

NUECES COUNTY TEXAS



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2014

NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014



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

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NUECES COUNTY, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2014

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INTRODUCTORY SECTION





DIANA ROSAS, M.A.M.
FIRST ASSISTANT
ACCOUNTS PAYABLE MANAGER

ANNA VELAZQUEZ
GRANTS / PAYROLL SUPERVISOR

DALE ATCHLEY, C.P.A.
COUNTY AUDITOR

901 LEOPARD STREET, RM 304
CORPUS CHRISTI, TX 78401

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

EIVA FUENTES
INTERNAL AUDIT SUPERVISOR

LISA DAVIS, C.I.O.
BUDGET ACCOUNTANT

AIDEE HERNANDEZ
EXECUTIVE ACCOUNTANT

March 27, 2015

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, 2014 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, 2014, 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, 2014 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 located in the Federal and State Awarded Program section of this 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 28th 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 a 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, (non-personnel 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 45 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the general fund, tax assessor fund, and the U.S. Marshal contract, the comparisons are presented in the Supplemental Non-major Governmental Funds subsection of this report.

Unemployment Rate

The unemployment rate for Nueces County as of September 30, 2014 is 4.18%, a decrease from last year's rate of 5.8%. The County's unemployment rate is lower than the State's average unemployment rate of 4.6 percent. Both the State of Texas and the County are lower than the national average rate of 5.7 percent.

Construction and Commercial Permits Valuations

In 2014 the City of Corpus Christi issued 8.36% more construction permit valuations as compared to the prior year for a total of \$392,629,068. Construction permits seem to be on the rise again since 2008. Please see Exhibit 19 for more information.

Local Economy

The County of Nueces is the fourteenth largest county in the State of Texas with an estimated population of 352,107. 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 by 12.23%. The housing sales volume is \$930,473,282. Units sold went down by 20.76%. The unit sold volume is 3,636. 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. Even though the community is seeing strong economic growth, the Commissioners court continues to plan expenditures in a conservative manner. The 2014/2015 budget kept expenditures at or near the same levels as the prior budget with a few exceptions.

Long-term Financial Planning

Factors were considered in preparing the County's budget for the 2014/2015 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 2014/2015 budget and future budgets are to make county government: (1) communicative and open to the public and departmental staff; (2) have attainable county 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.

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, 2013. 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.

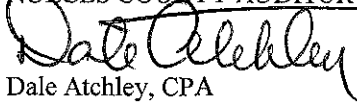
A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last twenty one years (fiscal years ended 1993 through 2013). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA on March 31, 2015.

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 greatly 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

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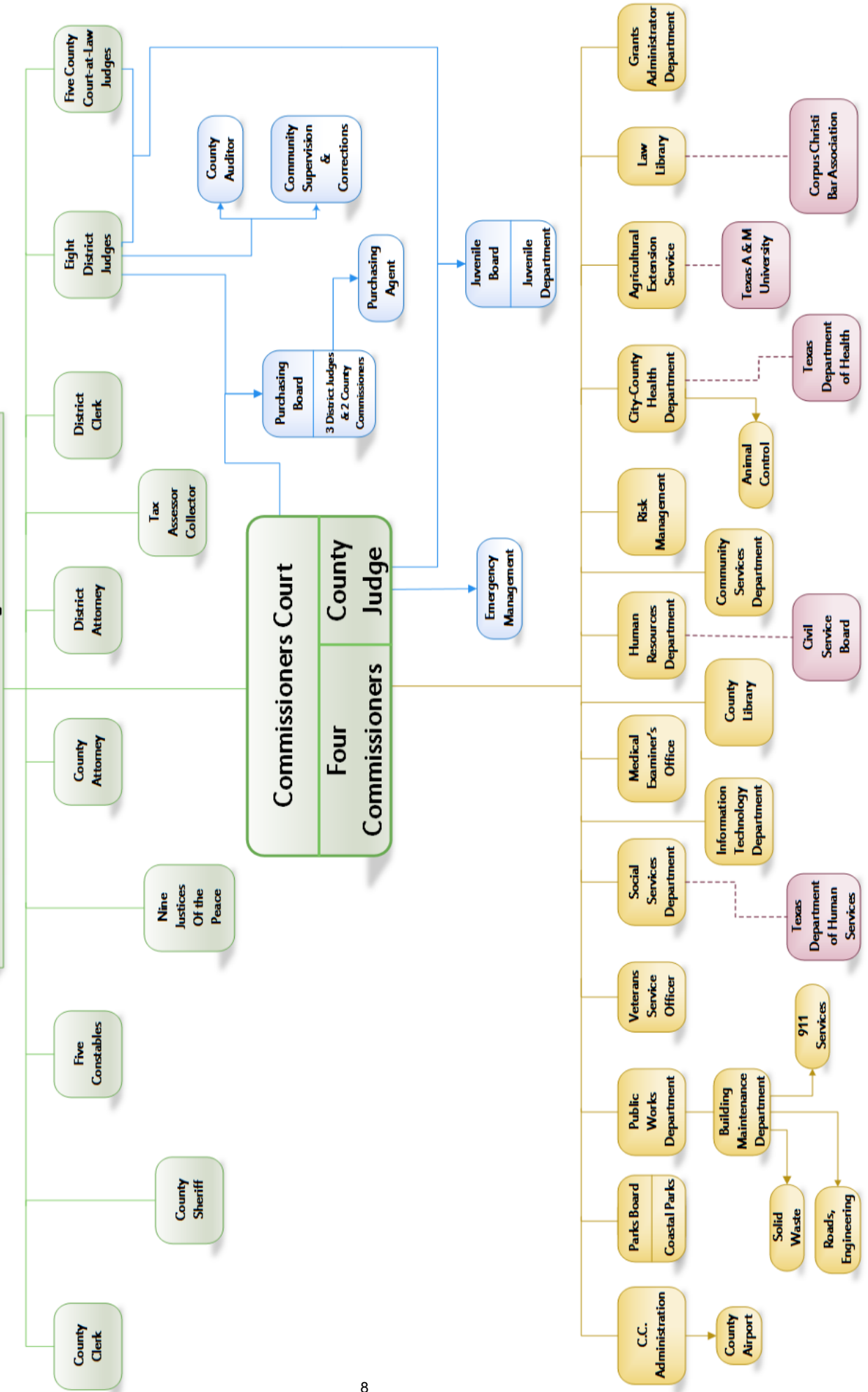
**Nueces County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Nueces County Voters



Nueces County, Texas

List of Principal Officials

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
 Amanda Torres Judge County Court at Law 5
 Nanette Hasette Judge 28th District Court
 Bobby Galvan Judge 94th District Court
 Angelica Hernandez Judge 105th District Court
 Sandra Watts Judge 117th District Court
 Guy Williams Judge 148th District Court
 Jose Longoria Judge 214th District Court
 David Stith Judge 319th District Court
 Missy Medary Judge 347th 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 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
 Steve Waterman Director of Commissioners Court
 Danielle Hale Emergency Management



FINANCIAL SECTION



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

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INDEPENDENT AUDITOR'S REPORT

March 27, 2015

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, 2014, 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 \$97,312,658 and revenues were \$59,864,973. 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, 2014 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 33 and 77 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 27, 2015 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

A handwritten signature in black ink, appearing to read "ER Garza & Co P.C. CPAs". The signature is stylized and cursive.

March 27, 2015



Nueces County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management 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, 2014. 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 outflows of resources by \$129,916,058. As compared to the prior year, net position decreased by \$(1,876,953) or 1.42%.
- In contrast to the government-wide statements, the County's governmental funds reports a combined ending fund balance of \$54,860,155; an increase of \$3,171,539 in comparison with the prior year.
- The general fund total fund balance of \$22,576,703 reflects an increase of \$1,064,129 from the previous year. After adjusting for amounts for prepaid and inventories (non-spendable) and the minimum 25% fund balance (committed), there is a \$2,704,837 remaining in unassigned.
- The County's general obligation debt decreased by \$6,419,915. The balance of general obligation debt at year end is \$104,604,513. The debt service fund balance is \$4,595,623 or 41.43% 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 inter-fund 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 37-39 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, tax assessor, U.S. Marshal Contract fund, capital projects fund, and grants, which are all considered major funds under the classification guidelines issued by GASB. Data from the other twenty-one 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, grant funds, and debt service. A budgetary comparison statement has been provided for the general fund, tax assessor, 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 40-50 of this report followed by the Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual for the general fund, tax assessor, and the 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 51-53 of this report.

Fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the governmental-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 54 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 55-76 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 77 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 81-112 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 plus the deferred outflows of resources exceeded liabilities by \$129,916,058 and are summarized below along with comparative data from the previous year.

	<u>Governmental Activities</u>	
	Fiscal Year 13/14	Fiscal Year 12/13
Current and other assets	\$102,277,180	\$101,993,330
Capital assets (net of depreciation)	<u>161,090,523</u>	<u>173,842,862</u>
Total assets	263,367,703	275,836,192
Loss on refunding debt	<u>3,701,271</u>	-
Total deferred outflow of resources	3,701,271	-
Current and other liabilities	22,162,659	26,030,740
Long-term liabilities	<u>114,990,257</u>	<u>118,012,441</u>
Total liabilities	137,152,916	144,043,181
Net position:		
Invested in capital assets	78,879,070	83,933,928
Restricted	13,843,763	12,502,545
Unrestricted	<u>37,193,225</u>	<u>35,356,538</u>
Total net position - Restated (See Note 1)	<u>\$129,916,058</u>	<u>\$131,793,011</u>

The largest portion of the County's net position (60.72%) 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 \$13,843,763 and comprise 10.66% 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 \$37,193,225 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 \$(1,876,953). Key elements of this decrease are as follows:

<u>Changes in Net Position</u> <u>Governmental Activities</u>						
	FY 13/14	Percent of Total	FY 12/13	Percent of Total	Difference	Percent of Change
Revenues:						
Program revenues:						
Charges for services	\$ 28,367,891	25.20%	\$ 26,580,264	24.96%	\$ 1,787,627	6.73%
Operating grants and contributions	8,179,157	7.27%	7,298,475	6.85%	880,682	12.07%
General Revenues:						
Property taxes	72,960,037	64.83%	68,079,584	63.94%	4,880,453	7.17%
Other taxes	1,915,601	1.70%	1,562,313	1.47%	353,288	22.61%
Unrestricted Investment earnings	163,577	0.15%	134,583	0.13%	28,994	21.54%
Grants and contributions not restricted to a specific programs	962,838	0.86%	380,041	0.36%	582,797	153.35%
Gain on sale of assets	-	0.00%	2,440,008	2.29%	(2,440,008)	-100.00%
Total revenues	<u>112,549,101</u>	100.00%	<u>106,475,268</u>	100.00%	<u>6,073,833</u>	5.70%
Expenses:						
General government:						
Buildings and facilities	15,341,758	13.41%	14,441,357	12.84%	900,401	6.23%
Administration of justice	10,972,546	9.59%	11,214,282	9.97%	(241,736)	-2.16%
Law enforcement and corrections	24,916,824	21.78%	23,559,375	20.95%	1,357,449	5.76%
Social services	30,303,203	26.48%	28,701,541	25.52%	1,601,662	5.58%
Health, safety and sanitation	2,682,643	2.34%	2,797,707	2.49%	(115,064)	-4.11%
Agriculture, education and consumer sciences	2,815,645	2.46%	2,343,115	2.08%	472,530	20.17%
Roads, bridges and transportation	794,140	0.69%	761,011	0.68%	33,129	4.35%
Parks and recreation	15,575,863	13.61%	17,441,342	15.51%	(1,865,479)	-10.70%
Interest on long-term debt	6,415,580	5.61%	6,290,622	5.59%	124,958	1.99%
Total Expenses	<u>4,607,852</u>	4.03%	<u>4,895,833</u>	4.35%	<u>(287,981)</u>	-5.88%
Total Expenses	<u>114,426,054</u>	100.00%	<u>112,446,185</u>	100.00%	<u>1,979,869</u>	1.76%
Increase (Decrease) in net position	(1,876,953)		(5,970,917)		4,093,964	-68.57%
Net position - beginning	<u>131,793,011</u>		<u>137,763,928</u>			
Net position - ending	<u>\$ 129,916,058</u>		<u>\$ 131,793,011</u>		<u>\$ (1,876,953)</u>	-1.42%

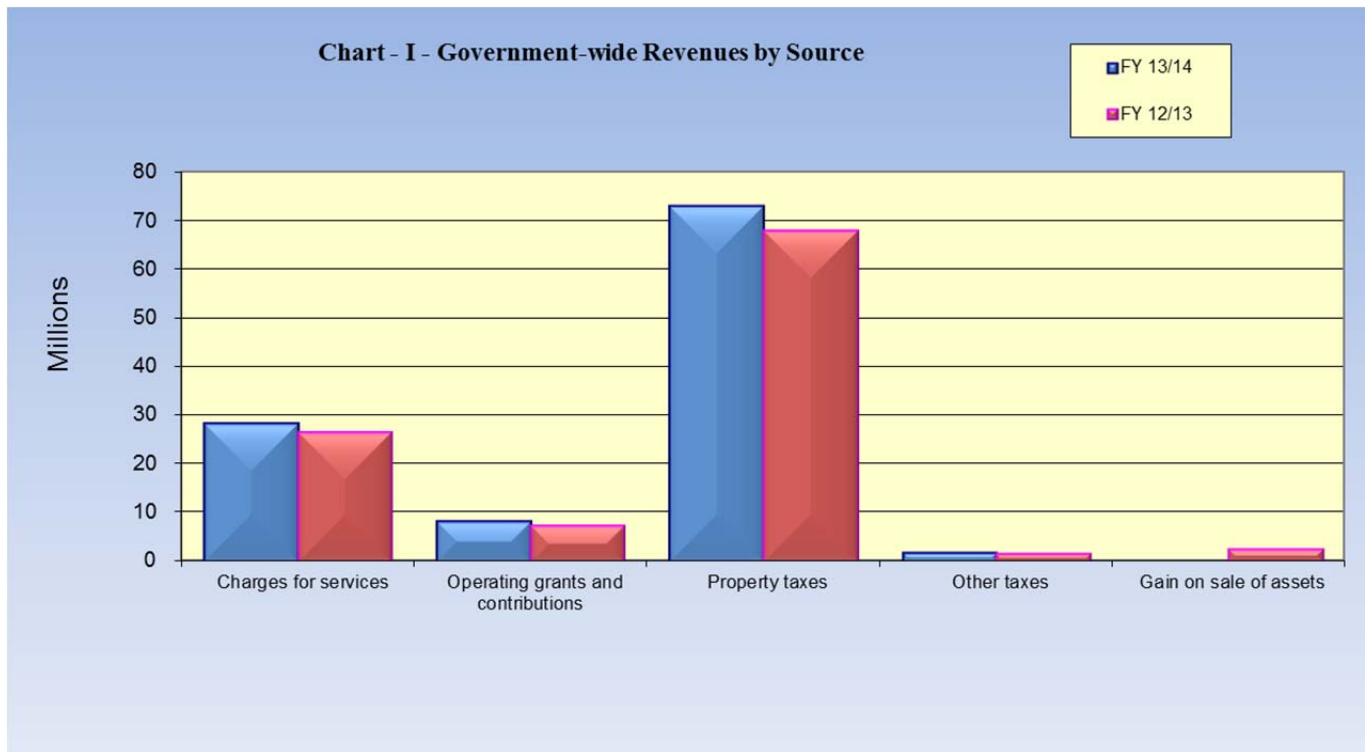
Comparing the ending net position to the previous year, there was a increase of \$4,093,964. In comparison to the prior year, revenues increased by \$6,073,833 and total expenses increased by \$1,979,869, which resulted in the increase from the prior year net position. Again, the change in net position for this current fiscal year was a net decrease of \$1,876,953 making the ending balance of net position equal to \$129,916,058.

REVENUES - As shown in the table above, total revenues increase by \$6,073,833. There are three large swings that comprise most of this net increase. Property taxes increased \$4,880,453 due to a slight increase in net taxable value.

Charges for services reflect a net increase from the previous year of \$1,787,627. 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.

Operating grants and contributions increased by \$880,682 which is mainly due to increase in grant funding. Other taxes reflect an increase of \$353,288 which is attributed to change in revenue category. Grants and contributions not restricted to specific programs increased by 582,797.

Investment earnings were \$28,994 higher than the prior year. This increase was due to some short term CDs and municipal bonds invested at a higher rate.



The County’s government-wide revenue sources are graphically presented in Chart–I. Countywide, 64.83% of total revenues come from property taxes. The second largest revenue source, 25.20% 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 7.27% 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 2013.

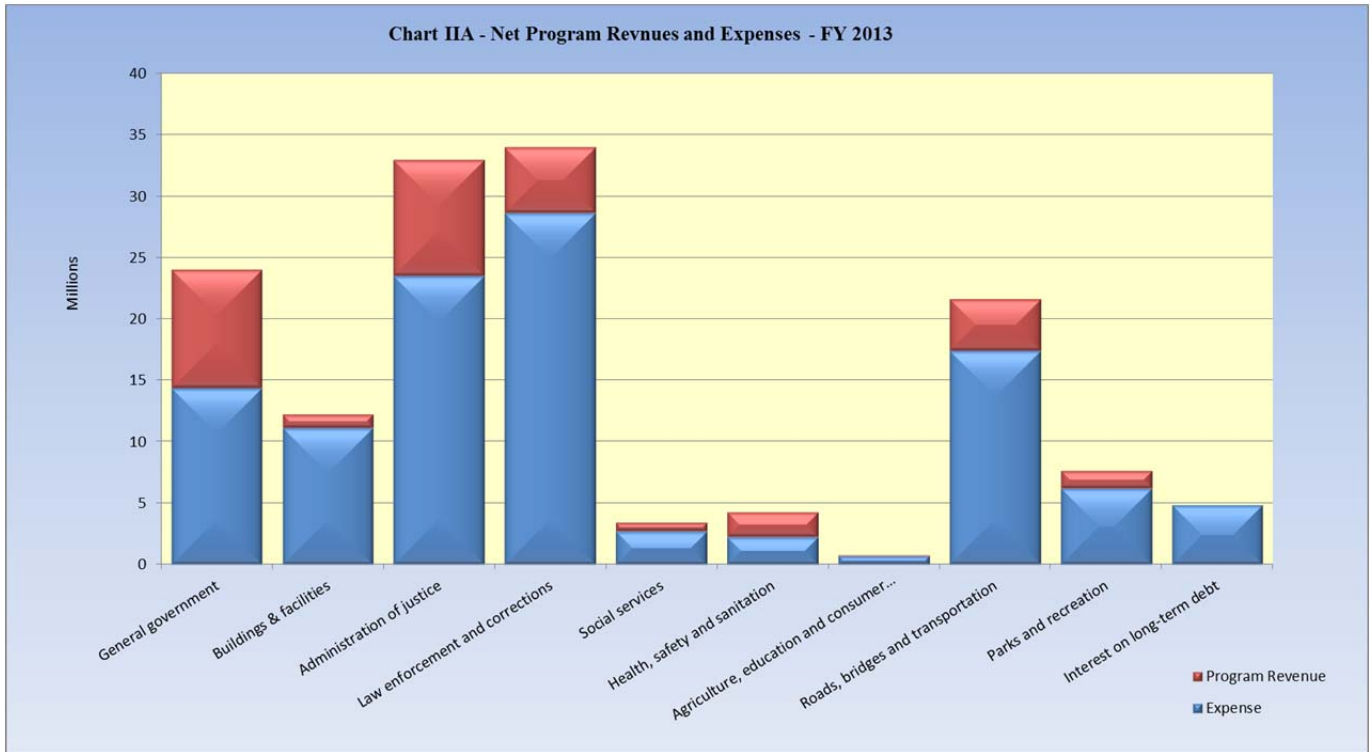
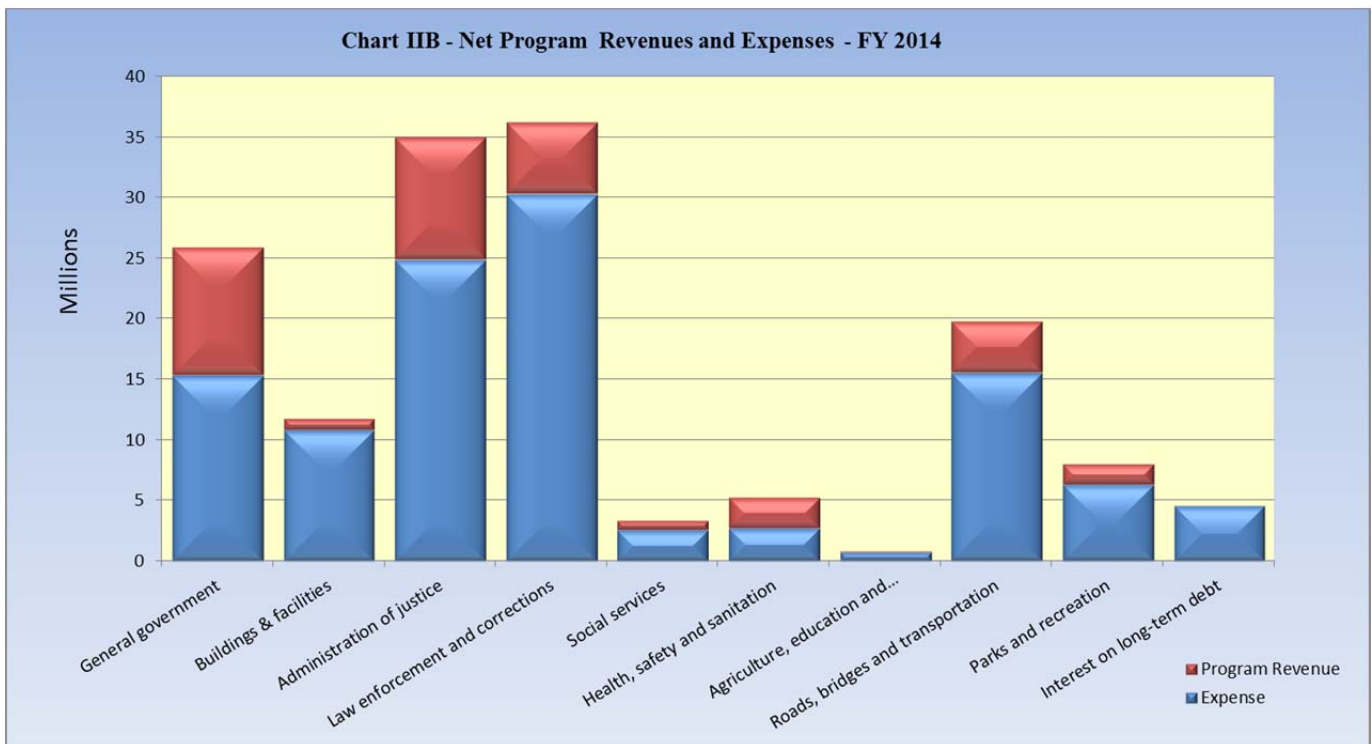


Chart IIB below compares the net of program revenues and expenses for fiscal year 2014. In comparing Chart IIA and Chart IIB, they appear to remain very similar.



EXPENSES - Expenses increased by 1.76%, or \$1,979,869. The largest increases in expenses were law enforcement and administration of justice functions.

Expenses were tightly controlled during the year and Commissioners court froze vacant positions. Depreciation expense increased by \$245,624 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, administration of justice, and general government 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 March 25, 2015, Standard & Poor's and Moody's reaffirmed the credit rating on the County's outstanding bonds at "AA+" and "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 \$54,860,155 higher by \$3,171,539 in comparison with the prior year. Excluding capital projects fund, ending balances of governmental funds increased by \$3,074,097. 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 \$22,576,703. As compared to previous year, the total fund balance increased by \$1,064,129. The total fund balance represents 41.15% 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 \$19,443,545, which is designated as committed, leaving \$2,704,837 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 \$4,595,623 fund balance a net increase of \$430,225 as compared to prior year. Debt service payments totaled \$11,068,636 and revenues and transfers in totaled \$11,498,861. The debt service tax rate of 0.054325 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 tax assessor is a special revenue fund that is used to account for special vehicle inventory tax and voters registration chapter 19 activity. It is considered a major fund because the liabilities exceed 10% of total liabilities of all governmental funds.

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 \$108,692 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 \$10,430,217, which is a net increase of \$97,442 when compared to prior fiscal year. This increase in fund balance is the result of funding for general fund transfers to existing capital projects and the continued ongoing expenditures 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 \$16,616,569. The road and bridge fund is included within this category, as well as the other funds restricted to specific purposes. The total combined other governmental fund balance increased by \$1,481,981.

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

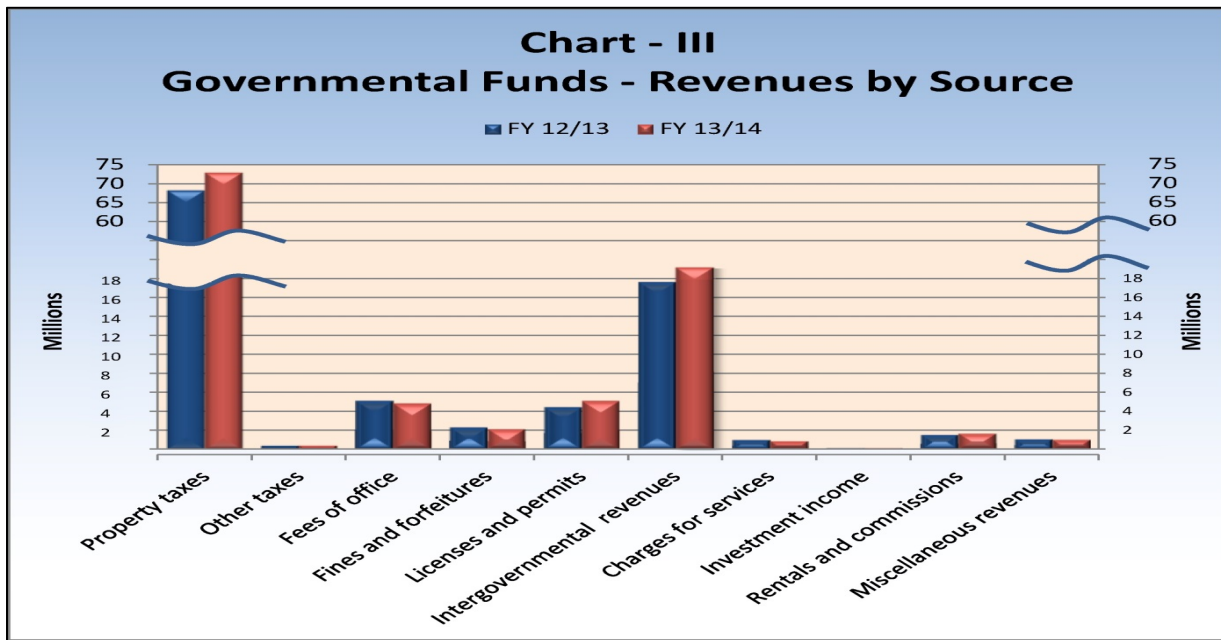
	FY 13/14	Percent of Total	FY 12/13	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$72,903,015	60.69%	\$68,227,630	59.33%	\$4,675,385	6.85%
Other taxes	411,398	0.34%	391,784	0.34%	19,614	5.01%
Fees of office	4,820,592	4.01%	5,089,036	4.43%	(268,444)	-5.27%
Fines and forfeitures	2,139,483	1.78%	2,287,821	1.99%	(148,338)	-6.48%
Licenses and permits	5,085,459	4.23%	4,402,803	3.83%	682,656	15.51%
Intergovernmental revenues	20,557,700	17.11%	17,645,491	15.34%	2,912,209	16.50%
Charges for services	858,493	0.71%	970,996	0.84%	(112,503)	-11.59%
Investment income	139,723	0.12%	128,746	0.11%	10,977	8.53%
Rentals and commissions	1,659,351	1.38%	1,521,251	1.32%	138,100	9.08%
Miscellaneous revenues	1,022,938	0.85%	1,062,154	0.92%	(39,216)	-3.69%
Total revenues	109,598,152	91.24%	101,727,712	88.46%	7,870,440	7.74%
Other Financing Sources						
Sale of Assets	-	0.00%	2,440,008	2.12%	(2,440,008)	-100.00%
Transfers in	10,518,868	8.76%	10,829,801	9.42%	(310,933)	-2.87%
Total revenues & other financing sources	\$120,117,020	100.00%	\$114,997,521	100.00%	\$5,119,499	4.45%

Some observations on the revenues are as follows:

- The increase in property tax revenues of \$4,675,385, an increase of 6.85%, is attributed to an increase in the net taxable value.
- The increase of \$2,912,209 in intergovernmental revenues increased due to grant funding.
- There was a decrease of \$(268,444) in fees of office and decrease of \$(148,338) in fines and forfeitures due to decrease in overall collections.
- The increase of \$682,656 in licenses and permits is due to increase in motor vehicle sales.
- The increase in investment income, \$10,977, is due to some short term CDs and municipal bonds at a higher rate. Year end balances of cash, cash equivalents, and investments are \$1,348,4617 higher this year than what the balances were a year ago.

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.

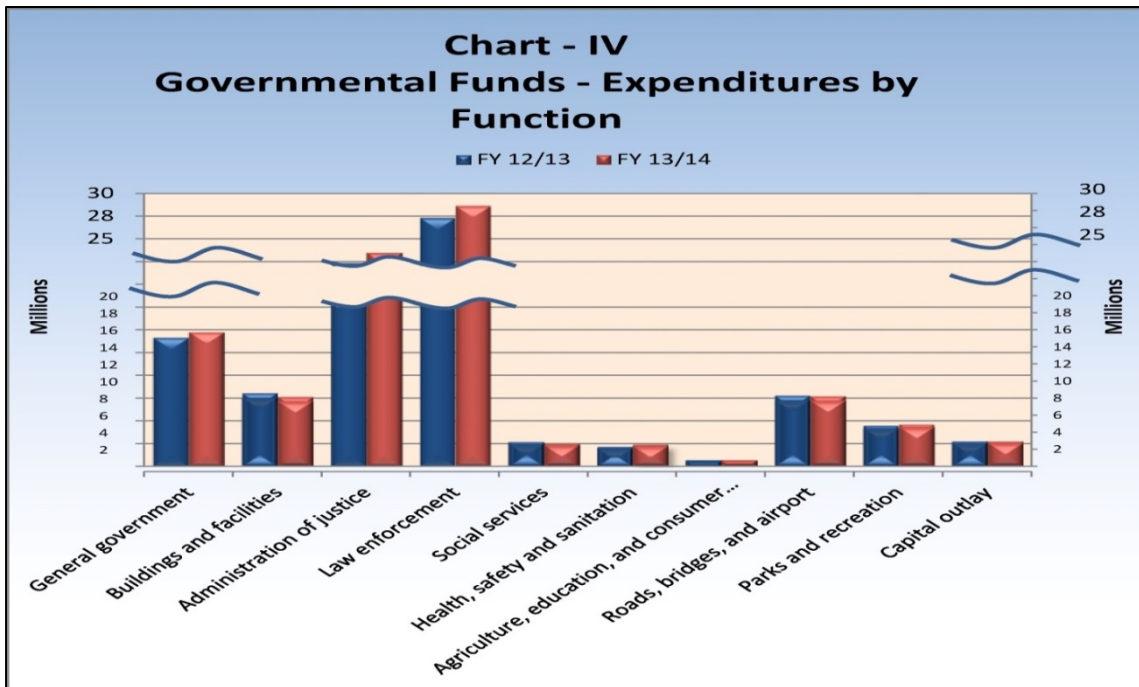


The following table presents expenditures by function comparisons to the prior year. All the funds are included but as with revenues, most of the changes are due to the general fund.

Governmental Funds – Expenditures by Function

	FY 13/14	Percent of Total	FY 12/13	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$14,758,277	12.62%	\$14,139,402	12.37%	618,875	4.38%
Buildings and facilities	7,655,261	6.55%	8,071,874	7.06%	(416,613)	-5.16%
Administration of justice	23,462,077	20.06%	22,370,784	19.58%	1,091,293	4.88%
Law enforcement	28,646,136	24.50%	27,313,577	23.90%	1,332,559	4.88%
Social services	2,524,416	2.16%	2,672,416	2.34%	(148,000)	-5.54%
Health, safety and sanitation	2,423,912	2.07%	2,171,721	1.90%	252,191	11.61%
Agriculture, education, and consumer sciences	713,296	0.61%	682,633	0.60%	30,663	4.49%
Roads, bridges, and airport	7,742,469	6.62%	7,809,892	6.84%	(67,423)	-0.86%
Parks and recreation	4,652,352	3.98%	4,471,466	3.91%	180,886	4.05%
Capital outlay	2,779,781	2.38%	2,756,107	2.41%	23,674	0.86%
Debt service	11,068,636	9.46%	10,970,186	9.60%	98,450	0.90%
Total expenditures	106,426,613	91.01%	103,430,058	90.52%	2,996,555	2.90%
Transfers out	10,518,868	8.99%	10,829,801	9.48%	(310,933)	-2.87%
Total expenditures and transfers out	\$116,945,481	100.00%	\$114,259,859	100.00%	\$2,685,622	2.35%

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 \$2,996,555 or by 2.90% 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 \$3,171,539. Combined fund balances for all governmental funds totaled \$54,860,155.

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 is combined 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 \$869,536 with \$384,292 belonging to the workers compensation fund, \$340,696 belonging to the general liability fund, and \$144,548 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.

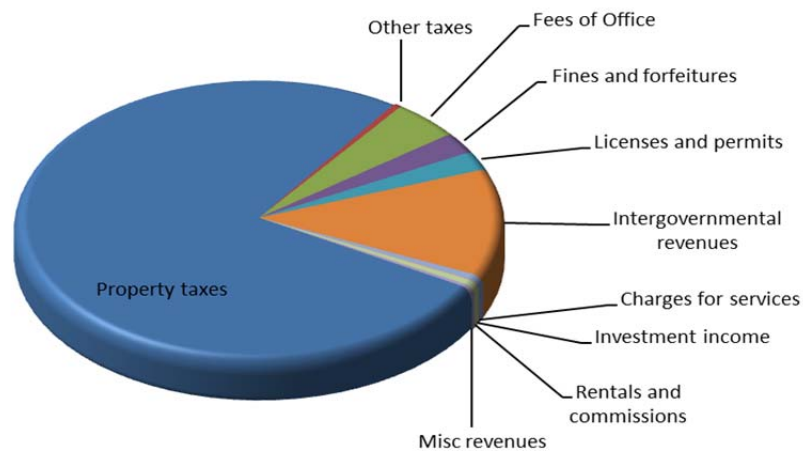
GENERAL FUND
Financial analysis

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 expenditures. 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 13/14	Percent of Total	FY 12/13	Percent of Total	Variance Positive (Negative)	Percentage of Change
Property taxes	\$ 60,524,981	75.10%	\$ 56,218,001	75.17%	\$ 4,306,980	7.66%
Other taxes	410,822	0.51%	390,783	0.52%	20,039	5.13%
Fees of Office	3,624,467	4.50%	3,816,767	5.10%	(192,300)	-5.04%
Fines and forfeitures	1,953,136	2.42%	1,884,026	2.52%	69,110	3.67%
Licenses and permits	1,721,868	2.14%	1,296,361	1.73%	425,507	32.82%
Intergovernmental revenues	9,830,930	12.20%	8,157,269	10.91%	1,673,661	20.52%
Charges for services	495,251	0.61%	576,246	0.77%	(80,995)	-14.06%
Investment income	63,477	0.08%	55,725	0.07%	7,752	13.91%
Rentals and commissions	439,899	0.55%	458,485	0.61%	(18,586)	-4.05%
Misc revenues	251,412	0.31%	292,352	0.39%	(40,940)	-14.00%
Total revenues	79,316,243	98.42%	73,146,015	97.81%	6,170,228	8.44%
Transfers-in	1,277,201	1.58%	1,640,719	2.19%	(363,518)	-22.16%
Total revenues and transfers-in	\$ 80,593,444	100.00%	\$ 74,786,734	100.00%	\$ 5,806,710	7.76%

FY 13/14 General Fund Revenues



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

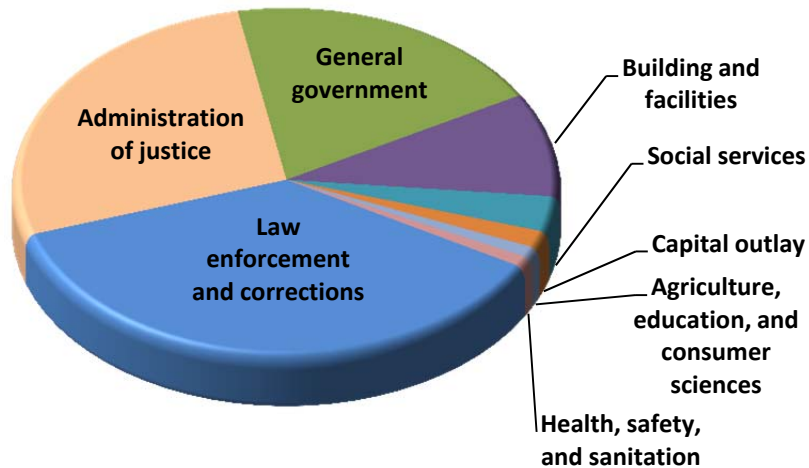
- As mentioned earlier, the 7.66% increase in property tax revenue is attributed to an increase in net taxable valuation.
- Intergovernmental revenues increased by \$1,673,661 or 20.52% due to an increase in motor vehicle sales tax.
- Miscellaneous revenue decreased by \$(40,940) or 14.00% due to reclassification of some revenues.
- Investment income increased by \$7,752 due to short term investment CDs and municipal bonds with a high rate.
- Fee of office decrease by \$(192,300) due to reduction in overall collections.
- Fines and forfeitures revenue increased in the general fund by 3.67% compared to the prior year.

All other general fund revenues reflect stable and consistent performance.

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

	FY 13/14	Percent of Total	FY 12/13	Percent of Total	Variance Favorable (Unfavorable)	Percentage of Change
Law enforcement and corrections	\$ 25,891,681	32.56%	\$ 25,230,834	33.51%	\$ 660,847	2.62%
Administration of justice	19,278,414	24.24%	18,401,976	24.44%	876,438	4.76%
General government	14,011,608	17.62%	12,750,016	16.93%	1,261,592	9.89%
Building and facilities	6,875,535	8.65%	7,174,452	9.53%	(298,917)	-4.17%
Social services	2,337,182	2.94%	2,413,269	3.21%	(76,087)	-3.15%
Capital outlay	1,112,173	1.40%	620,539	0.82%	491,634	79.23%
Agriculture, education, and consumer sciences	696,312	0.88%	678,785	0.90%	17,527	2.58%
Health, safety, and sanitation	669,700	0.84%	641,689	0.85%	28,011	4.37%
Total expenditures	70,872,605	89.12%	67,911,560	90.20%	2,961,045	4.36%
Transfers-out	8,656,710	10.88%	7,382,509	9.80%	1,274,201	17.26%
Total expenditures and transfers- out	\$ 79,529,315	100.00%	\$ 75,294,069	100.00%	\$ 4,235,246	5.62%

FY 13/14 General Fund Expenditures



Total expenditures and transfers out increased by 5.62% from the prior year. In comparison to the national consumer price index (CPI) over the last twelve months all index items increased 1.7% before the seasonal adjustment. The county's expenditures without including transfers out are above the index.

The highest increase in general fund expenditures was in general government and administration of justice.

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 \$4,677,580 under total appropriations for an expenditure level of 94.45%. Actual revenues and transfers in came in \$2,819,265 over budget, or 103.62% of budget.

Last year actual revenues and transfers in came in at 101.76% of budget and expenditures and transfers out came in at 94.13%. Overall, the FY13/14 actual results compared to the FY13/14 budget reflects an increase of \$1,604,129 over the prior year and an ending fund balance of \$22,576,703.

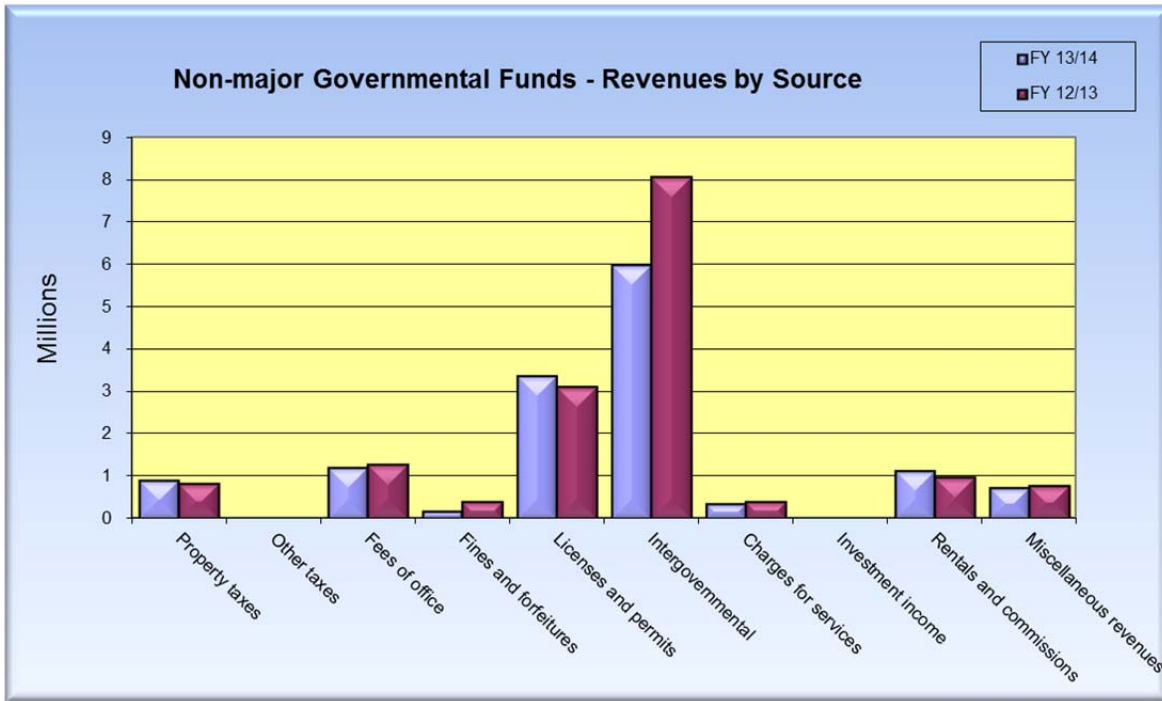
Non-major Governmental Funds

There are twenty-one non-major 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.

Non-major 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%
Total revenues	15,847,045	61.27%	17,133,577	70.16%	(1,286,532)	-7.51%
Other Financing Sources						
Transfers in	7,578,948	29.30%	7,200,913	29.49%	378,035	5.25%

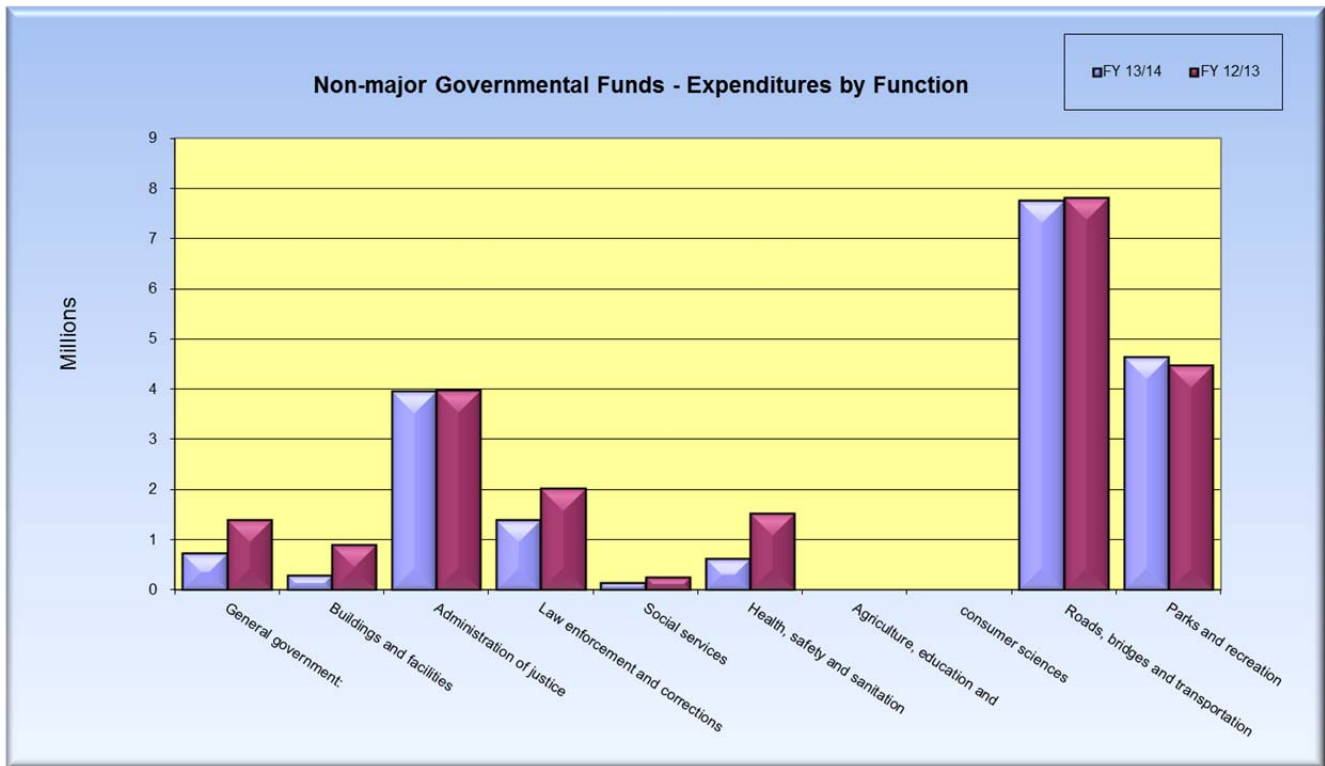
Total revenues for the non-major governmental funds are \$(1,990,872) lower when compared to the previous year is primarily due to one of the grant funds meeting the criteria for a major fund. Licenses and permits and rentals and commissions have the largest revenue increases. As mentioned before, fees of office and fines and forfeitures have gone down due to a reduction in collections.



Non-major Governmental Funds – Expenditures by Function

	FY 13/14	Percent of Total	FY 12/13	Percent of Total	Increase (Decrease)	Percent of Change
General government:	\$ 726,341	3.60%	\$ 1,389,386	5.92%	\$ (663,045)	-47.72%
Buildings and facilities	281,257	1.39%	897,422	3.82%	(616,165)	-68.66%
Administration of justice	3,950,789	19.56%	3,968,808	16.90%	(18,019)	-0.45%
corrections	1,386,899	6.86%	2,017,919	8.59%	(631,020)	-31.27%
Social services	138,265	0.68%	259,147	1.10%	(120,882)	-46.65%
Health, safety and sanitation	621,214	3.07%	1,530,032	6.52%	(908,818)	-59.40%
Agriculture, education and consumer sciences	16,984	0.08%	3,848	0.02%	13,136	341.37%
transportation	7,742,469	38.32%	7,809,892	33.26%	(67,423)	-0.86%
Parks and recreation	4,625,974	22.90%	4,471,466	19.04%	154,508	3.46%
Total expenditures	19,490,192	96.47%	22,347,920	95.18%	(2,857,728)	-12.79%
Transfers Out	712,445	3.53%	1,130,674	4.82%	(418,229)	-36.99%
Total expenditures and transfers out	\$20,202,637	100.00%	\$23,478,594	100.00%	\$(3,275,957)	-13.95%

Expenditures and transfers out for the non-major governmental funds decreased by \$(3,275,957) from the prior year. Health, safety and sanitation and general government had the largest decreases in expenditures. Parks and recreation and agriculture, education and consumer sciences had the largest increase in expenditures.



Ending fund balances increased by \$1,439,917 for a total non-major fund balance of \$16,616,569. This year non-major does not include the tax assessor fund and the grant funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$183,483,582 (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 \$(11,474,774) or 5.89%.

Nueces County Capital Assets (net of depreciation)

	2014	2013
Land	\$4,272,918	\$4,272,918
Building and improvements	94,058,805	98,983,194
Furniture, equipment and machinery	10,611,567	10,381,451
Computer Software Systems	269,888	360,478
Infrastructure	56,150,264	64,117,739
Construction in progress	<u>18,120,140</u>	<u>16,842,576</u>
	<u>\$183,483,582</u>	<u>\$194,958,356</u>

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

Long-term debt. At September 30, 2014, the County had general obligation debt outstanding in the amount of \$110,637,537. 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 \$442,597,870, which puts the County’s outstanding debt at 25.00% of this legal limit.

NUECES COUNTY’S OUTSTANDING DEBT

		Governmental Activities	
		2013	2014
Combination revenue and certificates of obligation		\$103,355,000	\$ 97,555,000
LoanSTAR loans/energy Texas loans		<u>7,669,428</u>	<u>7,049,513</u>
Sub-total		111,024,428	104,604,513
Premium on debt		<u>1,835,039</u>	<u>6,033,024</u>
Total		<u>\$112,859,467</u>	<u>\$110,637,537</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. These credit ratings were reaffirmed on March 25, 2015. Additional information on the County’s long-term debt can be found in note III-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, 2014 is 4.8%, a decrease from last year’s rate of 5.8%. The County’s unemployment rate is lower than the State’s average unemployment rate of 4.9 percent. Both the State of Texas and the County are lower than the national average rate of 5.7 percent.
- School enrollment for 2014 is 61,954, which is an increase of 334 students from last year.
- Retail sales went up this year by 6.50% as compared to prior year for a total increase of \$336.246 million.
- Net taxable value (NTV) increased by 8.232%. Last year there was an increase of 10.25%.
- Port tonnage increased by 13.51%.
- It is estimated that population increased by 1.27%.

All these factors were considered in preparing the County’s budget for the 2014/2015 fiscal year. Through the budget process, the Commissioners count set the goals for the County. The priorities inherent to the 2014/2015 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 2014-2015 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 2014/2015 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 0.335130 per \$100 value which is lower than the prior year's tax rate of 0.345187 per \$100 value. The adopted tax rate is 6.14% higher than the effective tax rate of 0.315740.
- Provides salary increases for employees including a 2.0% cost of living increase for law enforcement personnel under the Nueces County Sheriff's Officers Association Collective Bargaining Agreement. Provides salary increases of 3.0% cost of living increase to all other employees. There is also a continuance pay increase for approximately 110 employees. Continuance pay is a 2.5% pay increase every 3 years of service
- Maintains total non-salary expenditures for all operating funds at or near the same level as the current year
- Provides some limited new program funding
- Does not provide additional funding for programs that lost all or a portion of state or federal funding
- Provides funding for right of way cost share related to the interstate 69 construction and other state road construction

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



BASIC FINANCIAL STATEMENTS



NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
September 30, 2014

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental Activities	Hospital District
ASSETS		
Cash and cash equivalents	\$ 49,438,006	\$ 69,199,788
Investments	17,198,752	17,997,607
Accrued Interest	-	35,474
Receivables (net of allowance for uncollectibles)	12,579,103	987,579
Other Receivables	-	88,659
Due from component unit	112,730	-
Due from agencies	-	-
Inventories	136,979	-
Prepays	418,550	141,409
Other assets	-	-
Capital assets (not being depreciated):		
Land	4,272,918	3,076,926
Construction in progress	18,120,141	-
Capital assets (net of accumulated depreciation):		
Buildings and improvements	94,058,805	5,553,352
Furniture, equipment and machinery	10,611,566	227,513
Computer Software Systems	269,888	-
Infrastructure	56,150,265	-
Total assets	<u>263,367,703</u>	<u>97,308,307</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	3,701,271	4,351
Total deferred outflows of resources	<u>3,701,271</u>	<u>4,351</u>
LIABILITIES		
Accounts payable and other current liabilities	18,392,367	1,451,992
Due to component unit	-	-
Accrued payroll payable	1,735,389	131,115
Accrued interest payable	561,214	18,604
Unearned revenue	1,473,689	-
Non-current liabilities:		
Due within one year	7,104,670	1,815,000
Due in more than one year	107,885,587	96,904
Accrued Compensated Absences	-	-
Total liabilities	<u>137,152,916</u>	<u>3,513,615</u>
NET POSITION		
Invested in capital assets	78,879,070	7,017,124
Restricted for:		
Debt service	4,595,623	-
Commissioners court purposes	2,631,844	-
County attorney funds	44,034	-
County clerk purposes	2,833,227	-
Tax assessor collector purposes	31,061	-
Juvenile programs	177,790	-
District attorney purposes	58,100	-
District clerk purposes	38,855	-
County sheriff purposes	437,306	-
Judicial and law enforcement purposes	897,263	-
Law enforcement & district attorney education	34,207	-
Other purposes	2,064,453	-
Unrestricted	37,193,225	86,781,919
Total net position	<u>\$ 129,916,058</u>	<u>\$ 93,799,043</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, 2014

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental Activities:			
General government	\$ 15,341,758	\$ 10,341,220	\$ 253,181
Buildings and facilities	10,972,546	519,209	414,335
Administration of justice	24,916,824	6,046,685	3,992,878
Law enforcement and corrections	30,303,203	4,537,276	1,373,882
Social services	2,682,643	103,285	602,914
Health, safety and sanitation	2,815,645	1,355,657	1,108,500
Agriculture, education and consumer sciences	794,140	37,573	16,933
Roads, bridges and transportation	15,575,863	3,829,878	398,054
Parks and recreation	6,415,580	1,597,108	18,479
Interest and fees on long-term debt	4,607,852	-	-
Total primary government	<u>114,426,054</u>	<u>28,367,891</u>	<u>8,179,157</u>
Component Units:			
Hospital district	<u>77,690,864</u>	<u>26,673,805</u>	<u>607,467</u>
Total component units	<u>\$ 77,690,864</u>	<u>\$ 26,673,805</u>	<u>\$ 607,467</u>

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

<u>Program Revenues</u> <u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Expense) Revenue</u> <u>and Changes in Net Position</u>	
	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Hospital</u> <u>District</u>
\$ -	\$ (4,747,357)	\$ 2,387,922
-	(10,039,002)	447,398
-	(14,877,261)	-
-	(24,392,045)	-
-	(1,976,444)	-
-	(351,488)	74,718,675
-	(739,634)	-
-	(11,347,931)	-
-	(4,799,993)	-
-	(4,607,852)	-
<u>-</u>	<u>(77,879,006)</u>	<u>77,553,995</u>
-	-	(50,409,592)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,409,592)</u>

General revenues:

Property taxes	72,960,037	32,366,682
Alcohol beverage and other taxes	1,915,601	-
Unrestricted investment earnings	163,578	100,292
Grants and contributions not restricted to specific programs	962,838	-
Gain on sale of assets	-	-
Miscellaneous	-	116,727
Total general revenues	<u>76,002,053</u>	<u>32,583,701</u>

Change in net position	(1,876,953)	(17,825,891)
Net position - beginning (restated, Note I)	<u>131,793,011</u>	<u>111,624,934</u>
Net position - ending	<u>\$ 129,916,058</u>	<u>\$ 93,799,043</u>

**NUECES COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014**

	General Fund	Debt Service Fund	Tax Assessor
ASSETS			
Cash and cash equivalents	\$ 19,626,118	\$ 2,576,597	\$ 2,283,762
Investments	7,082,475	2,020,882	-
Receivables (net of allowance for uncollectibles)	3,788,392	36,562	462
Due from component unit	112,730	-	-
Due from other funds	1,646,786	-	-
Prepays	352,984	-	73
Inventories	75,337	-	-
Total assets	<u>\$ 32,684,822</u>	<u>\$ 4,634,041</u>	<u>\$ 2,284,297</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 7,258,930	\$ 5,750	\$ 2,253,163
Accrued payroll	1,447,580	-	-
Due to other funds	1,150,312	-	-
Unearned revenue	2,955	-	-
Other liabilities	75,941	-	-
Total liabilities	<u>9,935,718</u>	<u>5,750</u>	<u>2,253,163</u>
Deferred inflows of resources:			
Deferred/unavailable property taxes	172,401	32,668	-
Total deferred inflows of resources	<u>172,401</u>	<u>32,668</u>	<u>-</u>
Fund balances:			
Nonspendable	428,321	-	-
Restricted	-	4,595,623	31,134
Committed	19,443,545	-	-
Assigned	-	-	-
Unassigned	2,704,837	-	-
Total fund balances	<u>22,576,703</u>	<u>4,595,623</u>	<u>31,134</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,684,822</u>	<u>\$ 4,634,041</u>	<u>\$ 2,284,297</u>

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

U.S. Marshal Contract	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ 524,787	\$ 7,714,639	\$ 96,372	\$ 13,412,981	\$ 46,235,256
-	2,855,056	-	4,937,973	16,896,386
5,054,083	5,426	2,123,353	355,063	11,363,341
-	-	-	-	112,730
-	-	-	214,510	1,861,296
947	-	5,681	58,865	418,550
-	-	-	61,642	136,979
<u>\$ 5,579,817</u>	<u>\$ 10,575,121</u>	<u>\$ 2,225,406</u>	<u>\$ 19,041,034</u>	<u>\$ 77,024,538</u>
\$ 4,967,038	\$ 144,904	\$ 421,091	\$ 1,061,317	\$ 16,112,193
2,870	-	5,974	278,965	1,735,389
-	-	644,326	66,657	1,861,295
-	-	1,154,015	316,719	1,473,689
-	-	-	699,277	775,218
<u>4,969,908</u>	<u>144,904</u>	<u>2,225,406</u>	<u>2,422,935</u>	<u>21,957,784</u>
-	-	-	1,530	206,599
-	-	-	1,530	206,599
947	-	-	111,645	540,913
608,962	-	-	9,757,402	14,993,121
-	10,430,217	-	-	29,873,762
-	-	-	6,747,522	6,747,522
-	-	-	-	2,704,837
<u>609,909</u>	<u>10,430,217</u>	<u>-</u>	<u>16,616,569</u>	<u>54,860,155</u>
<u>\$ 5,579,817</u>	<u>\$ 10,575,121</u>	<u>\$ 2,225,406</u>	<u>\$ 19,041,034</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.	183,483,582
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 (GASB 63)	206,599
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.	869,537
Unamortized loss on the refunding of bond issues, shown as a deferred outflow of resources on statement of net position (GASB 65)	3,701,271
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(113,205,086)</u>
Net position of governmental activities	<u>\$ 129,916,058</u>

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended September 30, 2014

	General Fund	Debt Service Fund	Tax Assessor
REVENUES			
Property taxes	\$ 60,524,981	\$ 11,483,558	\$ -
Other taxes	410,822	-	-
Fees of office	3,624,467	-	-
Fines and forfeitures	1,953,136	-	-
Licenses and permits	1,721,868	-	-
Intergovernmental revenue	9,830,930	126	8,842
Charges for services	495,251	-	-
Investment income	63,477	15,177	556
Rentals and commissions	439,899	-	-
Miscellaneous revenues	251,412	-	-
Total revenues	<u>79,316,243</u>	<u>11,498,861</u>	<u>9,398</u>
EXPENDITURES			
Current:			
General government	14,011,608	-	20,328
Buildings and facilities	6,875,535	-	-
Administration of justice	19,278,414	-	-
Law enforcement and corrections	25,891,681	-	-
Social services	2,337,182	-	-
Health, safety and sanitation	669,700	-	-
Agriculture, education and consumer sciences	696,312	-	-
Roads, bridges and airport	-	-	-
Parks and recreation	-	-	-
Capital outlay	1,112,173	-	-
Debt Service:			
Principal retirement	-	6,419,915	-
Interest and other fees	-	4,648,721	-
Total expenditures	<u>70,872,605</u>	<u>11,068,636</u>	<u>20,328</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,443,638</u>	<u>430,225</u>	<u>(10,930)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,277,201	-	-
Transfers out	(8,656,710)	-	-
Sale of assets	-	-	-
Bond Issuance	-	-	-
Bond Defeasance	-	-	-
Premium of Bonds Issued	-	-	-
Total other financing sources and uses	<u>(7,379,509)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,064,129	430,225	(10,930)
Fund balances - beginning	21,512,574	4,165,398	42,064
Fund balances - ending	<u>\$ 22,576,703</u>	<u>\$ 4,595,623</u>	<u>\$ 31,134</u>

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

U.S. Marshal Contract	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 894,476	\$ 72,903,015
-	-	-	576	411,398
1,221	-	-	1,194,904	4,820,592
-	-	-	186,347	2,139,483
-	-	-	3,363,591	5,085,459
1,280,146	201,519	3,245,859	5,990,278	20,557,700
-	-	23,532	339,710	858,493
-	22,900	-	37,613	139,723
-	94,506	-	1,124,946	1,659,351
-	2,835	44,959	723,732	1,022,938
<u>1,281,367</u>	<u>321,760</u>	<u>3,314,350</u>	<u>13,856,173</u>	<u>109,598,152</u>
-	-	-	726,341	14,758,277
-	-	498,469	281,257	7,655,261
-	-	232,874	3,950,789	23,462,077
68,798	-	1,298,758	1,386,899	28,646,136
-	-	48,969	138,265	2,524,416
-	-	1,132,998	621,214	2,423,912
-	-	-	16,984	713,296
-	-	-	7,742,469	7,742,469
-	-	26,378	4,625,974	4,652,352
-	1,508,318	159,290	-	2,779,781
-	-	-	-	-
-	-	-	-	6,419,915
<u>68,798</u>	<u>1,508,318</u>	<u>3,397,736</u>	<u>19,490,192</u>	<u>106,426,613</u>
<u>1,212,569</u>	<u>(1,186,558)</u>	<u>(83,386)</u>	<u>(5,634,019)</u>	<u>3,171,539</u>
-	1,284,000	129,222	7,828,445	10,518,868
(1,103,877)	-	(45,836)	(712,445)	(10,518,868)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(1,103,877)</u>	<u>1,284,000</u>	<u>83,386</u>	<u>7,116,000</u>	<u>-</u>
108,692	97,442	-	1,481,981	3,171,539
501,217	10,332,775	-	15,134,588	51,688,616
<u>\$ 609,909</u>	<u>\$ 10,430,217</u>	<u>\$ -</u>	<u>\$ 16,616,569</u>	<u>\$ 54,860,155</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, 2014**

Amounts reported for governmental activities in the statement of activities (page 38) are different because:

Net change in fund balances---total governmental funds (page 43)	3,171,539
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.	(11,446,959)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	(27,815)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (GASB 63)	57,020
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. Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas only the premium and discount are deferred and amortized in the statement of activities, per GASB 65. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,879,834
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.	(76,188)
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>(434,384)</u>
Change in net position of governmental activities (page 39).	<u><u>\$ (1,876,953)</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 BALANCES - BUDGET TO ACTUAL
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - to Actual GAAP
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Taxes:				
Property Taxes	\$ 60,758,468	\$ 60,758,468	60,524,981	\$ (233,487)
Other Taxes	365,000	365,000	410,822	45,822
Fees of Office	3,594,848	3,594,848	3,620,595	25,747
Fines & Forfeitures	2,261,000	2,261,000	1,953,136	(307,864)
Licenses & Permits	175,000	175,000	136,015	(38,985)
Motor Vehicle Services	2,800,000	2,800,000	4,489,293	1,689,293
Intergovernmental Revenue	4,180,916	4,180,916	6,065,620	1,884,704
Housing Inmates & Juveniles	924,500	924,500	861,870	(62,630)
Charges For Services	545,000	545,000	495,251	(49,749)
Investment Income	100,000	100,000	63,478	(36,522)
Rentals and Commissions	370,000	370,000	439,899	69,899
Refunds and Reimbursements	201,000	201,000	147,261	(53,739)
Other Income	130,000	130,000	108,022	(21,978)
TOTAL REVENUES	76,405,732	76,405,732	79,316,243	2,910,511
EXPENDITURES				
<u>GENERAL GOVERNMENT</u>				
County Commissioner Prct 1	\$ 158,402	\$ 158,402	149,597	\$ 8,805
County Commissioner Prct 2	165,796	167,196	158,187	9,009
County Commissioner Prct 3	168,602	168,602	162,756	5,846
County Commissioner Prct 4	164,942	164,942	156,637	8,305
County Judge	280,432	280,432	272,818	7,614
Commissioners Court Management	431,890	431,890	419,092	12,798
Grants Administration	218,703	218,703	179,370	39,333
Risk Management	172,045	172,045	169,974	2,071
County Attorney	1,342,903	1,342,903	1,282,619	60,284
County Clerk	611,057	611,057	543,587	67,470
County Clerk-Treasury	271,628	277,728	274,696	3,032
County Clerk Collections	248,329	248,329	213,943	34,386
Election Expense	764,737	1,191,737	919,704	272,033
Tax Assessor-Collector	2,792,110	2,832,110	2,816,883	15,227
Information Technology	2,215,439	2,215,439	1,829,771	385,668
Human Resources	343,371	349,571	348,624	947
County Auditor	1,539,125	1,539,125	1,454,257	84,868
County Purchasing	524,633	524,633	501,449	23,184
Veteran's Service	106,154	106,154	102,516	3,638
General Employee Benefits	170,826	170,826	106,598	64,228
General Administration	2,777,045	2,157,385	1,948,530	208,855
Total General Government	<u>15,468,169</u>	<u>15,329,209</u>	<u>14,011,608</u>	<u>1,317,601</u>

(continued)

**NUECES COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP
	Original	Final		Positive (Negative)
EXPENDITURES				
<u>BUILDINGS AND FACILITIES</u>				
Courthouse General Repairs	181,648	191,648	164,995	26,653
Ronnie H. Polston Bldg	59,754	60,754	55,409	5,345
Bill Bode County Building	64,962	65,962	50,704	15,258
Robert N Barnes Regional Juvenile Facility	547,552	617,452	485,434	132,018
Broadway Warehouse	11,089	11,589	8,805	2,784
Records Management Department	465,833	465,833	341,584	124,249
CSCD Cook Building	165,293	177,793	164,673	13,120
Mechanical Maintenance	3,704,767	2,525,435	2,319,126	206,309
Agua Dulce Building	41,863	68,163	67,028	1,135
Bishop Building	79,568	97,118	96,145	973
Port Aransas Building	41,675	59,175	47,475	11,700
Johnny S Calderon Building	239,477	278,677	251,199	27,478
Keach Library Building	222,959	222,192	169,562	52,630
Agricultural Building - Robstown	34,675	35,227	34,434	793
Medical Examiner Building	44,949	81,949	74,692	7,257
Building Superintendent	1,408,691	1,382,691	1,362,063	20,628
Welfare Building - Robstown	21,268	21,268	17,790	3,478
Hilltop Facility	165,232	165,232	140,030	25,202
Precint III Yard Buildings	21,745	22,745	18,299	4,446
McKenzie Annex	865,889	1,003,239	868,232	135,007
Robstown Community Center	74,232	74,232	72,041	2,191
Senior Community Service Buildings	54,989	54,989	45,220	9,769
David Berlanga, Sr. Building	27,826	27,826	20,595	7,231
Total Buildings and Facilities	8,545,936	7,711,189	6,875,535	835,654
<u>ADMINISTRATION OF JUSTICE</u>				
County Court at Law 1	583,653	575,066	570,068	4,998
County Court at Law 2	582,166	582,063	539,524	42,539
County Court at Law 3	600,359	598,763	577,077	21,686
County Court at Law 4	591,504	589,513	547,161	42,352
County Court at Law 5	874,059	916,573	905,809	10,764
Legal Aid	96,505	96,505	94,845	1,660
Magistrate/Drug/DWI	266,736	264,936	210,064	54,872
Court Administration	1,368,918	1,378,178	1,114,976	263,202
Court Master	134,028	131,203	124,494	6,709
28th District Court	608,330	607,617	465,273	142,344
94th District Court	634,219	628,718	589,052	39,666
105th District Court	380,583	576,566	570,071	6,495
117th District Court	632,523	651,293	631,837	19,456
148th District Court	583,906	582,661	570,987	11,674
214th District Court	595,218	593,856	573,571	20,285
319th District Court	615,689	601,276	551,893	49,383
347th District Court	605,988	594,663	563,274	31,389
Juvenile Probation	2,176,192	2,188,192	2,085,739	102,453
Juvenile Detention	1,367,622	1,367,622	1,321,068	46,554
Justice Boot Camp	1,431,255	1,419,255	1,244,455	174,800
District Clerk	2,501,557	2,501,557	2,337,912	163,645
Child Support Division	43,441	43,441	32,377	11,064
Justice of the Peace 1-1	230,090	230,090	229,354	736
Justice of the Peace 1-2	248,051	251,196	250,606	590
Justice of the Peace 1-3	211,932	221,432	214,427	7,005

(Continued)

NUECES COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace 2-1	278,182	278,182	262,010	16,172
Justice of the Peace 2-2	206,818	206,818	193,706	13,112
Justice of the Peace 3	172,959	172,959	169,372	3,587
Justice of the Peace 4	163,813	163,813	149,900	13,913
Justice of the Peace 5-1	219,548	219,548	215,027	4,521
Justice of the Peace 5-2	153,886	153,886	141,836	12,050
Medical Examiner	1,110,270	1,245,270	1,230,649	14,621
Total Administration of Justice	20,270,000	20,632,711	19,278,414	1,354,297
 <u>LAW ENFORCEMENT & CORRECTIONS</u>				
District Attorney	4,199,632	4,199,632	4,098,932	100,700
County Sheriff	5,527,027	5,536,823	5,145,036	391,787
Id Bureau	650,544	650,544	640,151	10,393
Jail	13,025,885	13,075,885	12,992,506	83,379
Constable 1	662,895	671,895	670,343	1,552
Constable 2	614,864	614,864	609,739	5,125
Constable 3	433,314	433,314	421,804	11,510
Constable 4	464,212	468,212	468,126	2,086
Constable 5	856,945	856,945	847,044	9,901
Total Law Enforcement & Corrections	26,435,318	26,508,114	25,891,681	616,433
 <u>SOCIAL SERVICES</u>				
Social Services - Administration	912,565	912,565	801,385	111,180
Social Services - Social Services	576,307	576,307	479,959	96,348
Children Protective Services	112,226	112,226	54,481	57,745
Senior Community Services	884,734	884,734	818,868	65,866
Hilltop Community Services	57,771	57,771	49,669	8,102
Social Mental Services	153,714	153,714	132,820	20,894
Total Social Services	2,697,317	2,697,317	2,337,182	360,135
 <u>HEALTH, SAFETY AND SANITATION</u>				
Emergency Services	24,800	24,800	12,570	12,230
Emergency Management	189,757	189,757	177,205	12,552
911 Program	45,629	45,629	43,517	2,112
Code Enforcement	126,512	126,512	119,654	6,858
Animal Control	313,726	316,926	316,754	172
Total Health, Safety and Sanitation	700,424	703,624	669,700	33,924
 <u>AGRICULTURE, EDUCATION & CONSUMER SCIENCES</u>				
Agricultural Extension	255,924	255,924	249,913	6,011
Family & Consumer Sciences	84,544	84,544	75,208	9,336
County Library	410,593	410,593	371,191	39,402
Total Agriculture, Education & Consumer Sciences	751,061	751,061	696,312	54,749
 <u>CAPITAL OUTLAY</u>				
Capital Outlay greater than \$5,000	1,070,000	1,145,000	1,112,173	32,827
Total Capital Outlay	1,070,000	1,145,000	1,112,173	32,827
 Total Expenditures	\$ 75,938,225	\$ 75,478,225	70,872,605	\$ 4,605,620
 Excess (deficiency) of revenues over (under) expenditures	467,507	927,507	8,443,638	7,516,131

(continued)

**NUECES COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	1,368,447	1,368,447	1,277,201	(91,246)
Transfers out	<u>(8,298,670)</u>	<u>(8,728,670)</u>	<u>(8,656,710)</u>	<u>71,960</u>
 Total other financing sources (uses)	 <u>(6,930,223)</u>	 <u>(7,360,223)</u>	 <u>(7,379,509)</u>	 <u>(19,286)</u>
 Net change in fund balances	 (6,462,716)	 (6,432,716)	 1,064,129	 7,496,845
 Fund balances - beginning	 <u>21,302,534</u>	 <u>21,302,534</u>	 <u>21,512,574</u>	 <u>210,040</u>
Fund balances - ending	<u>\$ 14,839,818</u>	<u>\$ 14,869,818</u>	<u>22,576,703</u>	<u>\$ 7,706,885</u>

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

NUECES COUNTY, TEXAS
TAX ASSESSOR COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 43,020	\$ 43,020	\$ 8,842	\$ (34,178)
Investment income	1,000	1,000	556	(444)
Total revenues	44,020	44,020	9,398	(34,622)
EXPENDITURES				
Law Enforcement:				
Personnel services	40,428	40,428	17,602	22,826
Reserve appropriations	15,957	15,957	-	15,957
Other services and charges	5,500	5,500	2,726	2,774
Total expenditures	61,885	61,885	20,328	41,557
Excess (deficiency) of revenues over (under) expenditures	(17,865)	(17,865)	(10,930)	6,935
Net change in fund balances	(17,865)	(17,865)	(10,930)	6,935
Fund balances - beginning	36,952	36,952	42,064	5,112
Fund balances - ending	\$ 19,087	\$ 19,087	\$ 31,134	\$ 12,047

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 1,144,001	\$ 1,144,001	\$ 1,281,367	\$ 137,366
Total revenues	<u>1,144,001</u>	<u>1,144,001</u>	<u>1,281,367</u>	<u>137,366</u>
EXPENDITURES				
Law Enforcement:				
Personnel services	60,662	60,662	68,798	(8,136)
Reserve appropriations	<u>1,013,122</u>	<u>1,013,122</u>	<u>-</u>	<u>1,013,122</u>
Total expenditures	<u>1,073,784</u>	<u>1,073,784</u>	<u>68,798</u>	<u>1,004,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70,217</u>	<u>70,217</u>	<u>1,212,569</u>	<u>1,142,352</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,103,877)</u>	<u>(1,103,877)</u>	<u>(1,103,877)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,103,877)</u>	<u>(1,103,877)</u>	<u>(1,103,877)</u>	<u>-</u>
Net change in fund balances	(1,033,660)	(1,033,660)	108,692	1,142,352
Fund balances - beginning	<u>1,033,660</u>	<u>1,033,660</u>	<u>501,217</u>	<u>(532,443)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,909</u>	<u>\$ 609,909</u>

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

NUECES COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Cash and cash equivalents	\$ 3,202,750
Investments	302,366
Due from other governments and agencies	-
Receivables (net of allowance for uncollectibles)	<u>1,215,762</u>
Total assets	<u>4,720,878</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>2,280,174</u>
Total current liabilities	2,280,174
Noncurrent liabilities	
Estimated claims liability	<u>1,571,167</u>
Total noncurrent liabilities	<u>1,571,167</u>
Total liabilities	<u>3,851,341</u>
NET POSITION	
Total net position - unrestricted	<u><u>\$ 869,537</u></u>

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year ended September 30, 2014

	<u>Governmental Activities - Internal Service Funds</u>
Operating revenues:	
Premiums and reimbursements	\$ 9,515,074
Operating expenses:	
Benefit payments	7,498,352
Insurance premiums and bonds	1,971,390
Self-insurance claims	19,494
Administration	<u>463,612</u>
Total operating expenses	<u>9,952,848</u>
Operating income (loss)	<u>(437,774)</u>
Non-operating revenues:	
Investment income	<u>3,390</u>
Total non-operating revenue	<u>3,390</u>
Change in net position	(434,384)
Total net position - beginning	<u>1,303,920</u>
Total net position - ending	<u><u>\$ 869,536</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, 2014

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 6,653,886
Receipts from employees	1,113,927
Receipts from other participants	1,201,149
Receipts from reimbursements and refunds	546,760
Payments for benefit claims	(7,498,352)
Payments for insurance and bond policies	(864,362)
Payments for administration	(483,106)
Payments for settlements and claims	-
	669,902
Net cash provided in operating activities	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	400,000
Transfers out	(400,000)
	-
Net cash provided for noncapital financing activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	71,399
Interest received	57,306
	128,705
Net cash provided by investing activities	
Net increase in cash and cash equivalents	798,608
Cash and cash equivalents - beginning	2,404,142
	\$ 3,202,750
Cash and cash equivalents - ending	
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (437,774)
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	(3,782)
(Increase) decrease in due from other funds	-
Increase (decrease) in estimated claims liabilities	-
Increase (decrease) in deferred revenue	-
Increase (decrease) in accounts payable	1,111,458
Increase (decrease) in due to other insurance	-
Total adjustments	1,107,676
Net cash provided by operating activities	\$ 669,902

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, 2014

	Agency Funds
Assets	
Cash and cash equivalents	\$ 18,340,091
Investments	6,667,142
Due from other governments and agencies	653,321
Accounts receivable	168,830
Total assets	\$ 25,884,944
Liabilities	
Accounts payable	\$ 21,974,146
Accrued payroll payable	324,155
Due to other governments and agencies	636,942
Funds held in escrow	2,949,701
Total liabilities	\$ 25,884,944

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

NUECES COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2014

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. This 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 2014 financial report continues 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.

In fiscal year 2013, the county implemented 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. Implementation of GASB 61 is reflected in the notes to the financial statements.

Also in fiscal year 2013, the county implemented 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 requires 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.

In fiscal year 2014, the county implemented 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. Implementation of GASB 65 is reflected in the financial statements and notes to the financial statements.

With this implementation, deferred charges, consisting of bond issuance costs, which were previously amortized over the term of the bonds, are now accounted for as expenses in the period incurred. Therefore, the beginning net position on the Statement of Activities has been adjusted to reflect the portion of deferred charges that were incurred in prior years.

	Governmental
Net position-beginning	\$ 132,684,133
Adjustment for deferred charges	(891,122)
Net position-restated	<u>\$ 131,793,011</u>

Also, GASB 65 required that deferred losses on the refunding of bond issue be reported as a deferred outflow of resources. The County reclassified deferred losses on the refunding of debt totaling \$3,701,271, which will be deferred over the life of the new bonds or old bond issues, whichever is shorter.

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 issuance 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.*” Implementation of GASB 66 is reflected in the financial statements and notes to the financial statements.

Component Unit

GASB 65 was implemented in the year ended September 30, 2014. Deferred charges on refunding of \$4,351 have been reclassified as a deferred outflow of resources. Also a prior period adjustment of \$10,996 was made to remove previously capitalized debt issuance costs and debt issuance costs will be expensed in the future.

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 the discretely presented component unit 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

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 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 (GASB). Although the District and County Commissioners’ court appoint three of the members of the Board of Trustees of Spohn as part of the Membership 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
Administrative Offices
555 N. Carancahua, Suite 950
Corpus Christi, Texas 78401-0835
<http://www.nchdcc.org/contact.cfm>

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 non-fiduciary activities of the primary government and its component unit. For the most part, inter-fund 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, tax assessor fund, U.S. Marshal fund, capital projects fund, and grant 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 six 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 Tax Assessor Collector Fund is a special revenue fund that is used to account for special vehicle inventory tax and voters registration chapter 19 activity.

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.

The Grants Fund is used to account for the all state and federal grants awarded to the county within this fund.

All other governmental funds are combined and reported as non-major. Non-major funds include road and bridge, stadium and fairgrounds, inland parks, coastal parks, 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 supervision and corrections department, contract elections, vector control, 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.

Component 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 funds 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 uncollectible. Trade receivables are directly written-off when circumstances indicate a receivable is no longer collectible usually within two years 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. Inter-fund 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 position. 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 estimated useful life in excess of two years, plus items shown on the exception list. Examples of items on the exception list are computers, radios, tablets, guns, and other items considered necessary.

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.

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.

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

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 are deferred and amortized over the term of the related debt. Per GASB 65, any gain or loss on refunding of a bond is reported as a Deferred Inflow or Outflow of Resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Bonds payable are reported net of the applicable bond premiums or discounts. Also per GASB 65, issuance costs are now expensed immediately.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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

The limited tax refunding bonds are collateralized by ad valorem taxes issued on all property located within the District. The limited tax refunding bonds mature in 2015 and are callable to redemption prior to maturity beginning in 2013. Interest is payable semiannually and accrues 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 the account is \$474,780 at September 30, 2014. The District had sufficient cash and cash equivalents at year end to cover current maturities of bonds payable.

7. Fund Balance

Primary Government

As prescribed by GASB 54, governmental funds report fund balance in classifications based on the extent to which the county is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of September 30, 2014, fund balances for the governmental funds are made up of the following:

Non-spendable Fund Balance - 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, for example: inventories, prepaid amounts and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changes or lifted only with the consent of resource providers. When restricted and unrestricted fund balance exists for the same purpose, restricted fund balance will be used first.

Committed Fund Balance – includes amounts that can be used for specific purposes determined by the Commissioners court. The commitment of fund balance requires the highest level action of the Commissioners court to constitute a binding constraint on fund balance. This can only be achieved by a majority vote of approval of the Commissioners court. Commitments may only be changed or lifted by a majority vote of approval of the Commissioners court. The proposed action of the Commissioners court with regard to creation or modification of a commitment must also be clearly posted on the Commissioners court agenda in advance of taking any action.

Assigned Fund balance – comprises amounts intended to be used by the county for specific purposes that are neither restricted nor committed. *Intent* is expressed by the Commissioners court or an official to which the Commissioners court has delegated the authority to assign amounts to be used for specific purposes. As of the date of this report the Commissioners court has not authorized any other official to have authority to assign fund balance; therefore the assignment of fund balance must be made by approval of the Commissioners court.

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 17, 2014 establishing the financial guidelines for the minimum general fund reserve of 25% of general fund 2014-2015 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). 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. 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, (non-personnel 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, 2014, the encumbrance balances for the governmental funds are reported as follows:

	Restricted	Committed	Assigned	Total
General Fund	\$ -	\$ 98,814	\$ -	\$ 98,814
Capital Projects Fund	-	541,723	-	541,723
Grants Fund	-	156,724	-	156,724
Non-major Governmental	126,061	-	-	126,061
Total	<u>\$ 126,061</u>	<u>\$ 797,261</u>	<u>\$ -</u>	<u>\$ 923,322</u>

III. 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 nationally recognized rating service. Nueces County also has purchased municipal bonds as well. Currently the County is using Texas Class a local government investment pool. Texas CLASS is rated ‘AAAm’ by Standard and Poor’s Rating Service Texas CLASS, administered by Public Trust Advisors, LLC (PTA) and Wells Fargo Bank Texas, N.A. as Custodian. Texas Class invests only in securities allowed by the Texas Public 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	\$ 10,994,173	915
Local government investment pools	31,795,140	1
Brokered Certificate of Deposits	<u>6,204,000</u>	<u>560</u>
Total	<u>\$ 48,993,313</u>	<u>277</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 certificates 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, 2014, 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:

	Fair Value	Investment Maturities in Years	
		Less Than One Year	One to Three Years
U.S. Agency			
Federal Home Loan Mortgage Corporation	\$11,998,710	3,003,048	\$8,995,662
Federal Home Loan Bank	5,998,719	-	5,998,719
Government National Mortgage Association	178	-	178
AAA-Rated Local Govt Investment Pools:			
Texpool	60,736,855	60,736,855	-
Logic	17,314	17,314	-
TexStar	7,565,317	7,565,317	-
Money Market Mutual Funds	357,485	357,485	-
Collateralized Bank Accounts	880,152	880,152	-
Petty Cash	150	150	-
Total investments	<u>\$87,554,880</u>	<u>\$72,560,321</u>	<u>\$14,994,559</u>
% of Total Portfolio		82.87%	17.13%

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. 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 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 require a procedure to verify continued FDIC weekly.

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 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.

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, 2014, holdings in US Government securities with ratings of AAA represented 20.56% of the total portfolio. Investment in the State Treasurer's local government investment pool, Texpool, represented 69.37% 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 8.63% of the total portfolio. Holdings in an AAA-rated money market mutual fund represented .41% of the total portfolio. The remaining 1.01% 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. At the time any investment is placed, the overall compliance with the Investment Policy is verified. A segmented time distribution analysis is shown above.

As of September 30, 2014, the portfolio contained three holdings in the portfolio with stated maturity dates beyond one year representing 17.13% of the total portfolio, and the weighted average of the combined portfolio was 180 days.

As of September 30, 2014, the portfolio contained 6 callable and one mortgaged backed security. The callable notes are as follows: Federal Home Loan Mortgage Corporation (FHLMC) note with a current market value of \$3,000,000, coupon rate of .35% maturing March 18, 2015; one FHLMC note with a current market value of \$3,000,000, coupon rate of 1.125%, maturing May 19, 2017; one callable FHLMC note with current market value of \$3,000,000, coupon rate 1.00%, maturing May 26, 2017; one callable FHLMC note with current market value of \$3,000,000, coupon rate 1.00%, maturing June 16, 2017; Federal Home Loan Bank (FHLB) note with current market value of \$3,000,000, coupon rate of 1.20%, maturing on August 21, 2017, and one Federal Home Loan Bank (FHLB) note with current market value of \$3,000,000, coupon rate of 1.30%, maturing on September 29, 2017. Additionally the District had one Government National Mortgage Association (GNMA) pass through mortgage backed note with an original par value of \$100,000 and current market value of \$178 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, 2014, 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*

Governmental funds report *deferred (unavailable) 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 (unavailable) revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund) net	\$ 172,401	\$ -
Delinquent property taxes receivable (debt service fund) net	32,668	-
Delinquent property taxes receivable (road fund) net	1,530	-
Grant advances prior to meeting all eligibility requirements	-	1,398,948
Total deferred/unearned revenue for governmental funds	<u>\$ 206,599</u>	<u>\$ 1,398,948</u>

Receivables as of September 30, 2014 for each major fund, non-major and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Grants</u>	<u>Total</u>
Governmental activities:				
General fund	\$ 3,394,388	\$ 3,615,991	\$ -	\$ 7,010,379
Debt service	643,240	3,894	-	647,134
Tax Assessor	-	462	-	462
U.S. Marshall	-	5,054,083	-	5,054,083
Capital projects fund	-	5,426	-	5,426
Grants fund	-	-	2,123,353	2,123,353
Non-major funds	69,763	344,159	9,374	423,296
Internal service fund	-	<u>12,215,762</u>	-	<u>12,215,762</u>
Subtotal	<u>4,107,391</u>	<u>21,239,777</u>	<u>2,132,727</u>	<u>27,479,895</u>
Less:				
Allowance for uncollectible taxes	<u>(3,900,792)</u>	-	-	<u>(3,900,792)</u>
Total	<u>\$ 206,599</u>	<u>\$ 21,239,777</u>	<u>\$ 2,132,727</u>	<u>\$ 23,579,103</u>

Component Unit

As of September 30, 2014, the Receivables for the District are as follows:

Taxes receivable	\$ 1,968,571
Less: allowance for uncollectible	<u>(980,992)</u>
Net total receivables	<u>\$ 987,579</u>

C. Capital Assets

Primary Government

Capital asset activity for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Completed Projects</u>	<u>Retirements</u>	<u>Adjustment</u>	<u>Ending Balance</u>
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 4,272,918	\$ -	\$ -	\$ -	\$ -	\$ 4,272,918
Construction in progress	<u>16,842,575</u>	<u>1,277,565</u>	-	-	-	<u>18,120,140</u>
Total capital assets, not being depreciated	<u>21,115,493</u>	<u>1,277,565</u>	-	-	-	<u>22,393,058</u>
Capital assets being depreciated:						
Buildings and improvements	172,099,392	473,938	-	-	-	172,573,330
Furniture, equipment and machinery	27,775,927	2,141,925	-	(240,408)	-	29,677,444
Software	580,322	-	-	-	-	580,322
Infrastructure	<u>178,805,162</u>	-	-	-	-	<u>178,805,162</u>
Total capital assets, being depreciated	<u>379,260,803</u>	<u>2,615,863</u>	-	(240,408)	-	<u>381,636,258</u>
Less accumulated depreciation for:						
Building and improvements	(73,116,198)	(5,398,327)	-	-	-	(78,514,525)
Furniture, equipment and machinery	(17,394,476)	(1,883,995)	-	212,593	-	(19,065,878)
Software	(219,844)	(90,590)	-	-	-	(310,434)
Infrastructure	<u>(114,687,423)</u>	<u>(7,967,475)</u>	-	-	-	<u>(122,654,898)</u>
Total accumulated depreciation	<u>(205,417,940)</u>	<u>(15,340,386)</u>	-	<u>212,593</u>	-	<u>(220,545,734)</u>
Total capital assets, being depreciated, net	<u>173,842,863</u>	<u>(12,775,541)</u>	-	-	-	<u>161,090,524</u>
Governmental activities capital assets, net	<u>\$194,958,356</u>	<u>\$ (11,446,959)</u>	<u>\$ -</u>	<u>\$ (27,815)</u>	<u>\$ -</u>	<u>\$183,483,582</u>

Depreciation expense for the year ended September 30, 2014 was charged to functions/programs of the County as follows:

Governmental activities:	<u>FY 2014</u>	<u>FY 2013</u>	<u>Increase (Decrease)</u>
General government	\$ 338,960	\$ 300,634	\$ 38,326
Buildings and facilities	3,454,646	3,289,722	164,924
Administration of justice	539,134	570,251	(31,116)
Law enforcement and corrections	764,123	711,719	52,404
Health, safety and sanitation	155,747	135,626	20,121
Social services	46,674	43,588	3,086
Agriculture, education and consumer sciences	56,286	50,710	5,576
Roads, bridges and transportation	8,065,846	8,076,176	(10,330)
Parks and recreation	<u>1,918,969</u>	<u>1,916,337</u>	<u>2,632</u>
Total depreciation expense – governmental activities	<u>\$ 15,340,386</u>	<u>\$ 15,094,762</u>	<u>\$ 245,624</u>

At September 30, 2014 the County's construction commitments are as follows:

Project Description	<u>Project Budget</u>	<u>Balance</u>
Fairgrounds Improvements	\$ 7,602,481	\$ 135,023
Information Technology Systems & Upgrades	10,261,323	2,609,053
Jail Renovations	6,050,753	4,536
Juvenile Justice Center Renovations	1,384,413	272,422

There is approximately \$1,943,672 available to begin new projects.

Component Unit

Capital assets activity for the District for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental activities				
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	1,306,173	25,837	7,797	1,324,213
Buildings Leased to Spohn	28,073,023	-	-	28,073,023
Construction in progress	-	-	-	-
Total capital assets, being depreciated:	<u>29,379,196</u>	<u>25,837</u>	<u>7,797</u>	<u>29,379,236</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Furniture, equipment and machinery	(1,033,351)	(70,736)	7,387	(1,033,351)
Buildings Leased to Spohn	(22,143,009)	(376,662)	-	(22,519,671)
Total accumulated depreciation	<u>(23,176,359)</u>	<u>(447,398)</u>	<u>7,387</u>	<u>(23,616,371)</u>
Total capital assets, being depreciated, net	<u>6,202,836</u>	<u>(421,561)</u>	<u>410</u>	<u>5,780,865</u>
Governmental activities capital assets, net	<u>\$ 9,279,762</u>	<u>\$ (421,561)</u>	<u>\$ 410</u>	<u>\$ 8,857,791</u>

D. Inter-fund receivables, payables and transfers

Primary Government

The composition of inter-fund balances as of September 30, 2014, is as follows:

Due to/from other funds:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 1,042,922	\$ 550,312
Grants Fund	-	640,116
Non-major Funds	214,164	66,658
Total	<u>\$ 1,257,086</u>	<u>\$ 1,257,086</u>

Inter-fund 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 the bank is exchanged.

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>\$ 112,730</u>

Inter-fund transfers:

	Transfers In					Total Transfers Out
	General Fund	U.S. Marshal Contract	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	
<u>Transfers out</u>						
General Fund	\$ -	\$ -	\$ 1,200,000	\$ 56,255	\$ 7,400,455	\$ 8,656,710
U.S. Marshal Contract	1,103,877	-	-	-	-	1,103,877
Capital Projects Fund	-	-	-	-	-	-
Grants Fund	8,427	-	-	-	37,409	45,836
Nonmajor Governmental Fund	164,897	-	84,000	72,966	390,582	712,445
Total Transfers In	<u>\$ 1,277,201</u>	<u>\$ -</u>	<u>\$ 1,284,000</u>	<u>\$ 129,221</u>	<u>\$ 7,828,446</u>	<u>\$ 10,518,868</u>

The General Fund provides most of the transfers. The Inland Parks Fund, Airport Fund, Stadium and Fairgrounds Fund and other non-major funds are dependent upon the General Fund for financial support. The General Fund also provides most of the required matching funds for grants.

E. Leases

Nueces County ended this year with no new agreements for capital leases. Payments for previous capital lease agreements during the fiscal year are \$47,512, and \$23,600, totaling \$71,112. 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.

Under the Membership Agreement, each year Spohn and the District confer regarding the support necessary for the operations of Spohn over the ensuing fiscal year starting October 1. Spohn prepares a budget that contemplates any modifications or additions in cost to provide healthcare services at MMC and the Satellite Clinics. Upon review of the Spohn budget, economic resources of Spohn, the Members and other factors, Spohn and the District agree on a “Specified Annual Percentage”, (as defined in the agreement), of Spohn’s net patient revenue that the District will receive. Based on this year’s estimate the District budgeted \$25,317,500 and received \$26,673,805 in member revenues for the year ended September 30, 2014.

According to management, estimating the Specified Annual Percentage for membership revenue sharing is difficult due to the number of changing factors in the health care system that affect costs, as well as, revenues. Management intends to adjust the membership revenue sharing “Specified Annual Percentage” annually according to the Spohn Membership Agreement.

F. Long-term debt
Primary Government

The following items comprise the county’s outstanding general obligation debt at September 30, 2014:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
LoanStar Revolving Loan Program	3.00%	2004	2016	\$ 200,187
Combination Tax and Revenue Certificates of Obligation, Series 2007	4.00%-5.00%	2007	2027	32,780,000
General Obligation Refunding Bonds, Series 2010	3.00%	2010	2022	39,030,000
State Energy Conservation Office LoanStar Revolving Program Loan	2.00%	2012	2027	6,849,326
General Obligation Refunding Bonds, Series 2012	3.00%-5.00%	2012	2026	<u>25,745,000</u>
Sub - total general obligation debt				104,604,513
Premium on debt (net)				<u>6,033,024</u>
Total general obligation debt at September 30, 2014				<u><u>\$ 110,637,537</u></u>

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. The repayment terms included quarterly payments of \$36,602 over 9.75 years funded by the debt service tax rate. The county expects to make the last loan payment by February 2016. 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 were used for construction of 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 plus capitalized interest during construction from the State Energy Conservation Stimulus Program under the Comptroller of Public Accounts. Nueces County obtained debt of \$8,064,228 and 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 is 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 exceeded the net carrying amount of the old debt by \$5,074,413. This balance is reported as a deferred outflow of resources, per GASB 65.

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 was 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 reported as a deferred outflow of resources, per GASB 65.

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

<u>Governmental Activities</u>			
Fiscal Year Ending <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	Total Debt Service <u>Requirements</u>
2015	\$ 6,713,814	\$ 4,387,417	\$ 11,101,231
2016	7,184,604	4,112,521	11,297,125
2017	7,556,842	3,794,949	11,351,791
2018	7,887,156	3,468,585	11,355,741
2019	8,252,678	3,100,308	11,352,986
2020-2023	32,624,998	8,869,700	41,494,698
2024-2026	26,256,363	1,253,608	27,509,971
2027	8,128,058	179,019	8,307,077
Totals	<u>\$ 104,604,513</u>	<u>\$ 29,166,107</u>	<u>\$ 133,770,620</u>

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities:					
General obligation debt	\$ 111,024,428	\$ -	\$ (6,419,915)	\$ 104,604,513	\$ 6,713,813
Unamortized bond premium	1,835,039	5,283,141	(1,085,156)	6,033,021	-
Capital Leases	196,358	-	(65,501)	130,857	130,857
Compensated absences	1,761,970	3,387,606	(3,274,099)	1,875,478	100,000
General liability claims	1,571,167	-	-	1,571,167	50,000
Judgments and other claims	<u>732,356</u>	<u>337,310</u>	<u>(294,448)</u>	<u>775,218</u>	<u>110,000</u>
Totals	<u>\$ 117,121,318</u>	<u>\$ 9,008,047</u>	<u>\$ (11,139,109)</u>	<u>\$ 114,990,257</u>	<u>\$ 7,104,670</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 depending on what fund the employee is attached. The general fund and road fund have the highest number of employees and pay 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 mature 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 \$474,780 at September 30, 2014. 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:

Fiscal Year Ending <u>September 30,</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	<u>\$ 1,815,000</u>	<u>\$ 74,415</u>	<u>\$ 1,889,415</u>
Total	<u>\$ 1,815,000</u>	<u>\$ 74,415</u>	<u>\$ 1,889,415</u>

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds:					
Limited Tax Refunding Bonds, Series 2003	\$ 3,555,000	\$ -	\$ 1,740,000	\$ 1,815,000	\$ 1,815,000
Premium	<u>(116)</u>	<u>-</u>	<u>80</u>	<u>(36)</u>	<u>-</u>
Total Bonds	3,554,884	-	1,740,080	1,814,964	1,815,000
Other Liabilities:					
Accrued Paid Time Off	<u>73,173</u>	<u>152,637</u>	<u>128,870</u>	<u>96,940</u>	<u>-</u>
Total	<u>\$ 3,628,057</u>	<u>\$ 152,637</u>	<u>\$ 1,868,950</u>	<u>\$ 1,911,904</u>	<u>\$ 1,815,000</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	Tax Assessor	U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
Inventory	\$ 75,337	\$ -	\$ -	\$ -	\$ -	\$ 61,642	\$ 136,979
Prepays	352,984	-	73	947	-	50,003	404,007
Restricted for:							
Debt Service Reserve	-	4,595,623	-	-	-	-	4,595,623
U.S. Marshall Contract	-	-	-	608,962	-	-	608,962
Commissioners Precinct	-	-	-	-	-	1,091,577	1,091,577
Commissioners Court	-	-	-	-	-	2,631,844	2,631,844
County Attorney	-	-	-	-	-	44,034	44,034
County Clerk	-	-	-	-	-	2,833,227	2,833,227
Tax Assessor Collector	-	-	31,061	-	-	-	31,061
Juvenile Programs	-	-	-	-	-	177,790	177,790
District Attorney	-	-	-	-	-	58,100	58,100
District Clerk	-	-	-	-	-	38,855	38,855
County Sheriff	-	-	-	-	-	437,306	437,306
Asset Forfeiture	-	-	-	-	-	897,263	897,263
Law Enforcement Education	-	-	-	-	-	34,207	34,207
Social Services	-	-	-	-	-	36,286	36,286
Community Health Program	-	-	-	-	-	1,304,845	1,304,845
Parks & Recreation	-	-	-	-	-	171,300	171,300
Library	-	-	-	-	-	768	768
Committed to:							
Capital Projects	-	-	-	-	10,430,217	-	10,430,217
Policy on minimum reserves	19,443,545	-	-	-	-	-	19,443,545
Assigned to:							
Road & Bridges	-	-	-	-	-	2,503,756	2,503,756
Stadium & Fairgrounds	-	-	-	-	-	2,660,945	2,660,945
Law Library	-	-	-	-	-	253,753	253,753
Airport	-	-	-	-	-	8,998	8,998
Inland Parks	-	-	-	-	-	189,741	189,741
Coastal Parks	-	-	-	-	-	1,130,329	1,130,329
Unassigned:							
	2,704,837	-	-	-	-	-	2,704,837
Total Fund Balances	\$ 22,576,703	\$ 4,595,623	\$ 31,134	\$ 609,909	\$ 10,430,217	\$ 16,616,569	\$ 54,860,155

IV. Other Information

A. Risk management

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	\$262,385,995	\$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 two claims that have 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>9/30/13</u>	<u>General Liability</u> <u>9/30/14</u>
Unpaid claims, beginning of fiscal year	\$ 1,585,821	\$ 1,571,167
Incurred claims and changes in estimates	-	-
Claim payments:	<u>(14,654)</u>	<u>-</u>
Unpaid claims, end of fiscal year	<u>\$ 1,571,167</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

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 11.68% for the months of the fiscal year in 2013, and 12.50% for the months of the fiscal year in 2014.

The County's contribution rate payable by the employee members for calendar year 2013 was 11.68% and for 2014 is 12.50% 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, 2014, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$9,589,923.

The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3.0 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, 2013 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, 2011 and December 31, 2012, the basis for determining the contributions rates for calendar years 2013 and 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
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	20	20	20
Asset valuation method	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value	SAF:5-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%	4.99%
Inflation	3.50%	3.50%	3.00%
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 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
September 2014	\$9,589,923	100%	\$0

As of December 31, 2013, the most recent actuarial valuation date, the plan was 85.56% funded. The actuarial accrued liability for benefits was \$213,512,642, and the actuarial value of assets was \$182,678,800, resulting in an unfunded (or overfunded) actuarial accrued liability (UAAL) (or OAAL) of \$30,833,842. The covered payroll (annual payroll of active employees covered by the plan) was \$48,709,219 and the ratio of the UAAL (or OAAL) to the covered payroll was 63.30%.

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, 2014, 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, 2014 the District had retirement plan expenses of \$67,620.

D. Recent Accounting Pronouncements

Primary Government

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 Non-exchange Financial Guarantees*” (“GASB 70”), provides guidance to improve accounting and reporting by state and local governments that extend and receive non-exchange financial guarantees. GASB 70 will be implemented by the District in fiscal year 2015 and the impact has not yet been determined.

GASB Statement 71, “*Pension Transition for Contributions Made for Subsequent to the Measurement Date*” (“GASB 71”), is an amendment to Statement No. 68, “*Accounting and Financial Reporting for Pensions.*” GASB 71 eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year implementation of Statement 68 in accrual basis financial statements. GASB 71 will be implemented by the County in fiscal year 2016 and the impact has not yet been determined.

E. Subsequent Events

The County has evaluated subsequent events through March 27, 2015, 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%
12/31/2013	182,678,800	213,512,642	30,833,842	85.56%	48,709,219	63.30%



SUPPLEMENTAL INFORMATION

Non-major Governmental Funds
Internal Service Funds
Fiduciary Funds



NON-MAJOR 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 three departments within this fund which include road and bridge, engineering, and road right of way.

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 four departments within this fund which includes coastal park, beach improvement, pier construction, and pier admission.

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 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
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	<u>Road Fund</u>	<u>Stadium & Fairgrounds</u>	<u>Law Library</u>	<u>Airport</u>
ASSETS				
Cash and cash equivalents	\$ 2,955,747	\$ 2,704,002	\$ 144,870	\$ 37,336
Investments	112,706	-	113,948	-
Receivable (net)	1,749	21,057	217	7,535
Due from other funds	-	-	-	-
Prepays	25,047	-	387	387
Inventories, at cost	19,943	-	-	22,147
	<u>3,115,192</u>	<u>2,725,059</u>	<u>259,422</u>	<u>67,405</u>
Total assets	<u>3,115,192</u>	<u>2,725,059</u>	<u>259,422</u>	<u>67,405</u>
LIABILITIES				
Accounts payable	417,426	51,263	3,148	32,584
Accrued payroll payable	137,198	-	2,134	-
Due to other funds	10,292	12,851	-	1,503
Unearned revenues	-	-	-	1,786
Other liabilities	-	-	-	-
	<u>564,916</u>	<u>64,114</u>	<u>5,282</u>	<u>35,873</u>
Total liabilities	<u>564,916</u>	<u>64,114</u>	<u>5,282</u>	<u>35,873</u>
DEFERRED INFLOW OF RESOURCES				
Deferred tax revenue	1,530	-	-	-
	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflow of resources	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	44,990	-	387	22,534
Restricted	-	-	-	-
Assigned	2,503,756	2,660,945	253,753	8,998
	<u>2,548,746</u>	<u>2,660,945</u>	<u>254,140</u>	<u>31,532</u>
Fund balance	<u>2,548,746</u>	<u>2,660,945</u>	<u>254,140</u>	<u>31,532</u>
Total liabilities and fund balances	<u>\$ 3,115,192</u>	<u>\$ 2,725,059</u>	<u>\$ 259,422</u>	<u>\$ 67,405</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
ASSETS				
Cash and cash equivalents	\$ 291,328	\$ 646,204	\$ 1,093,216	\$ (547,879)
Investments	-	383,337	-	3,801,473
Receivable (net)	-	115,782	-	129,901
Due from other funds	-	214,180	-	330
Prepays	7,897	7,549	-	3,890
Inventories, at cost	-	19,552	-	-
	<u>299,225</u>	<u>1,386,604</u>	<u>1,093,216</u>	<u>3,387,715</u>
LIABILITIES				
Accounts payable	57,206	172,421	1,639	36,826
Accrued payroll payable	26,507	32,616	-	17,842
Due to other funds	17,874	24,137	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	697,313
	<u>101,587</u>	<u>229,174</u>	<u>1,639</u>	<u>751,981</u>
DEFERRED INFLOW OF RESOURCES				
Deferred tax revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	7,897	27,101	-	3,890
Restricted	-	-	1,091,577	2,631,844
Assigned	189,741	1,130,329	-	-
	<u>197,638</u>	<u>1,157,430</u>	<u>1,091,577</u>	<u>2,635,734</u>
Fund balance	<u>197,638</u>	<u>1,157,430</u>	<u>1,091,577</u>	<u>2,635,734</u>
Total liabilities and fund balances	<u>\$ 299,225</u>	<u>\$ 1,386,604</u>	<u>\$ 1,093,216</u>	<u>\$ 3,387,715</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	County Attorney Funds	County Clerk Funds	Juvenile Programs	District Attorney Funds
ASSETS				
Cash and cash equivalents	\$ 115,158	\$ 2,781,327	\$ 157,416	\$ 59,881
Investments	-	64,456	-	-
Receivable (net)	-	123	20,537	1,880
Due from other funds	-	-	-	-
Prepays	-	536	-	2,116
Inventories, at cost	-	-	-	-
Total assets	<u>115,158</u>	<u>2,846,442</u>	<u>177,953</u>	<u>63,877</u>
LIABILITIES				
Accounts payable	720	9,627	163	203
Accrued payroll payable	404	3,052	-	1,494
Due to other funds	-	-	-	-
Unearned revenues	70,000	-	-	-
Other liabilities	-	-	-	1,964
Total liabilities	<u>71,124</u>	<u>12,679</u>	<u>163</u>	<u>3,661</u>
DEFERRED INFLOW OF RESOURCES				
Deferred tax revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	536	-	2,116
Restricted	44,034	2,833,227	177,790	58,100
Assigned	-	-	-	-
Fund balance	<u>44,034</u>	<u>2,833,763</u>	<u>177,790</u>	<u>60,216</u>
Total liabilities and fund balances	<u>\$ 115,158</u>	<u>\$ 2,846,442</u>	<u>\$ 177,953</u>	<u>\$ 63,877</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	District Clerk Funds	County Sheriff Funds	Asset Forfeiture Funds	Law Enforcement Education
ASSETS				
Cash and cash equivalents	\$ 38,855	\$ 405,726	\$ 714,531	\$ 34,207
Investments	-	-	184,821	-
Receivable (net)	-	40,543	751	-
Due from other funds	-	-	-	-
Prepays	-	-	1,288	-
Inventories, at cost	-	-	-	-
Total assets	<u>38,855</u>	<u>446,269</u>	<u>901,391</u>	<u>34,207</u>
LIABILITIES				
Accounts payable	-	8,963	1,703	-
Accrued payroll payable	-	-	1,137	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>8,963</u>	<u>2,840</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Deferred tax revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	1,288	-
Restricted	38,855	437,306	897,263	34,207
Assigned	-	-	-	-
Fund balance	<u>38,855</u>	<u>437,306</u>	<u>898,551</u>	<u>34,207</u>
Total liabilities and fund balances	<u>\$ 38,855</u>	<u>\$ 446,269</u>	<u>\$ 901,391</u>	<u>\$ 34,207</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	Social Services Funds	Community Health Programs	Parks & Recreation Funds	Library Funds
ASSETS				
Cash and cash equivalents	\$ 38,647	\$ 1,224,369	\$ 173,250	\$ 1,147
Investments	-	277,232	-	-
Receivable (net)	-	5,614	-	-
Due from other funds	-	-	-	-
Prepays	-	906	-	-
Inventories, at cost	-	-	-	-
Total assets	<u>38,647</u>	<u>1,508,121</u>	<u>173,250</u>	<u>1,147</u>
LIABILITIES				
Accounts payable	2,361	200,036	1,950	379
Accrued payroll payable	-	2,334	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>2,361</u>	<u>202,370</u>	<u>1,950</u>	<u>379</u>
DEFERRED INFLOW OF RESOURCES				
Deferred tax revenue	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	906	-	-
Restricted	36,286	1,304,845	171,300	768
Assigned	-	-	-	-
Fund balance	<u>36,286</u>	<u>1,305,751</u>	<u>171,300</u>	<u>768</u>
Total liabilities and fund balances	<u>\$ 38,647</u>	<u>\$ 1,508,121</u>	<u>\$ 173,250</u>	<u>\$ 1,147</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the period ending September 30, 2014**

	<u>TJPC Grants</u>	<u>Total Non-major Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 343,643	\$ 13,412,981
Investments	-	4,937,973
Receivable (net)	9,374	355,063
Due from other funds	-	214,510
Prepays	8,862	58,865
Inventories, at cost	-	61,642
	<u>361,879</u>	<u>\$ 19,041,034</u>
LIABILITIES		
Accounts payable	62,699	\$ 1,061,317
Accrued payroll payable	54,247	278,965
Due to other funds	-	66,657
Unearned revenues	244,933	316,719
Other liabilities	-	699,277
	<u>361,879</u>	<u>\$ 2,422,935</u>
DEFERRED INFLOW OF RESOURCES		
Deferred tax revenue	-	\$ 1,530
	<u>-</u>	<u>\$ 1,530</u>
FUND BALANCES		
Nonspendable	-	\$ 111,645
Restricted	-	9,757,402
Assigned	-	6,747,522
	<u>-</u>	<u>\$ 16,616,569</u>
Fund balance	-	\$ 16,616,569
	<u>-</u>	<u>\$ 16,616,569</u>
Total liabilities and fund balances	<u>\$ 361,879</u>	<u>\$ 19,041,034</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	Road Fund	Stadium & Fairgrounds	Law Library	Airport
REVENUES				
Property taxes	\$ 894,477	\$ -	\$ -	\$ -
Other taxes	576	-	-	-
Fees of office	-	-	160,645	-
Fines and forfeitures	-	-	-	-
Licenses and permits	3,071,495	-	-	-
Intergovernmental revenues	863,867	-	-	-
Charges for services	-	-	1,001	-
Investment income	1,634	2,716	760	31
Rentals and commissions	-	29,525	180	53,743
Miscellaneous revenue	21,540	20,465	1,365	14,513
	<u>4,853,589</u>	<u>52,706</u>	<u>163,951</u>	<u>68,287</u>
Total revenues				
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	186,239	-
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	7,620,462	-	-	122,008
Parks and recreation	-	1,110,216	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>7,620,462</u>	<u>1,110,216</u>	<u>186,239</u>	<u>122,008</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,766,873)</u>	<u>(1,057,510)</u>	<u>(22,288)</u>	<u>(53,721)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,274,876	1,050,555	-	76,080
Transfers out	(16,080)	(115,716)	-	(28,720)
	<u>3,258,796</u>	<u>934,839</u>	<u>-</u>	<u>47,360</u>
Total other financing sources and (uses)				
Change in Fund Balance	491,923	(122,671)	(22,288)	(6,361)
Fund balance - beginning	2,056,823	2,783,616	276,428	37,893
Fund balance - ending	<u>\$ 2,548,746</u>	<u>\$ 2,660,945</u>	<u>\$ 254,140</u>	<u>\$ 31,532</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	Inland Parks	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	-	-	471,780
Fines and forfeitures	-	-	-	2,939
Licenses and permits	-	282,393	-	3,500
Intergovernmental revenues	-	112,420	-	269,943
Charges for services	-	-	-	-
Investment income	303	2,951	-	14,446
Rentals and commissions	-	1,001,634	-	12,290
Miscellaneous revenue	5,823	41,736	3,750	48,634
	<u>6,126</u>	<u>1,441,134</u>	<u>3,750</u>	<u>823,531</u>
Total revenues				
EXPENDITURES				
Current:				
General government	-	-	115,061	53,187
Buildings and facilities	-	-	-	273,380
Administration of justice	-	-	-	542,974
Law enforcement and corrections	-	-	-	-
Social services	-	-	-	49,374
Health, safety and sanitation	-	-	-	34,790
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	1,364,069	2,150,906	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>1,364,069</u>	<u>2,150,906</u>	<u>115,061</u>	<u>953,705</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,357,943)</u>	<u>(709,772)</u>	<u>(111,311)</u>	<u>(130,174)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,248,201	1,029,370	355,196	634,571
Transfers out	(3,528)	(245,000)	(1,000)	(218,000)
	<u>1,244,673</u>	<u>784,370</u>	<u>354,196</u>	<u>416,571</u>
Total other financing sources and (uses)				
Change in Fund Balance	(113,270)	74,598	242,885	286,397
Fund balance - beginning	310,908	1,082,832	848,692	2,349,337
Fund balance - ending	<u>\$ 197,638</u>	<u>\$ 1,157,430</u>	<u>\$ 1,091,577</u>	<u>\$ 2,635,734</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	County Attorney Funds	County Clerk Funds	Juvenile Programs	District Attorney Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	513,583	148	9,902
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	70,000	175,092	706,869	5,790
Charges for services	-	-	6,355	332,354
Investment income	-	26	2,206	-
Rentals and commissions	-	-	-	-
Miscellaneous revenue	-	-	951	-
	<u>70,000</u>	<u>688,701</u>	<u>716,529</u>	<u>348,047</u>
EXPENDITURES				
Current:				
General government	75,306	482,787	-	-
Buildings and facilities	-	-	-	-
Administration of justice	-	-	638,889	-
Law enforcement and corrections	-	-	-	436,391
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>75,306</u>	<u>482,787</u>	<u>638,889</u>	<u>436,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,306)</u>	<u>205,914</u>	<u>77,640</u>	<u>(88,344)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,724	6,628
Transfers out	-	(34,227)	(324)	-
	<u>-</u>	<u>(34,227)</u>	<u>6,400</u>	<u>6,628</u>
Total other financing sources and (uses)	<u>-</u>	<u>(34,227)</u>	<u>6,400</u>	<u>6,628</u>
Change in Fund Balance	(5,306)	171,687	84,040	(81,716)
Fund balance - beginning	49,340	2,662,076	93,750	141,932
Fund balance - ending	<u>\$ 44,034</u>	<u>\$ 2,833,763</u>	<u>\$ 177,790</u>	<u>\$ 60,216</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	District Clerk Funds	County Sheriff Funds	Asset Forfeitures Funds	Law Enforcement Education
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	35,290	-	-	-
Fines and forfeitures	-	-	183,408	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	1,200	25,525
Charges for services	-	-	-	-
Investment income	-	66	12,473	-
Rentals and commissions	-	4,899	-	-
Miscellaneous revenue	-	476,072	2,423	-
	<u>35,290</u>	<u>481,037</u>	<u>199,504</u>	<u>25,525</u>
Total revenues	<u>35,290</u>	<u>481,037</u>	<u>199,504</u>	<u>25,525</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	-	-
Administration of justice	10,235	-	-	-
Law enforcement and corrections	-	563,912	378,103	8,495
Social services	-	-	-	-
Health, safety and sanitation	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
	<u>10,235</u>	<u>563,912</u>	<u>378,103</u>	<u>8,495</u>
Total expenditures	<u>10,235</u>	<u>563,912</u>	<u>378,103</u>	<u>8,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,055</u>	<u>(82,875)</u>	<u>(178,599)</u>	<u>17,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	145,246	-	-
Transfers out	(9,509)	-	-	-
	<u>(9,509)</u>	<u>145,246</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>(9,509)</u>	<u>145,246</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	15,546	62,371	(178,599)	17,030
Fund balance - beginning	23,309	374,935	1,077,150	17,177
Fund balance - ending	<u>\$ 38,855</u>	<u>\$ 437,306</u>	<u>\$ 898,551</u>	<u>\$ 34,207</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	Social Services Funds	Community Health Programs	Parks & Recreation Funds	Library Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fees of office	-	3,557	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	6,204	-	-
Intergovernmental revenues	13,967	1,154,673	-	11,757
Charges for services	-	-	-	-
Investment income	-	-	-	-
Rentals and commissions	-	-	22,675	-
Miscellaneous revenue	73,434	9,251	792	2,982
Total revenues	<u>87,401</u>	<u>1,173,685</u>	<u>23,467</u>	<u>14,739</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Buildings and facilities	-	-	7,878	-
Administration of justice	-	-	-	-
Law enforcement and corrections	-	-	-	-
Social services	86,991	-	1,900	-
Health, safety and sanitation	-	586,424	-	-
Agriculture, education and consumer sciences	-	-	-	16,985
Roads, bridges and transportation	-	-	-	-
Parks and recreation	-	-	784	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	<u>86,991</u>	<u>586,424</u>	<u>10,562</u>	<u>16,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>410</u>	<u>587,261</u>	<u>12,906</u>	<u>(2,246)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,000
Transfers out	-	(33,617)	-	-
Total other financing sources and (uses)	<u>-</u>	<u>(33,617)</u>	<u>-</u>	<u>1,000</u>
Change in Fund Balance	410	553,644	12,906	(1,246)
Fund balance - beginning	<u>35,876</u>	<u>752,107</u>	<u>158,394</u>	<u>2,014</u>
Fund balance - ending	<u>\$ 36,286</u>	<u>\$ 1,305,751</u>	<u>\$ 171,300</u>	<u>\$ 768</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2014

	TJPC Grants	Total Non-major Governmental Funds
REVENUES		
Property taxes	\$ -	894,477
Other taxes	-	576
Fees of office	-	1,194,905
Fines and forfeitures	-	186,347
Licenses and permits	-	3,363,592
Intergovernmental revenues	2,579,175	5,990,277
Charges for services	-	339,710
Investment income	-	37,612
Rentals and commissions	-	1,124,946
Miscellaneous revenue	-	723,732
	<u>2,579,175</u>	<u>13,856,173</u>
EXPENDITURES		
Current:		
General government	-	726,341
Buildings and facilities	-	281,258
Administration of justice	2,572,451	3,950,788
Law enforcement and corrections	-	1,386,899
Social services	-	138,265
Health, safety and sanitation	-	621,214
Agriculture, education and consumer sciences	-	16,984
Roads, bridges and transportation	-	7,742,469
Parks and recreation	-	4,625,976
Capital outlay	-	-
Debt Service	-	-
	<u>2,572,451</u>	<u>19,490,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,724</u>	<u>(5,634,020)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	7,828,445
Transfers out	(6,724)	(712,445)
	<u>(6,724)</u>	<u>7,116,000</u>
Total other financing sources and (uses)	<u>(6,724)</u>	<u>7,116,000</u>
Change in Fund Balance	-	1,481,980
Fund balance - beginning	-	15,134,589
Fund balance - ending	<u>\$ -</u>	<u>\$ 16,616,569</u>

NUECES COUNTY, TEXAS
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes, penalty & interest	\$ 896,816	\$ 896,816	\$ 895,053	\$ (1,763)
Licenses and permits	3,151,000	3,151,000	3,754,343	603,343
Intergovernmental revenue	90,000	90,000	181,019	91,019
Investment income	8,000	8,000	1,634	(6,366)
Miscellaneous revenue	-	-	21,540	21,540
Total revenues	<u>4,145,816</u>	<u>4,145,816</u>	<u>4,853,589</u>	<u>707,773</u>
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	3,995,266	3,995,266	3,227,026	768,240
Maintenance, materials and supplies	2,965,446	2,937,745	2,812,596	125,149
Telephone & utilities	93,408	93,408	83,900	9,508
Professional and special servi	95,000	93,694	66,312	27,382
Other services and charges	987,343	1,048,850	1,034,657	14,193
Capital outlay	429,987	397,487	395,971	1,516
Total expenditures	<u>8,566,450</u>	<u>8,566,450</u>	<u>7,620,462</u>	<u>945,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,420,634)</u>	<u>(4,420,634)</u>	<u>(2,766,873)</u>	<u>1,653,761</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,190,443	3,190,443	3,274,876	84,433
Transfers out	<u>(16,080)</u>	<u>(16,080)</u>	<u>(16,080)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,174,363</u>	<u>3,174,363</u>	<u>3,258,796</u>	<u>84,433</u>
Net change in fund balances	<u>(1,246,271)</u>	<u>(1,246,271)</u>	<u>491,923</u>	<u>1,738,194</u>
Fund balances - beginning	<u>1,405,856</u>	<u>1,405,856</u>	<u>2,056,823</u>	<u>650,967</u>
Fund balances - ending	<u>\$ 159,585</u>	<u>\$ 159,585</u>	<u>\$ 2,548,746</u>	<u>\$ 2,389,161</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Rentals and commissions	\$ 16,000	\$ 16,000	\$ 29,525	\$ 13,525
Investment income	12,750	12,750	2,716	(10,034)
Miscellaneous revenue	1,025,000	1,025,000	20,465	(1,004,535)
Total revenues	<u>1,053,750</u>	<u>1,053,750</u>	<u>52,706</u>	<u>(1,001,044)</u>
EXPENDITURES				
Parks and recreation:				
Maintenance, materials and supplies	73,000	111,630	66,928	44,702
Telephone & utilities	131,000	113,650	91,863	21,787
Reserve appropriations	3,000,000	2,914,900	-	2,914,900
Professional services	1,000	12,240	12,232	8
Other services and charges	977,300	964,580	939,193	25,387
Capital outlay	45,000	10,000	-	10,000
Total expenditures	<u>4,227,300</u>	<u>4,127,000</u>	<u>1,110,216</u>	<u>3,016,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,173,550)</u>	<u>(3,073,250)</u>	<u>(1,057,510)</u>	<u>2,015,740</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,050,555	1,050,555	1,050,555	-
Transfers out	(15,500)	(115,800)	(31,716)	84,084
Total other financing sources (uses)	<u>1,035,055</u>	<u>934,755</u>	<u>1,018,839</u>	<u>84,084</u>
Net change in fund balances	(2,138,495)	(2,138,495)	(38,671)	2,099,824
Fund balances - beginning	<u>2,831,151</u>	<u>2,831,151</u>	<u>2,783,616</u>	<u>(47,535)</u>
Fund balances - ending	<u>\$ 692,656</u>	<u>\$ 692,656</u>	<u>\$ 2,744,945</u>	<u>\$ 2,052,289</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Fees of office	\$ 172,500	\$ 172,500	\$ 160,644	\$ (11,856)
Charges for Services	700	700	1,001	301
Investment Income	500	500	760	260
Rentals and commissions	900	900	180	(720)
Miscellaneous revenue	3,250	3,250	1,365	(1,885)
Total revenues	<u>177,850</u>	<u>177,850</u>	<u>163,950</u>	<u>(13,900)</u>
EXPENDITURES				
Administration of Justice				
Personnel services	93,357	93,357	89,334	4,023
Maintenance, materials and supplies	1,100	1,100	802	298
Professional and special services	36,000	36,000	34,295	1,705
Reserve appropriations	20,619	20,619	-	20,619
Other services and charges	69,700	69,700	61,807	7,893
Capital outlay	4,000	4,000	-	4,000
Total expenditures	<u>224,776</u>	<u>224,776</u>	<u>186,238</u>	<u>38,538</u>
Deficiency of revenues under expenditures	(46,926)	(46,926)	(22,288)	24,638
Fund balances - beginning	<u>272,335</u>	<u>272,335</u>	<u>276,428</u>	<u>4,093</u>
Fund balances - ending	<u>\$ 225,409</u>	<u>\$ 225,409</u>	<u>\$ 254,140</u>	<u>\$ 28,731</u>

NUECES COUNTY, TEXAS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 120	\$ 120	\$ -	\$ (120)
Investment income	300	300	31	(269)
Rentals and commissions	48,363	48,363	53,743	5,380
Miscellaneous revenue	22,425	22,425	14,513	(7,912)
Total revenues	<u>71,208</u>	<u>71,208</u>	<u>68,287</u>	<u>(2,921)</u>
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	54,341	54,341	51,057	3,284
Maintenance, materials and supplies	24,500	38,613	34,268	4,345
Telephone & utilities	23,692	23,692	17,957	5,735
Professional and special services	11,960	2,960	2,750	210
Other services and charges	8,283	12,409	12,137	272
Capital Outlay	20,000	10,761	3,839	6,922
Total expenditures	<u>142,776</u>	<u>142,776</u>	<u>122,008</u>	<u>20,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,568)</u>	<u>(71,568)</u>	<u>(53,721)</u>	<u>17,847</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	76,080	76,080	76,080	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(28,720)</u>	<u>21,280</u>
Total other financing sources (uses)	<u>26,080</u>	<u>26,080</u>	<u>47,360</u>	<u>21,280</u>
Net change in fund balances	(45,488)	(45,488)	(6,361)	39,127
Fund balances - beginning	<u>77,732</u>	<u>77,732</u>	<u>37,893</u>	<u>(39,839)</u>
Fund balances - ending	<u>\$ 32,244</u>	<u>\$ 32,244</u>	<u>\$ 31,532</u>	<u>\$ (712)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Investment income	\$ 1,100	\$ 1,100	\$ 303	\$ (797)
Miscellaneous revenue	-	-	5,823	5,823
Total revenues	1,100	1,100	6,126	5,026
EXPENDITURES				
Parks and recreation:				
Personnel services	752,775	752,775	706,381	46,394
Maintenance, materials and supplies	278,051	277,551	273,481	4,070
Telephone & utilities	244,175	244,175	170,106	74,069
Professional and special services	5,000	1,000	615	385
Other services and charges	51,179	57,679	58,505	(826)
Capital outlay	160,000	158,000	154,981	3,019
Total expenditures	1,491,180	1,491,180	1,364,069	127,111
Excess (deficiency) of revenues over (under) expenditures	(1,490,080)	(1,490,080)	(1,357,943)	132,137
OTHER FINANCING SOURCES (USES)				
Transfers in	1,232,960	1,232,960	1,248,201	15,241
Transfers out	(5,000)	(50,000)	(3,528)	46,472
Total other financing sources (uses)	1,227,960	1,182,960	1,244,673	61,713
Net change in fund balances	(262,120)	(307,120)	(113,270)	193,850
Fund balances - beginning	350,761	350,761	310,908	(39,853)
Fund balances - ending	\$ 88,641	\$ 43,641	\$ 197,638	\$ 153,997

NUECES COUNTY, TEXAS
COASTAL PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Beach Parking Fees	\$ 275,000	\$ 275,000	\$ 282,392	\$ 7,392
RV & PJ Park Rentals	339,000	339,000	354,742	15,742
Pier Fees & Commission	360,000	360,000	442,677	82,677
Interest Income	8,500	8,500	2,951	(5,549)
Rentals and commissions	55,000	55,000	69,033	14,033
Beach Cleaning - State	95,000	95,000	112,420	17,420
Refunds & Reimbursement	500	500	-	(500)
Other Income	43,500	43,500	680	(42,820)
Commodity Sales	21,000	21,000	39,449	18,449
RV Park Improvements	115,000	115,000	136,790	21,790
Total revenues	1,312,500	1,312,500	1,441,134	128,634
EXPENDITURES				
Parks & Recreation:				
Personnel services	1,090,081	1,090,081	946,292	143,789
Maintenance, materials and supplies	306,021	343,521	291,878	51,643
Telephone & utilities	440,834	377,834	363,458	14,376
Professional and special services	76,900	70,200	37,217	32,983
Reserve appropriations	460,000	344,400	-	344,400
Other services and charges	533,625	586,425	485,458	100,967
Capital outlay	40,000	40,000	26,603	13,397
Total expenditures	2,947,461	2,852,461	2,150,906	701,555
Excess (deficiency) of revenues over (under) expenditures	(1,634,961)	(1,539,961)	(709,772)	830,189
OTHER FINANCING SOURCES (USES)				
Transfers in	934,370	934,370	1,029,370	95,000
Transfers out	(150,000)	(245,000)	(245,000)	-
Total other financing sources (uses)	784,370	689,370	784,370	95,000
Net change in fund balances	(850,591)	(850,591)	74,598	925,189
Fund balances - beginning	1,040,433	1,040,433	1,082,832	42,399
Fund balances - ending	\$ 189,842	\$ 189,842	\$ 1,157,430	\$ 967,588



NUECES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Commissioners Precinct Funds	\$ -	\$ -	\$ 3,750	\$ 3,750
Commissioners Court Funds	884,236	884,236	823,531	(60,705)
County Attorney Funds	62,500	62,500	70,000	7,500
County Clerk Funds	505,000	505,000	688,701	183,701
Juvenile Programs	738,295	738,295	716,529	(21,766)
District Attorney Funds	333,275	333,275	348,047	14,772
District Clerk Funds	25,000	25,000	35,290	10,290
County Sheriff Funds	386,035	386,035	481,037	95,002
Asset Forfeiture Funds	212,848	212,848	199,504	(13,344)
LEOSE Funds	29,715	29,715	25,525	(4,190)
Social Services Funds	70,000	70,000	87,401	17,401
Community Health Programs	1,418,374	1,418,374	1,173,685	(244,689)
Parks & Recreation Funds	29,000	29,000	23,467	(5,533)
Library Funds	850	850	14,739	13,889
Total revenues	4,695,128	4,695,128	4,691,206	(3,922)
 Current:				
General government				
Commissioners Precinct Funds	1,178,242	1,178,242	115,061	1,063,181
Commissioners Court	185,034	145,467	53,188	92,279
County Attorney	137,836	137,836	75,306	62,530
County Clerk	2,956,120	2,956,120	483,153	2,472,967
Buildings and facilities				
Commissioners Court	1,640,320	1,640,320	273,380	1,366,940
Parks & recreation funds	141,043	141,043	7,878	133,165
Administration of justice				
Commissioners Court	935,266	935,588	542,974	392,614
Juvenile Programs	844,347	844,347	638,523	205,824
District Clerk Funds	2,553	10,236	10,236	-
Law enforcement and corrections				
District Attorney Funds	401,942	470,974	436,390	34,584
County Sheriff Funds	716,014	716,014	563,911	152,103
Asset Forfeiture	1,141,369	1,141,869	378,103	763,766
Law Enforcement Education	36,389	36,389	8,495	27,894
Social services				
Commissioners Court	53,717	64,252	49,374	14,878
Social Services	88,956	88,956	86,991	1,965
Parks & Recreation Funds	20,672	20,672	1,900	18,772
Health, safety and sanitation				
Commissioners Court	85,684	85,865	34,790	51,075
Community Health Programs	2,132,247	2,132,247	586,424	1,545,823
Agriculture, education and consumer sciences				
Commissioners Court	4,109	4,109	-	4,109
Library Funds	1,917	17,045	16,984	61

(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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Roads, bridges, and transportation				
Commissioners Court	\$ 463,657	\$ 463,657	\$ -	\$ 463,657
Debt Service				
Commissioners Court	-	-	-	-
Parks & recreation				
Parks & recreation funds	37,734	37,734	784	36,950
Capital outlay:				
Capital outlay	-	-	-	-
Total expenditures	<u>13,205,168</u>	<u>13,268,982</u>	<u>4,363,845</u>	<u>8,905,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,510,040)</u>	<u>(8,573,854)</u>	<u>327,361</u>	<u>8,901,215</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	640,000	640,000	1,149,364	509,364
Transfers out	(346,143)	(352,924)	(296,677)	56,247
Sale of Assets	-	-	-	-
Total other financing sources and uses	<u>293,857</u>	<u>287,076</u>	<u>852,687</u>	<u>565,611</u>
Net change in fund balances	(8,216,183)	(8,286,778)	1,180,048	9,466,826
Fund balances - beginning	<u>8,413,179</u>	<u>8,413,179</u>	<u>8,628,152</u>	<u>214,973</u>
	<u>\$ 196,996</u>	<u>\$ 126,401</u>	<u>\$ 9,808,200</u>	<u>\$ 9,681,799</u>



INTERNAL SERVICE FUNDS

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
September 30, 2014

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
ASSETS				
Cash and cash equivalents	\$ 12,972	\$ 1,617,695	\$ 1,572,083	\$ 3,202,750
Investments	8,434	293,932	-	302,366
Due from island parks	-	-	-	-
Due from other governments and agencies	-	-	-	-
Receivables (net of allowance for uncollectibles)	362,886	409,976	442,900	1,215,762
TOTAL ASSETS	384,292	2,321,603	2,014,983	4,720,878
LIABILITIES				
Current liabilities				
Accounts payable	-	409,740	1,870,434	2,280,174
Total current liabilities	-	409,740	1,870,434	2,280,174
Noncurrent liabilities				
Estimated claims liability	-	1,571,167	-	1,571,167
Total noncurrent liabilities	-	1,571,167	-	1,571,167
TOTAL LIABILITIES	-	1,980,907	1,870,434	3,851,341
NET POSITION				
Unrestricted	384,292	340,696	144,549	869,537
TOTAL NET POSITION	\$ 384,292	\$ 2,321,603	\$ 2,014,983	\$ 4,720,878

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended September 30, 2014

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$ 372,058	\$ 1,539,387	\$ 7,603,629	\$ 9,515,074
Total operating revenues	<u>372,058</u>	<u>1,539,387</u>	<u>7,603,629</u>	<u>9,515,074</u>
Operating expenses:				
Benefit payments	-	-	7,498,352	7,498,352
Insurance premiums and bonds	360,365	1,307,513	303,512	1,971,390
Claims and settlements	-	19,494	-	19,494
Administration	-	-	463,612	463,612
Total operating expenses	<u>360,365</u>	<u>1,327,007</u>	<u>8,265,476</u>	<u>9,952,848</u>
Operating income (loss)	<u>11,693</u>	<u>212,380</u>	<u>(661,847)</u>	<u>(437,774)</u>
Non operating revenues:				
Investment income	<u>711</u>	<u>2,130</u>	<u>549</u>	<u>3,390</u>
Income (loss) before transfers	12,404	214,510	(661,298)	(434,384)
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	12,404	214,510	(661,298)	(434,384)
Net position at beginning of year	<u>371,888</u>	<u>126,186</u>	<u>805,846</u>	<u>1,303,920</u>
Net position at end of year	<u>\$ 384,292</u>	<u>\$ 340,696</u>	<u>\$ 144,548</u>	<u>\$ 869,536</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2014

	Workers Compensation Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from interfund services provided	\$ 362,742	\$ 1,538,504	\$ 4,752,640	\$ 6,653,886
Receipts from employees	-	-	1,113,927	1,113,927
Receipts from other participants	-	-	1,201,149	1,201,149
Receipts from reimbursements and refunds	9,316	883	536,561	546,760
Payments for benefit claims	-	-	(7,498,352)	(7,498,352)
Payments for insurance and bond policies	(441,604)	(1,311,509)	888,751	(864,362)
Payments for administration	-	(19,494)	(463,612)	(483,106)
Payments for settlements and claims	-	-	-	-
Net cash provided in operating activities	<u>(69,546)</u>	<u>208,384</u>	<u>531,064</u>	<u>669,902</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Net cash provided for noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of investments	94,769	(23,370)	-	71,399
Interest received	54,773	1,984	549	57,306
Net cash provided by investing activities	<u>149,542</u>	<u>(21,386)</u>	<u>549</u>	<u>128,705</u>
Net increase in cash and cash equivalents	79,996	186,998	531,613	798,608
Cash and cash equivalents at beginning of year	<u>(67,025)</u>	<u>1,430,697</u>	<u>1,040,470</u>	<u>2,404,142</u>
Cash and cash equivalents at end of year	<u>\$ 12,972</u>	<u>\$ 1,617,695</u>	<u>\$ 1,572,083</u>	<u>\$ 3,202,750</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 11,693	\$ 212,380	\$ (661,847)	\$ (437,774)
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	-	(3,782)	(3,782)
(Increase) decrease in due from other funds	-	-	-	-
Increase (decrease) in estimated claims liabilities	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-
Increase (decrease) in accounts payable	(81,239)	(3,996)	1,196,693	1,111,458
Increase (decrease) in other insurance	-	-	-	-
Total Adjustments	<u>(81,239)</u>	<u>(3,996)</u>	<u>1,192,911</u>	<u>1,107,676</u>
Net cash provided by operating activities	<u>\$ (69,546)</u>	<u>\$ 208,384</u>	<u>\$ 531,064</u>	<u>\$ 669,902</u>

FIDUCIARY FUNDS

NUECES COUNTY, TEXAS
 COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2014

ASSETS	<u>CSCD</u>	<u>Nueces County Trust</u>	<u>Metropolitan Planning Organization</u>	<u>Total</u>
Cash, equivalents & pooled funds	\$ 2,697,923	\$ 15,384,920	\$ 257,248	\$ 18,340,091
Investments	-	6,667,142	-	6,667,142
Due from other governments and agencies	-	653,321	-	653,321
Accounts receivable	52,525	6,038	110,267	168,830
Prepays	-	52,211	3,349	55,560
TOTAL ASSETS	<u>\$ 2,750,448</u>	<u>\$ 22,763,632</u>	<u>\$ 370,864</u>	<u>\$ 25,884,944</u>
LIABILITIES				
Accounts payable	\$ 70,414	\$ 21,634,123	\$ 269,609	\$ 21,974,146
Accrued payroll payable	278,249	39,399	6,507	324,155
Due to other governments and agencies	322	636,620	-	636,942
Funds held in escrow	2,401,464	453,489	94,748	2,949,701
TOTAL LIABILITIES	<u>\$ 2,750,449</u>	<u>\$ 22,763,631</u>	<u>\$ 370,864</u>	<u>\$ 25,884,944</u>

Nueces County, Texas
Statement of Changes in Fiduciary Assets and Liabilities -
Agency Funds
For the Year Ended September 30, 2014

	Balance 9/30/2013	Additions	Deductions	Balance 9/30/2014
ASSETS				
Cash and cash equivalents	\$ 19,028,241	\$ 35,863,470	\$ 36,551,620	\$ 18,340,091
Investments	-	6,667,142	-	6,667,142
Due from other governments and agencies	-	2,998,964	2,345,643	653,321
Accounts receivable	816,993	783,475	1,431,638	168,830
Prepays	10,589	55,559	10,588	55,560
TOTAL ASSETS	\$ 18,778,903	\$ 46,368,610	\$ 40,339,489	\$ 25,884,944
LIABILITIES				
Accounts payable	15,307,874	53,561,614	46,895,342	8,641,602
Accrued payroll payable	297,099	9,705,319	9,678,263	270,043
Due to other governments and agencies	1,850,101	642,496	1,855,655	3,063,260
Funds held in escrow	2,400,749	548,952	-	1,851,797
TOTAL LIABILITIES	\$ 18,778,903	\$ 64,458,381	\$ 58,429,260	\$ 13,826,702

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2014

CSCD

	Balance 9/30/2013	Additions	Deductions	Balance 9/30/2014
ASSETS				
Cash, equivalents & pooled funds	\$ 2,742,813	\$ 23,815,582	\$ 23,860,472	\$ 2,697,923
Accounts receivable	23,839	83,858	55,172	52,525
TOTAL ASSETS	\$ 2,766,652	\$ 23,899,440	\$ 23,915,644	\$ 2,750,448
LIABILITIES				
Accounts payable	\$ 237,395	\$ 16,682,578	\$ 16,849,559	\$ 70,414
Accrued payroll payable	257,334	7,895,294	7,874,379	278,249
Due to other governments and agencies	352,083	1,848	353,609	322
Funds held in escrow	1,919,840	481,624	-	2,401,464
TOTAL LIABILITIES	\$ 2,766,652	\$ 25,061,344	\$ 25,077,547	\$ 2,750,448

NUECES COUNTY TRUST

	Balance 9/30/2013	Additions	Deductions	Balance 9/30/2014
ASSETS				
Cash, equivalents & pooled funds	\$ 16,121,616	\$ 11,171,474	\$ 11,908,170	\$ 15,384,920
Investments	-	6,667,142	-	6,667,142
Due from other governments and agencies	-	2,998,964	2,345,643	653,321
Accounts receivable	624,168	-	618,130	6,038
Prepays	7,494	52,210	7,494	52,210
TOTAL ASSETS	\$ 16,753,278	\$ 20,889,790	\$ 14,879,437	\$ 22,763,631
LIABILITIES				
Accounts payable	\$ 15,063,919	\$ 35,790,263	\$ 29,220,059	\$ 21,634,123
Accrued payroll payable	34,155	1,324,676	1,319,432	39,399
Due to other governments and agencies	1,217,683	640,648	1,221,711	636,620
Funds held in escrow	437,521	15,968	-	453,489
TOTAL LIABILITIES	\$ 16,753,278	\$ 37,771,555	\$ 31,761,202	\$ 22,763,631

METROPOLITAN PLANNING ORG.

	Balance 9/30/2013	Additions	Deductions	Balance 9/30/2014
ASSETS				
Cash, equivalents & pooled funds	\$ 163,812	\$ 876,414	\$ 782,978	\$ 257,248
Accounts Receivable	168,986	699,617	758,336	110,267
Prepays	3,095	3,349	3,095	3,349
TOTAL ASSETS	\$ 335,893	\$ 1,579,380	\$ 1,544,409	\$ 370,864
LIABILITIES				
Accounts Payable	\$ 6,560	\$ 1,088,773	\$ 825,724	\$ 269,609
Accrued payroll payable	5,610	485,349	484,452	6,507
Due to other governments and agencies	280,335	0	280,335	-
Funds Held in Escrow	43,388	51,360	-	94,748
TOTAL LIABILITIES	\$ 335,893	\$ 1,625,482	\$ 1,590,511	\$ 370,864

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	114-123
<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	124-135
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	136-145
<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	146-153
<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	154-165
<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, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Primary government (excludes component units)				
Invested in capital assets, net of related debt	\$ 42,710,159	\$ 95,062,614	\$ 127,137,862	\$ 119,615,150
Restricted	32,800,849	41,385,412	15,684,832	48,736,178
Unrestricted	<u>10,630,392</u>	<u>20,754,076</u>	<u>14,273,648</u>	<u>(15,598,846)</u>
Total primary government net position	<u><u>\$ 86,141,400</u></u>	<u><u>\$ 157,202,102</u></u>	<u><u>\$ 157,096,342</u></u>	<u><u>\$ 152,752,482</u></u>

Exhibit 1

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 114,418,905	\$ 84,990,779	\$ 106,372,898	\$ 90,846,187	\$ 83,933,928	\$ 78,879,070
14,855,823	14,739,132	16,108,044	17,328,598	12,502,545	13,843,763
<u>21,545,294</u>	<u>48,795,609</u>	<u>19,479,502</u>	<u>30,480,260</u>	<u>36,247,660</u>	<u>37,193,225</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>	<u>\$ 129,916,058</u>

Nueces County, Texas
Changes In Net Position
Last Ten Fiscal Years
September 30, 2014

	2005	2006	2007	2008
Expenses				
General government	\$ 13,828,609	\$ 11,309,350	\$ 12,487,965	\$ 13,447,105
Building and facilities	7,193,556	7,954,617	8,256,406	8,799,943
Administration of justice	20,970,326	22,667,915	23,729,715	24,763,021
Law enforcement and corrections	30,825,022	21,701,331	23,817,761	22,643,877
Social services	2,379,678	2,509,261	2,514,128	2,567,466
Health, safety and sanitation	852,329	1,192,347	1,748,318	1,757,672
Agriculture, education and consumer sciences	439,122	480,931	492,016	722,211
Roads, bridges and transportation	5,522,753	10,341,541	12,578,634	13,708,534
Parks and recreation	2,610,974	2,395,171	4,930,535	5,460,139
Interest and fees on long -term debt	6,379,012	5,005,426	5,995,943	6,291,032
Total primary government expenses	<u>\$ 91,001,381</u>	<u>\$ 85,557,890</u>	<u>\$ 96,551,421</u>	<u>\$ 100,161,000</u>
Program Revenues				
Charges for services:				
General government	\$ 6,877,929	\$ 6,773,455	\$ 6,803,856	\$ 7,614,423
Buildings and facilities	356,699	769,989	764,542	802,452
Administration of justice	5,535,141	5,002,914	6,312,388	5,761,254
Law enforcement and corrections	14,662,202	4,652,646	2,592,443	2,348,523
Social services	11,060	64,138	145,940	123,282
Health, safety, and sanitation	75,297	112,908	121,189	195,139
Agriculture, education, and consumers sciences	68	3,622	5,006	7,535
Roads, bridges and transportation	2,519,178	2,523,587	2,623,937	2,771,423
Parks and recreation	667,538	1,002,593	898,852	852,643
Operating grants and contributions	8,226,779	8,479,146	8,957,688	9,141,332
Capital grants and contributions	2,810,367	1,854,807	3,852,784	455,115
Total primary government revenues	<u>\$ 41,742,258</u>	<u>\$ 31,239,805</u>	<u>\$ 33,078,625</u>	<u>\$ 30,073,121</u>
Net (Expense) Revenue				
Governmental activities	(49,259,123)	(54,318,085)	(63,472,796)	(70,087,879)
Total primary government net expenses	<u>\$ (49,259,123)</u>	<u>\$ (54,318,085)</u>	<u>\$ (63,472,796)</u>	<u>\$ (70,087,879)</u>
General revenues and other changes in net position				
General Revenues				
Property taxes	\$ 55,541,622	\$ 55,745,552	\$ 56,313,439	\$ 60,527,569
Alcohol beverage and other taxes	1,199,120	1,346,945	1,447,606	1,518,806
Unrestricted investment earnings	2,809,534	4,792,279	5,274,254	3,134,177
Grants and contributions not restricted to specific program	172,339	95,960	331,737	378,320
Gain or loss on sale of capital assets	(877,414)	-	-	18,362
Miscellaneous	-	-	-	166,788
Total general revenues	<u>\$ 58,845,201</u>	<u>\$ 61,980,736</u>	<u>\$ 63,367,036</u>	<u>\$ 65,744,022</u>
Change in Net Position	<u>\$ 9,586,078</u>	<u>\$ 7,662,651</u>	<u>\$ (105,760)</u>	<u>\$ (4,343,857)</u>

Exhibit 2

	2009	2010	2011	2012	2013	2014
\$	13,922,786	\$ 13,483,612	\$ 13,436,667	\$ 13,319,250	\$ 14,441,357	\$ 15,341,758
	9,216,536	10,165,122	9,463,249	9,490,211	11,214,282	10,972,546
	26,870,285	27,292,561	26,967,846	23,654,964	23,559,375	24,916,824
	23,257,876	24,468,809	24,806,867	27,986,723	28,701,541	30,303,203
	2,664,755	2,679,502	2,683,841	2,606,445	2,797,707	2,682,643
	3,083,653	2,023,424	1,527,275	1,992,715	2,343,115	2,815,645
	788,629	865,488	820,589	776,594	761,011	794,140
	13,662,879	14,143,486	14,813,218	14,810,777	17,441,342	15,575,863
	5,595,232	5,948,582	5,937,483	6,140,480	6,290,622	6,415,580
	6,086,736	5,823,695	5,171,328	5,019,143	4,895,833	4,607,852
\$	<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>	<u>\$ 114,426,054</u>
\$	7,419,814	\$ 7,631,054	\$ 6,931,136	\$ 6,889,479	\$ 9,385,296	\$ 10,341,220
	1,004,650	1,010,740	974,075	762,958	501,910	519,209
	6,290,997	8,381,617	6,498,942	7,027,556	6,078,678	6,046,685
	2,976,714	2,826,083	3,329,600	3,741,178	4,720,538	4,537,276
	88,258	168,321	156,370	149,331	95,401	103,285
	52,928	55,058	67,508	109,275	601,846	1,355,657
	16,049	20,361	23,543	25,384	36,355	37,573
	2,903,756	2,835,769	2,920,096	3,109,675	3,805,227	3,829,878
	998,061	1,077,838	1,040,947	1,245,215	1,355,013	1,597,108
	9,256,087	8,625,300	7,494,922	9,230,257	7,298,475	8,179,157
	1,302,695	654,404	1,012,911	194,861	-	-
\$	<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>	<u>\$ 36,547,048</u>
	(72,839,358)	(73,607,736)	(75,178,313)	(73,312,133)	(78,567,446)	(77,879,006)
\$	<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>	<u>\$ (77,879,006)</u>
\$	66,024,875	\$ 67,091,123	\$ 64,229,777	65,494,382	68,079,584	72,960,037
	2,741,543	3,028,318	3,396,993	3,858,512	1,562,313	1,915,600
	1,785,507	841,701	477,878	226,253	134,583	163,578
	354,973	281,025	232,961	343,915	380,041	962,838
	-	71,067	275,630	83,682	2,440,008	-
	-	-	-	-	-	-
\$	<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>\$ 76,002,053</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>	<u>\$ (1,876,953)</u>

Nueces County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
September 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	449,116	490,784	398,054	633,602
Unreserved	<u>17,323,215</u>	<u>15,930,195</u>	<u>14,821,934</u>	<u>15,923,732</u>
Total General Fund	<u><u>\$ 17,772,331</u></u>	<u><u>\$ 16,420,979</u></u>	<u><u>\$ 15,219,988</u></u>	<u><u>\$ 16,557,334</u></u>
All Other Governmental Funds				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	61,145,663	27,670,892	39,244,470	33,034,960
Committed	2,486,611	2,751,145	3,005,603	2,900,201
Assigned	15,732,112	15,296,471	14,701,196	14,197,613
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u><u>\$79,364,386</u></u>	<u><u>\$45,718,508</u></u>	<u><u>\$56,951,269</u></u>	<u><u>\$50,132,774</u></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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ -	\$ -	\$428,906	\$400,035	\$457,844	\$428,321
-	-	-	-	-	-
-	-	17,604,083	17,626,642	18,373,139	20,148,361
-	-	-	-	-	-
-	-	3,889,668	3,993,232	2,681,591	2,000,021
612,027	-	-	-	-	-
<u>20,386,046</u>	<u>24,029,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>\$ 22,576,703</u>
\$ -	\$ -	\$94,987	\$87,606	\$96,178	\$112,592
30,485,845	22,932,604	3,965,499	4,138,701	12,438,727	14,993,121
3,182,479	3,585,711	-	12,002,482	10,332,775	10,430,217
13,467,060	12,568,896	25,625,179	12,702,255	7,308,362	6,747,522
-	-	(18,249)	-	-	-
<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>	<u>\$32,283,452</u>

Nueces County, Texas
Changes In Fund Balances, Governmental Funds,
Last Ten Fiscal Years
September 30, 2014

	2005	2006	2007	2008
Revenues				
Property taxes	\$ 55,253,521	\$ 55,630,171	\$ 56,408,266	\$ 60,622,393
Other taxes	311,058	352,995	382,665	373,124
Fees of office	4,804,000	5,324,240	5,477,674	5,052,204
Fines and forfeitures	3,569,262	2,956,251	3,884,689	3,232,877
Licenses and permits	3,594,125	3,654,604	3,685,405	3,850,740
Intergovernmental revenue	27,219,619	16,742,140	18,021,951	15,191,698
Charges for services	391,978	504,631	493,678	774,537
Investment revenue	2,692,259	4,581,599	5,074,901	2,950,999
Rentals and commissions	833,989	1,198,997	1,229,696	812,755
Miscellaneous revenue	1,583,699	1,405,550	1,180,957	2,190,705
Total Revenues	<u>\$ 100,253,510</u>	<u>\$ 92,351,178</u>	<u>\$ 95,839,882</u>	<u>\$ 95,052,032</u>
Expenditures				
General government	\$ 11,459,012	\$ 11,925,140	\$ 11,349,145	\$ 12,341,797
Building and facilities	5,582,030	5,806,855	6,227,129	7,622,304
Administration of justice	17,952,253	19,451,564	20,353,767	21,016,236
Law enforcement and corrections	32,531,013	22,814,596	25,516,469	24,129,630
Social services	2,333,082	2,423,548	2,460,086	2,508,085
Health, safety and sanitation	820,180	1,118,169	1,797,981	1,662,725
Agriculture, education and consumer scienc	404,145	441,048	567,487	871,150
Roads, bridges and transportation	5,143,495	5,283,964	5,159,761	6,392,921
Parks and recreation	2,324,791	2,141,206	4,166,781	3,772,310
Capital outlay	39,406,964	47,115,281	31,532,052	9,777,482
Debt service:				
Interest and Other fees	7,007,546	5,230,157	6,032,350	6,313,340
Principal	2,243,300	4,140,815	4,645,104	4,174,248
Total Expenditures	<u>\$ 127,207,811</u>	<u>\$ 127,892,343</u>	<u>\$ 119,808,112</u>	<u>\$ 100,582,228</u>
Excess of Revenues over (under) expenditures	\$ (26,954,301)	\$ (35,541,165)	\$ (23,968,230)	\$ (5,530,196)
Other Financing Sources (Uses)				
Transfers In	\$ 6,287,717	\$ 14,685,406	\$ 11,881,458	\$ 7,150,277
Transfers Out	(6,287,717)	(14,685,406)	(11,881,458)	(7,150,277)
Sale of Assets	338,454	178,937	-	49,050
Bond Issuance	-	-	-	-
Bond Defeasance	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Proceeds of General Obligation Bonds	(11,308)	365,000	34,000,000	-
Total Other Financing Sources (uses)	<u>\$ 327,146</u>	<u>\$ 543,937</u>	<u>\$ 34,000,000</u>	<u>\$ 49,050</u>
Net Changes in Fund Balances	<u>\$ (26,627,155)</u>	<u>\$ (34,997,228)</u>	<u>\$ 10,031,770</u>	<u>\$ (5,481,146)</u>
Debt Service as a percentage of noncapital expenditures	10.5%	11.6%	12.1%	11.5%

Exhibit 4

2009	2010	2011	2012	2013	2014
\$ 66,035,245	\$ 67,018,275	\$ 64,567,154	\$ 65,803,580	\$ 68,227,630	\$ 72,903,015
356,538	319,549	361,415	382,730	391,784	411,398
4,967,966	6,619,757	4,885,117	5,296,898	5,089,036	4,820,592
3,044,301	2,641,095	2,880,933	2,551,595	2,287,821	2,139,483
3,942,987	3,994,255	4,190,771	4,418,683	4,402,803	5,085,459
17,594,903	17,421,622	16,687,845	18,088,623	17,645,491	20,557,700
958,227	780,845	766,868	940,888	970,996	858,493
1,755,508	827,724	466,015	215,294	128,746	139,723
879,767	1,282,655	1,363,402	1,500,566	1,521,251	1,659,351
1,700,521	1,545,928	1,126,807	1,417,049	1,062,154	1,022,938
<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>	<u>\$ 109,598,152</u>
\$ 12,783,442	\$ 12,569,919	\$ 12,665,314	\$ 13,194,301	\$ 14,139,402	\$ 14,758,277
7,098,274	7,899,760	7,559,472	9,054,524	8,071,874	7,655,261
22,829,285	26,416,814	25,912,952	22,663,249	22,370,784	23,462,077
24,624,057	22,892,651	23,249,015	26,507,891	27,313,577	28,646,136
2,569,661	2,586,380	2,580,656	2,500,076	2,672,416	2,524,416
2,466,245	2,171,854	1,511,612	1,717,358	2,171,721	2,423,912
716,056	802,707	752,931	712,929	682,633	713,296
6,504,456	6,559,432	7,535,294	7,040,143	7,809,892	7,742,469
3,775,725	4,119,390	4,115,220	4,155,893	4,471,466	4,652,352
5,733,618	10,853,369	19,835,436	3,893,507	2,756,107	2,779,781
6,108,091	5,877,733	5,612,767	5,038,809	6,031,337	4,648,721
4,553,649	4,957,377	4,796,040	5,724,864	4,938,849	6,419,915
<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>	<u>\$ 106,426,613</u>
\$ 1,473,404	\$ (5,255,681)	\$ (18,830,382)	\$ (1,587,638)	\$ (1,702,346)	\$ 3,171,539
\$ 8,453,858	\$ 9,987,541	\$ 8,409,659	\$ 8,778,061	\$ 10,829,801	\$ 10,518,868
(8,453,858)	(9,987,541)	(8,409,659)	(8,778,061)	(10,829,801)	(10,518,868)
-	71,067	275,630	86,789	2,440,008	-
-	-	49,374,640	861,731	-	-
-	-	(48,716,774)	-	-	-
-	-	6,370,260	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 71,067</u>	<u>\$ 7,303,756</u>	<u>\$ 948,520</u>	<u>\$ 2,440,008</u>	<u>\$ -</u>
<u>\$ 1,473,404</u>	<u>\$ (5,184,614)</u>	<u>\$ (11,526,626)</u>	<u>\$ (639,118)</u>	<u>\$ 737,662</u>	<u>\$ 3,171,539</u>
11.3%	11.2%	10.8%	10.9%	10.9%	10.7%

Nueces County, Texas
Assessed and Taxable Valuations
Last Ten Fiscal Years
September 30, 2014

<u>Fiscal Year</u> <u>Ending</u> <u>Sept. 30,</u>	<u>Tax</u> <u>Roll</u> <u>Year</u>	<u>Mineral</u> <u>Roll</u>	<u>Real</u> <u>Estate</u> <u>Roll</u>	<u>Railroads</u> <u>& Intangible</u> <u>Personal</u>	<u>Special</u> <u>Inventory</u>	<u>Personal</u> <u>Property</u>
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
2014	2013	224,488,217	24,884,890,271	6,157,250	105,718,556	3,758,538,797

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

EXHIBIT 5

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
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
532,888,811	29,512,681,902	(7,965,439,445)	21,547,242,457	0.345187	0.148077	0.493264

Nueces County, Texas
Property Tax Levies - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2014

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2005 2004	2006 2005	2007 2006	2008 2007
Nueces County - General Fund	\$ 45,032,203	\$ 45,658,468	\$ 46,461,648	\$ 50,085,508
Nueces County - Debt Service	9,419,091	9,293,659	9,374,604	10,391,327
Subtotal	54,451,294	54,952,127	55,836,252	60,476,835
Nueces County - Farm to Market	694,791	705,084	718,108	737,557
Total	\$ 55,146,085	\$ 55,657,211	\$ 56,554,360	\$ 61,214,392
Special Districts:				
Hospital District	28,972,289	24,065,239	24,636,585	25,279,939
Downtown Management District	145,523	149,947	161,577	161,357
Port of Corpus Christi	-	-	-	-
Corpus Christi Junior College District	28,027,812	29,223,115	35,534,509	38,286,064
County Education District	-	-	-	-
Water Control No. 4	-	-	-	-
Water Control No. 5	-	-	-	-
Drainage District No. 2	1,018,906	898,339	1,015,895	1,077,856
Drainage District No. 3	48,100	49,705	55,286	55,904
South Texas Water Authority	224,058	246,235	270,600	287,420
Cities:				
Agua Dulce	58,998	56,580	56,714	55,798
Bishop	600,944	605,688	625,681	660,731
Corpus Christi	61,310,406	65,178,042	68,229,629	72,714,618
Driscoll	64,719	67,322	85,200	90,847
Port Aransas	2,693,565	2,890,633	3,057,037	3,536,314
Robstown	1,778,888	1,832,949	1,995,347	2,160,908
School Districts:				
Agua Dulce ISD	1,344,239	1,462,987	1,453,986	1,300,513
Aransas Pass ISD (1)	-	-	-	-
Banquete ISD	2,635,058	3,001,187	3,193,546	3,006,540
Bishop ISD	7,443,373	7,576,235	6,965,248	5,468,039
Calallen ISD	15,545,452	16,230,103	15,459,524	12,534,365
Corpus Christi ISD	120,513,417	128,878,344	128,015,148	111,679,245
Driscoll ISD	1,682,679	1,810,106	2,003,197	1,523,471
Flour Bluff ISD	18,518,588	21,557,838	23,260,437	21,312,429
London ISD	-	1,937,536	2,106,536	2,334,769
Port Aransas ISD	13,265,011	14,750,349	18,901,149	17,866,260
Robstown ISD	3,815,153	4,021,717	4,027,906	3,479,118
Tuloso Midway ISD	18,258,376	18,718,690	18,595,792	16,536,840
West Oso ISD	6,708,426	6,222,458	6,231,796	6,187,913
Fire Districts:				
Fire Prevention District 1	728,011	947,416	1,042,128	1,147,898
Fire Prevention District 2	354,837	404,835	479,999	571,642
Fire Prevention District 3	146,598	152,205	257,225	258,646
Fire Prevention District 4	151,617	152,636	179,341	183,393
Fire Prevention District 5	22,929	25,719	28,005	30,365
Fire Prevention District 6	-	-	-	-
Total	\$ 391,224,057	\$ 408,771,366	\$ 424,479,383	\$ 411,003,594

Exhibit 6

2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013
\$ 54,636,632	\$ 55,456,844	\$ 53,624,613	\$ 54,495,366	\$ 56,498,344	\$ 61,167,064
10,908,756	11,379,441	10,924,694	10,835,130	11,243,542	11,593,241
65,545,388	66,836,285	64,549,307	65,330,496	67,741,886	72,760,305
804,802	824,104	791,360	788,479	833,275	902,847
\$ 66,350,190	\$ 67,660,389	\$ 65,340,667	\$ 66,118,975	\$ 68,575,161	\$ 73,663,152
27,667,730	30,075,910	30,144,807	31,381,381	32,624,036	32,699,744
159,691	165,584	158,258	156,357	185,497	189,596
-	-	-	-	-	-
41,484,470	44,196,050	43,545,490	44,477,385	45,729,322	49,096,901
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,193,703	1,280,248	1,184,406	1,262,100	1,633,415	1,745,224
64,045	65,721	68,347	68,933	71,391	74,217
329,056	352,589	381,888	360,780	367,599	505,060
55,254	56,321	56,054	54,354	53,496	63,246
669,179	718,038	717,361	777,224	748,251	800,212
77,246,481	80,059,041	79,419,087	79,241,020	81,261,225	89,824,944
119,117	136,750	140,333	150,721	147,844	149,152
3,892,916	4,406,448	4,211,939	4,250,061	4,495,666	4,781,884
2,298,460	2,453,516	2,547,737	2,561,579	2,553,456	2,584,634
1,637,940	1,738,741	1,774,476	1,718,702	1,926,609	1,857,313
-	-	-	-	-	-
3,158,296	3,753,016	3,899,640	3,743,103	3,746,471	3,822,213
6,740,678	7,412,684	7,057,666	7,224,087	7,165,452	7,711,383
15,292,156	14,837,798	14,285,938	14,521,821	14,981,256	16,289,883
124,364,289	138,205,927	134,509,386	137,310,628	141,131,198	153,986,528
1,827,693	1,674,838	1,736,141	1,602,741	1,647,685	1,532,157
23,011,873	24,686,703	24,152,098	23,066,097	23,763,633	27,633,038
3,099,680	2,770,807	2,751,523	2,908,575	3,457,943	3,288,774
20,136,951	18,723,992	17,114,597	16,908,910	16,782,015	19,750,081
3,792,182	4,616,958	5,177,291	5,854,557	6,753,486	7,768,053
18,651,309	19,361,393	19,194,283	21,958,877	24,256,964	28,860,372
6,633,690	7,418,412	7,536,112	7,375,479	8,132,776	9,295,268
1,655,807	1,763,463	1,745,305	1,840,015	1,994,810	2,433,646
613,532	655,742	646,663	613,808	634,574	772,626
280,209	163,126	155,554	154,935	155,731	163,190
228,663	271,938	275,763	259,741	261,248	268,091
33,210	33,295	31,177	36,531	40,827	39,291
-	-	397,627	390,428	393,287	411,320
\$ 452,688,450	\$ 479,715,438	\$ 470,357,614	\$ 478,349,905	\$ 495,672,324	\$ 542,061,193

Nueces County, Texas
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2014

	FISCAL YEAR TAX ROLL YEAR	2005 2004	2006 2005	2007 2006	2008 2007
Nueces County		0.429	0.404	0.370	0.356
Special Districts:					
Hospital District		0.225	0.175	0.161	0.145
Downtown Management District		0.500	0.370	0.000	0.370
Port of Corpus Christi		0.000	0.000	0.000	0.000
Corpus Christi Junior College District		0.234	0.228	0.256	0.242
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		0.426	0.363	0.382	0.377
Drainage District No. 3		0.180	0.180	0.180	0.190
South Texas Water Authority		0.055	0.055	0.055	0.057
Cities:					
Agua Dulce		0.724	0.071	0.625	0.607
Aransas Pass		0.000	0.000	0.000	0.000
Bishop		0.930	0.091	0.921	0.921
Corpus Christi		0.634	0.626	0.602	0.564
Driscoll		0.644	0.644	0.750	0.750
Port Aransas		0.393	0.378	0.297	0.286
Robstown		1.056	1.056	1.019	1.000
School Districts:					
Agua Dulce ISD		1.760	1.744	1.611	1.253
Aransas Pass ISD		1.576	1.576	1.061	1.061
Banquete ISD		1.605	1.829	1.649	1.521
Bishop ISD		1.632	1.639	1.515	1.188
Calallen ISD		1.599	1.599	1.430	1.100
Corpus Christi ISD		1.616	1.616	1.486	1.156
Driscoll ISD		1.795	1.795	1.623	1.298
Flour Bluff ISD		1.526	1.526	1.387	1.070
London ISD		1.250	1.391	1.277	1.130
Port Aransas ISD		1.558	1.550	1.395	1.058
Robstown ISD		1.714	1.714	1.584	1.254
Tuloso Midway ISD		1.725	1.742	1.612	1.282
West Oso ISD		1.900	1.780	1.650	1.240
Fire Districts:					
Fire District No. 1		0.060	0.075	0.075	0.075
Fire District No. 2		0.026	0.026	0.026	0.026
Fire District No. 3		0.030	0.030	0.050	0.050
Fire District No. 4		0.088	0.088	0.088	0.088
Fire District No. 5		0.030	0.030	0.030	0.027
Fire District No. 6		0.000	0.000	0.000	0.000
TOTAL:		<u>27.920</u>	<u>26.390</u>	<u>25.167</u>	<u>21.742</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>	<u>2014</u> <u>2013</u>
0.356	0.355	0.355	0.355	0.355	0.345
0.145	0.155	0.162	0.162	0.162	0.148
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	0.251	0.258	0.258	0.258	0.251
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
0.385	0.347	0.310	0.318	0.398	0.390
0.890	0.189	0.189	0.189	0.189	0.189
0.056	0.057	0.062	0.062	0.062	0.085
0.593	0.536	0.477	0.480	0.462	0.500
0.000	0.593	0.607	0.723	0.696	0.680
0.828	0.809	0.914	0.911	0.805	0.823
0.564	0.564	0.582	0.571	0.571	0.585
0.930	0.930	0.857	0.899	0.907	0.902
0.276	0.322	0.332	0.332	0.351	0.323
1.000	1.000	0.975	0.954	0.956	0.866
1.389	1.400	1.379	1.400	1.400	1.400
0.000	1.071	1.071	1.071	1.071	1.071
1.449	1.439	1.473	1.512	1.513	1.513
1.300	1.526	1.563	1.556	1.551	1.533
1.277	1.299	1.299	1.329	1.359	1.359
1.176	1.237	1.237	1.237	1.237	1.237
1.239	1.239	1.250	1.265	1.265	1.265
1.070	1.069	1.070	1.072	1.071	1.178
1.144	1.210	1.250	1.263	1.238	1.251
1.058	1.058	1.062	1.063	1.086	1.126
1.254	1.374	1.523	1.650	1.610	1.630
1.332	1.332	1.332	1.332	1.332	1.317
1.340	1.420	1.420	1.420	1.370	1.370
0.100	0.100	0.100	0.100	0.100	0.100
0.026	0.026	0.026	0.026	0.026	0.030
0.048	0.030	0.030	0.030	0.030	0.030
0.100	0.100	0.100	0.100	0.100	0.100
0.028	0.270	0.240	0.030	0.030	0.030
0.000	0.000	0.070	0.070	0.070	0.070
<u>21.965</u>	<u>23.678</u>	<u>23.945</u>	<u>24.110</u>	<u>24.001</u>	<u>24.067</u>



**Nueces County, Texas
Principal Taxpayers
Current Year and 10 Years Ago
September 30, 2014**

Exhibit 8

Taxpayer	2014			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value of Principal Taxpayers	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value of Principal Taxpayers
Flint Hills Resources	1,189,935,773	1	29.22%	675,462,515	1	29.53%
Valero Refining Company	946,005,339	2	23.23%	285,477,436	3	12.48%
Citgo	665,003,700	3	16.33%	308,235,442	2	13.48%
Equistar Chemicals LP	227,826,090	4	5.59%	256,742,330	4	11.22%
AEP Texas Central	203,833,270	5	5.01%	224,735,860	6	9.83%
Hoechst Cel-Plastics Division	178,390,960	6	4.38%	-	-	-
Corpus Christi Retail Venture LP	94,713,652	7	2.33%	-	-	-
H.E. Butt Grocery	86,656,083	8	2.13%	67,147,274	9	2.94%
C & J Specialty Rental Tools	84,620,440	9	2.08%	-	-	-
Barney M Davis LP	74,739,740	10	1.84%	-	-	-
Nueces Bay WLE LP	71,727,110	11	1.76%	-	-	-
Markwest Javelina	66,144,550	12	1.62%	-	-	-
BP Products (NA) Inc	61,686,850	13	1.51%	-	-	-
Texas Dock & Rail Co LTD	60,700,940	14	1.49%	-	-	-
Corpus Christi Cogeneration	60,317,493	15	1.48%	107,501,550	7	4.70%
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%
Total Taxable Assessed Values	<u>4,072,301,990</u>		<u>100.00%</u>	<u>\$ 2,287,309,691</u>		<u>100.00%</u>

Nueces County, Texas
Tax Levies
Last Ten Fiscal Years
September 30, 2014

FISCAL YEAR	2005	2006	2007	2008
TAX ROLL YEAR	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Levy for maintenance and operations (M & O):				
General Fund	\$ 45,032,203	\$ 45,658,468	\$ 46,461,648	\$ 50,085,508
Road Fund	<u>694,791</u>	<u>705,084</u>	<u>718,108</u>	<u>737,557</u>
Total M & O levy	<u>45,726,994</u>	<u>46,363,552</u>	<u>47,179,756</u>	<u>50,823,065</u>
Levy for debt service (I & S):				
Debt Service Fund	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>	<u>10,391,327</u>
Total I & S levy	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>	<u>10,391,327</u>
Total County levy	<u><u>\$ 55,146,085</u></u>	<u><u>\$ 55,657,211</u></u>	<u><u>\$ 56,554,360</u></u>	<u><u>\$ 61,214,392</u></u>

Exhibit 9

<u>2009 2008</u>	<u>2010 2009</u>	<u>2011 2010</u>	<u>2012 2011</u>	<u>2013 2012</u>	<u>2014 2013</u>
\$ 54,636,632	\$ 55,456,844	\$ 53,624,613	\$ 54,495,366	\$ 56,498,344	\$ 61,167,064
<u>804,802</u>	<u>824,104</u>	<u>791,360</u>	<u>788,479</u>	<u>833,275</u>	<u>902,847</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>62,069,911</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>11,593,241</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>11,593,241</u>
<u><u>\$ 66,350,190</u></u>	<u><u>\$ 67,660,389</u></u>	<u><u>\$ 65,340,667</u></u>	<u><u>\$ 66,118,975</u></u>	<u><u>\$ 68,575,161</u></u>	<u><u>\$ 73,663,152</u></u>

Nueces County, Texas
Property Tax Levies and Collections -
General Fund and Debt Service Funds
Last Ten Fiscal Years
September 30, 2014

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2005 2004	2006 2005	2007 2006	2008 2007
Tax Levy (original levy) (1)	54,451,294	54,952,127	55,836,252	60,476,835
Current Tax Collections (2)	52,341,670	52,997,962	54,102,451	58,312,583
Percent of Current Taxes Collected	96%	96%	97%	96%
Unpaid as of June 30th	2,109,624	1,954,165	1,733,801	2,164,252
Subsequent Collections & Adjustments	1,559,895	919,994	692,359	955,172
Total Collections & Adjustments	53,901,565	53,917,956	54,794,810	59,267,755
Percent Total Collections of Tax Levy	98.99%	98.12%	98.13%	98.00%
Unpaid Taxes	549,729	1,034,171	1,041,442	1,209,080

(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

2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013
65,545,388	66,836,285	64,549,307	65,330,496	67,741,886	72,760,305
62,719,961	64,656,554	62,146,816	63,364,158	66,008,745	70,450,668
96%	97%	96%	97%	97%	97%
2,825,427	2,179,731	2,402,491	1,966,338	1,733,141	2,309,637
1,421,968	658,713	1,099,494	825,937	626,494	1,017,372
64,141,929	65,315,267	63,246,310	64,190,095	66,635,239	71,468,040
97.86%	97.72%	97.98%	98.25%	98.37%	98.22%
1,403,459	1,521,018	1,302,997	1,140,401	1,106,647	1,292,265

Nueces County, Texas
Property Tax Levies and Collections -
Farm To Market
Last Ten Fiscal Years
September 30, 2014

FISCAL YEAR ENDING SEPTEMBER 30, TAX ROLL YEAR	2005 2004	2006 2005	2007 2006	2008 2007
Tax Levy (1)	694,791	705,084	718,108	737,557
Current Tax Collections (2)	671,272	680,021	695,790	710,093
Percent of Current Taxes Collected	97%	96%	97%	96%
Unpaid as of June 30th	23,519	25,063	22,318	27,464
Subsequent Collections & Adjustments	16,524	11,948	9,043	12,856
Total Collections & Adjustments	687,796	691,969	704,833	722,949
Percent Total Collections of Tax Levy	98.99%	98.14%	98.15%	98.02%
Unpaid Taxes Sept. 30	6,995	13,115	13,275	14,608

(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>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>	<u>2014</u> <u>2013</u>
804,802	824,104	791,360	788,479	833,275	902,847
769,669	790,533	761,190	761,310	812,362	874,926
96%	96%	96%	97%	97%	97%
35,133	33,571	30,170	27,169	20,913	27,921
17,998	14,989	14,263	13,463	7,616	12,180
787,667	805,522	775,453	774,773	819,978	887,106
97.87%	97.75%	97.99%	98.26%	98.40%	98.26%
17,135	18,582	15,907	13,706	13,297	15,741

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, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Principal	2,240,000	4,137,349	4,641,465	4,170,427
Interest	7,006,834	5,199,308	6,027,209	6,308,649
Fiscal Agents & Other Fees	-	5,537	4,768	4,500
Total Debt Service	9,246,834	9,342,194	10,673,442	10,483,576
Total General governmental expenditures (2)	52,682,203	56,390,578	60,442,720	62,733,431
Ratio of Debt Service to General governmental expenditures	17.55%	16.57%	17.66%	16.71%

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

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

Exhibit 12

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
4,553,649	4,957,377	4,796,040	5,724,864	6,031,337	6,419,915
6,104,074	5,869,233	5,179,967	5,054,843	4,923,149	4,639,571
4,017	8,500	432,800	(16,034)	15,700	9,150
10,661,740	10,835,110	10,408,807	10,763,673	10,970,186	11,068,636
65,036,510	66,283,738	67,009,800	66,516,869	67,511,560	70,872,605
16.39%	16.35%	15.53%	16.18%	16.25%	15.62%

Nueces County, Texas
Ratios Of Gross Bonded Debt Outstanding including Capital Leases
Last Ten Fiscal Years
September 30, 2014

Fiscal Year Ending	Bonded Debt	Bond Premium/ Discount	Gross Bonded Debt	Less Debt Service Funds	Outstanding	
					Net Bonded Debt	Capital Leases
2005	108,715,764	-	108,715,764	(2,486,611)	106,229,153	-
2006	139,443,415	-	139,443,415	(2,751,145)	136,692,270	-
2007	134,838,895	-	134,838,895	(3,005,603)	131,833,292	-
2008	130,668,469	-	130,668,469	(2,900,021)	127,768,448	-
2009	126,114,820	1,718,362	127,833,182	(3,182,479)	122,932,341	23,216
2010	121,157,443	1,770,849	122,928,292	(3,585,711)	117,571,732	-
2011	122,633,900	1,862,695	124,496,595	(3,982,739)	118,651,161	-
2012	117,055,767	2,201,958	119,257,725	(3,945,987)	113,109,780	143,995
2013	111,024,428	1,835,039	112,859,467	(4,165,398)	106,859,030	196,358
2014	104,604,513	6,033,024	110,637,537	(4,595,623)	100,008,890	130,857

Exhibit 13

<u>Personal Income (in thousands)</u>	<u>Percentage of Personal Income</u>	<u>Assessed Valuation</u>	<u>Gross Debt of Valuation %</u>	<u>Estimated Population</u>	<u>Net Debt Per Capita</u>
9,427,932	8.67%	12,835,172,520	0.85%	311,592	340.92
10,347,486	7.42%	13,774,914,025	1.01%	313,465	436.07
10,874,617	8.06%	14,831,500,357	0.91%	321,457	410.11
11,633,423	8.90%	16,755,834,017	0.78%	321,135	397.87
12,004,999	9.52%	18,171,179,953	0.69%	322,077	381.69
12,438,913	10.27%	18,543,081,236	0.65%	323,046	363.95
13,196,232	10.76%	17,737,980,901	0.69%	340,223	348.75
14,226,934	12.14%	18,035,454,760	0.65%	343,281	329.50
14,841,683	13.34%	18,710,372,638	0.59%	347,691	307.34
not available	not available	20,613,089,617	0.51%	352,107	284.03



Nueces County, Texas
Computation of Direct and Overlapping Debt
September 30, 2014

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	\$ 69,730,000	100.00%	\$ 69,730,000
Nueces County Hospital District	1,815,000	100.00%	1,815,000
County-Line Special Districts:			
Nueces County Water Control District 4	-	-	-
Nueces County Drainage District 2	-	100.00%	-
South Texas Water Authority	4,950,000	42.68%	2,112,660
Cities:			
Agua Dulce	960,000	100.00%	960,000
Aransas Pass	27,450,000	2.52%	691,740
Bishop	2,459,000	100.00%	2,459,000
Corpus Christi	442,425,000	100.00%	442,425,000
Driscoll	484,011	100.00%	484,011
Port Aransas	12,005,000	100.00%	12,005,000
Robstown	18,395,343	100.00%	18,395,343
School Districts:			
Agua Dulce ISD	1,695,000	64.31%	1,090,055
Aransas Pass ISD	1,710,000	1.91%	32,661
Banquete ISD	10,838,783	99.83%	10,820,357
Bishop ISD	21,422,547	100.00%	21,422,547
Calallen ISD	45,456,679	100.00%	45,456,679
Corpus Christi ISD	284,910,000	99.86%	284,511,126
Driscoll ISD	8,883,306	100.00%	8,883,306
Flour Bluff ISD	50,845,000	100.00%	50,845,000
London ISD	19,431,452	100.00%	19,431,452
Port Aransas ISD	9,249,083	99.99%	9,248,158
Robstown ISD	55,955,290	100.00%	55,955,290
Tuloso-Midway ISD	78,018,430	100.00%	78,018,430
West Oso ISD	30,053,085	100.00%	30,053,085
Total overlapping and underlying debt	1,199,142,009	97.31%	1,166,845,900
Nueces County	<u>110,768,394</u>	100.00%	<u>110,768,394</u>
Total direct and overlapping debt	<u>\$ 1,309,910,403</u>	97.53%	<u>\$ 1,277,614,294</u>

Estimated Nueces County: Population: 352,107

Nueces County share of Gross Debt per Capita is \$ 297.09
source: The Municipal Advisory of Texas (Texas MAC)

Nueces County, Texas
Legal Debt Margin Information
Bonds and Certificates of Obligation
Issued Under Texas General Laws
Last Ten Fiscal Years
September 30, 2014

Fiscal Year Ending	2005	2006	2007	2008
Assessed market value of taxable property	15,793,709,529	16,866,928,635	18,690,147,266	21,381,499,497
Less exemptions and abatements	(2,958,537,009)	(3,096,058,415)	(3,360,983,568)	(3,988,600,184)
Assessed value of all taxable property	12,835,172,520	13,770,870,220	15,329,163,698	17,392,899,313
Debt limit rate	x 5%	x 5%	x 5%	x 5%
Amount of debt limit	641,758,626	688,543,511	766,458,185	869,644,966
Amount of debt applicable to debt limit:				
Net bonded debt (1)	108,715,764	139,443,415	134,838,895	130,668,469
Less: Amounts set aside to repay general debt	2,486,611	2,751,145	3,005,603	2,900,021
Total amount of net debt applicable to debt limit	106,229,153	136,692,270	131,833,292	127,768,448
Legal debt margin	\$ 535,529,473	\$ 551,851,241	\$ 634,624,893	\$ 741,876,518
Total net debt applicable to the limit as a percentage of debt limit	16.55%	19.85%	17.20%	14.69%

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

	2009	2010	2011	2012	2013	2014
	23,170,211,252 (4,097,252,632)	24,044,540,087 (4,623,171,657)	24,347,389,404 (5,810,394,569)	25,190,041,328 (6,347,136,935)	26,977,687,725 (7,453,162,690)	29,506,524,652 (7,965,439,445)
	19,072,958,620	19,421,368,430	18,536,994,835	18,842,904,393	19,524,525,035	21,541,085,207
x	5%	x 5%	x 5%	x 5%	x 5%	5%
	953,647,931	971,068,422	926,849,742	942,145,220	976,226,252	1,077,054,260
	127,833,182 3,182,479	122,928,292 3,585,711	124,496,595 3,982,739	119,257,725 3,945,987	112,859,467 4,165,398	110,637,537 4,595,623
	124,650,703	119,342,581	120,513,856	115,311,738	108,694,069	106,041,914
	<u>\$ 828,997,228</u>	<u>\$ 851,725,841</u>	<u>\$ 806,335,886</u>	<u>\$ 826,833,482</u>	<u>\$ 867,532,183</u>	<u>\$ 971,012,346</u>
	13.07%	12.29%	13.00%	12.24%	11.13%	9.85%

**Nueces County, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years
September 30, 2014**

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Solid Waste Fees	5,000	5,000	5,000	1,122
Total Revenues Available (1)	2,000	2,000	2,000	2,000
Debt Service Requirements				
Interest	582,001	577,880	560,785	6,196,829
Principal	265,000	280,000	290,000	2,935,000

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

Exhibit 16

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1,356	1,000	1,244	1,248	1,568	1,984
2,000	2,000	2,000	2,000	2,000	2,000
6,031,276	5,834,759	5,632,640	5,155,948	4,923,149	4,639,571
3,885,000	4,255,000	4,670,000	5,724,865	6,031,337	6,419,915

**Nueces County, Texas
Miscellaneous Statistical Data
Last Ten Fiscal Years
September 30, 2014**

Year	(1) Estimated Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment Corpus Christi
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	14,841,683	42,151	54,574
2014	352,107	not available	not available	54,911

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: 2013 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
- (6) Source: Port Authority - calendar year 2013
- (7) Source: Texas State Comptroller

Exhibit 17

<u>(4) Public School Rural County</u>	<u>(5) Nueces County Unemployment Rate</u>	<u>(6) Port Tonnage</u>	<u>(7) Retail Sales</u>
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
7,043	4.8%	89,454,480	5,505,775,116

Nueces County, Texas
Principal Employers
Last Ten Fiscal Years
September 30, 2014

Employer Name	2005			2006			2007			2008			2009		
	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
Corpus Christi Army Depot	2,654	5	8.69%	4,876	4	15.40%	4,876	4	15.38%	4,876	4	15.38%	4,876	4	15.38%
Corpus Christi ISD	4,500	3	14.74%	5,178	2	16.36%	5,178	2	16.34%	5,178	2	16.34%	5,178	2	16.34%
Christus Spohn Health System	5,404	2	17.70%	5,400	1	17.06%	5,400	1	17.04%	5,400	1	17.04%	5,400	1	17.04%
H.E.B.	2,882	4	9.44%	5,000	3	15.80%	5,000	3	15.77%	5,000	3	15.77%	5,000	3	15.77%
City of Corpus Christi	2,500	6	8.19%	3,171	5	10.02%	3,171	5	10.00%	3,171	5	10.00%	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%	1,630	7	5.14%	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%	2,100	6	6.63%	2,100	6	6.63%
Driscoll Children's Hospital	-	-	-	-	-	-	1,500	9	4.73%	1,500	9	4.73%	1,500	9	4.73%
Del Mar College	2,007	8	6.57%	1,500	8	4.74%	1,542	8	4.86%	1,542	8	4.86%	1,542	8	4.86%
Corpus Christi Medical Center	1,680	9	5.50%	1,300	10	4.11%	1,300	10	4.10%	1,300	10	4.10%	1,300	10	4.10%
First Data Corporation	1,200	10	0	1,500	9	0	0	0	-	0	0	-	0	0	-
	<u>30,527</u>		<u>100.00%</u>	<u>31,655</u>		<u>100.00%</u>	<u>31,697</u>		<u>100.00%</u>	<u>31,697</u>		<u>100.00%</u>	<u>31,697</u>		<u>100.00%</u>

Source: Corpus Christi Regional Economic and Development

2010			2011			2012			2013			2014		
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
3,541	5	10.32%	5,800	1	17.13%	5,800	1	16.13%	6,500	1	17.12%	6,500	1	17.12%
5,178	2	15.10%	5,178	2	15.29%	5,178	2	14.40%	5,178	2	13.64%	5,178	2	13.64%
5,144	3	15.00%	5,144	3	15.19%	5,144	3	14.30%	5,144	3	13.55%	5,144	3	13.55%
5,000	4	14.58%	5,000	4	14.77%	5,000	4	13.90%	5,000	4	13.17%	5,000	4	13.17%
3,171	6	9.24%	3,171	5	9.37%	3,171	5	8.82%	3,171	5	8.35%	3,171	5	8.35%
5,525	1	16.11%	2,822	6	8.34%	2,827	6	7.86%	2,822	6	7.43%	2,827	6	7.45%
-	-	-	-	-	-	2,200	7	6.12%	2,200	7	5.80%	2,200	7	5.80%
2,100	7	6.12%	2,100	7	6.20%	2,100	8	5.84%	2,100	8	5.53%	2,100	8	5.53%
1,800	8	5.25%	1,800	8	5.32%	1,800	9	5.01%	1,800	9	4.74%	1,800	9	4.74%
1,542	9	4.50%	1,542	9	4.55%	1,542	10	4.29%	1,542	10	4.06%	1,542	10	4.06%
1,300	10	3.79%	1,300	10	3.84%	1,200	11	3.34%	1,300	11	3.42%	1,300	11	3.42%
0	0	-	0	0	-	0	0	-	1,200	12	0	1,200	12	3.16%
<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>	<u>37,962</u>		<u>100.00%</u>

Nueces County, Texas
Construction and Commercial Permits Valuations
Last Ten Fiscal Years
September 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
New Construction (1)				
Residential				
Dwelling Units	1,857	2,807	1,255	1,249
Permits	1,531	1,692	1,250	848
Valuation	199,543,259	241,180,554	148,166,220	121,972,346
Commercial				
Permits	318	361	280	160
Valuation	<u>205,205,534</u>	<u>132,941,420</u>	<u>108,504,979</u>	<u>80,363,751</u>
Total Permits Valuations	<u><u>404,748,793</u></u>	<u><u>374,121,974</u></u>	<u><u>256,671,199</u></u>	<u><u>202,336,097</u></u>

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

Exhibit 19

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
806	913	880	1,217	1,790	1,367
738	657	660	951	976	998
93,209,375	98,637,278	118,003,701	178,113,660	193,356,876	183,877,132
140	190	214	198	196	272
<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>210,751,936</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>	<u><u>394,629,068</u></u>

Nueces County, Texas
Deposits of FDIC Insured Institutions
Last Ten Fiscal Years
September 30, 2014

Banks	As of June 30, (in thousands)			
	2005	2006	2007	2008
American Bank National Assn	600,674	621,007	644,881	698,673
Bank of Alice	-	-	-	-
Bank of America NA	536,681	537,554	465,883	482,977
Capital One National Assn	-	64,331	59,792	56,904
Charter Alliance Bank	-	-	-	-
Charter Bank	98,229	106,767	107,686	123,952
Coastal Banc, S.S.B.	-	-	-	-
Compass Bank	-	-	-	187,969
Eisenhower National Bank	-	-	-	-
First Capital Bank, S.S.B.	-	-	-	-
First Commerce Bank	103,125	102,843	-	-
First Community Bank	58,712	55,025	67,122	83,364
First National Bank	330,191	370,356	306,232	308,412
First National Bank of South Texas	-	-	-	-
First National Bank Texas	4,330	4,502	4,925	4,987
First State Bank	-	-	-	-
First State Bank of Odem	10,101	18,614	17,969	18,844
First Victoria National Bank	-	1,571	6,450	13,156
Frost National Bank	537,453	543,689	578,236	632,489
Hibernia National Bank	70,696	-	-	-
International Bank of Commerce	100,493	95,649	108,526	121,413
Kleberg 1st National Bank of Kingsville	1,904	7,331	110,082	108,597
Laredo National Bank	39,189	44,465	42,107	-
Nationsbank National Assn	-	-	-	-
Norwest Bank Texas National Assn	-	-	-	-
Nueces National Bank	-	-	-	-
Pacific Southwest Bank	-	-	-	-
Plains Capital Bank	-	-	-	-
Prosperity Bank	189,289	180,690	172,888	170,084
Texas Champion Bank	45,493	46,875	51,733	65,602
Texas State Bank	93,446	146,750	120,610	-
Valuebank Texas	60,004	58,984	60,944	60,463
Wells Fargo Bank NA	297,276	340,420	346,995	349,123
	<u>3,177,286</u>	<u>3,347,423</u>	<u>3,273,061</u>	<u>3,487,009</u>

Source: Federal Deposit Insurance Corporation

Exhibit 20

2009	2010	2011	2012	2013	2014
685,739	703,129	757,780	830,338	922,454	972,796
-	-	-	-	-	-
406,264	398,930	436,490	444,816	483,381	495,261
68,296	55,625	51,603	47,010	41,908	37,254
7,638	17,733	-	-	-	-
121,795	119,481	157,791	188,199	174,163	193,876
-	-	-	-	-	-
133,466	99,436	92,053	99,599	100,239	93,317
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,478	94,331	111,158	123,372	143,035	142,924
250,532	192,998	155,941	148,400	112,017	-
-	-	-	-	-	-
5,025	5,024	6,144	7,579	9,683	10,300
-	-	-	-	-	-
23,229	24,707	31,737	32,758	38,856	42,362
46,022	50,119	60,127	83,127	116,638	-
669,928	794,867	823,063	899,232	981,383	1,136,593
-	-	-	-	-	-
127,193	149,092	145,132	150,220	149,370	162,779
116,587	115,187	113,900	126,574	133,640	136,750
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	96,224
163,458	160,186	163,079	172,913	175,502	317,070
60,307	57,325	60,172	64,052	58,266	58,715
-	-	-	-	-	-
57,816	58,468	61,730	65,917	68,274	76,623
404,671	432,757	487,542	516,821	614,569	682,384
<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>	<u>4,655,228</u>

**Nueces County, Texas
Housing & Motor Vehicle Sales Volume
Last Ten Fiscal Years
September 30, 2014**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Home Sales Volume(1)	720,990,000	795,840,000	730,788,955	614,709,948
Units Sold(1)	4,894	5,192	4,510	3,773
Median Price Real Estate(1)	125,200	130,400	136,500	138,900
Registered Vehicles(2)	255,585	264,065	270,083	267,474
Motor vehicle sales tax(3)	34,119,016	40,999,661	43,237,796	44,348,871

Source:

(1) Real Estate Center at Texas A&M University

(2) Texas Department of Transportation

(3) Nueces Tax Office

Exhibit 21

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
535,561,527	524,798,817	534,980,028	689,413,715	829,025,327	930,473,282
3,444	3,445	3,396	4,058	4,589	3,636
134,800	136,500	135,700	142,300	152,200	168,600
268,198	269,639	276,139	285,373	292,278	300,564
33,145,384	35,560,228	46,167,854	56,734,057	65,516,565	67,508,283

Nueces County, Texas
Full-Time Equivalent
County Government Employees by Function
Last Ten Fiscal Years
September 30, 2014

	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>
General Government	167	170	178	183
Buildings & Facilities	43	41	41	41
Administration of Justice	344	344	348	349
Law Enforcement & Corrections	379	381	379	384
Social Services	35	35	35	37
Health, Safety & Sanitation	11	13	26	23
Agr, Ed & Consumer Sciences	13	13	13	16
Roads, Bridges & Airport	94	92	92	92
Parks & Recreation	32	32	34	38
Total Employee Positions	<u>1,118</u>	<u>1,121</u>	<u>1,146</u>	<u>1,163</u>

Source: Nueces County Clerk, adopted annual budgets.

Exhibit 22

<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>
183	183	183	184	184	190
41	41	41	41	39	37
359	358	355	355	308	307
384	385	384	388	442	444
36	36	36	36	36	36
23	23	22	18	28	55
16	16	16	16	15	15
91	92	92	92	93	93
38	38	38	40	40	42
<u>1,171</u>	<u>1,172</u>	<u>1,167</u>	<u>1,170</u>	<u>1,184</u>	<u>1,219</u>

Nueces County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
September 30, 2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Administration of Justice				
JP Courts				
Cases Filed	30,836	31,798	32,172	32,059
Cases Disposed	17,630	24,571	25,200	27,084
Cases Appealed	101	66	100	79
County Courts at Law				
Civil Cases Filed	1,991	2,348	2,210	2,532
Child Protective Services			234	230
Civil Cases Disposed	1,963	2,052	2,346	2,164
Criminal Cases Filed	11,286	9,884	11,455	4,238
Criminal Cases Disposed	12,458	10,687	11,304	11,389
District Courts				
Civil Cases Filed	8,500	8,704	8,154	5,031
Child Protective Services			1	-
Civil Cases Disposed	9,353	8,356	8,811	7,659
Criminal Cases Filed	5,091	4,588	5,294	2,339
Criminal Cases Disposed	4,816	4,832	5,179	5,525
Juvenile				
Juvenile Cases Filed	654	539	537	1,264
Juvenile Cases Disposed	392	429	288	321
General Government				
County Clerk Filling	-	75,208	80,061	65,881

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

(2)Updated information from JP 5-1 for FY 2013

Sources:

Office of Court Administration
Nueces County Clerk

Exhibit 23

2009	2010	2011	2012	2013	2014
29,851	99,578	27,150	22,041	25,797	22,079
26,941	24,095	22,532	15,833	75,316 (2)	20,231
85	87	83	4	112	97
1,969	2,002	2,425	2,242	2,057	2,174
231	207	192	181	152	229
1,967	1,910	2,474	2,378	1,836	1,944
8,952	8,590	6,963	7,826	7,868	8,912
10,925	9,353	8,126	7,350	8,142	7,489
7,649	7,261	7,945	6,322	6,472	6,308
1	1	1	1	1	1
8,094	7,401	6,561	6,414	6,126	5,721
5,304	4,608	3,138	2,878	2,795	3,055
5,236	5,027	4,501	4,813	4,728	4,668
345	242	184	243	244	175
372	242	74	249	295	261
99,206	80,715	73,729	85,517	110,525	147,679

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

<u>Functions</u>	2005	2006	2007	2008
General Government				
Number of Vehicles	6	8	5	6
Number of Buildings	2	2	2	2
Administration of Justice				
Number of Buildings	5	5	5	5
Number of Vehicles	7	7	8	9
Law Enforcement				
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	97	97	102
Health, Safety, and Sanitation				
Number of Vehicles	6	11	12	12
Social Services				
Number of Buildings	2	2	2	2
Number of Vehicles	8	10	9	10
Roads, Bridges, and Transportation				
Number of Buildings	12	12	13	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	50	47	47	50
Parks and Recreation				
Number of Buildings	19	19	32	32
Number of Parks	13	13	13	13
Number of Vehicles	20	18	21	16
Building and Facilities				
Number of Buildings	24	25	26	26
Number of Vehicles	11	11	13	13
Agriculture, Education, Consumer science				
Number of Vehicles	3	4	4	4

Exhibit 24

2009	2010	2011	2012	2013	2014
6	7	6	11	11	11
2	2	2	2	2	2
5	5	5	4	4	4
9	7	9	8	6	7
2	2	2	2	2	2
656	656	656	656	656	656
412	412	412	412	412	412
106	107	104	113	102	105
12	12	12	10	11	11
2	2	2	2	2	2
9	8	9	8	13	12
13	14	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
51	49	51	57	54	55
32	32	35	25	25	25
13	13	13	13	13	13
17	21	22	22	22	22
26	26	26	37	36	36
11	11	10	13	17	16
4	4	4	4	4	4



Nueces County, Texas
Salaries and Surety Bonds of Elected Officials
September 30, 2014

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 McComb	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	12/31/2014
County Court At Law Judge, Court At Law IV	James E. Klager	139,000	10,000	9/30/2014
County Court At Law Judge, Court At Law V	Amanda Torres	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)	12/31/2014
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.

* Retirement Date

**Nueces County, Texas
Summary of Insurance Coverage
Last Ten Fiscal Years
September 30, 2014**

<u>Type of Coverage</u>	<u>Premiums Paid FY04-05</u>	<u>Premiums Paid FY05-06</u>	<u>Premiums Paid FY06-07</u>	<u>Premiums Paid FY07-08</u>
Property With Excess Windstorm	534,094			
Property Without Excess Windstorm		138,271	157,527	152,548
County Buildings (Blanket Buildings)				
County Buildings (Blanket Contents)				
Primary Windstorm		316,402	434,994	574,949
Subtotal Windstorm	534,094	454,693	592,521	727,497
Flood Insurance	33,337	46,558	53,434	115,730
Building Limits				
Building Contents				
Building and Contents				
Excess Flood			19,243	
Subtotal Flood	33,337	46,558	72,677	115,730
Inland Marine:	6,955	12,471	13,220	11,132
Voting Machine				
Fine Arts				
Valuable Papers				
Subtotal Inland Marine	6,955	12,471	13,220	11,132
Public Official Employee Liability	52,753	52,701	37,199	33,435
Crime Policy Includes	2,512	2,512	2,783	2,783
Dishonesty				
Money & Securities				
Auto Liability Blanket	107,641	85,061	115,016	113,989
Boiler and Machinery	4,213	3,941	5,140	
Airport Liability	4,950	4,950	4,950	4,455
Airport Hangar keepers Legal				
Other Liability				
Total	746,454	662,887	843,506	1,009,021

Exhibit 26

Premiums Paid FY08-09	Premiums Paid FY09-10	Premiums Paid FY10-11	Premiums Paid FY11-12	Premiums Paid FY12-13	Premiums Paid FY13-14
123,117	111,913	123,259	136,120	154,343	179,542
378,162	1,028,516	755,168	858,524	845,948	824,545
501,279	1,140,429	878,427	994,644	1,000,291	1,004,087
84,397					
	76,260	83,441	91,802	86,043	98,677
80,012	56,323	56,530	56,415	61,324	65,228
164,409	132,583	139,971	148,217	147,367	163,905
13,212	5,939	7,418	7,051	7,418	7,785
13,212	5,939	7,418	7,051	7,418	7,785
33,435	24,567	31,361	30,153	32,771	32,771
2,783	2,783	2,783	2,783	4,231	4,397
119,122	111,242	115,029	106,706	87,812	91,902
3,783	2,888	2,837	2,258	2,258	1,734
838,023	1,420,431	1,177,826	1,291,812	1,282,148	1,306,581



FEDERAL AND STATE AWARDS PROGRAMS





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

March 27, 2015

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, 2014, 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 27, 2015.

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.

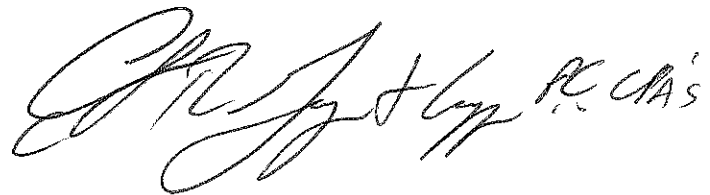
Compliance and Other Matters

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 27, 2015.

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 27, 2015



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

March 27, 2015

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, 2014. 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, 2014.

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

A handwritten signature in black ink, appearing to read "Ernest R. Garza" with a stylized flourish at the end. To the right of the signature, there are initials "R. Garza" and the word "CPA's" written in a smaller, less stylized hand.

March 27, 2015



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**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 27, 2015

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, 2014. 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, 2014.

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 27, 2015

NUECES COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 For The Year Ended September 30, 2014

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	Homeland Security Grant Program #97.067 Affordable Care- Act – Maternal, Infant and Early Childhood Visiting Program #93.505
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, 2014

None Noted

NUECES COUNTY, TEXAS
Corrective Action Plan
For The Year Ended September 30, 2014

None Required



NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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
US DEPARTMENT OF AGRICULTURE				
Pass Through: Texas Department of Agriculture				
3490-4464	School Breakfast Program	10.553	01216	\$ 31,701 \$ -
3490-4469	National School Lunch Program	10.555	01216	46,204 -
3490-4469	Emergency Food Assistance Prog. (Food Commodities)	10.569	01216	2,948 -
TOTAL CLUSTER PROGRAM			\$ 80,853	\$ -
TOTAL U S DEPARTMENT OF AGRICULTURE			\$ 80,853	\$ -
U S DEPARTMENT OF COMMERCE				
Pass Through: Texas General Land Office				
2724	Coastal Zone Management Administration Awards	11.419	14-094-000-7962	\$ 8,579 \$ -
TOTAL US DEPARTMENT OF COMMERCE			\$ 8,579	\$ -
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass Through: Texas General Land Office				
2710	Community Development Block Grant/Non-Entitlement Grants	14.228	10-5122-000-5103	\$ 159,290 \$ -
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 159,290	\$ -
U S DEPARTMENT T OF THE INTERIOR				
Direct Grant				
1307	Minerals Management Service	15.423	None	\$ 5,176 \$ -
2772	Coastal Impact Assistance Program	15.668	F12AF01159	161,809 -
2772	Coastal Impact Assistance Program	15.668	F13AF00079	64,548 -
TOTAL CFDA 15.668			\$ 226,357	\$ -
TOTAL US DEPARTMENT OF THE INTERIOR			\$ 231,533	\$ -
U S DEPARTMENT OF JUSTICE				
Pass Through: US Marshals Service				
2333	Joint Law Enforcement Operations (JLO)	16.111	M14-D79-O-000195	\$ 8,000 \$ -
Pass Through: US Attorney, SW Region				
2234	(OCDETF)State and Local Overtime and Authorized Expense Agreement	16.112	SW-TXS-0824	\$ 2,415 \$ -
Pass Through: Office of the Governor-CJD				
2053	Juvenile Accountability Block Grants	16.523	2801801	\$ 2,917 \$ -
2093	Juvenile Accountability Block Grants	16.523	JB-12-V30-13363-15	7,584 -
TOTAL CFDA 16.523			\$ 10,501	\$ -
2033	Violence Against Women Formula Grant	16.588	WF-12V30-27749-01	72,930
Direct Grant				
2427	Bullet Proof Vest	16.607	2012BOBX10054890	330
3720	State Criminal Alien Assistance Program	16.606	2012-AP-BX-0697	\$ 12,893 \$ -
Pass Through: Office of the Governor - Criminal Justice Division,				
Through: City of Corpus Christi				
2043	Edward Byrne Memorial JAG Program	16.738	DJ-11A10-26905-01	44,718
2394	Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-0822	\$ 40,590 \$ -
2395	Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0850	34,602 -
TOTAL CFDA 16.738			\$ 119,910	\$ -
TOTAL U S DEPARTMENT OF JUSTICE			\$ 226,979	\$ -

NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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
INSTITUTE OF MUSEUM & LIBRARY SERVICES				
Pass Through: Texas State Library & Archives Commission				
1391 TSLAC Texas Reads Grant Program	45.31	451-14006	\$ 3,000	\$ -
1391 TSLAC Impact Grant Program	45.31	475-14018	\$ 10,000	\$ -
TOTAL INSTITUTE OF MUSEUM & LIBRARY SERVICES			\$ 13,000	\$ -
US DEPARTMENT OF VETERANS AFFAIRS				
Pass Through: Texas Veterans Commission				
2715 VA Supportive Services for Veteran Families	64.033	FVA-14-0183	\$ 46,563	\$ -
TOTAL US DEPARTMENT OF VETERAN AFFAIRS			\$ 46,563	\$ -
U S ENVIRONMENTAL PROTECTION AGENCY				
Pass Through: Texas General Land Office				
2633 Beach Monitoring and Notification Program Implementation Grants	66.472	14-119-000-8024	\$ 74,631	\$ -
2634 Beach Monitoring and Notification Program Implementation Grants	66.472	15-065-000-8666	5,874	-
TOTAL CFDA 66.472			\$ 80,505	\$ -
TOTAL US ENVIRONMENTAL PROTECTION AGENCY			\$ 80,505	\$ -
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass Through: Texas Department of Aging and Disability Services				
Through: Coastal Bend Council of Governments				
4190-4445 Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	AA3-0848-10	\$ 23,924	\$ -
4190-4446 Special Programs for the Aging Title III, Part C1_ Nutrition Services	93.045	AA3-0848-10	51,166	-
4190-4447 Special Programs for the Aging Title III, Part C2_ Nutrition Services	93.045	AA3-0848-10	56,208	-
TOTAL CLUSTER			\$ 131,298	\$ -
Pass Through: Department of State Health Services				
2684 Public Health Emergency Preparedness	93.069	2014-045523	\$ 10,841	\$ -
2694 Public Health Emergency Preparedness	93.069	2014-001327-00	195,691	-
2695 Public Health Emergency Preparedness	93.069	2015-001327-00	14,338	-
TOTAL CFDA 93.069			\$ 220,870	\$ -
2573 Centers For Disease Control and Prevention Investigations and Technical Assistance	93.283	2014-044958-001	126,537	-
2574 Centers For Disease Control and Prevention Investigations and Technical Assistance	93.283	2015-047050-00	4,049	-
TOTAL CFDA 93.283			\$ 130,586	\$ -
2534 Affordable Care Act-Maternal, Infant and Early Childhood Visiting Program	93.505	HSC 529-12-0066	\$ 533,785	\$ -
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES CARRIED FORWARD			\$ 1,016,539	\$ -

**NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES BROUGHT FORWARD			\$ 1,016,539	\$ -
Pass Through: Office of the Attorney General				
3530-4363	Child Support Enforcement	93.563	00-03721,00-082010	\$ 143,803 \$ -
3530-4365	Child Support Enforcement	93.563	00-03721,00-082010	\$ 88 \$ -
TOTAL CFDA 93.563			\$ 143,891	\$ -
Pass Through: Texas Juvenile Justice Department				
1317	ARRA-Foster Care_Title IV_E	93.658	TJJD-E-2014-178	74,717 -
Pass Through: Texas Department of Family and Protective Services				
1130	ARRA-Foster Care_Title IV_E	93.658	23940957	65,319 -
4130	ARRA-Foster Care_Title IV_E	93.658	23940956	25,491 -
TOTAL CFDA 93.658			\$ 165,527	\$ -
Pass Through: Department of State Health Services				
4190-4450	Medical Assistance Program	93.778	11K19666/PS-08-293-P-OO	74,019 -
2594	HIV Prevention _Health Department Based	93.940	2014-001347-00	51,466 -
2595	HIV Prevention _Health Department Based	93.940	2015-001347-00	2,402 -
TOTAL CFDA 93.940			\$ 53,868	\$ -
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,453,844	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
Pass Through: Office of National Drug Control Policy				
2373	High Intensity Drug Trafficking Areas Program	95.001	G13HN0007A	82,007 -
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT:			\$ 82,007	\$ -
US DEPARTMENT OF HOMELAND SECURITY				
Pass Through: United Way				
1350	Emergency Food and Shelter National Board Program	97.024	31-8284-00-001	\$ 13,967 \$ -
Pass Through: Office of the Governor - Division of Emergency Management				
5105	Emergency Management Performance Grant	97.042	13TX-EMPG-0578	\$ 37,646 \$ -
Pass Through: Texas Department of Public Safety				
2740	Hazard Mitigation Grant Program	97.039	HMGP DR-4029-TX	161,467
2242	State Homeland Security Program	97.067	12-GA 48355-08	\$ 58,185 \$ -
2411	Homeland Security Grant Program	97.067	11-SR-48355-01	356,819 -
2412	Homeland Security Grant Program	97.067	12-SS-00018-S01	531,270 -
2413	Homeland Security Grant Program	97.067	13-SS-00045	165,331 -
TOTAL CFDA 97.067			\$ 1,111,605	\$ -
TOTAL US DEPARTMENT OF HOMELAND SECURITY			\$ 1,324,685	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,707,838	\$ -

**NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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
STATE AWARDS:				
TEXAS INDIGENT DEFENSE COMMISSION				
3300	Indigent Defense Services	State	212-14-178	\$ 527,099 \$ -
			TOTAL TEXAS INDIGENT DEFENSE COMMISSION	\$ 527,099 \$ -
TEXAS DEPARTMENT OF AGRICULTURE				
4190-4450	Texans Feeding Texans	State	HDM-14-1263	\$ 29,263 \$ -
			TOTAL TEXAS DEPARTMENT OF AGRICULTURE	\$ 29,263 \$ -
TEXAS PARKS & WILDLIFE DEPARTMENT				
2453	Lyondell Basell Park	State	48-00-1124	\$ 6,721 \$ -
			TOTAL COASTAL BEND BAYS AND ESTUARIES PROGRAM, INC	\$ 6,721 \$ -
DEPARTMENT OF STATE HEALTH SERVICES				
2614	HIV Surveillance	State	2014-001419-00	46,965 -
2615	HIV Surveillance	State	2015-001419-00	4,036 -
			TOTAL DEPARTMENT OF STATE HEALTH SERVICES	\$ 51,001 \$ -
COASTAL BEND BAYS AND ESTUARIES PROGRAM, INC				
2783	Wilson's Cut Project	State	20130298	\$ 7,550 \$ -
			TOTAL COASTAL BEND BAYS AND ESTUARIES PROGRAM, INC	\$ 7,550 \$ -
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY				
Pass Through: Coastal Bend Council of Governments				
2715	Solid Waste	State	14-20-G01	\$ 4,995 \$ -
			TOTAL TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	\$ 4,995 \$ -
TEXAS DEPARTMENT OF PUBLIC SAFETY				
2314	Local Border Security Program	State	LBSP-14-0053	\$ 15,000 \$ -
			TOTAL TEXAS DEPARTMENT OF TRANSPORTATION	\$ 15,000 \$ -
TEXAS DEPARTMENT OF TRANSPORTATION				
2114	Routine Airport Maintenance Program	State	M1416ROBS	\$ 26,511 \$ -
			TOTAL TEXAS DEPARTMENT OF TRANSPORTATION	\$ 26,511 \$ -
OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION				
2073	Juvenile Justice Alternative	State	SF-14-J20-23152-04	48,385 -
2084	Nueces County Drug / DWI Court	State	SF-14-A10-20676-06	63,600 -
			TOTAL OFFICE OF THE GOVERNOR - CJD	\$ 111,985 \$ -

**NUECES COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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
TEXAS JUVENILE JUSTICE DEPARTMENT				
2823	State	TJJD-A-2013-178	\$ 48,618	\$ -
2824	State	TJJD-A-2014-178	\$ 1,925,316	\$ -
2825	State	TJJD-A-2015-178	\$ 153,450	\$ -
2834	State	TJJD-N-2014-178	251,346	-
2835	State	TJJD-N-2015-178	10,203	-
2844	State	TJJD-P-2014-178	27,622	-
2845	State	TJJD-P-2015-178	9,374	-
2854	State	TJJD-C-2014-178	107,635	-
2855	State	TJJD-C-2015-178	15,652	-
2864	State	TJJD-M-2014-178	29,528	-
2865	State	TJJD-M-2015-178	432	-
TOTAL TEXAS JUVENILE JUSTICE DEPARTMENT			\$ 2,579,176	\$ -
TOTAL EXPENDITURES OF STATE AWARDS			\$ 3,359,301	\$ -
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			\$ 7,067,139	\$ -



NUECES COUNTY, TEXAS

Notes to Schedule of State/Federal Awards

For the year ended September 30, 2014

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>Special Revenue Funds</u>			<u>Federal</u>	<u>State</u>	<u>Total</u>
			3,136,428	2,802,939	5,939,367
(13)	\$ 106,860	(13)	\$		
(20)	\$ 3,029,568	(20)	\$ 223,763		
		(28)	\$ 2,579,176		
Federal	<u>3,136,428</u>	State	<u>2,802,939</u>		
		General Fund	(11) 568,462	556,362	1,124,824
		Commodities	(11) <u>2,948</u>	<u>-0-</u>	<u>2,948</u>
		TOTAL	<u>\$ 3,707,838</u>	<u>\$ 3,359,301</u>	<u>\$ 7,067,139</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, 2014. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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