,604	4,112,521	11,297,125
2017	7,556,842	3,794,950	11,351,792
2018	7,887,156	3,468,585	11,355,741
2019-2023	40,877,676	11,970,650	52,848,326
2024-2026	26,256,363	2,593,655	28,850,018
2027	<u>8,128,057</u>	<u>179,019</u>	<u>8,307,076</u>
Totals	<u>\$ 111,024,428</u>	<u>\$ 35,146,366</u>	<u>\$ 146,170,794</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities:					
General obligation debt	\$ 119,257,725	\$ 0	\$ (6,398,258)	\$ 112,859,467	\$ 6,419,917
Capital Leases	143,995	252,139	(199,776)	196,358	196,358
Compensated absences	1,789,976	3,190,949	(3,218,955)	1,761,970	100,000
General liability claims	1,585,821	0	(14,654)	1,571,167	50,000
Judgments and other claims	<u>1,207,743</u>	<u>352,655</u>	<u>(828,042)</u>	<u>732,356</u>	<u>110,000</u>
Totals	<u>\$ 123,985,260</u>	<u>\$ 3,795,743</u>	<u>(\$10,659,685)</u>	<u>\$ 117,121,318</u>	<u>\$ 6,876,275</u>

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

*Component Unit*

The limited tax refunding bonds are collateralized by ad valorem taxes issued on all property located within the District. The limited tax refunding bonds will mature in varying amounts through the year 2015 and are callable to redemption prior to maturity beginning in 2013. Interest is payable semiannually and accrued at rates ranging from 2.0% to 4.1%.

The bond covenants do not require a separate sinking fund. However, the District has an assigned cash account for making debt payments. The balance of this account is \$473,423 at September 30, 2013. The District had sufficient cash and cash equivalents at year end to cover current maturities of bonds payable.

Aggregate maturities of the limited tax refunding bonds for each of the next five years and in the aggregate are as follows:

	<u>Requirements</u>		
<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1,740,000	144,015	1,884,015
2015	<u>1,815,000</u>	<u>74,415</u>	<u>1,889,415</u>
Total	<u>\$3,555,000</u>	<u>\$218,430</u>	<u>\$3,773,430</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds:					
Limited Tax Refunding Bonds, Series 2003	\$5,230,000	\$ -	\$1,675,000	\$ 3,555,000	\$1,740,000
Premium	(236)	-	120	(116)	-
Deferred Loss on Refunding	<u>(29,176)</u>	<u>-</u>	<u>14,952</u>	<u>(14,224)</u>	<u>-</u>
Total Bonds	\$ 5,200,588	\$ -	\$1,690,072	\$3,540,660	\$1,740,000
Other Liabilities:					
Accrued Paid Time Off	<u>71,237</u>	<u>150,762</u>	<u>148,826</u>	<u>73,173</u>	<u>-</u>
Total	<u>\$ 5,271,825</u>	<u>\$ 150,762</u>	<u>\$1,838,898</u>	<u>\$3,613,833</u>	<u>\$1,740,000</u>

## G. Fund balance by designations

### Primary Government

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

	General Fund	Debt Service Fund	U.S. Marshall Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventory	\$ 85,572	\$ -	\$ -	\$ -	\$ 52,375	\$ 137,947
Prepays	372,272	-	944	-	42,860	416,076
<b>Restricted for:</b>						
Debt Service Reserve	-	4,165,398	-	-	-	4,165,398
U.S. Marshall Contract	-	-	500,273	-	-	500,273
Commissioners Court	-	-	-	-	2,346,902	2,346,902
County Attorney	-	-	-	-	49,340	49,340
County Clerk	-	-	-	-	2,661,691	2,661,691
Tax Assessor Collector	-	-	-	-	41,990	41,990
Juvenile Programs	-	-	-	-	93,750	93,750
District Attorney	-	-	-	-	139,882	139,882
District Clerk	-	-	-	-	23,130	23,130
County Sheriff	-	-	-	-	374,935	374,935
Asset Forfeiture	-	-	-	-	1,075,868	1,075,868
Law Enforcement Education	-	-	-	-	17,177	17,177
Social Services	-	-	-	-	35,876	35,876
Community Health Program	-	-	-	-	752,107	752,107
Parks & Recreation	-	-	-	-	158,394	158,394
Library	-	-	-	-	2,014	2,014
<b>Committed to:</b>						
Capital Projects	-	-	-	10,332,775	-	10,332,775
Policy on minimum reserves	18,696,683	-	-	-	-	18,696,683
<b>Assigned to:</b>						
Road & Bridges	-	-	-	-	2,012,444	2,012,444
Stadium & Fairgrounds	-	-	-	-	2,783,616	2,783,616
Law Library	-	-	-	-	275,659	275,659
Airport	-	-	-	-	21,438	21,438
Inland Parks	-	-	-	-	305,475	305,475
Coastal Parks	-	-	-	-	1,061,037	1,061,037
Commissioners Precinct	-	-	-	-	848,692	848,692
<b>Unassigned:</b>	2,358,047	-	-	-	-	2,358,047
<b>Total Fund Balances</b>	<b>\$ 21,512,574</b>	<b>\$ 4,165,398</b>	<b>\$ 501,217</b>	<b>\$ 10,332,775</b>	<b>\$ 15,176,652</b>	<b>\$ 51,688,616</b>

## V. Other Information

### A. Risk management

#### Primary Government

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

#### Workers Compensation

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

### Property & Liability

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

<u>Coverage</u>		<u>Maximum Limit</u>	<u>Deductible</u>
Auto Liabilities		\$100,000	\$5,000
Auto Body Injury Liabilities		\$100,000/\$300,000	\$5,000
Property Damages	Windstorm/Hail Only	\$80,000,000	1% per item
Property Damages	Excluding Windstorm/Hail	\$241,966,346	\$100,000
Public Official Liabilities	Excluding Law Enforcement	\$1,000,000	\$50,000

### Group Health

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

### General Liabilities

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the balances of estimated claims liabilities during the past two years are as follows:

	<u>General Liability</u> <u>9/30/12</u>	<u>General Liability</u> <u>9/30/13</u>
Unpaid claims, beginning of fiscal year	\$ 1,661,654	\$ 1,585,821
Incurred claims and changes in estimates	400,000	0
Claim payments:	<u>(475,833)</u>	<u>(14,654)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,585,821</u>	<u>\$ 1,571,167</u>

### **B. Contingent liabilities**

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

The County is a defendant in various lawsuits. An estimated claims liability of \$1,571,167 has been established in the internal service fund. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and legal counsel for the Commissioners court the resolution of these matters will not have a material adverse effect on the financial condition of the County.

## C. Employee retirement systems and pension plans

### *Primary government – pension plan*

#### *Texas County and District Retirement System*

##### 1. Plan Description

Nueces 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). TCDRS is a qualified pension plan under Section 401(a) of Internal Revenue Code. 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 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 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 80 or more. Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

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

At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

##### 2. Funding Policy

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.78% for the months of the fiscal year in 2012, and 11.68% for the months of the fiscal year in 2013.

The County's contribution rate payable by the employee members for calendar year 2012 was 10.78% and for 2013 is 11.68% of covered compensation. The employee contribution rate was 7% for both years. The County's contribution rate and the employee rate may be changed by the Commissioners court of the employer within the options available in the TCDRS Act.

##### 3. Annual Pension Cost

For the County's fiscal year ended September 30, 2013, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$8,957,709.

The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years.

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 valuations as of December 31, 2010 and December 31, 2011, the basis for determining the contributions rates for calendar years 2012 and 2013. The December 31, 2012 actuarial valuation is the most recent valuation.



### Actuarial Valuation Information

Plan year	2012	2013	-
Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	19.8	20	20
Asset valuation method	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.40%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

(1) Includes inflation at the stated rate.

### Trend Information on Annual Pension Cost

Fiscal <u>Year Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
September 2006	\$6,628,632	100%	\$0
September 2007	\$6,795,542	100%	\$0
September 2008	\$6,497,110	100%	\$0
September 2009	\$6,651,196	100%	\$0
September 2010	\$7,746,703	100%	\$0
September 2011	\$8,462,445	100%	\$0
September 2012	\$8,284,654	100%	\$0
September 2013	\$8,957,709	100%	\$0

As of December 31, 2012, the most recent actuarial valuation date, the plan was 84.80% funded. The actuarial accrued liability for benefits was \$207,118,333, and the actuarial value of assets was \$175,629,528, resulting in an unfunded (or overfunded) actuarial accrued liability (UAAL) (or OAAL) of \$31,488,805. The covered payroll (annual payroll of active employees covered by the plan) was \$47,416,193 and the ratio of the UAAL (or OAAL) to the covered payroll was 66.41%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### *Component Unit*

The District maintains a single-employer, defined contribution retirement plan available to all employees. The plan is a tax-qualified plan pursuant to section 403(b) of the Internal Revenue Code. All full-time employees are eligible for participation in the plan. As of September 30, 2013, twenty-four employees were enrolled in the plan.

The plan is administered by an outside party. Employees can contribute a percentage of their compensation as permitted by the Internal Revenue Code Section 403(b). The District can make a discretionary matching contribution ranging from 5% to 7% of the employee's earnings based on tenure. The vesting schedule provides for employees to be 100% vested in their contributions. The District's contributions are vested at a rate of 20% per year of employment.

The plan permits employees to borrow from the plan and the related administration cost thereof shall be borne by the employee participant. The normal retirement age has been designated as 65 years of age. During the year ended September 30, 2013 the District had retirement plan expenses of \$65,760.

## **D. Recent Accounting Pronouncements**

### *Primary Government*

GASB Statement 61, *The Financial Reporting Entity: Omnibus*-an amendment of GASB Statements No. 14 and No. 34 ("GASB 61"), which modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB 65 will be implemented by the County in fiscal year 2014 and the impact has not yet been determined.

GASB Statement 66, *Technical Corrections-2012*-an amendment of GASB Statements No. 10 and No. 62 ("GASB 66"), seeks to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuances of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 GASB and AICPA Pronouncements*. GASB 66 will be implemented by the County in fiscal year 2014 and the impact has not yet been determined.

GASB Statement 67, *Financial Reporting for Pension Plans* ("GASB 67"), replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 enhances note disclosures and RSI for both defined benefit and defined contribution plans. GASB 67 will be implemented by the County in fiscal year 2015 and the impact has not yet been determined.

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 will be implemented by the County in fiscal year 2015 and the impact has not yet been determined.

GASB Statement 69, *Government Combinations and Disposals of Government Operations* ("GASB 69"), establishes accounting and financial reporting standards related to government combinations and disposals of government operations. GASB 69 will be implemented by the County in fiscal year 2015 and the impact has not yet been determined.

GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* ("GASB 70"), provides guidance to improve accounting and reporting by state and local governments that extend and receive nonexchange financial guarantees. GASB 70 will be implemented by the District in fiscal year 2015 and the impact has not yet been determined.

## **E. Subsequent Events**

The County has evaluated subsequent events through March 28, 2014, the date which the financial statements were available to be issued.

**Required Supplemental Information**  
Texas County and District Retirement System  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (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)
12/31/2005	136,173,277	147,139,665	10,966,388	92.55%	37,986,413	28.87%
12/31/2006	151,103,448	155,908,067	4,804,619	96.92%	41,214,894	11.66%
12/31/2007	160,072,306	164,375,875	4,303,569	97.38%	43,878,982	9.81%
12/31/2008	151,965,650	171,125,385	19,159,735	88.80%	44,839,036	42.73%
12/31/2009	165,369,459	183,680,265	18,310,806	90.03%	46,586,120	39.31%
12/31/2010	168,327,648	190,954,154	22,626,506	88.15%	47,503,849	47.63%
12/31/2011	173,144,312	200,756,977	27,612,665	86.25%	48,004,309	57.52%
12/31/2012	175,629,528	207,118,333	31,488,805	84.80%	47,416,193	66.41%



# SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds  
Internal Service Funds  
Fiduciary Funds



## NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to – account for the proceeds of specific revenue sources (other than major capital projects funded by bond sales) that are legally restricted to expenditures for specified purposes. The following are the County's Special Revenue Funds:

The Road Funds - used to account for the receipt and disbursement of funds designated for constructing and maintaining roads and bridges or for flood control other than specific improvements for which road bonds are issued. There are eight departments within this fund which include road and bridge, engineering, road right of way, precinct 1 road repair, precinct 3 road repair, precinct 4 road repair, and countywide road repair.

The Stadium/Fairgrounds Fund – used to account for the operations of the county baseball stadium and fairgrounds located in Robstown.

The Law Library Fund - used to operate and maintain a law library in the county courthouse and is financed by special fees charged for each civil suit filed in the county.

The Airport Funds - used to operate and maintain the county airport. Revenue sources are from the rentals of airport hangers, the leasing of the land, fuel sales and any investment income.

The Inland Park Fund - used to account for the operations of nine parks not located on the coast.

The Coastal Park Funds - used to account for the operations of beach services including a RV park, fishing piers, and beach cleaning. There are three departments within this fund which includes island park, beach improvement, and pier construction.

The Commissioners Court Funds - used to account for proceeds of various revenues that are restricted by law or administrative action to expenditures for specific purposes under the authority of commissioners court. There are twenty-nine departments within this fund which include general special revenue, records imaging, grants indirect reimbursement, compensated absences, judge special fund, precinct 1 special fund, precinct 2 special fund, precinct 3 special fund, precinct 4 special fund, bail bond board, cafeteria plan, county records management, courthouse security, delinquent tax collection contract, JP tech funds, RTA, abandoned vehicles, child safety, appellate judicial, court reporter, family protection, juvenile case manager, main grants administration, and TJPC administration.

The County Attorney Fund - used to account for the receipt and disbursement of supplemental funds received from the state.

The County Clerk Funds - used to administer the records management program of the county clerk and to account for proceeds received from contract elections. There are three departments in this fund which include records archive, county clerk records management, and election services.

The Tax Assessor/Collector Funds - used to account for the cost of administration of the vehicle inventory tax (VIT) prepayment procedure and is financed by interest generated by the escrow account.

The Juvenile Programs Funds - used to account for the use of probation fees, the interest earned on TJPC funds, IV E grant monies, and JJAEP school operating. There are five departments in this fund which include IV-E, JJAEP school operating, TJPC interest, childrens fund, and juvenile probation fees.

The District Attorney Funds - used to account for the expenditures of the hot check division of the district attorney and is financed by a fee assessed for the collecting and processing of sight orders. There are two departments within this fund which include hot check misdemeanor and hot check felony.

The District Clerk Fund – used to administer the records management program of the district clerk.

The County Sheriff Funds - used to account for donations received and expenses for special community projects under the sheriff and to account for resources and expenses of profits from commissary. There are three departments within this fund which include community projects, DARE, and inmate benefit.

The Asset Forfeiture Funds - used to account for the seizure, forfeiture, receipt, and specific expenditure of all such proceeds awarded both state and federal. This fund includes forfeitures received by the district attorney, sheriff, and constables. There are eleven departments in this fund which include IRS forfeiture, state award – district attorney, federal award – sheriff department, state award – sheriff department, state award – constable 1, state award – constable 2, state award – constable 3, state award – constable 4, state award – constable 5, federal award – constable 3, and federal award – constable 5.

The Law Enforcement Education Fund - used to account for the resources and expenditures for law enforcement education of the district attorney, sheriff and constables. There are five departments with this fund which include district attorney, sheriff, constable 1, constable 2, constable 3, constable 4, and constable 5.

The Social Services Funds - used to account for the donations received for the benefit of needy children in the area and other community functions. There are two departments in this fund which include coastal bend community fund and childrens appeal.

The Community Health Programs Funds - used to account for the operation of the community health programs of the city-county health department. There are six departments in this fund which include clinical programs cholesterol screening, environment fund, food inspection, lab testing, and immunizations.

The Park & Recreation Funds - used to account for the maintenance and operations of the recreation programs. There are eighteen departments within this fund which include three main departments, hilltop fund, center rental fund, and senior community-bishop and fifteen various recreational funds, adult basketball league, recreational classes, art classes, dance classes, girls kickball, girls softball league, martial arts, outdoor facility rental, pony league, softball fees, softball lights, summer day camp, volleyball, work experience program, and twirling classes.

The Library Funds - used to account for the donations and grants received for county public libraries. There are two departments in this fund which include Robstown library and Bishop library.



**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>Road Fund</b>	<b>Stadium &amp; Fairgrounds</b>	<b>Law Library</b>	<b>Airport</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,419,518	\$ 2,955,949	\$ 167,822	\$ 55,812
Investments	114,266	-	115,526	-
Receivable (net)	4,118	-	111	3,455
Due from other funds	-	-	-	-
Prepays	24,436	-	768	384
Inventories, at cost	19,943	-	-	16,071
<b>Total assets</b>	<b>2,582,281</b>	<b>2,955,949</b>	<b>284,227</b>	<b>75,722</b>
<b>LIABILITIES</b>				
Accounts payable	287,241	52,136	2,889	21,745
Accrued payroll payable	129,713	-	1,359	-
Due to other funds	107,986	120,197	3,551	6,194
Unearned revenues	-	-	-	9,890
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>524,940</b>	<b>172,333</b>	<b>7,799</b>	<b>37,829</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	518	-	-	-
<b>Total deferred inflow of resources</b>	<b>518</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	44,379	-	768	16,455
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	2,012,444	2,783,616	275,660	21,438
Unassigned	-	-	-	-
<b>Fund balance</b>	<b>2,056,823</b>	<b>2,783,616</b>	<b>276,428</b>	<b>37,893</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,582,281</b>	<b>\$ 2,955,949</b>	<b>\$ 284,227</b>	<b>\$ 75,722</b>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>Inland Parks</b>	<b>Coastal Parks</b>	<b>Commissioners Precinct Funds</b>	<b>Commissioners Court Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 400,875	\$ 656,463	\$ 858,116	\$ 57,627
Investments	-	514,440	-	2,847,951
Receivable (net)	-	103,070	-	181,179
Due from other funds	-	-	-	-
Prepays	5,435	5,435	-	2,435
Inventories, at cost	-	16,360	-	-
	<u>406,310</u>	<u>1,295,768</u>	<u>858,116</u>	<u>3,089,192</u>
<b>LIABILITIES</b>				
Accounts payable	26,988	128,628	3,574	74,856
Accrued payroll payable	19,093	25,910	-	13,244
Due to other funds	49,319	58,398	5,850	21,695
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	630,060
	<u>95,400</u>	<u>212,936</u>	<u>9,424</u>	<u>739,855</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	5,435	21,795	-	2,435
Restricted	-	-	-	2,346,902
Committed	-	-	-	-
Assigned	305,475	1,061,037	848,692	-
Unassigned	-	-	-	-
	<u>310,910</u>	<u>1,082,832</u>	<u>848,692</u>	<u>2,349,337</u>
Fund balance	<u>310,910</u>	<u>1,082,832</u>	<u>848,692</u>	<u>2,349,337</u>
Total liabilities and fund balances	<u>\$ 406,310</u>	<u>\$ 1,295,768</u>	<u>\$ 858,116</u>	<u>\$ 3,089,192</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>County Attorney Funds</b>	<b>County Clerk Funds</b>	<b>Tax Assessor Collector Funds</b>	<b>Juvenile Programs</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 50,470	\$ 1,898,954	\$ 2,164,620	\$ 69,224
Investments	-	1,071,498	-	-
Receivable (net)	-	214	1,795	60,402
Due from other funds	-	-	-	-
Prepays	-	384	74	-
Inventories, at cost	-	-	-	-
 Total assets	 <u>50,470</u>	 <u>2,971,050</u>	 <u>2,166,489</u>	 <u>129,626</u>
<b>LIABILITIES</b>				
Accounts payable	696	303,717	2,124,425	35,876
Accrued payroll payable	434	4,079	-	-
Due to other funds	-	1,179	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
 Total liabilities	 <u>1,130</u>	 <u>308,975</u>	 <u>2,124,425</u>	 <u>35,876</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	-	-	-	-
 Total deferred inflow of resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	384	74	-
Restricted	49,340	2,661,691	41,990	93,750
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
 Fund balance	 <u>49,340</u>	 <u>2,662,075</u>	 <u>42,064</u>	 <u>93,750</u>
 Total liabilities and fund balances	 <u>\$ 50,470</u>	 <u>\$ 2,971,050</u>	 <u>\$ 2,166,489</u>	 <u>\$ 129,626</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>District Attorney Funds</b>	<b>District Clerk Funds</b>	<b>County Sheriff Funds</b>	<b>Asset Forfeiture Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 143,379	\$ 23,130	\$ 413,307	\$ 911,324
Investments	-	-	-	187,380
Receivable (net)	1,680	-	46,064	581
Due from other funds	-	-	-	-
Prepays	2,050	179	-	1,282
Inventories, at cost	-	-	-	-
<b>Total assets</b>	<b>147,109</b>	<b>23,309</b>	<b>459,371</b>	<b>1,100,567</b>
<b>LIABILITIES</b>				
Accounts payable	3,585	-	66,378	22,009
Accrued payroll payable	1,592	-	-	1,408
Due to other funds	-	-	18,058	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>5,177</b>	<b>-</b>	<b>84,436</b>	<b>23,417</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	2,050	179	-	1,282
Restricted	139,882	23,130	374,935	1,075,868
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Fund balance</b>	<b>141,932</b>	<b>23,309</b>	<b>374,935</b>	<b>1,077,150</b>
<b>Total liabilities and fund balances</b>	<b>\$ 147,109</b>	<b>\$ 23,309</b>	<b>\$ 459,371</b>	<b>\$ 1,100,567</b>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>Law Enforcement Education</b>	<b>Social Services Funds</b>	<b>Community Health Programs</b>	<b>Parks &amp; Recreation Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,011	\$ 39,566	\$ 553,257	\$ 197,044
Investments	-	-	281,069	-
Receivable (net)	-	-	271	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
Inventories, at cost	-	-	-	-
Total assets	<u>12,011</u>	<u>39,566</u>	<u>834,597</u>	<u>197,044</u>
<b>LIABILITIES</b>				
Accounts payable	(5,166)	3,690	82,490	32,750
Accrued payroll payable	-	-	-	-
Due to other funds	-	-	-	5,900
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>(5,166)</u>	<u>3,690</u>	<u>82,490</u>	<u>38,650</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	17,177	35,876	752,107	158,394
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Fund balance	<u>17,177</u>	<u>35,876</u>	<u>752,107</u>	<u>158,394</u>
Total liabilities and fund balances	<u>\$ 12,011</u>	<u>\$ 39,566</u>	<u>\$ 834,597</u>	<u>\$ 197,044</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
For the period ending September 30, 2013**

	<b>Library Funds</b>	<b>Main Grants</b>	<b>TJPC Grants</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,014	\$ 63,060	\$ 411,635	\$ 14,525,177
Investments	-	-	-	5,132,130
Receivable (net)	-	828,326	24,449	1,255,716
Due from other funds	-	-	-	-
Prepays	-	4,096	7,959	54,915
Inventories, at cost	-	-	-	52,375
<b>Total assets</b>	<b>2,014</b>	<b>895,482</b>	<b>444,043</b>	<b>21,020,313</b>
<b>LIABILITIES</b>				
Accounts payable	-	440,573	158,206	3,867,288
Accrued payroll payable	-	3,606	47,318	247,755
Due to other funds	-	66,344	-	464,672
Unearned revenues	-	384,959	238,519	633,368
Other liabilities	-	-	-	630,060
<b>Total liabilities</b>	<b>-</b>	<b>895,482</b>	<b>444,043</b>	<b>5,843,143</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred tax revenue	-	-	-	518
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	95,234
Restricted	2,014	-	-	7,773,056
Committed	-	-	-	-
Assigned	-	-	-	7,308,362
Unassigned	-	-	-	-
<b>Fund balance</b>	<b>2,014</b>	<b>-</b>	<b>-</b>	<b>15,176,652</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,014</b>	<b>\$ 895,482</b>	<b>\$ 444,043</b>	<b>\$ 21,020,313</b>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	Road Fund	Stadium & Fairgrounds	Law Library	Airport
<b>REVENUES</b>				
Property taxes	\$ 831,253	\$ -	\$ -	\$ -
Other taxes	1,001	-	-	-
Fees of office	-	-	162,106	-
Fines and forfeitures	-	-	-	-
Licenses and permits	2,849,837	-	-	-
Intergovernmental revenues	1,112,291	-	-	-
Charges for services	-	-	1,207	-
Investment income	7,187	3,091	659	111
Rentals and commissions	-	29,610	615	48,183
Miscellaneous revenue	18,088	25,000	1,792	296
Total revenues	<u>4,819,657</u>	<u>57,701</u>	<u>166,379</u>	<u>48,590</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	185,550	-
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	7,640,903	-	-	115,179
Parks and recreation	-	1,137,269	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	<u>7,640,903</u>	<u>1,137,269</u>	<u>185,550</u>	<u>115,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,821,246)</u>	<u>(1,079,568)</u>	<u>(19,171)</u>	<u>(66,589)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	3,490	2,401,543	-	-
Transfers in	2,782,090	1,050,555	-	89,080
Transfers out	(29,080)	(17,428)	-	(25,133)
Total other financing sources and (uses)	<u>2,756,500</u>	<u>3,434,670</u>	<u>-</u>	<u>63,947</u>
Change in Fund Balance	(64,746)	2,355,102	(19,171)	(2,642)
Fund balance - beginning	2,121,569	428,514	295,599	40,535
Fund balance - ending	<u>\$ 2,056,823</u>	<u>\$ 2,783,616</u>	<u>\$ 276,428</u>	<u>\$ 37,893</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	-	-	507,213
Fines and forfeitures	-	-	-	7,898
Licenses and permits	-	249,115	-	1,500
Intergovernmental revenues	-	100,065	-	161,757
Charges for services	-	-	-	82
Investment income	896	3,332	-	16,019
Rentals and commissions	-	847,974	-	14,720
Miscellaneous revenue	2,442	28,487	5,000	60,846
	<u>3,338</u>	<u>1,228,973</u>	<u>5,000</u>	<u>770,035</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	91,794	92,663
Buildings and facilities	-	-	-	264,874
Administration of justice	-	-	-	453,205
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	49,374
Health, safety and sanitation	-	-	-	30,735
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	53,810
Parks and recreation	1,188,923	2,044,249	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>1,188,923</u>	<u>2,044,249</u>	<u>91,794</u>	<u>944,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,185,585)</u>	<u>(815,276)</u>	<u>(86,794)</u>	<u>(174,626)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	27,048
Transfers in	1,205,888	900,370	362,196	980,988
Transfers out	(36,472)	(150,000)	(6,000)	(552,646)
	<u>1,169,416</u>	<u>750,370</u>	<u>356,196</u>	<u>455,390</u>
Change in Fund Balance	(16,169)	(64,906)	269,402	280,764
Fund balance - beginning	327,079	1,147,738	579,290	2,068,573
Fund balance - ending	<u>\$ 310,910</u>	<u>\$ 1,082,832</u>	<u>\$ 848,692</u>	<u>\$ 2,349,337</u>



**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	County Attorney Funds	County Clerk Funds	Tax Assessor Collector Funds	Juvenile Programs
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	544,990	-	10
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	248,944	57,261	663,274
Charges for services	-	-	-	7,018
Investment income	-	-	1,381	330
Rentals and commissions	-	-	-	-
Miscellaneous revenue	-	-	-	164
<b>Total revenues</b>	<b>-</b>	<b>793,934</b>	<b>58,642</b>	<b>670,796</b>
<b>EXPENDITURES</b>				
Current:				
General government	65,943	971,532	114,432	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	-	672,428
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
<b>Total expenditures</b>	<b>65,943</b>	<b>971,532</b>	<b>114,432</b>	<b>672,428</b>
Excess (deficiency) of revenues over (under) expenditures	(65,943)	(177,598)	(55,790)	(1,632)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	17,167
Transfers out	-	(31,486)	-	(2,100)
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>(31,486)</b>	<b>-</b>	<b>15,067</b>
<b>Change in Fund Balance</b>	<b>(65,943)</b>	<b>(209,084)</b>	<b>(55,790)</b>	<b>13,435</b>
Fund balance - beginning	115,283	2,871,159	97,854	80,315
Fund balance - ending	<u>\$ 49,340</u>	<u>\$ 2,662,075</u>	<u>\$ 42,064</u>	<u>\$ 93,750</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	District Attorney Funds	District Clerk Funds	County Sheriff Funds	Asset Forfeitures Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	21,561	32,299	-	-
Fines and forfeitures	-	-	-	395,897
Licenses and permits	-	-	-	-
Intergovernmental revenues	4,330	-	-	2,100
Charges for services	368,201	-	-	-
Investment income	-	-	47	3,445
Rentals and commissions	-	-	4,090	-
Miscellaneous revenue	-	-	457,925	-
	<u>394,092</u>	<u>32,299</u>	<u>462,062</u>	<u>401,442</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	16,110	-	-
Law enforcement and corrections	381,161	-	444,109	592,872
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>381,161</u>	<u>16,110</u>	<u>444,109</u>	<u>592,872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,931</u>	<u>16,189</u>	<u>17,953</u>	<u>(191,430)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	7,927
Transfers in	-	-	-	-
Transfers out	(100,000)	-	(50,000)	(4,228)
	<u>(100,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>3,699</u>
Change in Fund Balance	(87,069)	16,189	(32,047)	(187,731)
Fund balance - beginning	229,001	7,120	406,982	1,264,881
Fund balance - ending	<u>\$ 141,932</u>	<u>\$ 23,309</u>	<u>\$ 374,935</u>	<u>\$ 1,077,150</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	-	3,425	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	5,990	-
Intergovernmental revenues	-	16,451	372,402	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Rentals and commissions	-	-	-	24,464
Miscellaneous revenue	-	86,219	64,125	1,450
Total revenues	<u>-</u>	<u>102,670</u>	<u>445,942</u>	<u>25,914</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	32,807
Administration of justice	-	-	-	-
Law enforcement and corrections	11,663	-	-	-
Social services	-	98,457	-	7,650
Health, safety and sanitation	-	-	102,798	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	4,550
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	<u>11,663</u>	<u>98,457</u>	<u>102,798</u>	<u>45,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,663)</u>	<u>4,213</u>	<u>343,144</u>	<u>(19,093)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(58,935)	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>(58,935)</u>	<u>-</u>
Change in Fund Balance	(11,663)	4,213	284,209	(19,093)
Fund balance - beginning	28,840	31,663	467,898	177,487
Fund balance - ending	<u>\$ 17,177</u>	<u>\$ 35,876</u>	<u>\$ 752,107</u>	<u>\$ 158,394</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2013**

	Library Funds	Main Grants	TJPC Grants	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	831,253
Other taxes	-	-	-	1,001
Fees of office	-	-	-	1,271,604
Fines and forfeitures	-	-	-	403,795
Licenses and permits	-	-	-	3,106,442
Intergovernmental revenues	-	2,828,194	2,495,159	8,062,228
Charges for services	-	18,243	-	394,751
Investment income	-	16	-	36,514
Rentals and commissions	-	-	-	969,656
Miscellaneous revenue	3,997	13,970	-	769,801
	<u>3,997</u>	<u>2,860,423</u>	<u>2,495,159</u>	<u>15,847,045</u>
Total revenues	3,997	2,860,423	2,495,159	15,847,045
<b>EXPENDITURES</b>				
Current:				
General government	-	53,022	-	1,389,386
Buildings and facilities	-	599,741	-	897,422
Administration of justice	-	179,901	2,461,616	3,968,808
Law enforcement and corrections	-	588,114	-	2,017,919
Social services	-	103,666	-	259,147
Health, safety and sanitation	-	1,396,498	-	1,530,032
Agriculture, education and consumer sciences	3,848	-	-	3,848
Roads, bridges and transportation	-	-	-	7,809,892
Parks and recreation	-	96,471	-	4,471,466
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>3,848</u>	<u>3,017,413</u>	<u>2,461,616</u>	<u>22,347,920</u>
Total expenditures	3,848	3,017,413	2,461,616	22,347,920
Excess (deficiency) of revenues over (under) expenditures	<u>149</u>	<u>(156,990)</u>	<u>33,543</u>	<u>(6,500,875)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	2,440,008
Transfers in	-	156,990	33,624	7,578,948
Transfers out	-	-	(67,167)	(1,130,674)
	<u>-</u>	<u>156,990</u>	<u>(33,543)</u>	<u>8,888,282</u>
Total other financing sources and (uses)	-	156,990	(33,543)	8,888,282
Change in Fund Balance	149	-	-	2,387,407
Fund balance - beginning	1,865	-	-	12,789,245
Fund balance - ending	<u>\$ 2,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,176,652</u>

**NUECES COUNTY, TEXAS**  
**ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Property taxes, penalty & interest	\$ 827,709	\$ 827,709	\$ 832,254	\$ 4,545
Licenses and permits	3,265,000	3,265,000	3,800,533	535,533
Intergovernmental revenue	90,000	90,000	161,596	71,596
Investment income	8,000	8,000	7,187	(813)
Miscellaneous revenue	-	-	18,088	18,088
Total revenues	<u>4,190,709</u>	<u>4,190,709</u>	<u>4,819,657</u>	<u>628,948</u>
<b>EXPENDITURES</b>				
Roads, bridges and transportation:				
Personnel services	3,898,552	3,898,552	3,372,931	525,621
Maintenance, materials and supplies	2,746,446	2,761,446	2,729,246	32,200
Telephone & utilities	93,408	93,408	91,871	1,537
Reserve appropriations	604,174	604,174	-	604,174
Professional and special servi	95,000	95,000	68,340	26,660
Other services and charges	132,330	269,483	924,231	(654,748)
Capital outlay	475,000	322,847	454,284	(131,437)
Total expenditures	<u>8,044,910</u>	<u>8,044,910</u>	<u>7,640,903</u>	<u>404,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,854,201)</u>	<u>(3,854,201)</u>	<u>(2,821,246)</u>	<u>1,032,955</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	3,490	3,490
Transfers in	2,523,495	2,523,495	2,782,090	258,595
Transfers out	(16,080)	(16,080)	(29,080)	(13,000)
Total other financing sources (uses)	<u>2,507,415</u>	<u>2,507,415</u>	<u>2,756,500</u>	<u>249,085</u>
Net change in fund balances	<u>(1,346,786)</u>	<u>(1,346,786)</u>	<u>(64,746)</u>	<u>1,282,040</u>
Fund balances - beginning	<u>1,766,034</u>	<u>1,766,034</u>	<u>2,121,569</u>	<u>355,535</u>
Fund balances - ending	<u>\$ 419,248</u>	<u>\$ 419,248</u>	<u>\$ 2,056,823</u>	<u>\$ 1,637,575</u>

**NUECES COUNTY, TEXAS**  
**STADIUM & FAIRGROUNDS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u></u>
<b>REVENUES</b>				
Rentals and commissions	\$ 34,000	\$ 34,000	\$ 29,610	\$ (4,390)
Investment income	750	750	3,091	2,341
Miscellaneous revenue	1,025,000	1,025,000	25,000	(1,000,000)
Total revenues	<u>1,059,750</u>	<u>1,059,750</u>	<u>57,701</u>	<u>(1,002,049)</u>
<b>EXPENDITURES</b>				
Parks and recreation:				
Personnel services	-	-	6,474	(6,474)
Maintenance, materials and supplies	44,500	57,200	49,909	7,291
Telephone & utilities	130,000	130,000	100,562	29,438
Reserve appropriations	1,130,237	1,130,237	-	1,130,237
Professional services	900	945	945	-
Other services and charges	1,042,300	1,042,300	978,529	63,771
Capital outlay	45,000	32,255	850	31,405
Total expenditures	<u>2,392,937</u>	<u>2,392,937</u>	<u>1,137,269</u>	<u>1,255,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,333,187)</u>	<u>(1,333,187)</u>	<u>(1,079,568)</u>	<u>253,619</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	-	-	2,401,543	2,401,543
Transfers in	1,050,555	1,050,555	1,050,555	-
Transfers out	(15,500)	(15,500)	(17,428)	(1,928)
Total other financing sources (uses)	<u>1,035,055</u>	<u>1,035,055</u>	<u>3,434,670</u>	<u>2,399,615</u>
Net change in fund balances	(298,132)	(298,132)	2,355,102	2,653,234
Fund balances - beginning	<u>416,915</u>	<u>416,915</u>	<u>428,514</u>	<u>11,599</u>
Fund balances - ending	<u>\$ 118,783</u>	<u>\$ 118,783</u>	<u>\$ 2,783,616</u>	<u>\$ 2,664,833</u>

**NUECES COUNTY, TEXAS**  
**LAW LIBRARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Fees of office	\$ 172,500	\$ 172,500	\$ 162,106	\$ (10,394)
Charges for Services	700	700	1,207	507
Investment Income	500	500	659	159
Rentals and commissions	900	900	615	(285)
Miscellaneous revenue	3,250	3,250	1,792	(1,458)
Total revenues	177,850	177,850	166,379	(11,471)
<b>EXPENDITURES</b>				
Adminstration of Justice				
Personnel services	90,913	90,913	86,140	4,773
Maintenance, materials and supplies	1,100	1,100	430	670
Professional and special services	35,850	35,850	34,508	1,342
Reserve appropriations	20,619	20,619	-	20,619
Other services and charges	69,181	69,181	64,472	4,709
Capital outlay	4,000	4,000	-	4,000
Total expenditures	221,663	221,663	185,550	36,113
Deficiency of revenues under expenditures	(43,813)	(43,813)	(19,171)	24,642
Fund balances - beginning	231,466	231,466	295,599	64,133
Fund balances - ending	\$ 187,653	\$ 187,653	\$ 276,428	\$ 88,775

**NUECES COUNTY, TEXAS**  
**AIRPORT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for Services	120	120	-	(120)
Investment income	300	300	111	(189)
Rentals and commissions	48,363	48,363	48,183	(180)
Miscellaneous revenue	22,425	22,425	296	(22,129)
Total revenues	<u>71,208</u>	<u>71,208</u>	<u>48,590</u>	<u>(22,618)</u>
<b>EXPENDITURES</b>				
Roads, bridges and transportation:				
Personnel services	50,180	54,979	54,979	-
Maintenance, materials and supplies	24,500	31,766	22,438	9,328
Telephone & utilities	23,692	23,692	18,962	4,730
Professional and special services	11,960	11,960	9,542	2,418
Other services and charges	8,283	9,260	9,259	1
Capital Outlay	20,000	6,958	-	6,958
Total expenditures	<u>138,615</u>	<u>138,615</u>	<u>115,180</u>	<u>23,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(67,407)</u>	<u>(67,407)</u>	<u>(66,590)</u>	<u>817</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	76,080	76,080	89,080	13,000
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(25,133)</u>	<u>24,867</u>
Total other financing sources (uses)	<u>26,080</u>	<u>26,080</u>	<u>63,947</u>	<u>37,867</u>
Net change in fund balances	(41,327)	(41,327)	(2,643)	38,684
Fund balances - beginning	<u>51,955</u>	<u>51,955</u>	<u>40,535</u>	<u>(11,420)</u>
Fund balances - ending	<u>\$ 10,628</u>	<u>\$ 10,628</u>	<u>\$ 37,892</u>	<u>\$ 27,264</u>



**NUECES COUNTY, TEXAS**  
**INLAND PARKS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>Amounts</u>
<b>REVENUES</b>				
Investment income	\$ 1,100	\$ 1,100	\$ 896	\$ (204)
Miscellaneous revenue	-	-	2,442	2,442
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>3,338</u>	<u>2,238</u>
<b>EXPENDITURES</b>				
Parks and recreation:				
Personnel services	713,141	713,861	621,373	92,488
Maintenance, materials and supplies	228,051	277,311	252,811	24,500
Telephone & utilities	244,175	221,175	179,226	41,949
Professional and special services	5,000	7,000	5,595	1,405
Other services and charges	51,179	53,137	49,406	3,731
Capital outlay	145,500	114,562	80,513	34,049
Total expenditures	<u>1,387,046</u>	<u>1,387,046</u>	<u>1,188,924</u>	<u>198,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,385,946)</u>	<u>(1,385,946)</u>	<u>(1,185,586)</u>	<u>200,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,203,960	1,203,960	1,205,888	1,928
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(36,472)</u>	<u>(31,472)</u>
Total other financing sources (uses)	<u>1,198,960</u>	<u>1,198,960</u>	<u>1,169,416</u>	<u>(29,544)</u>
Net change in fund balances	(186,986)	(186,986)	(16,170)	170,816
Fund balances - beginning	<u>194,303</u>	<u>194,303</u>	<u>327,078</u>	<u>132,775</u>
Fund balances - ending	<u>\$ 7,317</u>	<u>\$ 7,317</u>	<u>\$ 310,908</u>	<u>\$ 303,591</u>

**NUECES COUNTY, TEXAS**  
**COASTAL PARKS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
Beach Parking Fees	\$ 275,000	\$ 275,000	\$ 249,116	\$ (25,884)
RV & PJ Park Rentals	339,000	339,000	338,105	(895)
Pier Fees & Commission	150,000	150,000	323,001	173,001
Interest Income	8,500	8,500	3,332	(5,168)
Rentals and commissions	55,000	55,000	57,426	2,426
Beach Cleaning - State	95,000	95,000	100,065	5,065
Refunds & Reimbursement	500	500	750	250
Other Income	43,500	43,500	(73)	(43,573)
Commodity Sales	1,000	1,000	26,654	25,654
Overage & Shortage	-	-	206	206
RV Park Improvements	115,000	115,000	130,391	15,391
Total revenues	<u>1,082,500</u>	<u>1,082,500</u>	<u>1,228,973</u>	<u>146,473</u>
<b>EXPENDITURES</b>				
Parks & Recreation:				
Personnel services	950,698	1,022,698	873,541	149,157
Maintenance, materials and supplies	306,021	320,021	275,013	45,008
Telephone & utilities	436,834	436,834	363,375	73,459
Professional and special services	76,900	61,900	18,312	43,588
Reserve appropriations	535,000	486,000	-	486,000
Other services and charges	531,625	511,425	433,496	77,929
Capital outlay	41,439	39,639	80,512	(40,873)
Total expenditures	<u>2,878,517</u>	<u>2,878,517</u>	<u>2,044,249</u>	<u>834,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,796,017)</u>	<u>(1,796,017)</u>	<u>(815,276)</u>	<u>980,741</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	750,370	750,370	900,370	150,000
Transfers out	-	-	(150,000)	(150,000)
Total other financing sources (uses)	<u>750,370</u>	<u>750,370</u>	<u>750,370</u>	<u>-</u>
Net change in fund balances	<u>(1,045,647)</u>	<u>(1,045,647)</u>	<u>(64,906)</u>	<u>980,741</u>
Fund balances - beginning	<u>1,181,576</u>	<u>1,181,576</u>	<u>1,147,738</u>	<u>(33,838)</u>
Fund balances - ending	<u>\$ 135,929</u>	<u>\$ 135,929</u>	<u>\$ 1,082,832</u>	<u>\$ 946,903</u>



**NUECES COUNTY, TEXAS**  
**SPECIAL REVENUES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the year ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Commissioners Precinct Funds	\$ -	\$ -	\$ 5,000	\$ 5,000
Commissioners Court Funds	904,949	904,949	770,035	(134,914)
County Attorney Funds	62,500	62,500	-	(62,500)
County Clerk Funds	464,000	464,000	793,934	329,934
Tax Assessor - Collector Funds	71,000	71,000	58,642	(12,358)
Juvenile Programs	728,295	728,295	670,796	(57,499)
District Attorney Funds	324,000	324,000	394,092	70,092
District Clerk Funds	25,000	25,000	32,299	7,299
County Sheriff Funds	386,035	386,035	462,062	76,027
Asset Forfeiture Funds	212,150	212,150	401,442	189,292
LEOSE Funds	29,715	29,715	-	(29,715)
Social Services Funds	70,000	70,000	102,670	32,670
Community Health Programs	15,500	15,500	445,942	430,442
Parks & Recreation Funds	27,500	27,500	25,914	(1,586)
Library Funds	850	850	3,997	3,147
Total revenues	3,321,494	3,321,494	4,166,825	845,331
 Current:				
<b>General government</b>				
Commissioners Precinct Funds	897,453	778,307	91,795	686,512
Commissioners Court	205,404	205,404	92,662	112,742
County Attorney	116,829	116,829	65,943	50,886
County Clerk	3,286,873	3,245,646	843,834	2,401,812
Tax Assessor Collector	174,507	174,507	105,490	69,017
<b>Buildings and facilities</b>				
Commissioners Court	296,412	299,362	214,604	84,758
Parks & recreation funds	147,384	147,384	32,808	114,576
<b>Administration of justice</b>				
Commissioners Court	912,211	912,211	453,205	459,006
Juvenile Programs	804,799	804,799	672,429	132,370
District Clerk Funds	16,418	16,418	16,109	309
<b>Law enforcement and corrections</b>				
District Attorney Funds	420,249	420,249	381,161	39,088
County Sheriff Funds	772,992	772,992	390,454	382,538
Asset Forfeiture	973,697	963,697	318,883	644,814
Law Enforcement Education	72,939	72,939	11,664	61,275
<b>Social services</b>				
Commissioners Court	29,882	61,307	49,374	11,933
Social Services	85,129	95,255	98,457	(3,202)
Parks & Recreation Funds	18,559	18,559	7,650	10,909
<b>Health, safety and sanitation</b>				
Commissioners Court	65,454	68,074	30,735	37,339
Community Health Programs	472,000	548,600	102,798	445,802
<b>Agriculture, education and consumer sciences</b>				
Commissioners Court	3,594	3,594	-	3,594
Library Funds	5,310	6,310	3,848	2,462

(Continued)

**NUECES COUNTY, TEXAS**  
**SPECIAL REVENUES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the year ended September 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Roads, bridges, and transportation</b>				
Commissioners Court	\$ 292,092	\$ 292,092	\$ 53,810	\$ 238,282
<b>Debt Service</b>				
Commissioners Court	\$ 456,431	\$ 456,431	\$ 50,270	406,161
<b>Parks &amp; recreation</b>				
Parks & recreation funds	47,527	52,078	4,550	47,528
Capital outlay:				
Capital outlay	281,000	322,100	464,283	(142,183)
Total expenditures	<u>10,855,145</u>	<u>10,855,144</u>	<u>4,556,816</u>	<u>6,298,328</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,533,651)</u>	<u>(7,533,650)</u>	<u>(389,991)</u>	<u>7,143,659</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	748,805	748,805	1,360,351	611,546
Transfers out	(706,711)	(706,711)	(805,395)	(98,684)
Sale of Assets	-	-	34,975	34,975
Total other financing sources and uses	<u>42,094</u>	<u>42,094</u>	<u>589,931</u>	<u>547,837</u>
Net change in fund balances	(7,491,557) -	(7,491,556)	199,940	7,691,496
Fund balances - beginning	<u>2,962,060</u>	<u>2,962,060</u>	<u>8,428,212</u>	<u>5,466,152</u>
	<u>\$ (4,529,497)</u>	<u>\$ (4,529,496)</u>	<u>\$ 8,628,152</u>	<u>\$ 13,157,648</u>



# INTERNAL SERVICE FUNDS

NUECES COUNTY, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
September 30, 2013

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ (67,025)	\$ 1,430,697	\$ 1,040,470	\$ 2,404,142
Investments	103,204	270,562	-	373,766
Due from island parks	-	-	-	-
Due from other governments and agencies	-	-	-	-
Receivables (net of allowance for uncollectibles)	416,948	409,830	439,117	1,265,895
<b>TOTAL ASSETS</b>	<b>453,127</b>	<b>2,111,089</b>	<b>1,479,587</b>	<b>4,043,803</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	81,239	413,736	673,741	1,168,716
Total current liabilities	81,239	413,736	673,741	1,168,716
<b>Noncurrent liabilities</b>				
Estimated claims liability	-	1,571,167	-	1,571,167
Total noncurrent liabilities	-	1,571,167	-	1,571,167
<b>TOTAL LIABILITIES</b>	<b>81,239</b>	<b>1,984,903</b>	<b>673,741</b>	<b>2,739,883</b>
<b>NET POSITION</b>				
Unrestricted	371,888	126,186	805,846	1,303,920
<b>TOTAL NET POSITION</b>	<b>\$ 453,127</b>	<b>\$ 2,111,089</b>	<b>\$ 1,479,587</b>	<b>\$ 4,043,803</b>



NUECES COUNTY, TEXAS  
 INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 For the Year Ended September 30, 2013

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$ 429,953	\$ 1,547,603	\$ 6,605,366	\$ 8,582,922
Total operating revenues	<u>429,953</u>	<u>1,547,603</u>	<u>6,605,366</u>	<u>8,582,922</u>
Operating expenses:				
Benefit payments	-	-	6,293,562	6,293,562
Insurance premiums and bonds	324,956	1,292,674	293,579	1,911,209
Claims and settlements	-	22,635	-	22,635
Administration	-	-	385,795	385,795
Total operating expenses	<u>324,956</u>	<u>1,315,309</u>	<u>6,972,936</u>	<u>8,613,201</u>
Operating income (loss)	<u>104,997</u>	<u>232,294</u>	<u>(367,570)</u>	<u>(30,279)</u>
Non operating revenues:				
Investment income	<u>907</u>	<u>3,393</u>	<u>1,538</u>	<u>5,838</u>
Income (loss) before transfers	105,904	235,687	(366,032)	(24,441)
Transfers in	-	-	400,000	400,000
Transfers out	<u>(300,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(400,000)</u>
Total transfers	<u>(300,000)</u>	<u>(100,000)</u>	<u>400,000</u>	<u>-</u>
Change in net position	(194,096)	135,687	33,968	(24,441)
Net position at beginning of year	<u>565,984</u>	<u>(9,501)</u>	<u>771,878</u>	<u>1,328,361</u>
Net position at end of year	<u>\$ 371,888</u>	<u>\$ 126,186</u>	<u>\$ 805,846</u>	<u>\$ 1,303,920</u>

NUECES COUNTY, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2013

	Workers Compensation Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from interfund services provided	\$ 416,872	\$ 1,538,504	\$ 4,606,131	\$ 6,561,507
Receipts from employees	-	(14,654)	1,024,476	1,009,822
Receipts from other participants	-	-	978,362	978,362
Receipts from reimbursements and refunds	13,081	9,099	17,007	39,187
Payments for benefit claims	-	-	(6,293,562)	(6,293,562)
Payments for insurance and bond policies	(416,473)	(886,589)	(291,681)	(1,594,743)
Payments for administration	-	(17,700)	(385,795)	(403,495)
Payments for settlements and claims	-	(4,935)	-	(4,935)
Net cash provided in operating activities	<u>13,480</u>	<u>623,725</u>	<u>(345,062)</u>	<u>292,143</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers In			400,000	400,000
Transfers Out	(300,000)	(100,000)		(400,000)
Net cash provided for noncapital financing activities	<u>(300,000)</u>	<u>(100,000)</u>	<u>400,000</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of investments	213,695	226,720	-	440,415
Interest received	(415,788)	3,912	(398,462)	(810,338)
Net cash provided by investing activities	<u>(202,093)</u>	<u>230,632</u>	<u>(398,462)</u>	<u>(369,923)</u>
Net increase in cash and cash equivalents	(488,613)	754,357	(343,524)	(77,779)
Cash and cash equivalents at beginning of year	421,587	676,340	1,383,994	2,481,921
Cash and cash equivalents at end of year	<u>\$ (67,025)</u>	<u>\$ 1,430,697</u>	<u>\$ 1,040,470</u>	<u>\$ 2,404,142</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 104,997	\$ 232,294	\$ (367,569)	\$ (30,278)
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	-	22,201	22,201
(Increase) decrease in due from other funds	-	(1,850)	-	(1,850)
Increase (decrease) in estimated claims liabilities	-	(14,654)	-	(14,654)
Increase (decrease) in deferred revenue	-	-	-	-
Increase (decrease) in accounts payable	(91,517)	407,935	306	316,724
Increase (decrease) in other insurance	-	-	-	-
Total Adjustments	<u>(91,517)</u>	<u>391,431</u>	<u>22,507</u>	<u>322,421</u>
Net cash provided by operating activities	<u>\$ 13,480</u>	<u>\$ 623,725</u>	<u>\$ (345,062)</u>	<u>\$ 292,143</u>

# FIDUCIARY FUNDS



NUECES COUNTY, TEXAS  
 COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 SEPTEMBER 30, 2013

ASSETS	<u>CSCD</u>	<u>Nueces County Trust</u>	<u>Metropolitan Planning Organization</u>	<u>Total</u>
Cash, equivalents & pooled funds	\$ 2,742,813	\$ 16,121,616	\$ 163,811	\$ 19,028,240
Accounts receivable	23,839	624,168	168,986	816,993
Prepays	<u>-</u>	<u>7,494</u>	<u>3,095</u>	<u>10,589</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,766,652</u></b>	<b><u>\$ 16,753,278</u></b>	<b><u>\$ 335,892</u></b>	<b><u>\$ 19,855,822</u></b>
LIABILITIES				
Accounts payable	\$ 237,395	\$ 15,063,919	\$ 6,560	\$ 15,307,874
Accrued payroll payable	257,334	34,155	5,609	297,098
Due to other governments and agencies	352,083	1,217,683	280,335	1,850,101
Funds held in escrow	<u>1,919,840</u>	<u>437,521</u>	<u>43,388</u>	<u>2,400,749</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 2,766,652</u></b>	<b><u>\$ 16,753,278</u></b>	<b><u>\$ 335,892</u></b>	<b><u>\$ 19,855,822</u></b>

Nueces County, Texas  
Statement of Changes in Fiduciary Assets and Liabilities -  
Agency Funds  
For the Year Ended September 30, 2013

	Balance 9/30/2012	Additions	Deductions	Balance 9/30/2013
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,764,041	\$ 37,586,111	\$ 36,321,912	\$ 19,028,240
Accounts receivable	987,675	2,877,923	3,048,605	816,993
Prepays	27,187	174,475	191,073	10,589
<b>TOTAL ASSETS</b>	<b>\$ 18,778,903</b>	<b>\$ 40,638,509</b>	<b>\$ 39,561,590</b>	<b>\$ 19,855,822</b>
<b>LIABILITIES</b>				
Accounts payable	13,997,853	27,595,222	28,905,243	15,307,874
Accrued payroll payable	267,152	8,958,344	8,988,291	297,098
Due to other governments and agencies	2,078,718	32,094,033	31,865,416	1,850,101
Funds held in escrow	2,435,180	4,830,325	4,795,894	2,400,749
<b>TOTAL LIABILITIES</b>	<b>\$ 18,778,903</b>	<b>\$ 73,477,924</b>	<b>\$ 74,554,844</b>	<b>\$ 19,855,822</b>

NUECES COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
For the Year Ended September 30, 2013

CSCD

	Balance 9/30/2012	Additions	Deductions	Balance 9/30/2013
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ 2,563,524	\$ 22,794,908	\$ 22,615,619	\$ 2,742,813
Accounts receivable	4,669	45,593	26,423	23,839
Prepays	-	49	49	-
<b>TOTAL ASSETS</b>	<b>\$ 2,568,193</b>	<b>\$ 22,840,550</b>	<b>\$ 22,642,091</b>	<b>\$ 2,766,652</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 150,837	\$ 15,905,090	\$ 15,991,648	\$ 237,395
Accrued payroll payable	232,286	7,366,230	7,391,278	257,334
Due to other governments and agencies	116,161	22,577,600	22,813,522	352,083
Funds held in escrow	2,068,909	4,830,325	4,681,256	1,919,840
<b>TOTAL LIABILITIES</b>	<b>\$ 2,568,193</b>	<b>\$ 50,679,245</b>	<b>\$ 50,877,704</b>	<b>\$ 2,766,652</b>

NUECES COUNTY TRUST

	Balance 9/30/2012	Additions	Deductions	Balance 9/30/2013
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ 15,126,692	\$ 13,952,303	\$ 12,957,379	\$ 16,121,616
Accounts receivable	737,875	2,167,353	2,281,060	624,168
Prepays	26,978	171,331	190,815	7,494
<b>TOTAL ASSETS</b>	<b>\$ 15,891,545</b>	<b>\$ 16,290,987</b>	<b>\$ 15,429,254</b>	<b>\$ 16,753,278</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,838,246	\$ 10,843,480	\$ 12,069,153	\$ 15,063,919
Accrued payroll payable	29,825	1,114,746	1,119,076	34,155
Due to other governments and agencies	1,694,557	8,133,722	7,656,848	1,217,683
Funds held in escrow	328,917	-	108,604	437,521
<b>TOTAL LIABILITIES</b>	<b>\$ 15,891,545</b>	<b>\$ 20,091,948</b>	<b>\$ 20,953,681</b>	<b>\$ 16,753,278</b>

METROPOLITAN PLANNING ORG.

	Balance 9/30/2012	Additions	Deductions	Balance 9/30/2013
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ 73,825	\$ 838,900	\$ 748,914	\$ 163,811
Accounts Receivable	245,131	664,977	741,122	168,986
Prepays	209	3,095	209	3,095
<b>TOTAL ASSETS</b>	<b>\$ 319,165</b>	<b>\$ 1,506,972</b>	<b>\$ 1,490,245</b>	<b>\$ 335,892</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,770	\$ 846,652	\$ 844,442	\$ 6,560
Accrued payroll payable	5,041	477,368	477,937	\$ 5,609
Due to other governments and agencies	268,000	1,382,711	1,395,046	\$ 280,335
Funds Held in Escrow	37,354	-	6,034	\$ 43,388
<b>TOTAL LIABILITIES</b>	<b>\$ 319,165</b>	<b>\$ 2,706,731</b>	<b>\$ 2,723,459</b>	<b>\$ 335,892</b>





## *Statistical Section*

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	116-125
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	126-137
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	138-147
<i>These present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	148-155
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	156-167
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

**Nueces County, Texas**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities:				
Primary government (excludes component units)				
Invested in capital assets, net of related debt	\$ 51,366,127	\$ 42,710,159	\$ 95,062,614	\$ 127,137,862
Restricted	13,307,054	32,800,849	41,385,412	15,684,832
Unrestricted	<u>11,882,141</u>	<u>10,630,392</u>	<u>20,754,076</u>	<u>14,273,648</u>
Total primary government net position	<u>\$ 76,555,322</u>	<u>\$ 86,141,400</u>	<u>\$ 157,202,102</u>	<u>\$ 157,096,342</u>

Exhibit 1

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 119,615,150	\$ 114,418,905	\$ 84,990,779	\$ 106,372,898	\$ 90,846,187	\$ 83,933,928
48,736,178	14,855,823	14,739,132	16,108,044	17,328,598	12,502,545
(15,598,846)	21,545,294	48,795,609	19,479,502	30,480,260	36,247,660
<u>\$ 152,752,482</u>	<u>\$ 150,820,022</u>	<u>\$ 148,525,520</u>	<u>\$ 141,960,444</u>	<u>\$ 138,655,045</u>	<u>\$ 132,684,133</u>

**Nueces County, Texas**  
**Changes In Net Position**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	2004	2005	2006	2007
<b>Expenses</b>				
General government	\$ 12,231,938	\$ 13,828,609	\$ 11,309,350	\$ 12,487,965
Building and facilities	6,480,287	7,193,556	7,954,617	8,256,406
Administration of justice	20,168,883	20,970,326	22,667,915	23,729,715
Law enforcement and corrections	19,777,272	30,825,022	21,701,331	23,817,761
Social services	2,282,124	2,379,678	2,509,261	2,514,128
Health, safety and sanitation	1,554,184	852,329	1,192,347	1,748,318
Agriculture, education and consumer sciences	477,219	439,122	480,931	492,016
Roads, bridges and transportation	5,742,327	5,522,753	10,341,541	12,578,634
Parks and recreation	2,783,556	2,610,974	2,395,171	4,930,535
Interest and fees on long -term debt	1,833,454	6,379,012	5,005,426	5,995,943
Total primary government expenses	<u>\$ 73,331,244</u>	<u>\$ 91,001,381</u>	<u>\$ 85,557,890</u>	<u>\$ 96,551,421</u>
<b>Program Revenues</b>				
Charges for services:				
General government	\$ 6,101,382	\$ 6,877,929	\$ 6,773,455	\$ 6,803,856
Buildings and facilities	535,798	356,699	769,989	764,542
Administration of justice	5,343,647	5,535,141	5,002,914	6,312,388
Law enforcement and corrections	5,055,255	14,662,202	4,652,646	2,592,443
Social services	16,999	11,060	64,138	145,940
Health, safety, and sanitation	218,034	75,297	112,908	121,189
Agriculture, education, and consumers sciences	12	68	3,622	5,006
Roads, bridges and transportation	2,497,441	2,519,178	2,523,587	2,623,937
Parks and recreation	726,996	667,538	1,002,593	898,852
Operating grants and contributions	7,743,506	8,226,779	8,479,146	8,957,688
Capital grants and contributions	1,857,282	2,810,367	1,854,807	3,852,784
Total primary government revenues	<u>\$ 30,096,352</u>	<u>\$ 41,742,258</u>	<u>\$ 31,239,805</u>	<u>\$ 33,078,625</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(43,234,892)	(49,259,123)	(54,318,085)	(63,472,796)
Total primary government net expenses	<u>\$ (43,234,892)</u>	<u>\$ (49,259,123)</u>	<u>\$ (54,318,085)</u>	<u>\$ (63,472,796)</u>
<b>General revenues and other changes in net position</b>				
<b>General Revenues</b>				
Property taxes	\$ 46,136,506	\$ 55,541,622	\$ 55,745,552	\$ 56,313,439
Alcohol beverage and other taxes	1,291,058	1,199,120	1,346,945	1,447,606
Unrestricted investment earnings	2,086,216	2,809,534	4,792,279	5,274,254
Grants and contributions not restricted to specific program	377,430	172,339	95,960	331,737
Gain or loss on sale of capital assets	23,106	(877,414)	-	-
Miscellaneous	-	0	-	-
Total general revenues	<u>\$ 49,914,316</u>	<u>\$ 58,845,201</u>	<u>\$ 61,980,736</u>	<u>\$ 63,367,036</u>
<b>Change in Net Position</b>	<u>\$ 6,679,424</u>	<u>\$ 9,586,078</u>	<u>\$ 7,662,651</u>	<u>\$ (105,760)</u>

Exhibit 2

	2008	2009	2010	2011	2012	2013
\$	13,447,105	\$ 13,922,786	\$ 13,483,612	\$ 13,436,667	\$ 13,319,250	\$ 14,441,357
	8,799,943	9,216,536	10,165,122	9,463,249	9,490,211	11,214,282
	24,763,021	26,870,285	27,292,561	26,967,846	23,654,964	23,559,375
	22,643,877	23,257,876	24,468,809	24,806,867	27,986,723	28,701,541
	2,567,466	2,664,755	2,679,502	2,683,841	2,606,445	2,797,707
	1,757,672	3,083,653	2,023,424	1,527,275	1,992,715	2,343,115
	722,211	788,629	865,488	820,589	776,594	761,011
	13,708,534	13,662,879	14,143,486	14,813,218	14,810,777	17,441,342
	5,460,139	5,595,232	5,948,582	5,937,483	6,140,480	6,290,622
	6,291,032	6,086,736	5,823,695	5,171,328	5,019,143	4,895,833
	<u>\$ 100,161,000</u>	<u>\$ 105,149,367</u>	<u>\$ 106,894,281</u>	<u>\$ 105,628,363</u>	<u>\$ 105,797,302</u>	<u>\$ 112,446,185</u>
\$	7,614,423	\$ 7,419,814	\$ 7,631,054	\$ 6,931,136	\$ 6,889,479	\$ 9,385,296
	802,452	1,004,650	1,010,740	974,075	762,958	501,910
	5,761,254	6,290,997	8,381,617	6,498,942	7,027,556	6,078,678
	2,348,523	2,976,714	2,826,083	3,329,600	3,741,178	4,720,538
	123,282	88,258	168,321	156,370	149,331	95,401
	195,139	52,928	55,058	67,508	109,275	601,846
	7,535	16,049	20,361	23,543	25,384	36,355
	2,771,423	2,903,756	2,835,769	2,920,096	3,109,675	3,805,227
	852,643	998,061	1,077,838	1,040,947	1,245,215	1,355,013
	9,141,332	9,256,087	8,625,300	7,494,922	9,230,257	7,298,475
	455,115	1,302,695	654,404	1,012,911	194,861	-
	<u>\$ 30,073,121</u>	<u>\$ 32,310,009</u>	<u>\$ 33,286,545</u>	<u>\$ 30,450,050</u>	<u>\$ 32,485,169</u>	<u>\$ 33,878,739</u>
	(70,087,879)	(72,839,358)	(73,607,736)	(75,178,313)	(73,312,133)	(78,567,446)
	<u>\$ (70,087,879)</u>	<u>\$ (72,839,358)</u>	<u>\$ (73,607,736)</u>	<u>\$ (75,178,313)</u>	<u>\$ (73,312,133)</u>	<u>\$ (78,567,446)</u>
\$	60,527,569	\$ 66,024,875	\$ 67,091,123	\$ 64,229,777	65,494,382	68,079,584
	1,518,806	2,741,543	3,028,318	3,396,993	3,858,512	1,562,313
	3,134,177	1,785,507	841,701	477,878	226,253	134,583
	378,320	354,973	281,025	232,961	343,915	380,041
	18,362	-	71,067	275,630	83,682	2,440,008
	166,788	-	-	-	-	-
	<u>\$ 65,744,022</u>	<u>\$ 70,906,898</u>	<u>\$ 71,313,234</u>	<u>\$ 68,613,239</u>	<u>\$ 70,006,744</u>	<u>\$ 72,596,529</u>
	<u>\$ (4,343,857)</u>	<u>\$ (1,932,460)</u>	<u>\$ (2,294,502)</u>	<u>\$ (6,565,074)</u>	<u>\$ (3,305,389)</u>	<u>\$ (5,970,917)</u>

**Nueces County, Texas**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund</b>				
Non-spendable	\$0	\$0	\$0	\$0
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	420,680	449,116	490,784	398,054
Unreserved	<u>11,697,472</u>	<u>17,323,215</u>	<u>15,930,195</u>	<u>14,821,934</u>
Total General Fund	<u>\$ 12,118,152</u>	<u>\$ 17,772,331</u>	<u>\$ 16,420,979</u>	<u>\$ 15,219,988</u>
<b>All Other Governmental Funds</b>				
Non-spendable	\$0	\$0	\$0	\$0
Restricted	97,605,241	61,145,663	27,670,892	39,244,470
Committed	2,346,690	2,486,611	2,751,145	3,005,603
Assigned	11,693,785	15,732,112	15,296,471	14,701,196
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Debt service funds	-	-	-	-
Special Revenue Funds	-	-	-	-
Total all other governmental funds	<u>\$111,645,716</u>	<u>\$79,364,386</u>	<u>\$45,718,508</u>	<u>\$56,951,269</u>

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

Exhibit 3

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$0	\$0	\$0	\$428,906	\$400,035	\$457,844
-	-	-	-	-	-
-	-	-	17,604,083	17,626,642	18,373,139
-	-	-	-	-	-
-	-	-	3,889,668	3,993,232	2,681,591
633,602	612,027	-	-	-	-
15,923,732	20,386,046	24,029,489	-	-	-
<u>\$ 16,557,334</u>	<u>\$ 20,998,073</u>	<u>\$ 24,029,489</u>	<u>\$ 21,922,657</u>	<u>\$ 22,019,909</u>	<u>\$ 21,512,574</u>
\$0	\$0	\$0	\$94,987	\$87,606	\$96,178
33,034,960	30,485,845	22,932,604	3,965,499	4,138,701	12,438,727
2,900,201	3,182,479	3,585,711	0	12,002,482	10,332,775
14,197,613	13,467,060	12,568,896	25,625,179	12,702,255	7,308,362
-	-	-	(18,249)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$50,132,774</u>	<u>\$47,135,384</u>	<u>\$39,087,211</u>	<u>\$29,667,416</u>	<u>\$28,931,044</u>	<u>\$30,176,042</u>

**Nueces County, Texas**  
**Changes In Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	2004	2005	2006	2007
<b>Revenues</b>				
Property taxes	\$ 46,443,623	\$ 55,253,521	\$ 55,630,171	\$ 56,408,266
Other taxes	255,473	311,058	352,995	382,665
Fees of office	4,735,286	4,804,000	5,324,240	5,477,674
Fines and forfeitures	2,666,386	3,569,262	2,956,251	3,884,689
Licenses and permits	3,513,680	3,594,125	3,654,604	3,685,405
Intergovernmental revenue	15,778,623	27,219,619	16,742,140	18,021,951
Charges for services	487,436	391,978	504,631	493,678
Investment revenue	1,982,999	2,692,259	4,581,599	5,074,901
Rentals and commissions	1,147,844	833,989	1,198,997	1,229,696
Miscellaneous revenue	1,701,925	1,583,699	1,405,550	1,180,957
Total Revenues	<u>\$ 78,713,275</u>	<u>\$ 100,253,510</u>	<u>\$ 92,351,178</u>	<u>\$ 95,839,882</u>
<b>Expenditures</b>				
General government	\$ 8,696,773	\$ 11,459,012	\$ 11,925,140	\$ 11,349,145
Building and facilities	5,659,600	5,582,030	5,806,855	6,227,129
Administration of justice	19,859,598	17,952,253	19,451,564	20,353,767
Law enforcement and corrections	19,727,246	32,531,013	22,814,596	25,516,469
Social services	2,271,452	2,333,082	2,423,548	2,460,086
Health, safety and sanitation	1,658,365	820,180	1,118,169	1,797,981
Agriculture, education and consumer scier	444,886	404,145	441,048	567,487
Roads, bridges and transportation	5,694,936	5,143,495	5,283,964	5,159,761
Parks and recreation	2,507,898	2,324,791	2,141,206	4,166,781
Capital outlay	4,109,243	39,406,964	47,115,281	31,532,052
Debt service:				
Interest and Other fees	890,018	7,007,546	5,230,157	6,032,350
Principal	1,193,144	2,243,300	4,140,815	4,645,104
Total Expenditures	<u>\$ 72,713,159</u>	<u>\$ 127,207,811</u>	<u>\$ 127,892,343</u>	<u>\$ 119,808,112</u>
Excess of Revenues over (under) expenditures	\$ 6,000,116	\$ (26,954,301)	\$ (35,541,165)	\$ (23,968,230)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 6,346,584	\$ 6,287,717	\$ 14,685,406	\$ 11,881,458
Transfers Out	(6,346,584)	(6,287,717)	(14,685,406)	(11,881,458)
Sale of Assets	23,106	338,454	178,937	-
Bond Issuance	-	-	-	-
Bond Defeasance	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Proceeds of General Obligation Bonds	95,852,944	(11,308)	365,000	34,000,000
Total Other Financing Sources (uses)	<u>\$ 95,876,050</u>	<u>\$ 327,146</u>	<u>\$ 543,937</u>	<u>\$ 34,000,000</u>
Net Changes in Fund Balances	<u>\$ 101,876,166</u>	<u>\$ (26,627,155)</u>	<u>\$ (34,997,228)</u>	<u>\$ 10,031,770</u>
Debt Service as a percentage of noncapital expenditures	3.0%	10.5%	11.6%	12.1%



Exhibit 4

2008	2009	2010	2011	2012	2013
\$ 60,622,393	\$ 66,035,245	\$ 67,018,275	\$ 64,567,154	\$ 65,803,580	\$ 68,227,630
373,124	356,538	319,549	361,415	382,730	391,784
5,052,204	4,967,966	6,619,757	4,885,117	5,296,898	5,089,036
3,232,877	3,044,301	2,641,095	2,880,933	2,551,595	2,287,821
3,850,740	3,942,987	3,994,255	4,190,771	4,418,683	4,402,803
15,191,698	17,594,903	17,421,622	16,687,845	18,088,623	17,645,491
774,537	958,227	780,845	766,868	940,888	970,996
2,950,999	1,755,508	827,724	466,015	215,294	128,746
812,755	879,767	1,282,655	1,363,402	1,500,566	1,521,251
2,190,705	1,700,521	1,545,928	1,126,807	1,417,049	1,062,154
<u>\$ 95,052,032</u>	<u>\$ 101,235,963</u>	<u>\$ 102,451,705</u>	<u>\$ 97,296,327</u>	<u>\$ 100,615,906</u>	<u>\$ 101,727,712</u>
12,341,797	12,783,442	12,569,919	12,665,314	13,194,301	14,139,402
7,622,304	7,098,274	7,899,760	7,559,472	9,054,524	8,071,874
21,016,236	22,829,285	26,416,814	25,912,952	22,663,249	22,370,784
24,129,630	24,624,057	22,892,651	23,249,015	26,507,891	27,313,577
2,508,085	2,569,661	2,586,380	2,580,656	2,500,076	2,672,416
1,662,725	2,466,245	2,171,854	1,511,612	1,717,358	2,171,721
871,150	716,056	802,707	752,931	712,929	682,633
6,392,921	6,504,456	6,559,432	7,535,294	7,040,143	7,809,892
3,772,310	3,775,725	4,119,390	4,115,220	4,155,893	4,471,466
9,777,482	5,733,618	10,853,369	19,835,436	3,893,507	2,756,107
6,313,340	6,108,091	5,877,733	5,612,767	5,038,809	6,031,337
4,174,248	4,553,649	4,957,377	4,796,040	5,724,864	4,938,849
<u>\$ 100,582,228</u>	<u>\$ 99,762,559</u>	<u>\$ 107,707,386</u>	<u>\$ 116,126,709</u>	<u>\$ 102,203,544</u>	<u>\$ 103,430,058</u>
(5,530,196)	1,473,404	(5,255,681)	(18,830,382)	(1,587,638)	(1,702,346)
\$ 7,150,277	\$ 8,453,858	\$ 9,987,541	\$ 8,409,659	8,778,061	10,829,801
(7,150,277)	(8,453,858)	(9,987,541)	(8,409,659)	(8,778,061)	(10,829,801)
49,050	-	71,067	275,630	86,789	2,440,008
-	-	-	49,374,640	861,731	-
-	-	-	(48,716,774)	-	-
-	-	-	6,370,260	-	-
-	-	-	-	-	-
<u>\$ 49,050</u>	<u>\$ -</u>	<u>\$ 71,067</u>	<u>\$ 7,303,756</u>	<u>\$ 948,520</u>	<u>\$ 2,440,008</u>
<u>(5,481,146)</u>	<u>1,473,404</u>	<u>(5,184,614)</u>	<u>(11,526,626)</u>	<u>(639,118)</u>	<u>737,662</u>
11.5%	11.3%	11.2%	10.8%	10.9%	10.9%

**Nueces County, Texas**  
**Assessed and Taxable Valuations**  
**Last Ten Fiscal Years**  
**September 30, 2013**

<u>Fiscal Year Ending Sept. 30,</u>	<u>Tax Roll Year</u>	<u>Mineral Roll</u>	<u>Real Estate Roll</u>	<u>Railroads &amp; Intangible Personal</u>	<u>Special Inventory</u>	<u>Personal Property</u>
2001	2000	191,485,540	10,798,381,895	3,998,830	54,208,030	1,201,556,154
2002	2001	344,843,680	11,284,528,832	4,151,976	60,237,948	1,333,926,249
2003	2002	332,963,870	11,872,891,279	4,670,931	64,709,399	1,349,554,486
2004	2003	286,691,170	12,502,549,019	4,812,182	62,030,925	1,454,083,741
2005	2004	375,402,210	13,444,475,383	5,059,948	60,413,525	1,464,771,920
2006	2005	369,927,940	14,336,209,343	3,923,966	61,919,774	1,602,281,496
2007	2006	454,174,950	15,908,063,075	3,437,744	61,474,765	1,778,332,026
2008	2007	445,066,850	18,350,063,512	4,057,666	68,521,322	2,017,368,089
2009	2008	630,187,640	19,074,304,898	4,349,437	74,314,714	2,043,613,181
2010	2009	448,474,373	20,458,356,089	4,642,526	69,261,166	2,558,065,865
2011	2010	445,455,710	20,528,145,997	4,472,987	56,531,587	2,862,212,497
2012	2011	299,717,668	21,451,380,309	5,735,797	66,941,822	2,954,037,106
2013	2012	308,127,002	22,925,125,820	6,055,007	85,389,968	3,211,461,360

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

Source: Nueces County Appraisal District

Utilities Pipelines	Gross Market Valuation	Less Exemptions & Abatements	Net Taxable Assessed Valuation	Direct Tax Rate		
				County Tax Rate	Hospital District Tax Rate	Total Direct Tax Rate
462,773,479	12,712,403,928	(2,234,965,638)	10,477,438,290	0.355480	0.228028	0.583508
406,755,184	13,434,443,869	(2,285,588,602)	11,148,855,267	0.355480	0.228028	0.583508
397,137,327	14,021,927,292	(2,577,290,418)	11,444,636,874	0.366318	0.228028	0.594346
437,036,748	14,747,203,785	(2,711,844,657)	12,035,359,128	0.385381	0.228028	0.613409
443,586,543	15,793,709,529	(2,958,537,009)	12,835,172,520	0.429731	0.225225	0.654956
484,808,669	16,859,071,188	(3,084,157,163)	13,774,914,025	0.404096	0.174903	0.578999
484,664,706	18,690,147,266	(3,353,502,019)	15,336,645,247	0.370678	0.160715	0.531393
442,155,470	21,327,232,909	(3,988,600,184)	17,338,632,725	0.355678	0.144785	0.500463
441,662,715	22,268,432,585	(4,097,252,632)	18,171,179,953	0.355678	0.144782	0.500460
448,894,815	23,987,694,834	(4,618,079,656)	19,369,615,178	0.355259	0.154678	0.509937
439,349,608	24,336,168,386	(5,810,394,569)	18,525,773,817	0.355259	0.162428	0.517687
417,964,423	25,195,777,125	(6,347,144,376)	18,848,632,749	0.355259	0.162428	0.517687
447,583,575	26,983,742,732	(7,453,162,690)	19,530,580,042	0.355259	0.162428	0.517687

**Nueces County, Texas**  
**Property Tax Levies - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**September 30, 2013**

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2004 2003	2005 2004	2006 2005	2007 2006
Nueces County - General Fund	\$ 43,598,209	\$ 45,032,203	\$ 45,658,468	\$ 46,461,648
Nueces County - Debt Service	2,099,207	9,419,091	9,293,659	9,374,604
Subtotal	45,697,416	54,451,294	54,952,127	55,836,252
Nueces County - Farm to Market	677,415	694,791	705,084	718,108
Total	\$ 46,374,831	\$ 55,146,085	\$ 55,657,211	\$ 56,554,360
<b>Special Districts:</b>				
Hospital District	27,433,018	28,972,289	24,065,239	24,636,585
Downtown Management District	145,838	145,523	149,947	161,577
Port of Corpus Christi	-	-	-	-
Corpus Christi Junior College District	26,543,312	28,027,812	29,223,115	35,534,509
County Education District	-	-	-	-
Water Control No. 4	-	-	-	-
Water Control No. 5	-	-	-	-
Drainage District No. 2	898,982	1,018,906	898,339	1,015,895
Drainage District No. 3	41,757	48,100	49,705	55,286
South Texas Water Authority	219,735	224,058	246,235	270,600
<b>Cities:</b>				
Agua Dulce	56,580	58,998	56,580	56,714
Bishop	556,016	600,944	605,688	625,681
Corpus Christi	57,640,118	61,310,406	65,178,042	68,229,629
Driscoll	61,888	64,719	67,322	85,200
Port Aransas	2,529,210	2,693,565	2,890,633	3,057,037
Robstown	1,648,777	1,778,888	1,832,949	1,995,347
<b>School Districts:</b>				
Agua Dulce ISD	1,277,621	1,344,239	1,462,987	1,453,986
Aransas Pass ISD (1)	5,397,191	-	-	-
Banquete ISD	2,785,139	2,635,058	3,001,187	3,193,546
Bishop ISD	7,517,932	7,443,373	7,576,235	6,965,248
Calallen ISD	14,821,775	15,545,452	16,230,103	15,459,524
Corpus Christi ISD	112,648,515	120,513,417	128,878,344	128,015,148
Driscoll ISD	1,664,284	1,682,679	1,810,106	2,003,197
Flour Bluff ISD	15,983,185	18,518,588	21,557,838	23,260,437
London ISD	1,007,867	-	1,937,536	2,106,536
Port Aransas ISD	11,315,140	13,265,011	14,750,349	18,901,149
Robstown ISD	3,123,824	3,815,153	4,021,717	4,027,906
Tuloso Midway ISD	17,946,434	18,258,376	18,718,690	18,595,792
West Oso ISD	4,879,103	6,708,426	6,222,458	6,231,796
<b>Fire Districts:</b>				
Fire Prevention District 1	693,452	728,011	947,416	1,042,128
Fire Prevention District 2	258,965	354,837	404,835	479,999
Fire Prevention District 3	145,021	146,598	152,205	257,225
Fire Prevention District 4	119,774	151,617	152,636	179,341
Fire Prevention District 5	21,262	22,929	25,719	28,005
Fire Prevention District 6	-	-	-	-
Total	\$ 365,756,546	\$ 391,224,057	\$ 408,771,366	\$ 424,479,383

Exhibit 6

	2008	2009	2010	2011	2012	2013
	2007	2008	2009	2010	2011	2012
\$	50,085,508	\$ 54,636,632	\$ 55,456,844	\$ 53,624,613	\$ 54,495,366	\$ 56,498,344
	10,391,327	10,908,756	11,379,441	10,924,694	10,835,130	11,243,542
	60,476,835	65,545,388	66,836,285	64,549,307	65,330,496	67,741,886
	737,557	804,802	824,104	791,360	788,479	833,275
\$	61,214,392	\$ 66,350,190	\$ 67,660,389	\$ 65,340,667	\$ 66,118,975	\$ 68,575,161
	25,279,939	27,667,730	30,075,910	30,144,807	31,381,381	32,624,036
	161,357	159,691	165,584	158,258	156,357	185,497
	-	-	-	-	-	-
	38,286,064	41,484,470	44,196,050	43,545,490	44,477,385	45,729,322
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,077,856	1,193,703	1,280,248	1,184,406	1,262,100	1,633,415
	55,904	64,045	65,721	68,347	68,933	71,391
	287,420	329,056	352,589	381,888	360,780	367,599
	55,798	55,254	56,321	56,054	54,354	53,496
	660,731	669,179	718,038	717,361	777,224	748,251
	72,714,618	77,246,481	80,059,041	79,419,087	79,241,020	81,261,225
	90,847	119,117	136,750	140,333	150,721	147,844
	3,536,314	3,892,916	4,406,448	4,211,939	4,250,061	4,495,666
	2,160,908	2,298,460	2,453,516	2,547,737	2,561,579	2,553,456
	1,300,513	1,637,940	1,738,741	1,774,476	1,718,702	1,926,609
	-	-	-	-	-	-
	3,006,540	3,158,296	3,753,016	3,899,640	3,743,103	3,746,471
	5,468,039	6,740,678	7,412,684	7,057,666	7,224,087	7,165,452
	12,534,365	15,292,156	14,837,798	14,285,938	14,521,821	14,981,256
	111,679,245	124,364,289	138,205,927	134,509,386	137,310,628	141,131,198
	1,523,471	1,827,693	1,674,838	1,736,141	1,602,741	1,647,685
	21,312,429	23,011,873	24,686,703	24,152,098	23,066,097	23,763,633
	2,334,769	3,099,680	2,770,807	2,751,523	2,908,575	3,457,943
	17,866,260	20,136,951	18,723,992	17,114,597	16,908,910	16,782,015
	3,479,118	3,792,182	4,616,958	5,177,291	5,854,557	6,753,486
	16,536,840	18,651,309	19,361,393	19,194,283	21,958,877	24,256,964
	6,187,913	6,633,690	7,418,412	7,536,112	7,375,479	8,132,776
	1,147,898	1,655,807	1,763,463	1,745,305	1,840,015	1,994,810
	571,642	613,532	655,742	646,663	613,808	634,574
	258,646	280,209	163,126	155,554	154,935	155,731
	183,393	228,663	271,938	275,763	259,741	261,248
	30,365	33,210	33,295	31,177	36,531	40,827
	-	-	-	397,627	390,428	393,287
\$	411,003,594	\$ 452,688,450	\$ 479,715,438	\$ 470,357,614	\$ 478,349,905	\$ 495,672,324

**Nueces County, Texas**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	FISCAL YEAR	2004	2005	2006	2007
	TAX ROLL YEAR	2003	2004	2005	2006
Nueces County		0.385	0.429	0.404	0.370
<b>Special Districts:</b>					
Hospital District		0.228	0.225	0.175	0.161
Downtown Management District		0.500	0.500	0.370	0.000
Port of Corpus Christi		0.000	0.000	0.000	0.000
Corpus Christi Junior College District		0.236	0.234	0.228	0.256
County Education District		0.000	0.000	0.000	0.000
Water Control No. 4		0.000	0.000	0.000	0.000
Water Control No. 5		0.000	0.000	0.000	0.000
Drainage District No. 2		0.475	0.426	0.363	0.382
Drainage District No. 3		0.180	0.180	0.180	0.180
South Texas Water Authority		0.055	0.055	0.055	0.055
<b>Cities:</b>					
Agua Dulce		0.718	0.724	0.071	0.625
Aransas Pass		0.000	0.000	0.000	0.000
Bishop		0.901	0.930	0.091	0.921
Corpus Christi		0.644	0.634	0.626	0.602
Driscoll		0.632	0.644	0.644	0.750
Port Aransas		0.443	0.393	0.378	0.297
Robstown		1.082	1.056	1.056	1.019
<b>School Districts:</b>					
Agua Dulce ISD		1.805	1.760	1.744	1.611
Aransas Pass ISD		1.576	1.576	1.576	1.061
Banquete ISD		1.682	1.605	1.829	1.649
Bishop ISD		1.642	1.632	1.639	1.515
Calallen ISD		1.599	1.599	1.599	1.430
Corpus Christi ISD		1.590	1.616	1.616	1.486
Driscoll ISD		1.840	1.795	1.795	1.623
Flour Bluff ISD		1.526	1.526	1.526	1.387
London ISD		1.260	1.250	1.391	1.277
Port Aransas ISD		1.560	1.558	1.550	1.395
Robstown ISD		1.614	1.714	1.714	1.584
Tuloso Midway ISD		1.730	1.725	1.742	1.612
West Oso ISD		1.570	1.900	1.780	1.650
<b>Fire Districts:</b>					
Fire District No. 1		0.060	0.060	0.075	0.075
Fire District No. 2		0.022	0.026	0.026	0.026
Fire District No. 3		0.030	0.030	0.030	0.050
Fire District No. 4		0.069	0.088	0.088	0.088
Fire District No. 5		0.030	0.030	0.030	0.030
Fire District No. 6		0.000	0.000	0.000	0.000
TOTAL:		<u>27.684</u>	<u>27.920</u>	<u>26.390</u>	<u>25.167</u>

Exhibit 7

2008 2007	2009 2008	2010 2009	2011 2010	2012 2011	2013 2012
0.356	0.356	0.355	0.355	0.355	0.355
0.145	0.145	0.155	0.162	0.162	0.162
0.370	0.370	0.370	0.370	0.370	0.370
0.000	0.000	0.000	0.000	0.000	0.000
0.242	0.242	0.251	0.258	0.258	0.258
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000
0.377	0.385	0.347	0.310	0.318	0.398
0.190	0.890	0.189	0.189	0.189	0.189
0.057	0.056	0.057	0.062	0.062	0.062
0.607	0.593	0.536	0.477	0.480	0.462
0.000	0.000	0.593	0.607	0.723	0.696
0.921	0.828	0.809	0.914	0.911	0.805
0.564	0.564	0.564	0.582	0.571	0.571
0.750	0.930	0.930	0.857	0.899	0.907
0.286	0.276	0.322	0.332	0.332	0.351
1.000	1.000	1.000	0.975	0.954	0.956
1.253	1.389	1.400	1.379	1.400	1.400
1.061	0.000	1.071	1.071	1.071	1.071
1.521	1.449	1.439	1.473	1.512	1.513
1.188	1.300	1.526	1.563	1.556	1.551
1.100	1.277	1.299	1.299	1.329	1.359
1.156	1.176	1.237	1.237	1.237	1.237
1.298	1.239	1.239	1.250	1.265	1.265
1.070	1.070	1.069	1.070	1.072	1.071
1.130	1.144	1.210	1.250	1.263	1.238
1.058	1.058	1.058	1.062	1.063	1.086
1.254	1.254	1.374	1.523	1.650	1.610
1.282	1.332	1.332	1.332	1.332	1.332
1.240	1.340	1.420	1.420	1.420	1.370
0.075	0.100	0.100	0.100	0.100	0.100
0.026	0.026	0.026	0.026	0.026	0.026
0.050	0.048	0.030	0.030	0.030	0.030
0.088	0.100	0.100	0.100	0.100	0.100
0.027	0.028	0.270	0.240	0.030	0.030
0.000	0.000	0.000	0.070	0.070	0.070
<u>21.742</u>	<u>21.965</u>	<u>23.678</u>	<u>23.945</u>	<u>24.110</u>	<u>24.001</u>





**Nueces County, Texas  
Principal Taxpayers  
Current Year and 10 Years Ago  
September 30, 2013**

**Exhibit 8**

Taxpayer	2013			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Flint Hills Resources	1,212,279,379	1	30.53%	675,462,515	1	29.53%
Valero Refining Company	955,709,725	2	24.07%	285,477,436	3	12.48%
Citgo	602,777,208	3	15.18%	308,235,442	2	13.48%
Equistar Chemicals LP	235,788,290	4	5.94%	256,742,330	4	11.22%
Hoechst Cel-Plastics Division	176,355,840	5	4.44%	-	-	-
AEP Texas Central	176,070,540	6	4.43%	224,735,860	6	9.83%
Corpus Christi Retail Venture LP	101,681,610	7	2.56%	-	-	-
C & J Specialty Rental Tools	82,713,655	8	2.08%	-	-	-
H.E. Butt Grocery	80,575,822	9	2.03%	67,147,274	9	2.94%
Barney M Davis LP	78,165,970	10	1.97%	-	-	-
Nueces Bay WLE LP	75,893,960	11	1.91%	-	-	-
Markwest Javelina	70,101,770	12	1.77%	-	-	-
Corpus Christi Cogeneration	62,599,150	13	1.58%	107,501,550	7	4.70%
Bay Area Healthcare	59,907,775	14	1.51%	-	-	-
PSMall LP	-	-	-	55,414,935	10	2.42%
Southwestern Bell Telephone	-	-	-	77,125,629	8	3.37%
Ticona Polymets Plastic Division	-	-	-	229,466,720	5	10.03%
<b>Total</b>	<b>3,970,620,694</b>		<b>100.00%</b>	<b>\$ 2,287,309,691</b>		<b>100.00%</b>

**Nueces County, Texas**  
**Tax Levies**  
**Last Ten Fiscal Years**  
**September 30, 2013**

FISCAL YEAR	2004	2005	2006	2007
TAX ROLL YEAR	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Levy for maintenance and operations (M & O):				
General Fund	\$ 43,598,209	\$ 45,032,203	\$ 45,658,468	\$ 46,461,648
Road Fund	<u>677,415</u>	<u>694,791</u>	<u>705,084</u>	<u>718,108</u>
Total M & O levy	<u>44,275,624</u>	<u>45,726,994</u>	<u>46,363,552</u>	<u>47,179,756</u>
Levy for debt service (I & S):				
Debt Service Fund	<u>2,099,207</u>	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>
Total I & S levy	<u>2,099,207</u>	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>
Total County levy	<u>\$ 46,374,831</u>	<u>\$ 55,146,085</u>	<u>\$ 55,657,211</u>	<u>\$ 56,554,360</u>

**Exhibit 9**

<u>2008</u> <u>2007</u>	<u>2009</u> <u>2008</u>	<u>2010</u> <u>2009</u>	<u>2011</u> <u>2010</u>	<u>2012</u> <u>2011</u>	<u>2013</u> <u>2012</u>
\$ 50,085,508	\$ 54,636,632	\$ 55,456,844	\$ 53,624,613	\$ 54,495,366	\$ 56,498,344
<u>737,557</u>	<u>804,802</u>	<u>824,104</u>	<u>791,360</u>	<u>788,479</u>	<u>833,275</u>
<u>50,823,065</u>	<u>55,441,434</u>	<u>56,280,948</u>	<u>54,415,973</u>	<u>55,283,845</u>	<u>57,331,619</u>
<u>10,391,327</u>	<u>10,908,756</u>	<u>11,379,441</u>	<u>10,924,694</u>	<u>10,835,130</u>	<u>11,243,542</u>
<u>10,391,327</u>	<u>10,908,756</u>	<u>11,379,441</u>	<u>10,924,694</u>	<u>10,835,130</u>	<u>11,243,542</u>
<u>\$ 61,214,392</u>	<u>\$ 66,350,190</u>	<u>\$ 67,660,389</u>	<u>\$ 65,340,667</u>	<u>\$ 66,118,975</u>	<u>\$ 68,575,161</u>

**Nueces County, Texas**  
**Property Tax Levies and Collections -**  
**General Fund and Debt Service Funds**  
**Last Ten Fiscal Years**  
**September 30, 2013**

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2004 2003	2005 2004	2006 2005	2007 2006
Tax Levy (original levy) (1)	45,697,416	54,451,294	54,952,127	55,836,252
Current Tax Collections (2)	43,834,626	52,341,670	52,997,962	54,102,451
Percent of Current Taxes Collected	96%	96%	96%	97%
Unpaid as of June 30th	1,862,790	2,109,624	1,954,165	1,733,801
Subsequent Collections & Adjustments	1,542,120	1,559,895	919,994	692,359
Total Collections & Adjustments	45,376,746	53,901,565	53,917,956	54,794,810
Percent Total Collections of Tax Levy	99.30%	98.99%	98.12%	98.13%
Unpaid Taxes	320,670	549,729	1,034,171	1,041,442

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

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

**Exhibit 10**

2008 2007	2009 2008	2010 2009	2011 2010	2012 2011	2013 2012
60,476,835	65,545,388	66,836,285	64,549,307	65,330,496	67,741,886
58,312,583	62,719,961	64,656,554	62,146,816	63,364,158	66,008,745
96%	96%	97%	96%	97%	97%
2,164,252	2,825,427	2,179,731	2,402,491	1,966,338	1,733,141
955,172	1,421,968	658,713	1,099,494	825,937	626,494
59,267,755	64,141,929	65,315,267	63,246,310	64,190,095	66,635,239
98.00%	97.86%	97.72%	97.98%	98.25%	98.37%
1,209,080	1,403,459	1,521,018	1,302,997	1,140,401	1,106,647

**Nueces County, Texas**  
**Property Tax Levies and Collections -**  
**Farm To Market**  
**Last Ten Fiscal Years**  
**September 30, 2013**

FISCAL YEAR ENDING SEPTEMBER 30, TAX ROLL YEAR	2004 2003	2005 2004	2006 2005	2007 2006
Tax Levy (1)	677,415	694,791	705,084	718,108
Current Tax Collections (2)	649,665	671,272	680,021	695,790
Percent of Current Taxes Collected	96%	97%	96%	97%
Unpaid as of June 30th	27,750	23,519	25,063	22,318
Subsequent Collections & Adjustments	23,052	16,524	11,948	9,043
Total Collections & Adjustments	672,717	687,796	691,969	704,833
Percent Total Collections of Tax Levy	99.31%	98.99%	98.14%	98.15%
Unpaid Taxes Sept. 30, 2011	4,698	6,995	13,115	13,275

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

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

**Exhibit 11**

<u>2008</u> <u>2007</u>	<u>2009</u> <u>2008</u>	<u>2010</u> <u>2009</u>	<u>2011</u> <u>2010</u>	<u>2012</u> <u>2011</u>	<u>2013</u> <u>2012</u>
737,557	804,802	824,104	791,360	788,479	833,275
710,093	769,669	790,533	761,190	761,310	812,362
96%	96%	96%	96%	97%	97%
27,464	35,133	33,571	30,170	27,169	20,913
12,856	17,998	14,989	14,263	13,463	7,616
722,949	787,667	805,522	775,453	774,773	819,978
98.02%	97.87%	97.75%	97.99%	98.26%	98.40%
14,608	17,135	18,582	15,907	13,706	13,297

**Nueces County, Texas**  
**Ratio Of Annual Debt Service Expenditures**  
**For General Obligation Bonded Debt (1)**  
**To Total General Governmental Expenditures**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Principal	1,190,000	2,240,000	4,137,349	4,641,465
Interest	879,571	7,006,834	5,199,308	6,027,209
Fiscal Agents & Other Fees	10,447	-	5,537	4,768
Total Debt Service	2,080,018	9,246,834	9,342,194	10,673,442
Total General governmental expenditures (2)	72,713,159	52,682,203	56,390,578	60,442,720
Ratio of Debt Service to General governmental expenditures	2.86%	17.55%	16.57%	17.66%

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

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



**Exhibit 12**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
4,170,427	4,553,649	4,957,377	4,796,040	5,724,864	6,031,337
6,308,649	6,104,074	5,869,233	5,179,967	5,054,843	4,923,149
4,500	4,017	8,500	432,800	(16,034)	15,700
10,483,576	10,661,740	10,835,110	10,408,807	10,763,673	10,970,186
62,733,431	65,036,510	66,283,738	67,009,800	66,516,869	67,511,560
16.71%	16.39%	16.35%	15.53%	16.18%	16.25%

**Nueces County, Texas**  
**Ratios Of Net General Bonded Debt Outstanding including Capital Leases**  
**Last Ten Fiscal Years**  
**September 30, 2013**

Fiscal Year Ending	Net Bonded Debt	Less Debt Service Funds	Outstanding Net Bonded Debt	Capital Leases	Personal Income (in thousands)
2004	110,135,000	(2,346,690)	107,788,310	-	8,838,953
2005	108,715,764	(2,486,611)	106,229,153	-	9,427,932
2006	104,943,415	(2,751,145)	102,192,270	-	10,347,486
2007	134,838,895	(3,005,603)	131,833,292	-	10,874,617
2008	130,668,469	(2,900,021)	127,768,448	-	11,633,423
2009	126,114,820	(3,182,479)	122,932,341	23,216	12,004,999
2010	121,157,443	(3,585,711)	117,571,732	-	12,438,913
2011	122,633,900	(3,982,739)	118,651,161	-	13,196,232
2012	117,055,767	(3,945,987)	113,109,780	143,995	14,226,934
2013	111,024,428	(4,165,398)	106,859,030	196,358	not available

**Exhibit 13**

<u>Percentage of Personal Income</u>	<u>Assessed Valuation</u>	<u>Net Debt of Valuation %</u>	<u>Estimated Population</u>	<u>Net Debt Per Capita</u>
1.22%	12,035,359,128	0.90%	309,397	348.38
1.13%	12,835,172,520	0.83%	311,592	340.92
0.99%	13,774,914,025	0.74%	313,465	326.01
1.21%	14,831,500,357	0.89%	321,457	410.11
1.10%	16,755,834,017	0.76%	321,135	397.87
1.02%	18,171,179,953	0.68%	322,077	381.69
0.95%	18,543,081,236	0.63%	323,046	363.95
0.90%	17,737,980,901	0.67%	340,223	348.75
0.80%	18,035,454,760	0.63%	343,281	329.50
not available	18,710,372,638	0.57%	347,691	307.34



**Nueces County, Texas**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2013**

**Exhibit 14**

Bonded Debt of Individual Governmental Subdivisions:	Estimated Gross Debt	Percent Applicable	Nueces County Share Of Gross Debt
Special Districts:			
Corpus Christi Junior College District	\$ 102,388,733	100.00%	\$ 102,388,733
Nueces County Hospital District	3,555,000	100.00%	3,555,000
County-Line Special Districts:			
Nueces County Water Control District 4	-	-	-
Nueces County Drainage District 2	98,254	100.00%	98,254
South Texas Water Authority	-	100.00%	-
Cities:			
Agua Dulce	100,576	100.00%	100,576
Aransas Pass	11,345,340	100.00%	11,345,340
Bishop	3,645,825	100.00%	3,645,825
Corpus Christi	353,580,323	100.00%	353,580,323
Driscoll	412,133	100.00%	412,133
Port Aransas	13,110,000	100.00%	13,110,000
Robstown	8,162,343	100.00%	8,162,343
School Districts:			
Agua Dulce ISD	2,223,890	52.20%	1,160,871
Aransas Pass ISD	1,890,000	7.83%	147,987
Banquete ISD	14,754,884	100.00%	14,754,884
Bishop ISD	22,830,512	100.00%	22,830,512
Calallen ISD	43,879,337	100.00%	43,879,337
Corpus Christi ISD	321,826,265	100.00%	321,826,265
Driscoll ISD	2,044,200	100.00%	2,044,200
Flour Bluff ISD	3,880,000	100.00%	3,880,000
Port Aransas ISD	10,730,540	99.90%	10,719,809
Robstown ISD	58,133,032	100.00%	58,133,032
Tuloso-Midway ISD	67,179,999	100.00%	67,179,999
West Oso ISD	46,789,132	100.00%	46,789,132
Total overlapping and underlying debt	1,092,560,318	99.74%	1,089,744,555
Nueces County	<u>112,859,467</u>	100.00%	<u>112,859,467</u>
Total direct and overlapping debt	<u>\$ 1,205,419,785</u>	99.77%	<u>\$ 1,202,604,022</u>

Estimated Nueces County: Population: 347,691

Nueces County share of Gross Debt per Capita is \$319.32

**Nueces County, Texas**  
**Legal Debt Margin Information**  
**Bonds and Certificates of Obligation**  
**Issued Under Texas General Laws**  
**Last Ten Fiscal Years**  
**September 30, 2013**

Fiscal Year Ending	2004	2005	2006	2007
Assessed market value of taxable property	14,742,391,603	15,793,709,529	16,866,928,635	18,690,147,266
Less exemptions and abatements	<u>(2,711,844,657)</u>	<u>(2,958,537,009)</u>	<u>(3,096,058,415)</u>	<u>(3,360,983,568)</u>
Assessed value of all taxable property	12,030,546,946	12,835,172,520	13,770,870,220	15,329,163,698
Debt limit rate	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>
Amount of debt limit	<u>601,527,347</u>	<u>641,758,626</u>	<u>688,543,511</u>	<u>766,458,185</u>
Amount of debt applicable to debt limit:				
Net bonded debt (1)	110,135,000	107,895,000	104,980,359	134,838,567
Less: Amounts set aside to repay general debt	<u>2,346,690</u>	<u>2,486,611</u>	<u>2,751,145</u>	<u>3,005,603</u>
Total amount of net debt applicable to debt limit	<u>107,788,310</u>	<u>105,408,389</u>	<u>102,229,214</u>	<u>131,832,964</u>
Legal debt margin	<u>\$ 493,739,037</u>	<u>\$ 536,350,237</u>	<u>\$ 586,314,297</u>	<u>\$ 634,625,221</u>
Total net debt applicable to the limit as a percentage of debt limit	17.92%	16.42%	14.85%	17.20%

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

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

**Notes:** Excludes applicable exemptions.

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

Exhibit 15

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
	21,381,499,497	23,170,211,252	24,044,540,087	24,347,389,404	25,190,041,328	26,977,687,725	
	<u>(3,988,600,184)</u>	<u>(4,097,252,632)</u>	<u>(4,623,171,657)</u>	<u>(5,810,394,569)</u>	<u>(6,347,136,935)</u>	<u>(7,453,162,690)</u>	
	17,392,899,313	19,072,958,620	19,421,368,430	18,536,994,835	18,842,904,393	19,524,525,035	
x	5%	x	5%	x	5%	x	5%
	<u>869,644,966</u>	<u>953,647,931</u>	<u>971,068,422</u>	<u>926,849,742</u>	<u>942,145,220</u>	<u>976,226,252</u>	
	130,668,468	126,114,789	121,157,442	115,431,402	117,055,767	111,024,428	
	<u>2,900,021</u>	<u>3,182,479</u>	<u>3,585,711</u>	<u>3,982,739</u>	<u>3,945,987</u>	<u>4,165,398</u>	
	<u>127,768,447</u>	<u>122,932,310</u>	<u>117,571,731</u>	<u>111,448,663</u>	<u>113,109,780</u>	<u>106,859,030</u>	
	<u>\$ 741,876,519</u>	<u>\$ 830,715,621</u>	<u>\$ 853,496,691</u>	<u>\$ 815,401,079</u>	<u>\$ 829,035,440</u>	<u>\$ 869,367,222</u>	
	14.69%	12.89%	12.11%	12.02%	12.01%	10.95%	

**Nueces County, Texas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**September 30, 2013**

Combination Tax and Revenue Certificates of Obligation 200, 2002, 2004 and 2007

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Solid Waste Fees	-	5,000	5,000	5,000
Total Revenues Available (1)	2,000	2,000	2,000	2,000
Debt Service Requirements				
Interest	590,515	582,001	577,880	560,785
Principal	210,000	265,000	280,000	290,000

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



**Exhibit 16**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1,122	1,356	1,000	1,244	1,248	1,568
2,000	2,000	2,000	2,000	2,000	2,000
6,196,829	6,031,276	5,834,759	5,632,640	5,155,948	4,923,149
2,935,000	3,885,000	4,255,000	4,670,000	5,724,865	6,031,337

**Nueces County, Texas  
Miscellaneous Statistical Data  
Last Ten Fiscal Years  
September 30, 2013**

Year	(1) Estimated Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment Corpus Christi
2004	309,397	8,838,953	27,892	53,557
2005	311,592	9,427,932	29,541	53,264
2006	313,465	10,347,486	32,299	53,323
2007	321,457	10,874,617	33,970	53,401
2008	321,135	11,633,423	36,318	52,897
2009	322,077	12,004,999	37,162	53,391
2010	323,046	12,438,913	36,545	52,993
2011	340,223	13,196,232	38,441	53,795
2012	343,281	14,226,934	40,918	53,968
2013	347,691			54,574

Form of Government

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

Area - 847 Square Miles

Transportation

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

Communications

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

- (1) Source: 2007 U.S. Census Bureau
- (2) Source: The Bureau of Economic Analysis
- (3) Source: Corpus Christi Independent School District, Flour Bluff, Calallen ISD,  
Tuloso Midway ISD, and West Oso ISD
- (4) Source: Bishop ISD, Banquete ISD, Agua Dulce ISD, Port Aransas ISD,  
Driscoll ISD, London ISD, and Robstown ISD
- (5) Source: Texas Workforce Commission (formerly Texas Employment Commission)
- (6) Source: Port Authority - calendar year 2005
- (7) Source: Texas State Comptroller

**Exhibit 17**

(4) Public School Rural County	(5) Nueces County Unemployment Rate	(6) Port Tonnage	(7) Retail Sales
7,387	6.3%	85,131,124	3,622,168,301
7,402	5.4%	86,393,801	3,772,517,274
7,106	4.9%	86,785,590	3,919,474,169
7,019	4.4%	86,982,833	4,178,081,762
6,890	5.1%	89,319,693	3,953,684,008
6,855	7.6%	85,859,440	3,917,568,280
6,963	7.6%	76,519,648	3,840,034,538
6,939	7.8%	82,194,297	4,288,389,104
7,058	5.7%	80,310,217	4,772,060,753
7,046	5.8%	78,806,189	5,169,529,102

Nueces County, Texas  
Principal Employers  
Last Ten Fiscal Years  
September 30, 2013

Employer Name	2004	2005	2006			2007			2008		
			Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Corpus Christi Army Depot			2,654	5	8.69%	4,876	4	15.40%	4,876	4	15.38%
Corpus Christi ISD			4,500	3	14.74%	5,178	2	16.36%	5,178	2	16.34%
Christus Spohn Health System			5,404	2	17.70%	5,400	1	17.06%	5,400	1	17.04%
H.E.B.			2,882	4	9.44%	5,000	3	15.80%	5,000	3	15.77%
City of Corpus Christi	Data not available	Data not available	2,500	6	8.19%	3,171	5	10.02%	3,171	5	10.00%
Naval Air Station Corpus Christi			5,500	1	18.02%	1,630	7	5.15%	1,630	7	5.14%
Kiewit Offshore Services			-	-	-	-	-	-	-	-	-
Bay, LTD			2,200	7	7.21%	2,100	6	6.63%	2,100	6	6.63%
Driscoll Children's Hospital			-	-	-	-	-	-	1,500	9	4.73%
Del Mar College			2,007	8	6.57%	1,500	8	4.74%	1,542	8	4.86%
Corpus Christi Medical Center			1,680	9	5.50%	1,300	10	4.11%	1,300	10	4.10%
First Data Corporation			1,200	10	0	1,500	9	0	0	0	-
		267,661	<u>30,527</u>		<u>100.00%</u>	<u>31,655</u>		<u>100.00%</u>	<u>31,697</u>		<u>100.00%</u>

Source: Corpus Christi Regional Economic and Development

2009			2010			2011			2012			2013		
Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
4,876	4	15.38%	3,541	5	10.32%	5,800	1	17.13%	5,800	1	16.13%	6,500	1	17.12%
5,178	2	16.34%	5,178	2	15.10%	5,178	2	15.29%	5,178	2	14.40%	5,178	2	13.64%
5,400	1	17.04%	5,144	3	15.00%	5,144	3	15.19%	5,144	3	14.30%	5,144	3	13.55%
5,000	3	15.77%	5,000	4	14.58%	5,000	4	14.77%	5,000	4	13.90%	5,000	4	13.17%
3,171	5	10.00%	3,171	6	9.24%	3,171	5	9.37%	3,171	5	8.82%	3,171	5	8.35%
1,630	7	5.14%	5,525	1	16.11%	2,822	6	8.34%	2,827	6	7.86%	2,822	6	7.43%
-	-	-	-	-	-	-	-	-	2,200	7	6.12%	2,200	7	5.80%
2,100	6	6.63%	2,100	7	6.12%	2,100	7	6.20%	2,100	8	5.84%	2,100	8	5.53%
1,500	9	4.73%	1,800	8	5.25%	1,800	8	5.32%	1,800	9	5.01%	1,800	9	4.74%
1,542	8	4.86%	1,542	9	4.50%	1,542	9	4.55%	1,542	10	4.29%	1,542	10	4.06%
1,300	10	4.10%	1,300	10	3.79%	1,300	10	3.84%	1,200	11	3.34%	1,300	11	3.42%
0	0	-	0	0	-	0	0	-	0	0	-	1,200	12	0
<u>31,697</u>		<u>100.00%</u>	<u>34,301</u>		<u>100.00%</u>	<u>33,857</u>		<u>100.00%</u>	<u>35,962</u>		<u>100.00%</u>	<u>37,957</u>		<u>100.00%</u>

**Nueces County, Texas**  
**Construction and Commercial Permits Valuations**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New Construction (1)				
Residential				
Dwelling Units	2,201	1,857	2,807	1,255
Permits	1,457	1,531	1,692	1,250
Valuation	172,818,160	199,543,259	241,180,554	148,166,220
Commercial				
Permits	306	318	361	280
Valuation	<u>118,167,688</u>	<u>205,205,534</u>	<u>132,941,420</u>	<u>108,504,979</u>
Total Permits Valuations	<u><u>290,985,848</u></u>	<u><u>404,748,793</u></u>	<u><u>374,121,974</u></u>	<u><u>256,671,199</u></u>

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

**Exhibit 19**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1,249	806	913	880	1,217	1,790
848	738	657	660	951	976
121,972,346	93,209,375	98,637,278	118,003,701	178,113,660	193,356,876
160	140	190	214	198	196
<u>80,363,751</u>	<u>60,853,477</u>	<u>118,984,064</u>	<u>172,797,003</u>	<u>155,968,117</u>	<u>105,906,153</u>
<u><u>202,336,097</u></u>	<u><u>154,062,852</u></u>	<u><u>217,621,342</u></u>	<u><u>290,800,704</u></u>	<u><u>334,081,777</u></u>	<u><u>299,263,029</u></u>

**Nueces County, Texas**  
**Deposits of FDIC Insured Institutions**  
**Last Ten Fiscal Years**  
**September 30, 2013**

<b>Banks</b>	<b>As of June 30,</b> <b>(in thousands)</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
American Bank National Assn	520,208	600,674	621,007	644,881
Bank of Alice	39,421	-	-	-
Bank of America NA	544,903	536,681	537,554	465,883
Capital One National Assn	-	-	64,331	59,792
Charter Alliance Bank	-	-	-	-
Charter Bank	83,757	98,229	106,767	107,686
Coastal Banc, S.S.B.	-	-	-	-
Compass Bank	-	-	-	-
Eisenhower National Bank	-	-	-	-
First Capital Bank, S.S.B.	209,507	-	-	-
First Commerce Bank	105,782	103,125	102,843	-
First Community Bank	51,255	58,712	55,025	67,122
First National Bank	499,461	330,191	370,356	306,232
First National Bank of South Texas	-	-	-	-
First National Bank Texas	3,910	4,330	4,502	4,925
First State Bank	-	-	-	-
First State Bank of Odem	11,536	10,101	18,614	17,969
First Victoria National Bank	-	-	1,571	6,450
Frost National Bank	549,663	537,453	543,689	578,236
Hibernia National Bank	74,924	70,696	-	-
International Bank of Commerce	81,044	100,493	95,649	108,526
Kleberg 1st National Bank of Kingsville	597	1,904	7,331	110,082
Laredo National Bank	34,736	39,189	44,465	42,107
Nationsbank National Assn	-	-	-	-
Norwest Bank Texas National Assn	-	-	-	-
Nueces National Bank	-	-	-	-
Pacific Southwest Bank	-	-	-	-
Prosperity Bank	-	189,289	180,690	172,888
Texas Champion Bank	-	45,493	46,875	51,733
Texas State Bank	47,805	93,446	146,750	120,610
Valuebank Texas	64,952	60,004	58,984	60,944
Wells Fargo Bank NA	296,437	297,276	340,420	346,995
	<u>3,219,898</u>	<u>3,177,286</u>	<u>3,347,423</u>	<u>3,273,061</u>

Source: Federal Deposit Insurance Corporation



Exhibit 20

2008	2009	2010	2011	2012	2013
698,673	685,739	703,129	757,780	830,338	922,454
-	-	-	-	-	-
482,977	406,264	398,930	436,490	444,816	483,381
56,904	68,296	55,625	51,603	47,010	41,908
-	7,638	17,733	-	-	-
123,952	121,795	119,481	157,791	188,199	174,163
-	-	-	-	-	-
187,969	133,466	99,436	92,053	99,599	100,239
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
83,364	90,478	94,331	111,158	123,372	143,035
308,412	250,532	192,998	155,941	148,400	112,017
-	-	-	-	-	-
4,987	5,025	5,024	6,144	7,579	9,683
-	-	-	-	-	-
18,844	23,229	24,707	31,737	32,758	38,856
13,156	46,022	50,119	60,127	83,127	116,638
632,489	669,928	794,867	823,063	899,232	981,383
-	-	-	-	-	-
121,413	127,193	149,092	145,132	150,220	149,370
108,597	116,587	115,187	113,900	126,574	133,640
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
170,084	163,458	160,186	163,079	172,913	175,502
65,602	60,307	57,325	60,172	64,052	58,266
-	-	-	-	-	-
60,463	57,816	58,468	61,730	65,917	68,274
349,123	404,671	432,757	487,542	516,821	614,569
<u>3,487,009</u>	<u>3,438,444</u>	<u>3,529,395</u>	<u>3,715,442</u>	<u>4,000,927</u>	<u>4,323,378</u>

**Nueces County, Texas**  
**Housing & Motor Vehicle Sales Volume**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Home Sales Volume(1)	506,795,000	626,580,000	720,990,000	795,840,000	730,788,955
Units Sold(1)	4,198	4,745	4,894	5,192	4,510
Median Price Real Estate(1)	101,400	113,800	125,200	130,400	136,500
Registered Vehicles(2)	251,273	253,291	255,585	264,065	270,083
Motor vehicle sales tax(3)	-	37,277,463	34,119,016	40,999,661	43,237,796

Source:

- (1) Real Estate Center at Texas A&M University
- (2) Texas Department of Transportation
- (3) Nueces Tax Office

**Exhibit 21**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
614,709,948	535,561,527	524,798,817	534,980,028	689,413,715	829,025,327
3,773	3,444	3,445	3,396	4,058	4,589
138,900	134,800	136,500	135,700	142,300	152,200
267,474	268,198	269,639	276,139	285,373	292,278
44,348,871	33,145,384	35,560,228	46,167,854	56,734,057	65,516,565

**Nueces County, Texas**  
**Full-Time Equivalent**  
**County Government Employees by Function**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>03/04</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>
General Government	167	167	170	178
Buildings & Facilities	44	43	41	41
Administration of Justice	355	344	344	348
Law Enforcement & Corrections	373	379	381	379
Social Services	36	35	35	35
Health, Safety & Sanitation	36	11	13	26
Agr, Ed & Consumer Sciences	13	13	13	13
Roads, Bridges & Airport	93	94	92	92
Parks & Recreation	32	32	32	34
Total Employee Positions	<u>1,149</u>	<u>1,118</u>	<u>1,121</u>	<u>1,146</u>

Source: Nueces County Clerk, adopted annual budgets.

**Exhibit 22**

<u>07/08</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>
183	183	183	183	184	184
41	41	41	41	41	39
349	359	358	355	355	308
384	384	385	384	388	442
37	36	36	36	36	36
23	23	23	22	18	28
16	16	16	16	16	15
92	91	92	92	92	93
38	38	38	38	40	40
<u>1,163</u>	<u>1,171</u>	<u>1,172</u>	<u>1,167</u>	<u>1,170</u>	<u>1,184</u>

**Nueces County, Texas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**September 30, 2013**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Administration of Justice</b>				
<b>JP Courts</b>				
Cases Filed	27,116	30,836	31,798	32,172
Cases Disposed	21,103	17,630	24,571	25,200
Cases Appealed	5	101	66	100
<b>County Courts at Law</b>				
Civil Cases Filed	1,965	1,991	2,348	2,210
Child Protective Services				234
Civil Cases Disposed	2,166	1,963	2,052	2,346
Criminal Cases Filed	10,532	11,286	9,884	11,455
Criminal Cases Disposed	10,529	12,458	10,687	11,304
<b>District Courts</b>				
Civil Cases Filed	8,754	8,500	8,704	8,154
Child Protective Services				1
Civil Cases Disposed	9,772	9,353	8,356	8,811
Criminal Cases Filed	4,632	5,091	4,588	5,294
Criminal Cases Disposed	4,715	4,816	4,832	5,179
<b>Juvenile</b>				
Juvenile Cases Filed	649	654	539	537
Juvenile Cases Disposed	478	392	429	288
<b>General Government</b>				
County Clerk Filling	-	-	75,208	80,061

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

Sources:  
Office of Court Administration  
Nueces County Clerk

**Exhibit 23**

2008	2009	2010	2011	2012	2013
32,059	29,851	99,578	27,150	22,041	25,797
27,084	26,941	24,095	22,532	15,833	21,200
79	85	87	83	4	112
2,532	1,969	2,002	2,425	2,242	2,057
230	231	207	192	181	152
2,164	1,967	1,910	2,474	2,378	1,836
4,238	8,952	8,590	6,963	7,826	7,868
11,389	10,925	9,353	8,126	7,350	8,142
5,031	7,649	7,261	7,945	6,322	6,472
-	1	1	1	1	1
7,659	8,094	7,401	6,561	6,414	6,126
2,339	5,304	4,608	3,138	2,878	2,795
5,525	5,236	5,027	4,501	4,813	4,728
1,264	345	242	184	243	244
321	372	242	74	249	295
65,881	99,206	80,715	73,729	85,517	110,525

**Nueces County , Texas**  
**Capital Asset Statistics By Function**  
**Last Ten Years**

<b><u>Functions</u></b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>General Government</b>				
Number of Vehicles	5	6	8	5
Number of Buildings	2	2	2	2
<b>Administration of Justice</b>				
Number of Buildings	5	5	5	5
Number of Vehicles	7	7	7	8
<b>Law Enforcement</b>				
Number of Buildings	2	2	2	2
Jail Capacity - Main Jail	656	656	656	656
Jail Capacity - McKenzie Jail	412	412	412	412
Number of Vehicle	102	102	97	97
<b>Health, Safety, and Sanitation</b>				
Number of Vehicles	6	6	11	12
<b>Social Services</b>				
Number of Buildings	2	2	2	2
Number of Vehicles	9	8	10	9
<b>Roads, Bridges, and Transportation</b>				
Number of Buildings	12	12	12	13
Number of Bridges	80	80	80	80
Number of Miles (Paved Roads)	475	475	475	475
Number of Miles (Improved Caliche Roads)	50	50	50	50
Number of Miles (Dirt Roads)	178	178	178	178
Number of Vehicles	53	50	47	47
<b>Parks and Recreation</b>				
Number of Buildings	19	19	19	32
Number of Parks	13	13	13	13
Number of Vehicles	23	20	18	21
<b>Building and Facilities</b>				
Number of Buildings	24	24	25	26
Number of Vehicles	12	11	11	13
<b>Agriculture, Education, Consumer science</b>				
Number of Vehicles	4	3	4	4



Exhibit 24

2008	2009	2010	2011	2012	2013
6	6	7	6	11	11
2	2	2	2	2	2
5	5	5	5	4	4
9	9	7	9	8	6
2	2	2	2	2	2
656	656	656	656	656	656
412	412	412	412	412	412
102	106	107	104	113	102
12	12	12	12	10	11
2	2	2	2	2	2
10	9	8	9	8	13
13	13	14	14	14	14
80	80	80	80	80	80
475	475	475	475	475	475
50	50	50	50	50	50
178	178	178	178	178	178
50	51	49	51	57	54
32	32	32	35	25	25
13	13	13	13	13	13
16	17	21	22	22	22
26	26	26	26	37	36
13	11	11	10	13	17
4	4	4	4	4	4



**Nueces County, Texas**  
**Salaries and Surety Bonds of Elected Officials**  
**September 30, 2013**

**Exhibit 25**

<u>Official Title</u>	<u>Incumbent</u>	<u>Budget Salary</u>	<u>Surety Bond</u>	<u>Term Ending Dates</u>
Elected Officials:				
Commissioner, Precinct I	Mike Pusley	\$ 70,234	\$ 3,000	12/31/2016
Commissioner, Precinct II	Joe A. Gonzalez	70,638	3,000	12/31/2014
Commissioner, Precinct III	Oscar Ortiz	75,260	3,000	12/31/2016
Commissioner, Precinct IV	Joe Mc Comb	71,638	3,000	12/31/2014
County Judge	Samuel L. Neal, Jr.	89,615	10,000	12/31/2014
County Attorney	Laura A. Jimenez	107,762	2,500	12/31/2016
County Clerk	Diana T. Barrera	80,360	500,000	12/31/2014
Assessor-Collector of Taxes	Kevin Kieschnick	71,638	100,000	12/31/2016
District Clerk	Patsy Perez	75,260	100,000	12/31/2014
Sheriff	Jim Kaelin	80,303	30,000	12/31/2016
County Court At Law Judge, Court At Law I	Robert J. Vargas	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law II	Anna Elisabet Gonzales	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law III	Deanne Galvan	139,000	10,000	12/31/2012
County Court At Law Judge, Court At Law IV	James E. Klager	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law V	Brent Chesney	139,000	10,000	12/31/2014
District Judge, 28th District Court	Nanette Hasette	15,000	N/A (1)	12/31/2016
District Judge, 94th District Court	Robert M. Galvan	15,000	N/A (1)	12/31/2014
District Judge, 105th District Court	Angelica Hernandez	15,000	N/A (1)	12/31/2014
District Judge, 117th District Court	Sandra Watts	15,000	N/A (1)	12/31/2014
District Judge, 148th District Court	Guy Williams	15,000	N/A (1)	12/31/2014
District Judge, 214th District Court	Jose Longoria	15,000	N/A (1)	12/31/2016
District Judge, 319th District Court	David Stith	15,000	N/A (1)	12/31/2014
District Judge, 347th District Court	Missy Medary	15,000	N/A (1)	12/31/2016
District Attorney	Mark Skurka	12,000	5,000 (1)	12/31/2012
Constable, Precinct I	Robert Cisneros	52,769	1,500	12/31/2016
Constable, Precinct II	Jerry C. Boucher	52,769	1,500	12/31/2016
Constable, Precinct III	Jimmy Rivera	51,489	1,500	12/31/2016
Constable, Precinct IV	Robert W. Sherwood	52,769	1,500	12/31/2016
Constable, Precinct V	Frank Flores	52,769	1,500	12/31/2016
Justice of the Peace, Pct. I, Place I	Joe Benavides	53,504	5,000	12/31/2016
Justice of the Peace, Pct. I, Place II	Henry A. Santana	56,212	5,000	12/31/2014
Justice of the Peace, Pct.I,Place III	Roberto Balderas	56,212	5,000	12/31/2014
Justice of the Peace,Pct.II,Place I	Janice K. Stoner	56,212	5,000	12/31/2016
Justice of the Peace, Pct. II, Place II	Larry G. Cox	56,212	5,000	12/31/2014
Justice of the Peace, Pct. III	Adolfo Contreras	54,841	5,000	12/31/2014
Justice of the Peace, Pct. IV	Duncan Neblett, Jr.	56,212	5,000	12/31/2014
Justice of the Peace, Pct. V, Place I	Roberto H Gonzalez Jr.	56,212	5,000	12/31/2016
Justice of the Peace, Pct. V, Place II	Hermilo Peña, Jr.	56,212	5,000	12/31/2014

Notes:

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

**Nueces County, Texas**  
**Summary of Insurance Coverage**  
**Last Ten Fiscal Years**  
**September 30, 2013**

Type of Coverage	Premiums Paid FY03-04	Premiums Paid FY04-05	Premiums Paid FY05-06	Premiums Paid FY06-07
Property With Excess Windstorm	547,707	534,094		
Property Without Excess Windstorm			138,271	157,527
County Buildings (Blanket Buildings)				
County Buildings (Blanket Contents)				
Primary Windstorm			316,402	434,994
<b>Subtotal Windstorm</b>	<b>547,707</b>	<b>534,094</b>	<b>454,693</b>	<b>592,521</b>
Flood Insurance	29,395	33,337	46,558	53,434
Building Limits				
Building Contents				
Building and Contents				
Excess Flood				19,243
<b>Subtotal Flood</b>	<b>29,395</b>	<b>33,337</b>	<b>46,558</b>	<b>72,677</b>
Inland Marine:	7,893	6,955	12,471	13,220
Voting Machine				
Fine Arts				
Valuable Papers				
<b>Subtotal Inland Marine</b>	<b>7,893</b>	<b>6,955</b>	<b>12,471</b>	<b>13,220</b>
Public Official Employee Liability	57,621	52,753	52,701	37,199
Crime Policy Includes	2,512	2,512	2,512	2,783
Dishonesty				
Money & Securities				
Auto Liability Blanket	118,461	107,641	85,061	115,016
Boiler and Machinery	4,213	4,213	3,941	5,140
Airport Liability	4,950	4,950	4,950	4,950
Airport Hangar keepers Legal				
Other Liability				
<b>Total</b>	<b>772,751</b>	<b>746,454</b>	<b>662,887</b>	<b>843,506</b>

Exhibit 26

<b>Premiums Paid FY07-08</b>	<b>Premiums Paid FY08-09</b>	<b>Premiums Paid FY09-10</b>	<b>Premiums Paid FY10-11</b>	<b>Premiums Paid FY11-12</b>	<b>Premiums Paid FY12-13</b>
152,548	123,117	111,913	123,259	136,120	154,343
574,949	378,162	1,028,516	755,168	858,524	845,948
<b>727,497</b>	<b>501,279</b>	<b>1,140,429</b>	<b>878,427</b>	<b>994,644</b>	<b>1,000,291</b>
115,730	84,397				
		76,260	83,441	91,802	86,043
	80,012	56,323	56,530	56,415	61,324
<b>115,730</b>	<b>164,409</b>	<b>132,583</b>	<b>139,971</b>	<b>148,217</b>	<b>147,367</b>
11,132	13,212	5,939	7,418	7,051	7,418
<b>11,132</b>	<b>13,212</b>	<b>5,939</b>	<b>7,418</b>	<b>7,051</b>	<b>7,418</b>
33,435	33,435	24,567	31,361	30,153	32,771
2,783	2,783	2,783	2,783	2,783	4,231
113,989	119,122	111,242	115,029	106,706	87,812
4,455	3,783	2,888	2,837	2,258	2,258
<b>1,009,021</b>	<b>838,023</b>	<b>1,420,431</b>	<b>1,177,826</b>	<b>1,291,812</b>	<b>1,282,148</b>



# FEDERAL AND STATE AWARDS PROGRAMS





---

**ERNEST R. GARZA  
AND COMPANY, P.C.**  
*Certified Public Accountants*

10201 Leopard #A  
Corpus Christi, Texas 78410  
Bus. (361) 241-2452  
Fax No. (361) 242-1525  
Toll Free 1-800-241-1272



6102 Ayers St. #106  
Corpus Christi, Texas 78415  
Bus. (361) 723-0685  
Fax (361) 723-0689

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

March 28, 2014

The Honorable County Judge  
and County Commissioners  
Nueces County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas, *Single Audit Circular*, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Nueces County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2014.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

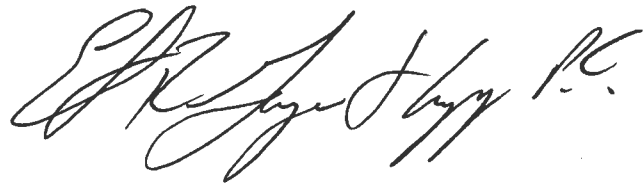
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's basic 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*. We noted certain matters that we reported to management of Nueces County, Texas, in a separate letter dated March 28, 2014.

**Purpose of this Report**

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

Ernest R. Garza & Company, P.C.  
Certified Public Accountants  
Corpus Christi, Texas



March 28, 2014

**ERNEST R. GARZA  
AND COMPANY, P.C.**  
*Certified Public Accountants*

10201 Leopard #A  
Corpus Christi, Texas 78410  
Bus. (361) 241-2452  
Fax No. (361) 242-1525  
Toll Free 1-800-241-1272



6102 Ayers St. #106  
Corpus Christi, Texas 78415  
Bus. (361) 723-0685  
Fax (361) 723-0689

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB  
CIRCULAR A-133

March 28, 2014

The Honorable County Judge  
and County Commissioners  
Nueces County, Texas

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

We have audited the Nueces County, Texas (the "County") 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 the County's major federal programs for the year ended September 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the County's compliance.

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

In our opinion, the Nueces County, Texas (the "County") complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

### **Report on Internal Control Over Compliance**

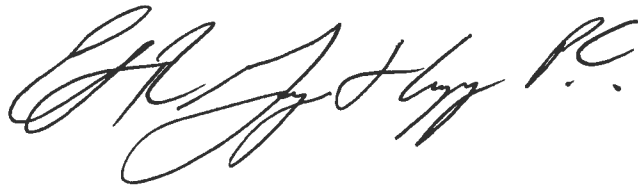
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types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

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

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

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

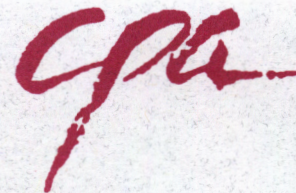
Ernest R. Garza & Company, P.C.  
Certified Public Accountants  
Corpus Christi, Texas



March 28, 2014

**ERNEST R. GARZA  
AND COMPANY, P.C.**  
*Certified Public Accountants*

10201 Leopard #A  
Corpus Christi, Texas 78410  
Bus. (361) 241-2452  
Fax No. (361) 242-1525  
Toll Free 1-800-241-1272



6102 Ayers St. #106  
Corpus Christi, Texas 78415  
Bus. (361) 723-0685  
Fax (361) 723-0689

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

March 28, 2014

The Honorable County Judge  
and County Commissioners  
Nueces County, Texas

**Report on Compliance for Each Major State Program**

We have audited the Nueces County, Texas (the "County") compliance with the types of compliance requirements described in *the State of Texas Single Audit Circular* that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2013. The County's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning. Those standards and the Circular 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 state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, the Nueces County, Texas (the "County") complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2013.

**Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Texas Single Audit Circular*, 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 the County'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 state 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Ernest R. Garza & Company, P.C.  
Certified Public Accountants  
Corpus Christi, Texas



March 28, 2014

NUECES COUNTY, TEXAS  
Schedule of Findings and Questioned Costs  
For The Year Ended September 30, 2013

Summary of Auditor's Results

Type of report on financial statements	Unmodified
Internal control over financial reporting: Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weakness (es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unmodified
Findings and questioned costs for federal awards as defined in Section 501 (a), OMB Circular A-133 and state awards as defined by the State of Texas Single Audit Circular	None
Dollar threshold considered between Type A and Type B state and federal programs	\$300,000
Low risk auditee statement	The County was classified as a low-risk auditee.
Major federal program	Coastal Impact Assistance Program #15.668 Homeland Security Grant Program #97.067 Affordable Care- Act – Maternal, Infant and Early Childhood Visiting Program #93.505 ARRA – Foster Care Title IV E #93.658
Major state program	State Aid - TJJD

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

None

Findings and Questioned Costs for Federal and State Awards

None

NUECES COUNTY, TEXAS  
Schedule of Prior Audit Findings  
For The Year Ended September 30, 2013

None Noted



NUECES COUNTY, TEXAS  
Corrective Action Plan  
For The Year Ended September 30, 2013

None Required



**NUECES COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
<b>US DEPARTMENT OF AGRICULTURE</b>				
<b>Pass Through: Texas Department of Agriculture</b>				
3490-4464	School Breakfast Program	10.553	01216	\$ 35,312 \$ -
3490-4469	National School Lunch Program	10.555	01216	57,782 -
3490-4469	Emergency Food Assistance Prog. (Food Commodities)	10.569	01216	2,577 -
<b>TOTAL CLUSTER PROGRAM</b>			\$ 95,671	\$ -
<b>TOTAL U S DEPARTMENT OF AGRICULTURE</b>			<b>\$ 95,671</b>	<b>\$ -</b>
<b>U S DEPARTMENT OF COMMERCE</b>				
<b>Pass Through: Texas General Land Office</b>				
2723	Coastal Zone Management Administration Awards	11.419	13-050-000-6917	\$ 60,000 \$ -
<b>TOTAL U S DEPARTMENT OF COMMERCE</b>			<b>\$ 60,000</b>	<b>\$ -</b>
<b>U S DEPARTMENT T OF THE INTERIOR</b>				
<b>Direct Grant</b>				
1307	Minerals Management Service	15.423	None	\$ 369 \$ -
2772	Coastal Impact Assistance Program	15.668	M11AF0006	549,476 -
<b>TOTAL U S DEPARTMENT OF THE INTERIOR</b>			<b>\$ 549,845</b>	<b>\$ -</b>
<b>U S DEPARTMENT OF JUSTICE</b>				
<b>Pass Through: US Marshals Service</b>				
2332	Joint Law Enforcement Operations (JLO)	16.111	M13-D79-O-000768	\$ 9,988 \$ -
2233	(OCDETF)State and Local Overtime and Authorized Expense Agreement	16.112	SW-TXS-0824	\$ 7,222 \$ -
<b>Pass Through: Office of the Governor-CJD</b>				
2052	Juvenile Accountability Block Grants	16.523	JB-11-J20-25304-02	\$ 18,900 \$ -
2092	Juvenile Accountability Block Grants	16.523	JB12-J20-13363-14	14,883 -
2093	Juvenile Accountability Block Grants	16.523	JB-12-V30-13363-15	3,256 -
<b>TOTAL CFDA 16.523</b>			<b>\$ 37,039</b>	<b>\$ -</b>
<b>Direct Grant</b>				
3720	State Criminal Alien Assistance Program	16.606	2013-AP-BX-0006	\$ 15,067 \$ -
<b>Pass Through: Office of the Governor - Criminal Justice Division, Through: City of Corpus Christi</b>				
2393	Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2669	\$ 37,678 \$ -
2394	Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-2822	36,527 -
<b>TOTAL CFDA 16.738</b>			<b>\$ 74,205</b>	<b>\$ -</b>
<b>TOTAL U S DEPARTMENT OF JUSTICE</b>			<b>\$ 143,521</b>	<b>\$ -</b>
<b>US DEPARTMENT OF VETERANS AFFAIRS</b>				
<b>Pass Through: Texas Veterans Commission</b>				
2714	VA Supportive Services for Veteran Families	64.033	FVA-12-0070	\$ 101,260 \$ -
<b>TOTAL US DEPARTMENT OF VETERAN AFFAIRS</b>			<b>\$ 101,260</b>	<b>\$ -</b>

**NUECES COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
<b>U S ENVIRONMENTAL PROTECTION AGENCY</b>				
<b>Pass Through: Texas General Land Office</b>				
2631 Beach Monitoring and Notification Program Implementation Grants	66.472	13-056-000-6979	\$ 91,634	\$ -
2633 Beach Monitoring and Notification Program Implementation Grants	66.472	14-119-000-8024	5,686	-
<b>TOTAL CFDA 66.472</b>			<b>\$ 97,320</b>	<b>\$ -</b>
<b>TOTAL US ENVIRONMENTAL PROTECTION AGENCY</b>			<b>\$ 97,320</b>	<b>\$ -</b>
<b>U S DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Pass Through: National Association of County &amp; City Health Officials</b>				
2523 Medical Reserve Corps Small Grant Program	93.008	MRC 13 - 2042	\$ 3,702	\$ -
<b>Pass Through: Texas Department of Aging and Disability Services</b>				
<b>Through: Coastal Bend Council of Governments</b>				
4190-4445 Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	AA3-0848-10	\$ 27,717	\$ -
4190-4446 Special Programs for the Aging Title III, Part C1_ Nutrition Services	93.045	AA3-0848-10	51,546	-
4190-4446 Special Programs for the Aging Title III, Part C2_ Nutrition Services	93.045	AA3-0848-10	51,364	-
<b>TOTAL CLUSTER</b>			<b>\$ 130,627</b>	<b>\$ -</b>
<b>Pass Through: Department of State Health Services</b>				
2583 Public Health Emergency Preparedness	93.069	2013-0413-004	\$ 24,347	\$ -
2693 Public Health Emergency Preparedness	93.069	2013-041393-003	229,568	-
2694 Public Health Emergency Preparedness	93.069	2014-001327-00	12,960	-
<b>TOTAL CFDA 93.069</b>			<b>\$ 266,875</b>	<b>\$ -</b>
2572 Centers For Disease Control and Prevention Investigations and Technical Assistance	93.283	2012-0411172-0010B	233,094	-
2573 Centers For Disease Control and Prevention Investigations and Technical Assistance	93.283	2014-044958-001	3,390	-
<b>TOTAL CFDA 93.283</b>			<b>\$ 236,484</b>	<b>\$ -</b>
2532 Affordable Care Act-Maternal, Infant and Early Childhood Visiting Program	93.505	HSC 529-12-0066	\$ 440,923	\$ -
<b>Pass Through: Office of the Attorney General</b>				
3530-4363 Child Support Enforcement	93.563	00-03721,00-082010	\$ 91,716	\$ -
<b>Pass Through: Texas Secretary of State</b>				
2744 Voting Access for Individuals W/Disabilities_Grants to States	93.617	78282	\$ 24,500	\$ -
<b>Pass Through: Texas Juvenile Justice Department</b>				
1317 ARRA-Foster Care_Title IV_E	93.658	TJJJ-E-2011-178	\$ 1,585	\$ -
1317 ARRA-Foster Care_Title IV_E	93.658	TJJJ-E-2012-178	189	-
1317 ARRA-Foster Care_Title IV_E	93.658	TJJJ-E-2013-178	29,129	-
1317 ARRA-Foster Care_Title IV_E	93.658	TJJJ-E-2014-178	11,514	-
<b>U S DEPARTMENT OF HEALTH AND HUMAN SERVICES CARRIED FORWARD</b>			<b>\$ 1,237,244</b>	<b>\$ -</b>

**NUECES COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS	
<b>U S DEPARTMENT OF HEALTH AND HUMAN SERVICES BROUGHT FORWARD</b>			\$ <b>1,237,244</b>	\$ -	
<b>Pass Through: Texas Department of Family and Protective Services</b>					
1130	ARRA-Foster Care_Title IV_E	93.658	23940957	90,863	-
4130	ARRA-Foster Care_Title IV_E	93.658	23940956	54,084	-
<b>TOTAL CFDA 93.658</b>			\$ <b>144,947</b>	\$ -	
<b>Pass Through: Department of State Health Services</b>					
2542	Social Services Block Grant	93.667	2012-040697-001	6,644	-
4190-4450	Medical Assistance Program	93.778	11K19666/PS-08-293-P-OO	86,256	-
2593	HIV Prevention_Health Department Based	93.940	2013-041393	56,428	-
2594	HIV Prevention_Health Department Based	93.940	2014-001347-00	3,721	-
<b>TOTAL CFDA 93.940</b>			\$ <b>60,149</b>	\$ -	
<b>TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			\$ <b>1,535,240</b>	\$ -	
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>					
<b>Pass Through: Office of National Drug Control Policy</b>					
2371	High Intensity Drug Trafficking Areas Program	95.001	G11HN0007A	23,895	-
2372	High Intensity Drug Trafficking Areas Program	95.001	G12HN0007A	51,886	-
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT:</b>			\$ <b>75,781</b>	\$ -	
<b>US DEPARTMENT OF HOMELAND SECURITY</b>					
<b>Pass Through: United Way</b>					
1350	Emergency Food and Shelter National Board Program	97.024	23-8284-00-001	16,451	-
<b>Pass Through: Office of the Governor - Division of Emergency Management</b>					
5105	Emergency Management Performance Grant	97.042	13TX-EMPG-0578	47,058	-
<b>Pass Through: Texas Department of Public Safety</b>					
2410	Homeland Security Grant Program	97.067	10-GA-48355-06	91,508	-
2411	Homeland Security Grant Program	97.067	11-SR-48355-01	322,410	-
<b>TOTAL CFDA 93.067</b>			\$ <b>413,918</b>	\$ -	
2411	Homeland Security Grant Program	97.073	10-sr-48335-01	11,339	-
<b>TOTAL US DEPARTMENT OF HOMELAND SECURITY</b>			\$ <b>488,766</b>	\$ -	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ <b>3,147,404</b>	\$ -	

**NUECES COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

FEDERAL / STATE GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES, INDIRECT COSTS AND REFUNDS	PASS THROUGH AMOUNT TO RECIPIENTS
<b>STATE AWARDS:</b>				
<b>TEXAS INDIGENT DEFENSE COMMISSION</b>				
3300	Indigent Defense Services	State	212-13-178	\$ 282,754 \$ -
			<b>TOTAL TEXAS INDIGENT DEFENSE COMMISSION</b>	<b>\$ 282,754 \$ -</b>
<b>TEXAS DEPARTMENT OF AGRICULTURE</b>				
4190-4450	Texans Feeding Texans	State	HDM-10444	\$ 36,034 \$ -
			<b>TOTAL TEXAS DEPARTMENT OF AGRICULTURE</b>	<b>\$ 36,034 \$ -</b>
<b>DEPARTMENT OF STATE HEALTH SERVICES</b>				
2613	HIV Surveillance	State	2013-041393-001	46,421 -
2614	HIV Surveillance	State	2014-001419-00	3,395 -
2622	DFCHS-Healthy Texas Babies	State	2012-040621-001A	99,271 -
			<b>TOTAL DEPARTMENT OF STATE HEALTH SERVICES</b>	<b>\$ 149,088 \$ -</b>
<b>TEXAS DEPARTMENT OF TRANSPORTATION</b>				
2113	Routine Airport Maintenance Program	State	M316ROBST	\$ 25,133 \$ -
			<b>TOTAL TEXAS DEPARTMENT OF TRANSPORTATION</b>	<b>\$ 25,133 \$ -</b>
<b>OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION</b>				
2072	Juvenile Justice Alternative	State	SF-13-J20-23152-03	\$ 48,735 \$ -
2073	Juvenile Justice Alternative	State	SF-14-J20-23152-04	6,615 -
2083	Nueces County Drug / DWI Court	State	SF-13-A10-20676-05	51,898 -
			<b>TOTAL OFFICE OF THE GOVERNOR - CJD</b>	<b>\$ 107,248 \$ -</b>
<b>TEXAS JUVENILE JUSTICE DEPARTMENT</b>				
2823	State Financial Assistance Fund	State	TJJD-A-2013-178	\$ 2,054,773 \$ -
2824	State Financial Assistance Fund	State	TJJD-A-2014-178	\$ 186,737 \$ -
2834	Mental Health Services	State	TJJD-N-2014-178	29,727 -
2843	JJAEP School Fund	State	TJJD-P-2013-178	27,042 -
2843	JJAEP School Fund	State	TJJD-P-2014-178	3,212 -
2853	Commitment Reduction Program	State	TJJD-C-2013-178	114,248 -
2854	Commitment Reduction Program	State	TJJD-C-2014-178	47,012 -
2863	Special Needs Diversionary Program	State	TJJD-M-2013-178	29,996 -
2864	Special Needs Diversionary Program	State	TJJD-M-2014-178	2,412 -
			<b>TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT</b>	<b>\$ 2,495,159 \$ -</b>
			<b>TOTAL EXPENDITURES OF STATE AWARDS</b>	<b>\$ 3,095,415 \$ -</b>
			<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>	<b>\$ 6,242,819 \$ -</b>

NUECES COUNTY, TEXAS

Notes to Schedule of State/Federal Awards

For the year ended September 30, 2013

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Special Revenue Funds	\$ 2,536,062	\$ 2,776,627	\$ 5,312,689
(13)- \$ 59,237			
(20) - 2,476,825		(20) - 281,468	
		(28) - <u>2,495,159</u>	
Federal <u>\$ 2,536,062</u>		State <u>\$ 2,776,627</u>	
General Fund (11)	608,765	318,788	927,553
Commodities (11)	<u>2,577</u>	<u>-0-</u>	<u>2,577</u>
Total	<u>\$ 3,147,404</u>	<u>\$ 3,095,415</u>	<u>\$ 6,242,819</u>

4. Relationship to State/Federal Financial Reports

Amounts reported in the Schedule of State/Federal Awards are in agreement with the amounts reported in the related Federal financial reports filed with grantor agencies.

5. Commodities Valuation

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

6. Requests for Information

This financial report is designed to provide a general review of Nueces County's State and Federal Financial Awards for the Fiscal Year Ended September 30, 2013. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

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