

NUECES COUNTY TEXAS



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2010

NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2010



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

County Commissioners
Mike Pusley, Precinct 1
Betty Jean Longoria, Precinct 2
Oscar O. Ortiz, Precinct 3
H.C. "Chuck" Cazalas, Precinct 4

County Clerk
Diana T. Barrera

County Attorney
Laura Jimenez

County Purchasing Agent
Elsa Saenz

County Auditor
Margaret (Peggy) Hayes, 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, 2010

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INTRODUCTORY SECTION





March 31, 2011

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

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, 2010 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 benefits, 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, 2010, 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, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP require 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 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 Peneda found 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 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 some 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 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 two legally separate entities: the Nueces County Hospital District and the Nueces County Mental Health and Retardation Center, both of which are reported separately within the County's financial statements as component units. Additional information on both of these legally separate entities 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. All departments of the County are required to submit requests for appropriation to the county auditor on or before May 31st of each year. Copies of these requests for appropriations are forwarded to the director of the Office of Commissioners Court Administration (OCCA). OCCA uses these requests as the starting point for developing a base line budget, but without any tax increases or personnel changes. OCCA then presents this base line budget to the commissioners court for review prior to July. The commissioners court holds several budget workshops to discuss priorities or meet with department heads. The county auditor then prepares the proposed budget with all the revisions as directed by commissioners court. A copy of the proposed budget is filed with the county clerk and county auditor.

The commissioners' court must then hold a public hearing within seven calendar days after the date the proposed budget is filed but before October 31 of the current year. The commissioners court must take action on the proposed budget at the conclusion of the public hearing.

The appropriated budget is prepared by fund, department, and budget category. On items of greater importance, the budget is prepared by line item. All transfers between budget categories and departments require the special approval of the commissioners court with the exception of the special revenue funds other than the Road Fund, Inland Parks Funds, Coastal Parks Fund, Airport Fund, Law Library Fund and Stadium and Fairgrounds Fund. The appropriate department head with approval by the county auditor can make budget transfers for their special revenue funds other than those previously mentioned.

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, this comparison is presented on

page 34 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the general fund, this comparison is presented in the Supplemental Nonmajor Governmental Funds subsection of this report, which starts on page 89.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Unemployment Rate

The unemployment rate of 8.2% is the highest it has been in the past ten years. The unemployment rate is currently 8.2% as of February 2010. Compared to the national unemployment rate of 9.6% the local unemployment rate is lower by 1.4 points. Our local unemployment rate is also lower than the statewide average rate which is 8.1%.

Retail Sales

Retail sales are down, by 1.98% as compared to the previous fiscal year. Total sales volume is about the same as it was four years ago.

Construction and Commercial Permits Valuations

In 2010 the City of Corpus Christi issued 41.25% more construction permit valuations as compared to the prior year for a total of \$217,621,342. Construction permits seem to be on the rise again. The highest issuance of permits occurred in 2005 when \$404,748,793 in valuation construction permits were issued.

Deposits of FDIC Insured Institutions

Local bank deposits are holding strong, increasing slightly by 2.64% as compared to last year. This year is actually the second highest amount in the past ten years at \$3.529 billion. Last year total deposits were \$3.438 billion.

Housing Sales Volume, Housing Units Sold and Motor Vehicle Sales Tax

Please see Exhibit 21 in the statistical section for more detail. It appears that while the housing sales came down by a 2.0% point, motor vehicle sales went up by 7.29%. Although the housing sales volume went down, the number of units sold remained constant which indicates a constant real estate market at a lower cost. The housing sales volume is \$524,798,817 and is slightly higher than what the volume was seven years ago.

Although the economic indicators above reflect a slow growth in the local economy, the bottom line is remaining strong and stable and is in a better position than many areas of the country.

Nueces County has managed well during this economic slowdown and will not have to experience any interruptions to public services. The same number of full time personnel equivalents continued to be budgeted for the 2010/2011 budget year.

Future Economic Developments

The Commissioners Court in March, 2010 granted a tax abatement to the Las Brisas Corporation. Las Brisas is a coke based electric generating plant which would add over \$3.2 billion to the County's tax rolls. If finalized, the Las Brisas project will be the largest construction project ever to have been done in Nueces County.

Long-term financial planning

The County approved another agreement with the State of Texas State Energy Conservation Office to borrow a maximum of \$7,930,497 to install energy conservation systems throughout the county. The loan is guaranteed to be paid off with energy savings. The terms of the agreement require the loan to be paid off in 11 ½ years with a 2% interest rate.

On October 12, 2011 a refunding issuance was finalized that yielded \$930,000 in future principal savings and \$1,216,744 in interest savings.

No further debt issuance is planned for in the near future.

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, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

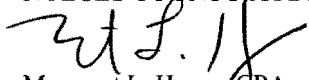
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last seventeen years (fiscal years ended 1993 through 2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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

Finally, I would like to thank the district judges for their support and guidance in matters relating to the discharge of my duties as county auditor. I am very 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



Margaret L. Hayes, CPA



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Nueces County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



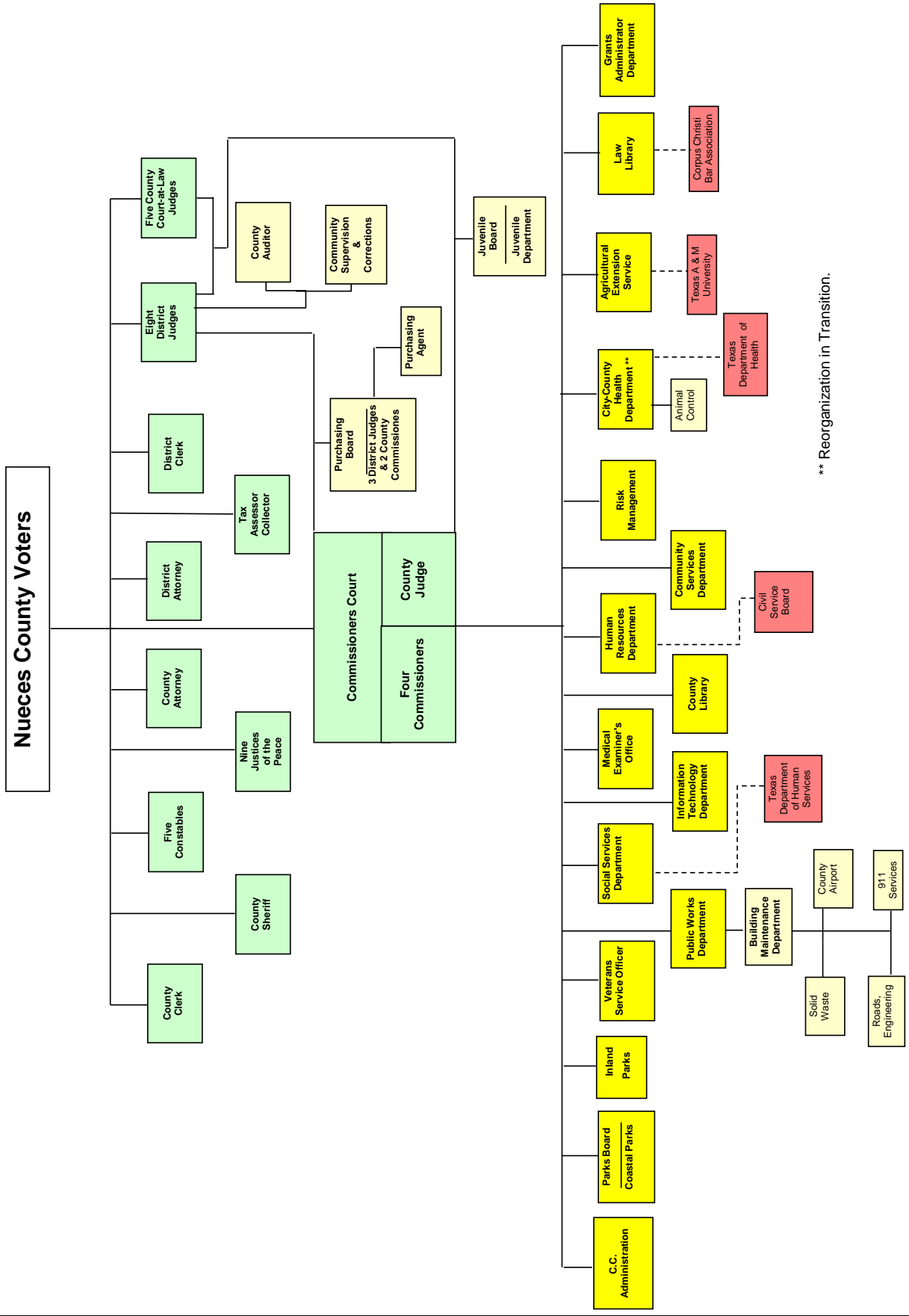
A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

NUECES COUNTY ORGANIZATION CHART



** Reorganization in Transition.

Nueces County, Texas
List of Principal Officials
As of September 30, 2010

Elected Officials

Samuel L. Neal, Jr. County Judge
Mike Pusley County Commissioner Prt 1
Betty Jean Longoria County Commissioner Prt 2
Oscar Ortiz County Commissioner Pct 3
H. C. Chuck Cazalas County Commissioner Pct 4
Laura A. Jimenez County Attorney
Diana T. Barrera County Clerk
Ramiro R. Canales Tax Assessor-Collector
Robert J. Vargas Judge County Court at Law 1
Lisa Gonzales Judge County Court at Law 2
John Martinez Judge County Court at Law 3
James E. Klager Judge County Court at Law 4
Terry Shamsie Judge County Court at Law 5
Nanette Hasette Judge 28th District Court
Bobby Galvan Judge 94th District Court
J. Manuel Bañales Judge 105th District Court
Sandra Watts Judge 117th District Court
Marisela Saldaña Judge 148th District Court
Jose Longoria Judge 214th District Court
Thomas Greenwell Judge 319th District Court
Nelva G. Ramos Judge 347th District Court
Anna Maria Jimenez District Attorney
Patsy Perez District Clerk
Amanda Torres 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
Rodolfo A. Caceres Constable Pct 1
Jerry C. Boucher Constable Pct 2
Jimmy Rivera Constable Pct 3
Robert W. Sherwood Constable Pct 4
Dionicio Ysassi Constable Pct 5

Appointed Officials & Dept Directors

Ida G. Garza County Librarian
Talma D. Benavides County Extension Agent
Michael J. Biddle Director of Info Technology
Jeffrey R. Stapper County Extension Agent
Servando Caballero Risk Manager
Toby Parker Cross Veteran's Service Officer
Ray Fernandez Medical Examiner
Abraham Gonzales, Jr. Director of Law Library
Julie Guerra Director of Human Resources
Margaret L. Hayes County Auditor
Edward Herrera Director of Community Services
& Inland Parks
Roxanna Hunt Grants Administrator
Anne E. Lorentzen Court Administrator
Miner Satterwhite III 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

FINANCIAL SECTION





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

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Corpus Christi, Texas 78410
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Independent Auditor's Report

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

To the Honorable County Judge
and County Commissioners
Nueces County, Texas

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nueces County, Texas (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's administrators. 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, which represents **25 percent and 34 percent** of the total assets and revenues, respectively, for the year ended September 30, 2010. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Nueces County Hospital District, is based solely on the report 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Nueces County, Texas as of September 30, 2010, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages **15 through 28 and 73 through 123** are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Nueces County, Texas' basic financial statements. The introductory section, combining and

MEMBER
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Nueces County, Texas' basic financial statements. The introductory section, combining and individual non-major fund financial statements, other schedules listed under supplementary information, and 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 combining and individual non-major fund financial statements and supplementary information, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements and schedules taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

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

March 29, 2011

Nueces County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

From the managers of Nueces County, Texas (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2010. 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 by \$148,525,520. As compared to the prior year, net assets decreased by \$(2,294,502) or 1.52%
- In contrast to the government-wide statements, the County's governmental funds reports a combined ending fund balance of \$63,116,700; a decrease of \$5,046,757 in comparison with the prior year. Unreserved fund balances comprise 62.64% of the total combined fund balances making \$39,533,728 available for spending at the County's discretion. Unreserved funds increased by \$3,148,511 compared to previous year. The remaining funds are reserved of which \$22,932,604 is capital projects.
- The general fund total unreserved fund balance of \$24,029,489 equals 31.57% of the sum of general fund revenues plus transfers in and reflects an increase of \$3,031,416 from the previous year. Applying this measure toward expenditures and transfers out, the unreserved fund balance calculates to be approximately 3.95 months of operating expenditures and transfers out.
- The County's general obligation debt decreased by \$4,957,377. The balance of general obligation debt at year end is \$122,928,292. The debt service fund balance is \$3,585,711 or 34.32% of next year's debt service requirements. A refunding occurred on October 12, 2010 saving the county \$900,00 in principal, but is not included in the statements herein presented since it occurred after the fiscal year ended.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 and a legally separate mental health and mental retardation district for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 31-33 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 of the County can be 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-five governmental funds (excluding proprietary and fiduciary funds): twenty-two special revenue funds, a debt service fund, a capital projects fund and the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, u.s. marshal contract fund, and capital projects fund which all are considered major funds under the classification guidelines issued by GASB. Data from the other twenty-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 and grant funds. A budgetary comparison statement has been provided for the general fund, and the u.s. marshal contract fund to demonstrate budgetary compliance. A budget comparison statement is not presented for the capital projects fund because an annual budget is not adopted on the capital projects fund. Multi-year individual project budgets are adopted and maintained instead. Neither a budgetary comparison statement or 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. Two schedules of budget to actual on the general fund is included in the supplemental information section providing more detailed information.

The basic governmental fund financial statements can be found on pages 34-41 of this report.

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 42-44 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the 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 corrections and supervision 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 45 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 governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 47-70 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 71 of this report.

Immediately following the required supplementary information on pensions are two schedules on the general fund: Schedule of Revenues and Other Financing Sources (Budget Basis) Compared to Budget and Schedule of Expenditures (Budget Basis) Compared to Budget. The combining statements referred to earlier in connection with the nonmajor governmental funds, the internal service funds and the fiduciary funds are then presented. Combining and individual fund statements and schedules can be found on pages 76-117 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net assets may serve over time as a useful indicator of a government’s financial position. At the close of the fiscal year, the County’s assets exceeded liabilities by \$148,525,520 and are summarized below along with comparative data from the previous year.

	<u>Governmental Activities</u>	
	Fiscal Year 09/10	Fiscal Year 08/09
Current and other assets	\$91,326,481	\$93,920,685
Capital assets (net of depreciation)	<u>207,919,071</u>	<u>210,418,371</u>
Total assets	299,245,552	304,339,056
Current and other liabilities	23,782,931	20,885,928
Long-term liabilities	<u>126,937,101</u>	<u>132,633,106</u>
Total liabilities	150,720,032	153,519,034
Net assets:		
Invested in capital assets, net of related debt	84,990,779	114,418,905
Restricted	16,087,871	14,855,823
Unrestricted	<u>47,446,870</u>	<u>21,545,294</u>
Total net assets	<u>\$148,525,520</u>	<u>\$150,820,022</u>

The largest portion of the County’s net assets (57.22%) 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 is 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 assets total \$16,087,871 and comprise 10.83% of total net assets. 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 assets is *unrestricted net assets* which total \$47,446,870 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 assets.

Governmental activities. Governmental activities decreased the County's net assets by \$2,294,502. Key elements of this decrease are as follows:

<u>Changes in Net Assets</u> <u>Governmental Activities</u>					
	<u>Fiscal Year 09/10</u>		<u>Fiscal Year 08/09</u>		<u>Increase</u> <u>(Decrease)</u>
Revenues:					
Program revenues:					
Charges for services	\$24,006,841	22.95%	\$25,118,863	24.33%	(1,112,022)
Operating grants and contributions	8,625,300	8.25%	7,965,740	7.72%	659,560
Capital grants and contributions	654,404	0.63%	472,869	0.46%	181,535
General revenues:					
Property taxes	67,091,123	64.14%	66,024,875	63.97%	1,066,248
Other taxes	3,028,318	2.90%	1,494,080	1.45%	1,534,238
Grants and contributions not restricted to specific programs	281,025	0.80%	354,973	0.34%	(73,948)
Investment earnings and other	841,701	0.27%	1,785,507	1.73%	(943,806)
Gain on sale of assets	71,067	0.07%	-	0.00%	71,067
Miscellaneous	0	0.00%	-	0.00%	-
Total revenues	<u>104,599,779</u>	<u>100.00%</u>	<u>103,216,907</u>	<u>100.00%</u>	<u>1,382,872</u>
Expenses:					
General government	13,483,612	12.61%	13,922,786	13.24%	(439,174)
Buildings and facilities	10,165,122	9.51%	9,216,536	8.77%	948,586
Administration of justice	27,292,561	25.53%	26,870,285	25.55%	422,276
Law enforcement and corrections	24,468,809	22.89%	23,257,876	22.12%	1,210,933
Social services	2,679,502	2.51%	2,664,755	2.54%	14,747
Health, safety and sanitation	2,023,424	1.89%	3,083,653	2.93%	(1,060,229)
Agriculture, education and consumer sciences	865,488	0.81%	788,629	0.75%	76,859
Roads, bridges and transportation	14,143,486	13.23%	13,662,879	12.99%	480,607
Parks and recreation	5,948,582	5.56%	5,595,232	5.32%	353,350
Interest and fees on long-term debt	<u>5,823,695</u>	5.45%	<u>6,086,736</u>	5.79%	<u>(263,041)</u>
Total expenses	<u>106,894,281</u>	100.00%	<u>105,149,367</u>	<u>100.00%</u>	<u>1,744,914</u>
Increase (decrease) in net assets	(2,294,502)		(1,932,460)		<u>(362,042)</u>
Net assets - beginning	<u>150,820,022</u>		<u>152,752,482</u>		
Net assets - ending	<u>\$148,525,520</u>		<u>\$150,820,022</u>		

Comparing the net assets to the previous year, there was a decrease of \$362,042. This difference is attributed to expenses increasing by a higher amount than what revenue increased by. In comparison to the prior year, revenues increased by \$1,382,872 or 1.34% and expenditures increased by \$1,744,914 or 1.66% which produced an increase of \$362,042. The change in net assets for this current fiscal year was a decrease of \$(2,294,502), making the ending balance of net assets equal to \$148,525,520.

REVENUES - As shown in the table above, total revenues increased by \$1,382,872. There are five large opposing swings that comprise most of this net increase. Property taxes is entirely due to increased property valuations since the tax rate stayed the same as the effective tax rate.

Charges for services reflect a net decrease from the previous year of (\$1,112,022). There are numerous items in this category and this decrease is the overall sum. Last year this category did contain a catch up from the state of texas on the distribution of motor vehicle sales tax commission. The amount shown above reflects normal activity and the county expects this performance to continue next year.

Operating grants and contributions increased by \$659,560 which is mainly due to two new federal grants for border security and leg monitoring of offenders.

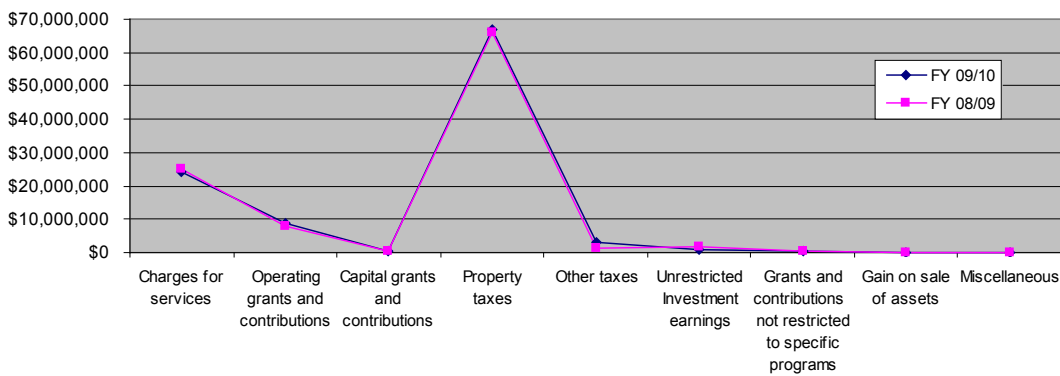
Other taxes reflect an increase of \$1,534,238 which is attributed to the state of texas finalizing a catch up distribution on the distribution of motor vehicle sales tax commission. Next year this category is expected to show another increase due to projected increases of motor vehicle sales.

Investment earnings were \$(943,806) lower than the prior year.

All other revenue categories reflect steady performance compared to the previous year.

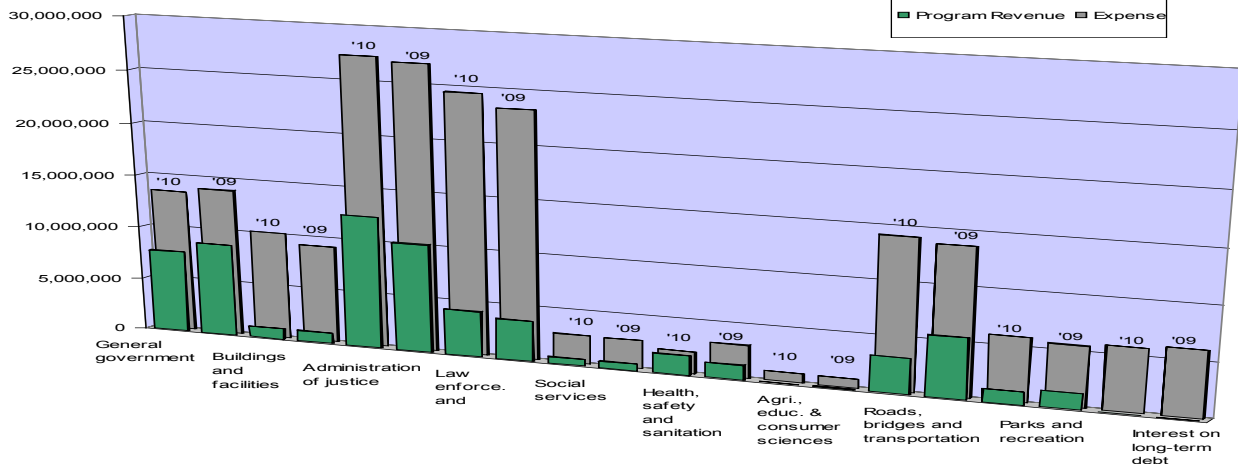
EXPENSES - Expenses increased by 1.66%, or \$1,744,914. Higher pension costs contributed the most to this net increase by approximately \$1,095,507. In addition the collective bargaining cost of living pay increases and higher windstorm insurance increased significantly.

Chart I - Government-wide Revenues by Source



The County’s government-wide revenue sources are graphically presented in Chart – I. Countywide, 64.14% of total revenues come from property taxes. The second largest revenue source, 22.95% 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 8.25% of the County’s total revenues and cover juvenile, senior community services, law enforcement, child support, and other operations. Chart – I shows that current year revenues are in line with FY 08/09 revenues except for those areas previously mentioned.

**Chart II
Net Program Expenses**



In Chart II program revenues are matched up with the corresponding governmental activity to show what activities are most dependent on property taxes. As Chart II shows, the activity with the lowest net program expenses is general government. Administration of justice also reflects a large portion of the activity costs are paid for with program revenues. There are no excess program revenues in any governmental activity. Therefore all governmental activities rely on property tax revenue to maintain services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$63,116,700 lower by 5,046,757 in comparison with the prior year. Excluding capital projects fund, ending balances increased by \$4,036,731. Unreserved fund balances total \$40,184,096 and is higher than last year balances of \$37,035,585 by \$3,148,511. Unreserved fund balances are available for spending on any governmental purpose at the government's discretion. The remaining fund balance is reserved which means that it is not available for new spending because it has already been committed to: (1) capital projects, (2) inventory stock and cash registers, (3) encumbrances, and (4) prepaid expenditures.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total general fund unreserved fund balance was \$24,029,489. As compared to previous year, the total fund balance increased by \$3,643,443. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and total fund balance to total fund revenues and other financing sources. Unreserved fund balance represents 31.57% of the sum of total general fund revenues plus other financing sources. The Commissioners Court has adopted a resolution setting the goal for the general fund balance to be 25% of general fund budgeted revenues and transfers in. Twenty-five percent of total budgeted revenues and transfers in (25% x \$72,273,373) is \$18,068,343. The total ending fund balance exceeds the resolution by 33.0%. Applying this measure (using the total fund balance) toward the general fund expenditures and transfers out calculates to be approximately 3.95 months of operating expenditures. The 25% fund balance policy 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 \$3,585,711 fund balance increasing slightly by \$403,232 as compared to prior year. Debt service payments totaled \$10,838,110 which is \$173,370 higher than previous year. Revenues and transfers in were \$294,324 higher than previous year totaling \$11,238,342. The debt service tax rate of .058474 appears correct for practical purposes when comparing the revenues to debt service requirements.

The u.s. marshal contract fund is considered a major fund because the liabilities exceed 10% of total liabilities of all governmental funds. This 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. Marshall service as well as with the private prison operators have recently been renegotiated. The revenue streams are expected to grow over the next couple of years.

Other governmental funds has a total combined fund balance of \$12,502,160. The road and bridge fund is included within this category, as well as the grant fund and other funds restricted to specific purposes. The total combined fund balance decreased as compared to the previous year by (\$829,498).

The following table presents revenues by source with comparisons to the prior year.

Some observations on the revenues are as follows:

- The increase in property tax revenues is attributed to new growth in net taxable value totaled \$372 million. Growth in net taxable value after adjusting for tax ceiling property and property under protest was 2.05%. Growth in net taxable values from the previous year was 8.45%.
- Fees of office increased substantially by \$1,651,791. Unfortunately this increase is a one time only event and the county will not be adjusting its revenue budget. The increase in fees is due to a class action law suit filed with the justice of the peace 5-1 with thousands of multiple parties.
- The decrease in fines and forfeitures is a sign of the times. The county has completed implementing a payment by credit card system and expects this revenue to go up in the future. Another reason for this decrease is because pre-trial diversion fees have increased which are categorized as charges for services.
- The decrease in investment income, \$(927,784), is due to the decline in market interest rates. Year end balances of cash, cash equivalents, and investments are \$1.7 million higher this year than what the balances were a year ago. Even with higher balances investment earnings are still lower. We do think that the interest rates have bottomed out and further declines will not occur.
- Rentals and commissions shows an increase in revenues which is attributed to coastal parks. The efforts to increase rv park revenues are making an impact.

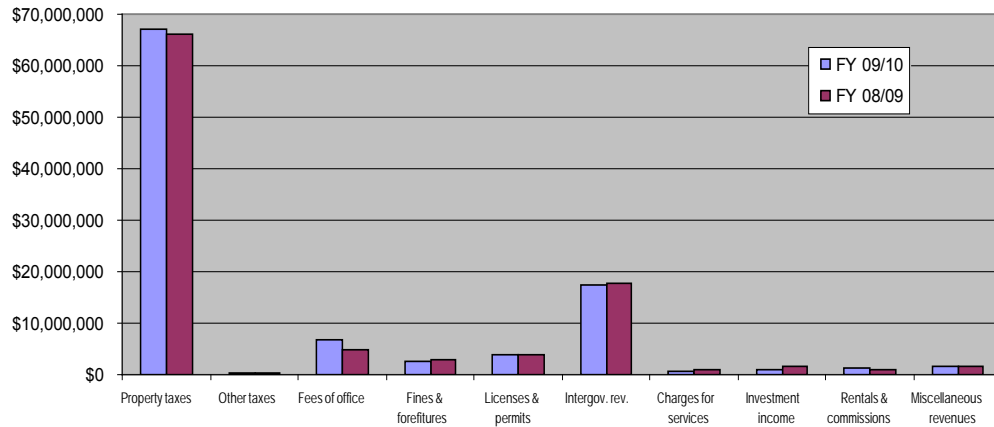
The remaining revenue categories remain strong and show no significant change from the previous year. Considering the national economic environment, these are excellent results.

Governmental Funds – Revenues by Source

	FY 09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Yr to Yr Percent of Change
Property taxes	\$67,018,275	59.49%	\$66,035,245	60.20%	\$983,030	1.49%
Other taxes	319,549	0.28%	356,538	0.33%	(\$36,989)	-10.37%
Fees of office	6,619,757	5.88%	4,967,966	4.53%	\$1,651,791	33.25%
Fines and forfeitures	2,641,095	2.34%	3,044,301	2.78%	(\$403,206)	-13.24%
Licenses and permits	3,994,255	3.55%	3,942,987	3.59%	\$51,268	1.30%
Intergovernmental revenue	17,421,622	15.47%	17,594,903	16.04%	(\$173,281)	-0.98%
Charges for services	780,845	0.69%	958,227	0.87%	(\$177,382)	-18.51%
Investment income	827,724	0.73%	1,755,508	1.60%	(\$927,784)	-52.85%
Rentals and commissions	1,282,655	1.14%	879,767	0.80%	\$402,888	45.79%
Miscellaneous revenues	<u>1,545,928</u>	<u>1.37%</u>	<u>1,700,521</u>	<u>1.55%</u>	<u>(\$154,593)</u>	-9.09%
Total revenues	102,451,705	90.95%	\$101,235,963	92.29%	\$1,215,742	1.20%
Other financing sources:						
Sale of assets	71,067	0.06%	-	-	71,067	-
Issuance of debt	137,857	0.12%	-	-	137,857	-
Transfers in	<u>9,987,541</u>	<u>8.87%</u>	<u>8,453,858</u>	<u>7.71%</u>	<u>1,533,683</u>	18.14%
Total revenues and other financing sources	<u>112,648,170</u>	<u>100.00%</u>	<u>109,689,821</u>	<u>100.00%</u>	<u>2,958,349</u>	2.70%

Please refer to the table above and Chart III, Revenues by Source, for a graphic presentation of the table above. Revenues are comparably constant in all categories, except for fees of office, fines and forfeitures, investment income and rentals and commissions.

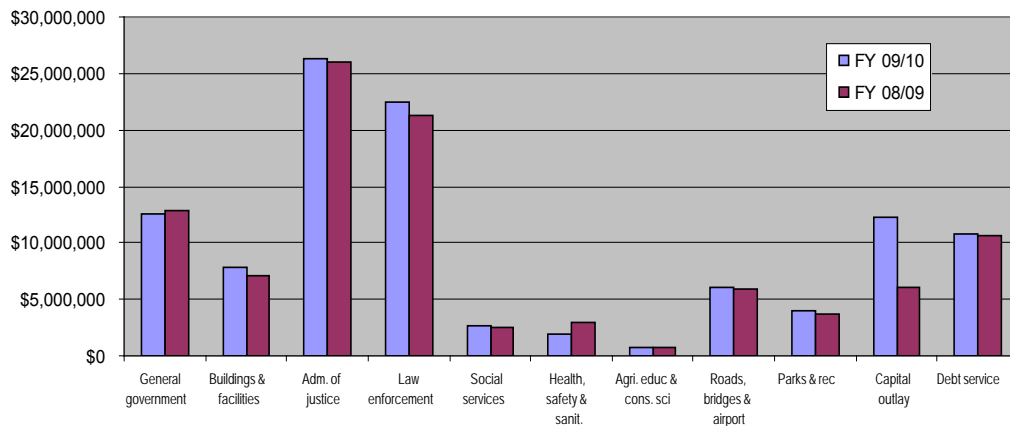
**Chart - III
Governmental Funds - Revenues by Source**



Governmental Funds – Expenditures by Function

Function:	FY 09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$12,541,880	10.66%	\$12,785,454	11.81%	(\$243,574)	-1.91%
Buildings and facilities	7,870,284	6.69%	7,104,965	6.57%	765,319	10.77%
Administration of justice	26,372,564	22.41%	25,983,264	24.01%	389,300	1.50%
Law enforcement and corrections	22,503,895	19.12%	21,344,308	19.72%	1,159,587	5.43%
Social services	2,586,380	2.20%	2,578,849	2.38%	7,531	0.29%
Health, safety and sanitation	1,899,605	1.61%	2,977,516	2.75%	-1,077,911	-36.20%
Agriculture, education and consumer sciences	796,441	0.68%	721,098	0.67%	75,343	10.45%
Roads, bridges and airport	6,077,509	5.16%	5,930,698	5.48%	146,811	2.48%
Parks and recreation	3,946,736	3.35%	3,637,202	3.36%	295,175	8.12%
Capital outlay	12,276,982	10.43%	6,037,465	5.58%	6,253,876	103.58%
Debt service	<u>10,835,110</u>	<u>9.21%</u>	<u>10,661,740</u>	<u>9.85%</u>	<u>173,370</u>	<u>1.63%</u>
Total expenditures	\$107,707,386	91.51%	\$99,762,559	92.19%	7,944,827	7.96%
Transfers out	<u>\$9,987,541</u>	<u>8.49%</u>	<u>8,453,858</u>	<u>7.81%</u>	<u>1,533,683</u>	
Total expenditures and transfers out	<u>\$117,694,927</u>	<u>100.00%</u>	<u>\$108,216,417</u>	<u>100.00%</u>	<u>\$9,478,510</u>	

**Chart - IV
Governmental Funds - Expenditures by Function**



Total expenditures increased by \$7,944,827, or by 7.96% compared to the prior year. The largest item contributing to this increase is capital outlay. Excluding capital outlay, the operating expenditures increased by \$1,690,951. Buildings and facilities reflect stepped up efforts to maintain public property. The increase in law enforcement is attributed to a new federal grant for border security. The decrease in health safety and sanitation is post hurricane IKE. As explained in the government-wide section earlier, other factors contributing to the overall increase was retirement plan costs and law enforcement pay increases.

In summary, total governmental fund balances decreased by (5,046,757). This increase is attributed to good performance to both revenues and expenditures. Ending combined fund balances totaled \$63,116,700.

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

Unrestricted net assets of the self insurance fund at the end of the year amounted to \$1,839,355 with \$589,451 belonging to the workers compensation fund, \$209,544 belonging to the general liability fund and \$1,040,360 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 110-112.

GENERAL FUND

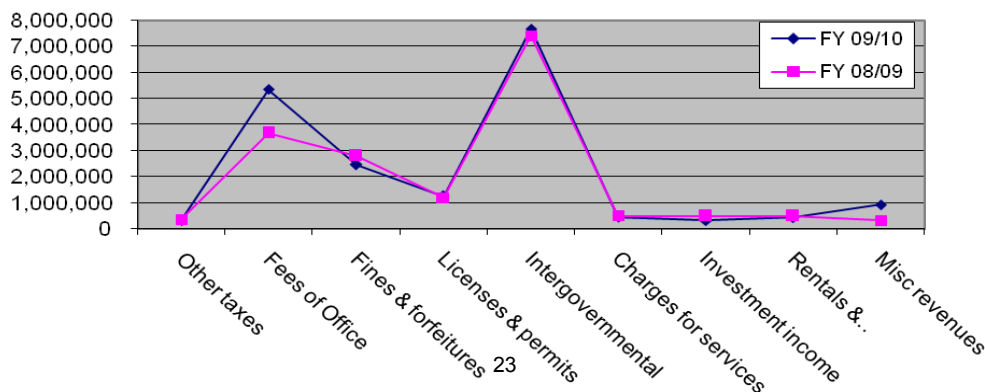
Financial analysis

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. Two tables are presented as follows along with line graphs to show the general fund revenues and expenditures compared to prior year.

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

	FY 09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$55,012,438	74.15%	\$54,378,601	75.95%	\$633,837	1.17%
Other taxes	319,339	0.43%	356,538	0.50%	(37,199)	-10.43%
Fees of office	5,349,907	7.21%	3,670,171	5.13%	1,679,736	45.77%
Fines & forfeitures	2,466,714	3.32%	2,798,533	3.91%	(331,819)	-11.86%
Licenses & permits	1,251,231	1.69%	1,188,288	1.66%	62,943	5.30%
Intergovernmental	7,683,823	10.36%	7,408,734	10.35%	275,089	3.71%
Charges for services	442,225	0.60%	496,361	0.69%	(54,136)	-10.91%
Investment income	313,218	0.42%	490,395	0.68%	(177,177)	-36.13%
Rental & Commissions	432,192	0.58%	490,579	0.69%	(58,387)	-11.90%
Miscellaneous revenues	917,487	1.24%	317,398	0.44%	600,088	189.06%
Total revenues	74,188,574	100.00%	71,595,598	100.00%	2,592,975	3.62%
Transfers in	1,926,088		2,535,436		(609,348)	-24.03%
Total revenues & transfers in	<u>\$76,114,662</u>		<u>\$74,131,034</u>		<u>\$1,983,627</u>	2.67%

**General Fund
Actual Revenues Comparison to Prior Year Actual
(Excluding Property Tax)**



As mentioned earlier, the property tax revenue increase is attributed to higher property values.

Comparing FY 09/10 to FY 08/09, the fees of office increased due to a class action law suit. Disregarding the impact of the class action law suit fees, the other items in this category decreased such as less real estate recordings were filed, less marriage licenses issued along with less birth certificates. Although the decrease in the normal activity is less, the county thinks that fees of office have already experienced the worst.

Investment income decreased by \$(177,177) as expected due to the decline in market rates.

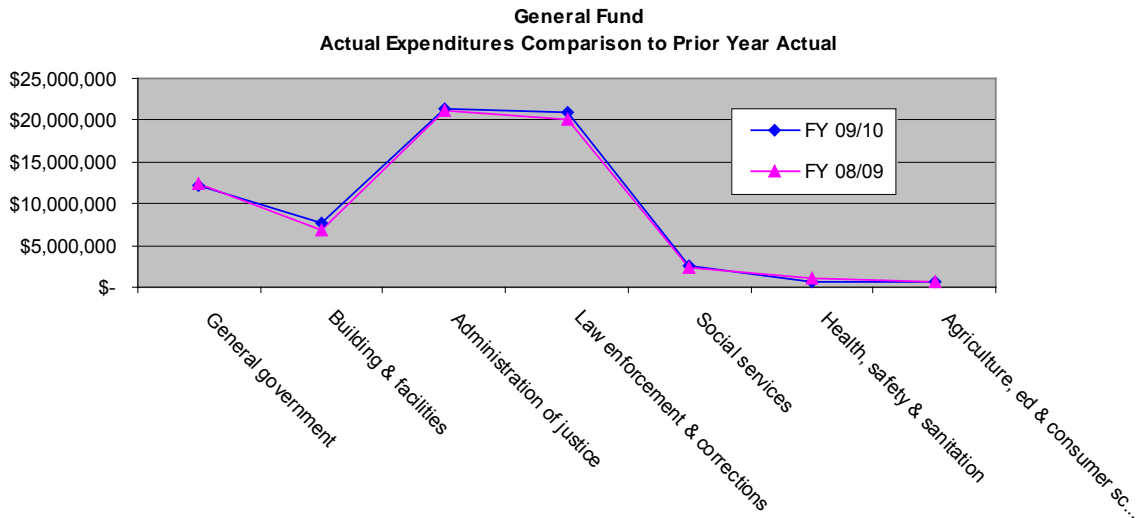
Miscellaneous revenue category experienced a favorable hike and is the result of several items. One item in particular was a distribution of unclaimed property tax refunds.

A slight dip in fines and forfeitures revenue is shown and this category will be closely watched next budget year.

All other general fund revenues reflect stable and consistent performance.

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

	FY 09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$12,078,908	18.22%	\$12,290,443	18.90%	\$(211,535)	-1.72%
Buildings & facilities	7,623,792	11.50%	6,905,450	10.62%	718,342	10.40%
Administration of justice	21,405,918	32.29%	21,071,220	32.40%	334,698	1.59%
Law enforcement & corrections	20,886,135	31.51%	20,047,816	30.82%	838,319	4.18%
Social services	2,465,269	3.72%	2,452,672	3.77%	12,597	0.51%
Health, safety & sanitation	568,499	0.86%	1,091,269	1.68%	(522,770)	-47.90%
Agriculture, education and consumer sciences	702,096	1.06%	672,015	1.03%	30,081	4.48%
Capital outlay	553,121	0.83%	505,625	0.78%	47,496	9.39%
Total expenditures	66,283,738	100.00%	65,036,510	100.00%	1,247,228	-19.07%
Transfers out	6,799,508		4,653,785		2,145,723	46.107%
Total expenditures & transfers out	<u>\$ 73,083,246</u>		<u>\$69,690,295</u>		<u>\$3,392,951</u>	4.87%



Expenditures increased by 1.92% from the prior year. In comparison to the national consumer price index (CPI) of 1.1, the county's expenditures were higher by .82 %.

Buildings and facilities expenses increased due to intended maintenance costs to maintain public property.

The costs for health, safety and sanitation costs decreased by 47.90 % from last year due to FEMA expenditures for Hurricane Ike in the prior year.

Other factors affecting the overall increase are the 2.5% increase for county employees that have three years or more of service, the increases due to the law enforcement collective bargaining agreement, the higher pension costs and higher windstorm liability coverage.

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 \$2,605,786 under total appropriations for an expenditure level of 96.56%. Actual revenues and transfers in came in \$3,841,289 over budget, or 105.31% of budget.

Last year actual revenues and transfers in came in at 103.19% of budget and expenditures and transfers out came in at 96.08%. Overall, the actual results compare favorably to the 09/10 budget, ending the year with a fund balance of \$24,029,489, an increase of \$3,031,416 over the prior year.

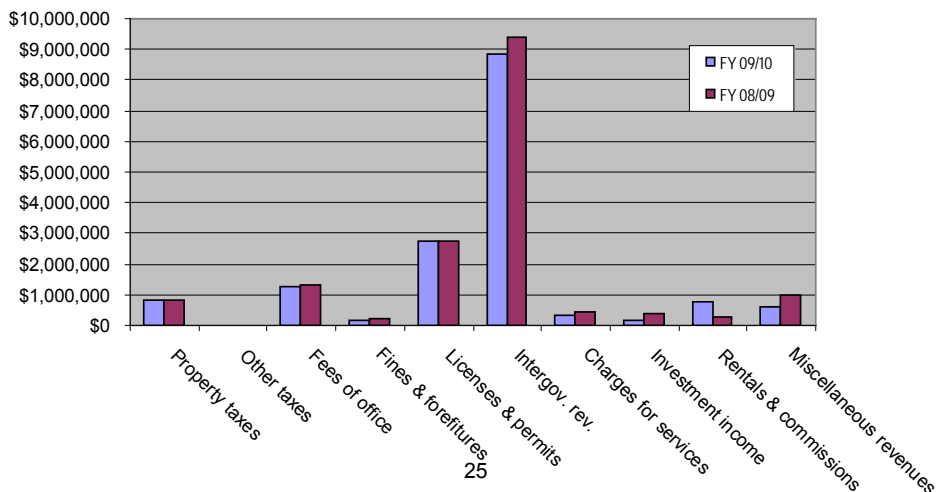
Nonmajor Governmental Funds

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

Nonmajor Governmental Funds – Revenues by Source

	FY09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$812,408	3.65%	\$ 801,828	3.78%	\$10,580	1.32%
Other taxes	210	0.00%	-	0.00%	210	0.00%
Fees of office	1,269,850	5.71%	1,297,795	6.12%	(27,945)	-2.15%
Fines and forfeitures	174,381	0.78%	245,768	1.16%	(71,387)	-29.05%
Licenses and permits	2,743,024	12.33%	2,754,699	13.00%	(11,675)	-0.42%
Intergovernmental revenue	8,854,528	39.80%	9,384,524	44.29%	(529,996)	-5.65%
Charges for services	338,620	1.52%	461,866	2.18%	(123,246)	-26.68%
Investment income	174,144	0.78%	375,455	1.77%	(201,311)	-53.62%
Rentals and commissions	763,148	3.43%	301,873	1.43%	461,275	152.80%
Miscellaneous revenues	<u>625,443</u>	<u>2.81%</u>	<u>993,112</u>	<u>4.69%</u>	<u>(367,670)</u>	<u>-37.02%</u>
Total revenues	15,755,756	70.82%	16,616,920	78.42%	(861,165)	-5.18%
Other financing sources:						
Transfers in	6,421,453	28.86%	4,572,565	21.58%	1,848,888	40.43%
Sale of assets	<u>71,067</u>	<u>0.32%</u>	<u>-</u>	<u>0.00%</u>	<u>71,067</u>	<u>6.71%</u>
Total revenues and other financing sources	<u>\$22,248,276</u>	<u>100.00%</u>	<u>\$21,189,485</u>	<u>100.00%</u>	<u>\$1,058,790</u>	<u>5.00%</u>

Nonmajor Governmental Funds - Revenues by Source

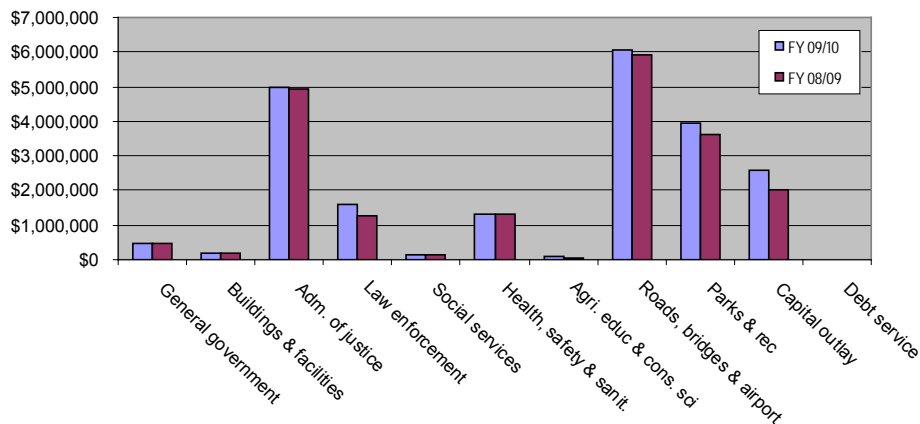


Total revenues for the nonmajor governmental funds are \$861,165 lower as compared to the previous year. Intergovernmental revenues decreased by \$529,996 and come from activity in the road fund and county clerk funds. The specific revenue streams are, again, the commission on collecting motor vehicle sales tax and the election machine usage fees. Other than investment income, overall revenues are steady, strong and consistent.

Nonmajor Governmental Funds – Expenditures by Function

	FY 09/10	Percent of Total	FY 08/09	Percent of Total	Increase (Decrease)	Percent of Change
Function:						
General government	\$462,972	2.01%	\$488,408	2.25%	(\$25,436)	-5.21%
Buildings and facilities	188,903	0.82%	199,515	0.92%	(10,612)	-5.32%
Administration of justice	4,966,646	21.52%	4,912,044	22.59%	54,602	1.11%
Law enforcement and corrections	1,595,631	6.91%	1,286,541	5.92%	309,090	24.02%
Social services	121,111	0.52%	126,177	0.58%	(5,066)	-4.01%
Health, safety and sanitation	1,331,106	5.77%	1,318,104	6.06%	13,002	0.99%
Agriculture, education and consumer sciences	94,345	0.41%	49,083	0.23%	45,262	92.22%
Roads, bridges and airport	6,077,509	26.33%	5,930,698	27.27%	146,811	2.48%
Parks and recreation	3,946,736	17.04%	3,637,202	16.73%	295,175	8.12%
Capital outlay	2,566,435	11.18%	2,013,658	9.26%	567,136	28.16%
Debt service:						
Principal retirement	-	0.00%	-	0.00%	-	0.00%
Interest and fiscal fees	-	0.00%	-	0.00%	-	0.00%
Total expenditures	21,351,394	92.52%	19,961,430	91.81%	1,389,964	6.96%
Transfers						
Transfers out	<u>1,726,380</u>	<u>7.48%</u>	<u>1,782,913</u>	<u>8.19%</u>	<u>(56,533)</u>	<u>-3.17%</u>
Total expenditures and transfers	<u>\$23,077,774</u>	<u>100.00%</u>	<u>\$21,744,343</u>	<u>100.00%</u>	<u>\$1,333,431</u>	<u>6.13%</u>

Nonmajor Governmental Funds - Expenditures by Function



Expenditures for the nonmajor governmental funds increased by \$1,389,964. Capital outlay had the largest increase in expenses. Two areas in the county, Rose Acres colonias and San Petronilla are under construction to improve sewage and other infrastructure. All other expenditures have been previously discussed and are in line with the budget and expectations.

Ending fund balances decreased slightly by \$ (829,498) for a total balance of \$12,502,160.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County’s investment in capital assets for its governmental activities as of September 30, 2010, amounts to \$ 207,913,820 (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 \$2,504,551 or 1.19%.

Nueces County Capital Assets (net of depreciation)		
	2010	2009
Land	\$6,090,433	\$6,095,433
Building and improvements	96,155,828	97,766,266
Furniture, equipment and machinery	10,307,570	10,125,456
Infrastructure	79,331,070	83,651,845
Construction in progress	<u>16,028,919</u>	<u>12,779,121</u>
	<u>\$207,913,820</u>	<u>\$210,418,371</u>

Additional information on the County’s capital assets can be found in note IV-C on pages 59-61 of this report.

Long-term debt. At September 30, 2010, the County had general obligation debt outstanding in the amount of \$122,928,292. This amount is the total of certificates of obligation and a revolving loan 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 \$360,668,101, which puts the County’s outstanding debt at 34.08% of this legal limit.

NUECES COUNTY’S OUTSTANDING DEBT

Governmental Activities		2009	2010	After Refunding Insurance October 12,2010
Certificates of obligation		\$ 580,000	\$ -	\$ -
Combination revenue and certificates of obligation		124,685,000	120,430,000	119,500,000
Loan Star loans		<u>849,820</u>	<u>865,301</u>	<u>865,301</u>
Sub-total		126,114,820	121,295,301	120,365,301
Premium on debt		<u>1,718,362</u>	<u>1,632,991</u>	<u>1,632,991</u>
Total		\$127,833,182	\$122,928,292	\$121,998,292

Since its upgrade in rating in 1998 and October 2010 the County maintains a “AA+” rating from Standard & Poor’s and a “Aa” rating from Moody’s for general obligation debt. Additional information on the County’s long-term debt can be found in note IV-F on pages 64-66 of this report.

On October 12,2010, Nueces County issued a general obligation refunding bond series 2010. As a result of the refunding, the County’s total outstanding debt will be reduced by \$930,000. The outstanding debt after refunding is shown above.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Nueces County as of September 30, 2010 is 7.6%, remaining the same as last year's rate. The County's unemployment rate is lower than the State's average unemployment rate of 8.1 percent. Both the State of Texas and the County are lower than the national average rate of 9.6 percent.
- School enrollment for 2010 is 59,956 down by 290 from last year.
- Retail sales went down this year by 1.98% as compared to prior year for a total of \$77.534 billion.
- Net taxable value (NTV) decreased by 4.34%. Last year the increase was 8.45%.
- Property valuations dropped for the first time in 17 years.
- Port tonnage decreased by 10.88 percent.
- Population increased slightly by 0.3%.

All these factors were considered in preparing the County's budget for the 2010/2011 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The priorities inherent to the 2010/2011 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, and (4) establish procedures that are in compliance with statutory requirements to improve efficiency.

The County budget for FY 2010/2011 included the following to the enact priorities within the current economic downturn:

- Adopted a property tax rate below the effective tax rate to promote local economic stimulus.
- Implemented the fifth year of a continuance pay plan where employees and elected officials with at least three years of service received a 2 ½% pay increase.
- Continue installation of a new case management system which will lead to greater efficiency in the district attorney, district clerk and judicial court offices.
- Continue installation an automated time keeping system which will be interfaced with the payroll system.
- Entered into an agreement with the state to borrow \$7.9 million dollars to make energy efficient improvements throughout the county.

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 ASSETS
September 30, 2010

	Primary Government	Component Units	
	Governmental Activities	Hospital District	MHMR Center
ASSETS			
Cash and cash equivalents	\$ 35,726,336	\$ 31,958,577	\$ 530,574
Investments	44,142,852	14,004,187	3,608,427
Receivables (net of allowance for uncollectibles)	9,905,169	17,467,883	372,056
Due from component unit	385,669	-	-
Due from agencies	434,551	-	986,074
Inventories	172,773	-	4,493
Prepays	559,131	113,173	130,824
Interest in Coastal Bend Community Foundation	-	-	94,751
Other assets	-	81,961	-
Bond Issue Costs	-	56,365	-
Capital assets (not being depreciated):			
Land	6,095,682	3,076,926	481,983
Construction in progress	16,028,921	-	12,519
Capital assets (net of accumulated depreciation):			
Buildings and improvements	96,367,324	7,209,752	2,463,600
Furniture, equipment and machinery	10,096,074	476,000	614,113
Computer Software Systems	383,142	-	-
Infrastructure	78,947,928	-	-
Total assets	<u>299,245,552</u>	<u>74,444,824</u>	<u>9,299,414</u>
LIABILITIES			
Accounts payable and other current liabilities	19,098,248	3,388,003	1,219,789
Due to component unit	-	385,669	-
Accrued payroll payable	3,774,353	73,578	-
Accrued interest payable	690,731	80,549	-
Unearned revenue	219,599	-	236,276
Non-current liabilities:			
Due within one year	5,155,872	1,565,000	47,975
Due in more than one year	121,781,229	6,838,392	255,178
Accrued Compensated Absences	-	-	414,363
Total liabilities	<u>150,720,032</u>	<u>12,331,191</u>	<u>2,173,581</u>
NET ASSETS			
Invested in capital assets, net of related debt	84,990,779	2,426,186	3,269,062
Restricted for:			
Debt service	3,585,711	-	-
Roads, bridges and transportation	4,011,270	-	-
Stadium & Fairgrounds	399,391	-	-
Law library	278,910	-	-
Airport	119,307	-	-
Coastal parks	1,382,278	-	-
Commissioners court purposes	625,013	-	-
County clerk purposes	2,320,448	-	-
Tax assessor collector purposes	124,797	-	-
Juvenile programs	166,697	-	-
District attorney purposes	180,705	-	-
District clerk purposes	59,676	-	-
County sheriff purposes	402,414	-	-
Judicial and law enforcement purposes	1,044,880	-	-
Law enforcement & district attorney education	37,635	-	-
Unrestricted	48,795,609	59,687,447	3,856,771
Total net assets	<u>\$ 148,525,520</u>	<u>\$ 62,113,633</u>	<u>\$ 7,125,833</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, 2010

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental Activities:			
General government	\$ 13,483,612	\$ 7,631,054	\$ 135,558
Buildings and facilities	10,165,122	1,010,740	-
Administration of justice	27,292,561	8,381,617	4,143,855
Law enforcement and corrections	24,468,809	2,826,083	1,500,578
Social services	2,679,502	168,321	437,058
Health, safety and sanitation	2,023,424	55,058	1,789,711
Agriculture, education and consumer sciences	865,488	20,361	10,662
Roads, bridges and transportation	14,143,486	2,835,769	510,709
Parks and recreation	5,948,582	1,077,838	97,169
Interest and fees on long-term debt	5,823,695	-	-
Total primary government	<u>106,894,281</u>	<u>24,006,841</u>	<u>8,625,300</u>
Component Units:			
Hospital district	39,801,655	3,367,614	601,952
MHMR	17,206,222	6,945,376	9,388,998
Total component units	<u>\$ 57,007,877</u>	<u>\$ 10,312,990</u>	<u>\$ 9,990,950</u>

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

<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Hospital District</u>
\$ -	\$ (5,717,000)	\$ -	\$ -
-	(9,154,382)	-	-
-	(14,767,089)	-	-
-	(20,142,148)	-	-
-	(2,074,123)	-	-
55,604	(123,051)	-	-
-	(834,465)	-	-
598,800	(10,198,208)	-	-
-	(4,773,575)	-	-
-	(5,823,695)	-	-
<u>654,404</u>	<u>(73,607,736)</u>	<u>-</u>	<u>-</u>
-	-	(35,832,089)	-
-	-	-	(871,848)
<u>\$ -</u>	<u>-</u>	<u>(35,832,089)</u>	<u>(871,848)</u>

General revenues:

Property taxes	67,091,123	29,533,395	-
Alcohol beverage and other taxes	3,028,318	-	-
Unrestricted investment earnings	841,701	1,340,756	12,129
Grants and contributions not restricted to specific programs	281,025	230,378	-
Gain on sale of assets	71,067	-	(2,935)
Miscellaneous	-	-	751,769
Total general revenues	<u>71,313,234</u>	<u>31,104,529</u>	<u>760,963</u>
Change in net assets	(2,294,502)	(4,727,560)	(110,885)
Net assets - beginning	<u>150,820,022</u>	<u>66,841,196</u>	<u>7,236,718</u>
Net assets - ending	<u>\$ 148,525,520</u>	<u>\$ 62,113,636</u>	<u>\$ 7,125,833</u>

**NUECES COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010**

	General Fund	Debt Service Fund
ASSETS		
Cash and cash equivalents	\$ 15,294,298	\$ 566,684
Investments	16,805,184	3,045,857
Receivables (net of allowance for uncollectibles)	1,445,984	10,732
Due from component unit	385,669	-
Due from other funds	4,055,079	-
Prepays	464,007	-
Inventories	134,099	-
Total assets	\$ 38,584,320	\$ 3,623,273
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 8,488,874	\$ 2,500
Accrued payroll	3,163,534	-
Due to other funds	2,760,596	12,895
Unearned revenue	3,000	-
Other liabilities	138,827	22,167
Total liabilities	14,554,831	37,562
 Fund balances:		
Reserved for:		
Change and imprest funds	52,190	-
Prepays	464,079	-
Inventories	134,099	-
Encumbrances	-	-
Capital projects fund	-	-
Unreserved - undesignated, reported in:		
General fund	23,379,121	-
Debt service fund	-	3,585,711
Special revenue funds	-	-
Total fund balances	24,029,489	3,585,711
 Total liabilities and fund balances	 \$ 38,584,320	 \$ 3,623,273

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 4,392	\$ 10,261,819	\$ 6,814,521	\$ 32,941,714
-	14,690,741	8,612,270	43,154,052
4,590,130	55,718	2,853,437	8,956,001
-	-	-	385,669
2,270	461,205	890,845	5,409,399
954	-	94,170	559,131
-	-	38,674	172,773
<u>\$ 4,597,746</u>	<u>\$ 25,469,483</u>	<u>\$ 19,303,917</u>	<u>\$ 91,578,739</u>
\$ 4,496,667	\$ 2,012,482	\$ 3,386,313	\$ 18,386,836
4,343	-	606,476	3,774,353
30,000	523,689	2,082,219	5,409,399
-	708	215,891	219,599
-	-	510,858	671,852
<u>4,531,010</u>	<u>2,536,879</u>	<u>6,801,757</u>	<u>28,462,039</u>
-	-	-	52,190
-	-	-	464,079
-	-	-	134,099
-	15,783,200	-	15,783,200
-	7,149,404	-	7,149,404
-	-	-	23,379,121
-	-	-	3,585,711
66,736	-	12,502,160	12,568,896
<u>66,736</u>	<u>22,932,604</u>	<u>12,502,160</u>	<u>63,116,700</u>
<u>\$ 4,597,746</u>	<u>\$ 25,469,483</u>	<u>\$ 19,303,917</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	207,919,071
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	944,200
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 assets.	1,839,355
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(125,293,806)
Net assets of governmental activities	<u>\$ 148,525,520</u>

NUECES COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended September 30, 2010

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Property taxes	\$ 55,012,438	\$ 11,193,429
Other taxes	319,339	-
Fees of office	5,349,907	-
Fines and forfeitures	2,466,714	-
Licenses and permits	1,251,231	-
Intergovernmental revenue	7,683,823	-
Charges for services	442,225	-
Investment income	313,218	44,913
Rentals and commissions	432,192	-
Miscellaneous revenues	917,487	-
Total revenues	74,188,574	11,238,342
EXPENDITURES		
Current:		
General government	12,078,908	-
Buildings and facilities	7,623,792	-
Administration of justice	21,405,918	-
Law enforcement and corrections	20,886,135	-
Social services	2,465,269	-
Health, safety and sanitation	568,499	-
Agriculture, education and consumer sciences	702,096	-
Roads, bridges and airport	-	-
Parks and recreation	-	-
Capital outlay	553,121	-
Debt Service:		
Principal retirement	-	4,957,377
Interest and fiscal fees	-	5,877,733
Total expenditures	66,283,738	10,835,110
Excess (deficiency) of revenues over (under) expenditures	7,904,836	403,232
OTHER FINANCING SOURCES (USES)		
Transfers in	1,926,088	-
Transfers out	(6,799,508)	-
Sale of assets	-	-
Issuance of debt	-	-
Total other financing sources and uses	(4,873,420)	-
Net change in fund balances	3,031,416	403,232
Fund balances - beginning	20,998,073	3,182,479
Fund balances - ending	\$ 24,029,489	\$ 3,585,711

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

U.S. Marshal Contract	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 812,408	\$ 67,018,275
-	-	210	319,549
-	-	1,269,850	6,619,757
-	-	174,381	2,641,095
-	-	2,743,024	3,994,255
883,271	-	8,854,528	17,421,622
-	-	338,620	780,845
-	295,449	174,144	827,724
-	87,315	763,148	1,282,655
-	2,998	625,443	1,545,928
<u>883,271</u>	<u>385,762</u>	<u>15,755,756</u>	<u>102,451,705</u>
-	-	462,972	12,541,880
-	57,589	188,903	7,870,284
-	-	4,966,646	26,372,564
22,129	-	1,595,631	22,503,895
-	-	121,111	2,586,380
-	-	1,331,106	1,899,605
-	-	94,345	796,441
-	-	6,077,509	6,077,509
-	-	3,946,736	3,946,736
-	9,157,426	2,566,435	12,276,982
-	-	-	4,957,377
-	-	-	5,877,733
<u>22,129</u>	<u>9,215,015</u>	<u>21,351,394</u>	<u>107,707,386</u>
861,142	(8,829,253)	(5,595,638)	(5,255,681)
-	1,640,000	6,421,453	9,987,541
(1,063,000)	(398,653)	(1,726,380)	(9,987,541)
-	-	71,067	71,067
-	137,857	-	137,857
<u>(1,063,000)</u>	<u>1,379,204</u>	<u>4,766,140</u>	<u>208,924</u>
(201,858)	(7,450,049)	(829,498)	(5,046,757)
268,594	30,382,653	13,331,658	68,163,457
<u>\$ 66,736</u>	<u>\$ 22,932,604</u>	<u>\$ 12,502,160</u>	<u>\$ 63,116,700</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, 2010**

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

Net change in fund balances---total governmental funds (page 37)	\$ (5,046,757)
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.	(2,499,300)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	72,848
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,928,107
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.	54,889
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>195,711</u>
Change in net assets of governmental activities (page 33).	<u><u>\$ (2,294,502)</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 AND ACTUAL
For the year ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 55,529,952	\$ 55,529,952	\$ 55,012,438	\$ (517,514)
Other taxes	343,000	343,000	319,339	(23,661)
Fees of office	3,412,000	3,412,000	5,349,907	1,937,907
Fines and forfeitures	2,787,000	2,787,000	2,466,714	(320,286)
Licenses and permits	2,116,000	2,116,000	1,251,231	(864,769)
Intergovernmental revenue	4,693,839	4,693,839	7,683,823	2,989,984
Charges for services	428,000	428,000	442,225	14,225
Investment income	580,000	580,000	313,218	(266,782)
Rentals and commissions	425,000	425,000	432,192	7,192
Miscellaneous revenues	284,000	284,000	917,487	633,487
Total revenues	<u>70,598,791</u>	<u>70,598,791</u>	<u>74,188,574</u>	<u>3,589,783</u>
EXPENDITURES				
Current:				
General government	14,234,462	12,785,419	12,078,908	706,511
Buildings and facilities	8,342,264	8,334,853	7,623,792	711,061
Administration of justice	21,856,720	22,123,062	21,405,918	717,144
Law enforcement and corrections	21,432,573	21,527,705	20,886,135	641,570
Social services	2,628,532	2,659,484	2,465,269	194,215
Health, safety and sanitation	672,755	678,455	568,499	109,956
Agriculture, education and consumer sciences	714,262	713,401	702,096	11,305
Capital outlay:				
Capital outlay more than \$5,000	700,000	752,350	553,121	199,229
Total expenditures	<u>70,581,568</u>	<u>69,574,729</u>	<u>66,283,738</u>	<u>3,290,991</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,223</u>	<u>1,024,062</u>	<u>7,904,836</u>	<u>6,880,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,674,582	1,674,582	1,926,088	(251,506)
Transfers out	(6,114,303)	(6,114,303)	(6,799,508)	685,205
Total other financing sources and uses	<u>(4,439,721)</u>	<u>(4,439,721)</u>	<u>(4,873,420)</u>	<u>433,699</u>
Net change in fund balances	(4,422,498)	(3,415,659)	3,031,416	(6,447,075)
Fund balances - beginning	19,052,800	19,052,800	20,998,073	(1,945,273)
Fund balances - ending	<u>\$ 14,630,302</u>	<u>\$ 15,637,141</u>	<u>\$ 24,029,489</u>	<u>\$ (8,392,348)</u>

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

NUECES COUNTY, TEXAS
U. S. MARSHAL CONTRACT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 926,187	\$ 926,187	\$ 883,270	\$ (42,917)
Total revenues	<u>926,187</u>	<u>926,187</u>	<u>883,270</u>	<u>(42,917)</u>
 EXPENDITURES				
Law Enforcement:				
Personnel services	43,654	43,954	22,129	21,825
Reserve appropriations	157,831	157,831	-	157,831
Total expenditures	<u>201,485</u>	<u>201,785</u>	<u>22,129</u>	<u>179,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>724,702</u>	<u>724,402</u>	<u>861,141</u>	<u>136,739</u>
 OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,063,000)</u>	<u>(1,063,000)</u>	<u>(1,063,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,063,000)</u>	<u>(1,063,000)</u>	<u>(1,063,000)</u>	<u>-</u>
Net change in fund balances	(338,298)	(338,598)	(201,859)	136,739
Fund balances - beginning	<u>338,298</u>	<u>338,298</u>	<u>268,595</u>	<u>(69,703)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (300)</u>	<u>\$ 66,736</u>	<u>\$ 67,036</u>

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

NUECES COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,784,622
Investments	988,800
Due from other governments and agencies	434,551
Receivables (net of allowance for uncollectibles)	<u>4,968</u>
Total assets	<u>4,212,941</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>711,412</u>
Total current liabilities	711,412
Noncurrent liabilities	
Estimated claims liability	<u>1,662,174</u>
Total noncurrent liabilities	<u>1,662,174</u>
Total liabilities	<u>2,373,586</u>
NET ASSETS	
Total net assets - unrestricted	<u><u>\$ 1,839,355</u></u>

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

NUECES COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year ended September 30, 2010

	Governmental Activities - Internal <u>Service Funds</u>
Operating revenues:	
Premiums and reimbursements	\$ 7,894,223
Operating expenses:	
Benefit payments	5,136,577
Insurance premiums and bonds	2,042,527
Self-insurance claims	32,749
Administration	<u>500,635</u>
Total operating expenses	<u>7,712,488</u>
Operating income (loss)	<u>181,735</u>
Non-operating revenues:	
Investment income	<u>13,976</u>
Total non-operating revenue	<u>13,976</u>
Change in net assets	195,711
Total net assets - beginning	<u>1,643,644</u>
Total net assets - ending	<u><u>\$ 1,839,355</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, 2010

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 5,686,376
Receipts from employees	983,532
Receipts from other participants	655,168
Receipts from reimbursements and refunds	225,479
Payments for benefit claims	(5,142,577)
Payments for insurance and bond policies	(2,106,882)
Payments for administration	(500,635)
Payments for settlements and claims	<u>(106,690)</u>
Net cash provided in operating activities	<u>(306,229)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(988,800)
Interest received	<u>10,492</u>
Net cash provided by investing activities	<u>(978,308)</u>
Net increase in cash and cash equivalents	(1,284,537)
Cash and cash equivalents - beginning	<u>4,069,159</u>
Cash and cash equivalents - ending	<u><u>\$ 2,784,622</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 181,735
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	(76,794)
(Increase) decrease in due from other funds	(345,327)
Increase (decrease) in estimated claims liabilities	(73,941)
Increase (decrease) in accounts payable	3,912
Increase (decrease) in due to other funds	<u>4,186</u>
Total adjustments	<u>(487,964)</u>
Net cash provided by operating activities	<u><u>\$ (306,229)</u></u>

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

NUECES COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
September 30, 2010

	Agency Funds
Assets	
Cash and cash equivalents	\$ 17,118,374
Due from other governments and agencies	408,158
Accounts receivable	751,465
Prepays	17,466
Equipment	666,605
Furniture	222,821
Vehicles	470,921
Total assets	\$ 19,655,810
Liabilities	
Accounts payable	\$ 16,190,174
Accrued payroll payable	717,229
Due to other governments and agencies	911,872
Funds held in escrow	1,836,535
Total liabilities	\$ 19,655,810

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



NUECES COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2010

I. Summary of significant accounting policies

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The financial report has been prepared in accordance with GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”, issued in June 1999 and implemented by the County in fiscal year, FY 2003. GASB Statement No. 45, “*Accounting and Financial Reporting by Employees for Post employment 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. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

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 its discretely presented component units defined according to criteria in GASB Statement No. 14, *The Financial Reporting Entity*. There are no blended component units included in this financial report.

Component Units

Nueces County Hospital District (District) is legally separate from the County; however, the Nueces County Commissioners appoints all of the board of directors. Additionally, the Commissioners Court sets the tax rate and approves the District’s budget.

As of October 1, 1996, Spohn Health System (Spohn) leased the hospital and the satellite clinics, Memorial Medical Center (MMC) from the District 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 to the District unless such agreement is extended. The District's primary mission is to work with Spohn Health Systems to make available high quality, accessible and cost effective healthcare services to the indigent residents of Nueces County, consistent with statutory requirements and available resources. Primarily, the District provides a healthcare management and payment system. The District is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the county.

Nueces County Mental Health and Mental Retardation Community Center (Center) is legally separate from the County, however the Nueces County Commissioners appoint all nine members of the Board of Trustees. In previous years the County provided significant direct funding to the Center, but the District currently assumes this financial responsibility. The County has considerable potential liability if the state or federal reduces their funding. The Center began when House Bill 3 of 1965 first appointed this Board in May 1966 as authorized by the Texas Legislature. The Center provides various mental health and mental retardation services to residents of the local area. The Center receives funding from local, state and federal government sources. The Board of Trustees’ and the Texas Department of Mental Health and Mental Retardation must approve the Center’s budget. The Center is reported in a separate column in the government –wide financial statements to emphasize that it is legally separate from the county.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Nueces County Hospital District
555 N. Carancahua, Suite 950
Corpus Christi, Texas 78478

Nueces County Mental Health and Mental
Retardation Community Center
1630 South Brownlee
Corpus Christi, Texas 78404

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, interfund activity has been removed from these statements to eliminate duplication. Interfund 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 and the capital projects fund are major funds and are reported in separate columns in the fund financial statements.

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

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

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

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

The County reports four major governmental funds:

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements and includes activity from the internal service funds.

D. Assets, liabilities, and net assets

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, local government pools, repurchase agreements, and direct obligations of states, agencies, counties, cities, and other political subdivisions of any state rated "A" or its equivalent.

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

Components Units

The District considers cash and cash equivalents at year-end to include currency on hand, demand deposits and amounts included in pooled cash or liquid investments with 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 an SEC-registered, no-load money market mutual fund whose assets consist exclusively of approved obligations.

The Center's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Board of Trustees of the Center authorize the Center to invest with certain stipulations in obligations of the United States or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; obligations of states, investment quality by a nationally recognized investment firm not less than A or its equivalent; certificates of deposit if issued by a state bank, national bank or savings and loan association domiciled in this state; commercial paper; mutual funds and money market funds; and investment pools.

Investments for the Center are reported at fair value. For investments in local government investment pools, the reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

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

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

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

3. Inventories and prepaid items

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

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

4. Capital assets

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

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

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

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

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

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

5. Compensated absences

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

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

Component Units

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.

The Center employees earn paid time off each month. The amount is based upon 100% of paid time off for each employee multiplied by their effective hourly rate, up to a cap based on years of service. Actual compensated absences benefits paid during the year are recorded as expenditures in the general fund. The Center's liability for accrued compensated absences is reported as a liability in the governmental activities column of the statement of net assets.

6. Long-term obligations

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount and bond issuance costs.

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

7. Fund balance designations

In the fund financial statements, governmental funds report “reservations” of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. “Designations” of fund balance (as opposed to reservations of fund balance), represent tentative management plans that are subject to change.

II. Reconciliation of government-wide and fund financial statements

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

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

General obligation debt	\$122,906,125
Accrued interest payable	690,731
Compensated absences	<u>1,696,950</u>
Net adjustments to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$125,293,806</u>

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

The governmental fund statement of revenue, expenditures, and change in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation indicates, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$(2,499,300) difference are as follows:

Capital outlay	\$12,276,982
Depreciation expense	<u>(14,776,282)</u>
Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> to arrive at change in <i>net assets of governmental activities</i>	<u>(\$2,499,300)</u>

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The county had no differences this year from the sale of net assets

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$5,065,964 difference are as follows:

Principal repayments:	
General obligation debt	\$ 4,957,377
Non payable – capital lease	23,216
Amortization of issuance costs	(108,069)
Accretion of bond discount	<u>193,440</u>
Net adjustment to increase <i>net changes in fund balances-</i> <i>total governmental funds</i> to arrive at <i>changes in net</i> <i>assets of governmental activities</i>	<u>\$5,065,964</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$54,889 difference are as follows:

Accrued interest	<u>\$54,889</u>
Net adjustment to decrease <i>net changes in fund balances –</i> <i>total governmental funds</i> to arrive at <i>changes in net assets</i> <i>of governmental activities</i>	<u>\$54,889</u>

III. Stewardship, compliance and accountability

A. Budgetary information

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

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

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

Budget transfers may be made among the line items, categories and departments only with the approval of the Commissioners Court. Such transfers were made during the fiscal year but did not increase the County’s overall budget.

The budgets are prepared on a basis consistent with generally accepted accounting principles.

The final budgets presented in this report reflect the budget amendments for all appropriation transfers processed during the fiscal year. More comprehensive accounting of activity on the budgetary basis is provided in a separate report, which is available for public inspection in The Office of the Nueces County Auditor, 901 Leopard, Room 304, Corpus Christi, Texas 78401.

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 are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

IV. Detailed notes on all funds

A. Investments

Primary Government

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 and bank certificates of deposit 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 (both sub depository banks).

The County’s investments are comprised of money market accounts, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Fannie Mae bonds. Local government investment pools with ratings no lower than AAA or AAA – or an equivalent rating of at least one national recognized rating service. Currently the County is using two local government investment pools. The first pool is AAA Rated TexPool, which is overseen by the Texas Comptroller of Public Accounts and is administered by Federated Investors, Inc. and the second is the AAA Rated Texas Class, administered by Cutwater Investor Services Corporation with Wells Fargo as the custodian of funds. Both funds are in compliance with the provisions of Texas Public Funds Investment Act.

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

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Government sponsored securities	\$44,142,852	582
Local government investment pools	482,389	1
Money market accounts	<u>11,902,374</u>	<u>1</u>
Total	<u>\$56,527,615</u>	<u>454</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 requires prior approval of investment vendors with which it transacts business and by having the bank collateralize deposits and money market 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 have been rated AAA-m by Standard & Poor's and Aaa by Moody's.

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.

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. However toward the end of our fiscal year our longer term investments remained the same while our shorter term cash equivalents diminished. As a result we were over the 365 day investment policy limit, temporarily and our investment committee agreed to let situation continue until our tax monies started coming in during October. By the following quarter we were in compliance with our investment policy.

Component Units

The District's cash deposits at September 30, 2010 and during the year ended September 30, 2010, were covered by federal deposit insurance or by pledged collateral held by the District's agent bank in the District's name.

Deposits at August 31, 2010, were insured or collateralized by securities held by the Center's agent in the Center's name.

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the government or its agent in the government's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department or agent in the government's name.
- (3) Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the government's name.

Component Units

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

	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less Than One Year</u>	<u>One to Two Years</u>	<u>Two to Three Years</u>
U.S. Agency				
Federal Home Loan Mortgage Corporation	\$11,001,690	-	\$11,001,690	\$ -
Federal Home Loan Bank	-	-	-	-
Federal National Mortgage Association	3,000,447	-	3,000,447	-
Government National Mortgage Association	2,050	-	-	2,050
AAA-Rated Local Govt				
Investment Pools:				
Texpool	31,870,173	31,870,173	-	-
Logic	17,199	17,199	-	-
Collateralized Bank Accounts	44,052	44,052	-	-
Money Market Mutual Funds	391,343	391,343	-	-
Petty Cash	150	150	-	-
Total investments	<u>\$46,327,104</u>	<u>\$32,322,917</u>	<u>\$14,002,137</u>	<u>\$ 2,050</u>
% of Total Portfolio		69.77%	30.22%	00.01%

Credit risk

The primary stated objective of the District's adopted Investment Policy is the safety of principal and avoidance of principal loss. 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, bankers' acceptances, commercial paper and non-rated SEC registered money market mutual funds and mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities.

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

State law and the District's adopted Investment Policy restricts investment in SEC registered money market mutual funds striving to maintain a \$1 net asset value as further defined by State law. Neither the state law nor the Policy requires a rating.

State law and the District's adopted Investment Policy restricts investments in mutual funds to AAA- rated no-load SEC registered mutual funds invested exclusively in obligations of the U.S. Government, its agencies and instrumentalities, commercial paper and bankers acceptances as further defined by state law. The funds must have a dollar-weighted average maturity of two years or less.

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

Concentration of credit risk

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

As of September 30, 2010, holdings in US Government securities with ratings of AAA represented 30.22% of the total portfolio. Investment in the State Treasurer's local government investment pool, Texpool, represented 68.8% of the total portfolio. Investment in a second local government investment pool, LOGIC, represented .04% of the total portfolio. Holdings in an AAA-rated money market mutual fund represented .84% of the total portfolio. The remaining .1% of the portfolios invested in collateralized bank accounts.

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 of twelve (12) months. A segmented time distribution analysis is shown above.

As of September 30, 2010, the portfolio contained four holdings in the portfolio with stated maturity dates beyond one year representing 30.22% of the total portfolio, and the weighted average of the combined portfolio was 167 days.

As of September 30, 2010, the portfolio contained four callable notes and one Government National Mortgage Association pass through mortgage backed note with an original par value of \$100,000 and current market value of \$2,050 and a coupon rate of 9%. The note was purchased October 1, 1986, matures October 15, 2016.

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, 2010, 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.

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Certificate of Deposit	\$ 252,555	0 days
AIM Govt & Agency-Cash Mgmt	<u>3,355,872</u>	<u>27 days</u>
Total Fair Value	<u>\$3,608,427</u>	
Portfolio Weighted Avg Maturity		27 days

Credit risk

As of August 31, 2010, the Center's investments in AIM Money Market Mutual Fund were rated AAA by Standard & Poor's, the highest rating a security can achieve. AIM Money Market Mutual Fund is administered by AIM Investment.

Concentration of credit risk

The Center's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified after considering maturity duration, type of investment, liquidity factors, cash-flow timing and degree of risk.

Interest rate risk

The investment policy of the Center limits the weighted average maturity of its investment portfolio to one year. The maximum allowable stated maturity of any individual investment owned by the Center shall not exceed three years from the time of purchase. NCMHMR manages its exposure to declines in fair values of the U.S. treasury bills by limiting the weighted average maturity of its investment portfolio to 90 days. AIM Investments manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 60 days.

B. Receivables

Primary Government

Receivables as of September 30, 2010 for each major fund, nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Grants	Total
Governmental activities:				
General fund	\$ 3,388,022	\$ 1,445,984	\$ -	\$ 4,834,006
Debt service	690,234	10,732	-	700,966
U.S. marshal	-	4,590,130	-	4,590,130
Capital projects fund	-	55,718	-	55,718
Nonmajor funds	77,066	494,683	2,358,754	2,930,503
Internal service fund	<u>-</u>	<u>4,968</u>	<u>-</u>	<u>4,968</u>
Total – governmental activities	4,155,322	6,602,215	2,358,754	15,128,291
Less:				
Allowance for uncollectible taxes	<u>(3,211,122)</u>	<u>-</u>	<u>-</u>	<u>(3,211,122)</u>
Total – governmental activities, net	<u>\$ 944,200</u>	<u>\$ 6,602,215</u>	<u>\$ 2,358,754</u>	<u>\$ 9,905,169</u>

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

	Unavailable	Unearned
Delinquent property taxes receivable (general fund) net	\$766,276	\$ -
Delinquent property taxes receivable (debt service fund) net	156,114	-
Delinquent property taxes receivable (road fund) net	21,810	-
Grant advances prior to meeting all eligibility requirements	-	151,786
Miscellaneous prepayments	<u>-</u>	<u>67,813</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 944,200</u>	<u>\$ 219,599</u>

Component units

	<u>District</u> As of September 30	<u>Center</u> As of August 31
Receivables:		
Accounts	\$ -	\$ 372,056
Taxes	2,041,775	-
Receivable other governments	-	986,074
Other receivables	55,406	-
Hospital lease receivable	<u>16,328,386</u>	-
Gross receivables	18,425,567	1,358,130
Less: allowance for uncollectibles	<u>(902,278)</u>	-
Net total receivables	<u>\$17,523,289</u>	<u>\$1,358,130</u>

C. Capital Assets

Primary Government

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Completed Projects	Retirements	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,095,433	\$ -	\$ -	\$ (5,000)	\$ 6,090,433
Construction in progress	<u>12,779,121</u>	<u>10,371,906</u>	<u>(7,122,108)</u>	-	<u>16,028,919</u>
Total capital assets, not being depreciated	<u>18,874,554</u>	<u>10,371,906</u>	<u>(7,122,108)</u>	<u>(5,000)</u>	<u>22,119,352</u>
Capital assets being depreciated:					
Buildings and improvements	149,156,449	-	4,179,086	-	153,335,535
Furniture, equipment and machinery	24,527,706	1,905,076	222,099	-	26,654,880
Software	-	-	403,307	-	403,307
Infrastructure	<u>169,147,715</u>	-	<u>2,317,616</u>	-	<u>171,465,331</u>
Total capital assets, being depreciated	342,831,870	1,905,076	7,122,108	-	351,859,054
Less accumulated depreciation for:					
Building and improvements	(51,390,183)	(5,789,524)	-	-	(57,179,707)
Furniture, equipment and machinery	(14,402,250)	(1,945,060)	-	-	(16,347,310)
Software	-	(20,165)	-	-	(20,165)
Infrastructure	<u>(85,495,870)</u>	<u>(7,021,533)</u>	-	-	<u>(92,517,403)</u>
Total accumulated depreciation	<u>(151,288,303)</u>	<u>(14,776,283)</u>	-	-	<u>(166,064,586)</u>
Total capital assets, being depreciated, net	<u>191,543,567</u>	<u>(12,871,207)</u>	-	-	<u>185,794,468</u>
Governmental activities capital assets, net	<u>\$210,418,121</u>	<u>\$(2,499,301)</u>	<u>\$ -</u>	<u>(5,000)</u>	<u>\$207,913,820</u>

Depreciation expense for the year ended September 30, 2010 was charged to functions/programs of the County as follows:

Governmental activities:	FY 2010	FY 2009	Increase (Decrease)
General government	\$ 786,736	\$ 882,399	\$ (95,663)
Buildings and facilities	2,021,861	1,635,028	386,833
Administration of justice	506,811	493,013	13,798
Law enforcement and corrections	1,446,409	1,353,680	92,729
Health, safety and sanitation	105,618	74,494	31,124
Social services	42,564	44,596	(2,032)
Agriculture, education and consumer sciences	56,236	55,018	1,218
Roads, bridges and transportation	7,919,287	7,581,330	337,957
Parks and recreation	<u>1,890,760</u>	<u>1,872,005</u>	<u>18,755</u>
Total depreciation expense – governmental activities	<u>\$ 14,776,283</u>	<u>\$ 13,991,563</u>	<u>\$ 784,720</u>

At September 30, 2010 the County's construction commitments are as follows:

Project Description	Contract Amount	Balance
Commissioners courtroom renovations	\$ 115,045	\$ 5,642
Park projects	524,260	103,692
Water & waste improvement	1,295,172	1,080,204
McKinze annex renovations	506,944	36,872
Juvenile center renovations	290,275	14,514
Fairgrounds improvements	4,653,416	3,823,465

Several projects were completed during the year and have been put into service in the amount of \$7,122,108.

Component units

Capital assets activity for the District for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 574,450	\$ -	\$ -	\$ 574,450
Land Leased to Spohn	<u>2,502,476</u>	<u>-</u>	<u>-</u>	<u>2,502,476</u>
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	1,237,107	60,284	(11,045)	1,286,346
Buildings Leased to Spohn	28,073,018	-	-	28,073,018
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, being depreciated:	<u>29,310,125</u>	<u>60,284</u>	<u>(11,045)</u>	<u>29,359,364</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Furniture, equipment and machinery	(690,630)	(130,175)	10,459	(810,346)
Buildings Leased to Spohn	<u>(20,391,590)</u>	<u>(471,676)</u>	<u>-</u>	<u>(20,863,266)</u>
Total accumulated depreciation	<u>(21,082,220)</u>	<u>(601,851)</u>	<u>10,459</u>	<u>(21,673,612)</u>
Total capital assets, being depreciated, net	<u>8,227,905</u>	<u>(541,567)</u>	<u>(586)</u>	<u>7,685,752</u>
Governmental activities capital assets, net	<u>\$ 11,304,831</u>	<u>\$(541,567)</u>	<u>\$ (586)</u>	<u>\$10,762,678</u>

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

	Beginning Balance	Additions	Decreases	Reclass	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 481,983	\$ -	\$ -	\$ -	\$ 481,983
Construction in progress	<u>2,815</u>	<u>12,519</u>	<u>-</u>	<u>(2,815)</u>	<u>12,519</u>
Total capital assets, not being depreciated	<u>484,798</u>	<u>12,519</u>	<u>-</u>	<u>(2,815)</u>	<u>494,502</u>
Capital assets being depreciated:					
Buildings and improvements	5,441,082	197,450	-	-	5,638,532
Furniture, equipment and machinery	1,900,358	84,360	21,631	2,815	1,965,902
Vehicles	<u>675,823</u>	<u>-</u>	<u>6,580</u>	<u>-</u>	<u>669,243</u>
Total capital assets, being depreciated	8,017,263	281,810	(21,631)	182,333	8,017,263
Less: accumulated depreciation	<u>(4,777,239)</u>	<u>(460,264)</u>	<u>163,046</u>	<u>-</u>	<u>(4,777,239)</u>
Governmental activities capital assets, net	<u>\$ 3,724,822</u>	<u>\$ (136,574)</u>	<u>\$ (140,870)</u>	<u>\$ -</u>	<u>\$ 3,724,822</u>

D. Interfund receivables, payables and transfers

The composition of interfund balances as of September 30, 2010, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital projects	Expense fund (general fund)	\$ 7,307
Capital projects	Debt Service fund	12,188
Capital projects	General fund	381,447
Capital projects	Road fund	15,315
Capital projects	Special revenue fund	14,785
Capital projects	Law Library fund	795
Capital projects	Coastal Parks fund	3,568
Capital projects (1901)	Capital projects (1915)	<u>25,800</u>
	Subtotal	<u>461,205</u>
Payroll Fund (General Fund)	General Fund	1,700
General fund	Payroll fund (General Fund)	1,625,975
General fund	Expense fund (General Fund)	191,770
General fund	Jury fund (General Fund)	37,701
General fund	Special revenues fund	30,000
General fund	Coastal parks fund	33,745
General fund	Capital projects	122,188
General fund	Grants	<u>2,012,000</u>
	Subtotal	<u>4,055,079</u>
Road fund	Payroll fund (General Fund)	146,834
Road fund	Expense fund (General Fund)	144,026
Special revenue fund	Payroll fund (General Fund)	40,558
Special revenue fund	Expense fund (General Fund)	21,219
Stadium/Fairgrounds fund	Expense fund (General Fund)	1,493
Law Library fund	Payroll fund (General Fund)	3,150
Airport fund	Payroll fund (General Fund)	1,280
Inland parks fund	Payroll fund (General Fund)	22,615
Inland parks fund	Expense fund (General Fund)	543
Inland parks fund	Coastal parks fund	219
Coastal parks fund	Payroll fund (General Fund)	33,269
Coastal parks fund	Expense fund (General Fund)	27,854
Coastal parks fund	Debt service fund	707
Coastal parks fund	General Fund	32,370
Coastal parks fund	Road fund	888

Coastal parks fund	Special revenue fund	858
Coastal parks fund	Law Library fund	46
Coastal parks fund	Capital projects	3,410
Grants	Payroll fund (General Fund)	16,616
Grants	Expense fund (General Fund)	1,691
Grants	Capital projects	372,291
Grants		2,012,000
TJPC Grants fund	Payroll fund (General Fund)	53,548
	Subtotal	<u>2,905,115</u>
Total due to/from other funds		<u>\$5,409,399</u>

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

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

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

The \$ 2,012,000 owed to general fund by the grants fund is a long term loan for financing expenditures that will be reimbursed by grantor agencies. The remaining interfund receivables and payables are related to the clearing accounts used to process accounts payable, payroll and jury checks.

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>\$385,669</u>

Interfund transfers:

	<u>Transfers in:</u>				<u>Total</u>
	<u>General Fund</u>	<u>US Marshal Contract</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:					
General fund	\$ -	\$ -	\$1,614,200	\$5,185,308	\$6,799,508
Capital projects			25,800	372,853	398,653
Nonmajor governmental	<u>1,926,088</u>	-	-	<u>863,292</u>	<u>2,789,380</u>
Total transfers out	<u>\$1,926,088</u>	<u>\$ -</u>	<u>\$1,640,000</u>	<u>\$6,421,453</u>	<u>\$9,987,541</u>

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

E. Leases

Primary Government

Nueces County ended this year with no obligations for capital leases. There were also no contingent rentals or sublease rentals.

Component Units

District

The District leases hospital and clinic real estate and equipment to Spohn under a Lease Agreement. The Agreement calls for the non-cancelable lease for a term of thirty years, which may be extended by the parties for a maximum of ten years in two successive five-year terms. The lease price was \$66,066,799. The lease price has been allocated to two components.

The first component amounting to \$43,892,394 was allocated to the real estate and has been accounted for as an operating lease. The second component amounting to \$22,174,405 was allocated to the working capital and equipment and has been accounted for as a sales-type lease. Spohn pays the District an annual base rent of \$5,068,930 in semi-annual payments.

The District and Spohn entered a related Indigent Care Agreement (ICA) wherein; Spohn became exclusive provider of the District's indigent healthcare. Pursuant to Chapter 281 of the Texas Health and Safety Code, the District is required to furnish medical and hospital care to indigent and needy persons residing in Nueces County. Under terms of the ICA, the District pays Spohn based upon negotiated rates, subject to an annual reconciliation of charges, for providing such indigent care.

A schedule of minimum future rentals to be received on the non-cancelable operating lease related to the real estate as of September 30, 2010, for each of the next five years and in the aggregate is as follows:

For the Year Ended September 30:	<u>TOTAL</u>
2011	3,367,614
2012	3,367,614
2013	3,367,614
2014	3,367,614
2015	3,364,614
Thereafter	<u>37,043,750</u>
Minimum Future Lease Payments	<u>\$53,881,820</u>

A schedule of the remaining sales-type lease payments relating to the equipment and working capital for each of the next five years and in the aggregate is as follows:

For the Year Ended September 30:	Principal	Interest	Total
2011	584,571	1,116,746	1,701,317
2012	625,601	1,075,715	1,701,316
2013	669,513	1,031,803	1,701,316
2014	716,506	984,810	1,701,316
2015	766,798	934,518	1,701,316
Thereafter	<u>12,965,397</u>	<u>5,749,083</u>	<u>18,714,480</u>
Minimum Future Lease Payments	<u>\$16,328,386</u>	<u>\$10,892,675</u>	<u>\$27,221,061</u>

Center

The Center is obligated under capital leases for certain equipment as of August 31, 2009. Such assets totaled approximately \$59,618 at August 31, 2009 and are included in depreciable assets noted above. Related amortization expense is included in depreciation expense. There were no contingent rentals or sublease rentals. The estimated rental commitments under existing non-cancelable operating lease agreements are not considered to be material in amount.

The future minimum lease payments under capital leases and the present value of the future minimum capital lease payments as of August 31, 2009, are as follows:

For the Year Ended August 31:	<u>TOTAL</u>
2010	14,650
2011	13,221
2012	12,992
2013	9,770
2014	<u>3,179</u>
Total minimum lease payments	53,812
Less amount representing interest	<u>(9,408)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 44,404</u>

F. Long-term debt

Primary Government

The following items comprise the county's outstanding general obligation debt at September 30, 2010.

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Combination Tax and Revenue Certificates of Obligation, Series 2001	3.40%-5.15%	2001	2015	\$ 4,495,000
Combination Tax and Revenue Certificates of Obligation, Series 2002	3.00%-4.75%	2002	2022	5,280,000
Combination Tax and Revenue Certificates of Obligation, Series 2004	3.00%-5.00%	2004	2026	76,355,000
LoanStar Revolving Loan Program	3.00%	2004	2016	727,444
Combination Tax and Revenue Certificates of Obligation, Series 2007	4.00%-5.00%	2007	2027	34,300,000
State Energy Conservation Office LoanStar Revolving Program Loan	2.00 %	2010	2023	<u>137,857</u>
Sub - total general obligation debt				121,295,301
Premium on debt (net)				<u>1,632,991</u>
Total general obligation debt at September 30, 2010				<u>\$122,928,292</u>

On April 15, 2000, the County issued \$4,000,000 in Certificate of Obligation, Series 2000 due in installments of \$955,000 to \$580,000 through February 1, 2010, with interest rates ranging from 4.50% to 5.30%. Proceeds were used to pay a portion of the costs for elevating the JFK Causeway according to an intergovernmental funding agreement.

On April 15, 2001, the County issued \$7,000,000 in Combination Tax and Revenue Certificate of Obligation, Series 2001 due in installments of \$130,000 to \$990,000 through February 15, 2015, with interest rates ranging from 3.40% to 5.15%. The proceeds were used mainly for county roads and bridge rehabilitation with remainder used on building improvements.

On September 1, 2002, the County issued \$6,730,000 in Combination Tax and Revenue Certificate of Obligation, Series 2002 due in installments of \$100,000 to \$585,000 through February 15, 2022, with interest rates ranging from 3% to 4.75%. The proceeds were used to build a baseball stadium and infrastructure at site.

On April 14, 2004, the County issued \$91,800,000 in Combination Tax and Revenue Certificates of Obligation, Series 2004 due in installments of \$3,825,000 to \$5,880,000 through February 15, 2026, with interest rate ranging from 3.00% to 5.00%. The proceeds are being used for road and bridge construction, new construction for a showbarn at the county fairgrounds, renovating various county buildings, and pier reconstruction.

On March 23, 2004, the County approved LoanSTAR a revolving loan mechanism up to the maximum amount of \$1,548,630 with the Texas State Energy Conservation Office under the Comptroller of Public Accounts. As of July 21, 2006 only \$1,185,764 has been used and included \$40,753 in accrued interest for a total of \$1,226,517. Upon completion of the project scheduled for April 1, 2005 quarterly installments will become due over the next 9.75 years. The proceeds were used to improve energy efficiency by replacing interior lighting in several county buildings, install programmable thermostats, and replace selected heat pumps, chiller, and HVAC units.

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

On May 12, 2010, the County approved LoanSTAR, a revolving loan mechanism up to a maximum of \$7,930,497 with State Energy Conservation Stimulus Program under the Comptroller of Public Accounts. As of September 22, 2010 the State Comptroller has disbursed only \$137,857 on this loan. The interest rate on the loan will be at 2.00 % for a payback period of 11.7 years after the anticipated substantial completion date of December 31, 2011. The purpose of this program is to increase the energy efficiency of public sector buildings and facilities in order to create or retain jobs, reduce energy consumption, reduce greenhouse gas emissions, increase energy cost savings and install commercially-available renewable energy. The County anticipates repaying this loan from the energy savings measures implemented through building and facility improvements.

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

<u>Governmental Activities</u>			
Fiscal Year Ending September 30	Principal	Interest	Total Debt Service Requirements
2011	\$ 4,795,872	5,653,078	\$ 10,448,950
2012	5,229,994	5,426,432	10,656,426
2013	5,599,113	5,166,228	10,765,341
2014	5,982,804	4,887,875	10,870,679
2015	6,391,992	4,591,676	10,983,668
2016-2020	36,437,668	17,920,466	54,358,134
2021-2025	41,052,857	8,709,840	49,762,697
2026-2027	<u>15,805,000</u>	<u>724,913</u>	<u>16,529,913</u>
Totals	<u>\$121,295,300</u>	<u>\$53,080,508</u>	<u>\$174,375,808</u>

<u>Changes in Long-term Liabilities</u>					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities:					
Notes payable-capital lease	\$ 23,216	\$ -	\$ (23,216)	\$ -	\$ -
General obligation debt	127,833,183	245,926	(5,150,817)	122,928,292	4,795,872
Compensated absences	1,696,950	2,990,937	(2,990,937)	1,696,950	-
General liability claims	1,736,115	-	(73,941)	1,662,174	250,000
Judgments and other claims	<u>730,617</u>	<u>585,567</u>	<u>(666,499)</u>	<u>649,685</u>	<u>110,000</u>
Totals	<u>\$132,020,081</u>	<u>\$3,822,430.</u>	<u>\$(8,905,410)</u>	<u>\$126,937,101</u>	<u>\$5,155,872</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 used to liquidate the liability for compensated absences depend on what fund the employee is attached. The general fund and road fund have the highest number of employees and pay for the most toward compensated absences. Judgments and other claims are reported in the general fund and include seizures, bonds and other.

Component units

District

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 varying amounts through the year 2015 and are callable to redemption prior to maturity beginning in 2013. Interest is payable semiannually and accrued at rates ranging from 2.0% to 4.1%.

The bond covenants do not require a separate sinking fund. However, the District has a reserved cash account for making debt payments. The balance of this account is \$471,970 at September 30, 2010. The District had sufficient cash and cash equivalents at year end to cover current maturities of bonds payable.

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

<u>Requirements</u>			
Fiscal Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	1,565,000	322,196	1,887,196
2012	1,615,000	267,420	1,882,420
2013	1,675,000	207,665	1,882,665
2014	1,740,000	144,015	1,884,015
2015	<u>1,815,000</u>	<u>74,415</u>	<u>1,889,415</u>
Total	<u>\$ 8,410,000</u>	<u>\$1,015,711</u>	<u>\$9,425,711</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds:					
Limited Tax Refunding Bonds, Series 2003 Premium	\$9,925,000 (813)	\$ - -	\$1,515,000 225	\$ 8,410,000 (588)	\$1,565,000 -
Deferred Loss on Refunding	<u>(100,923)</u>	<u>-</u>	<u>28,003</u>	<u>(72,920)</u>	<u>-</u>
Total Bonds	\$ 9,823,264	\$ -	\$1,543,228	\$8,336,492	\$1,565,000
Other Liabilities:					
Accrued Paid Time Off	<u>66,900</u>	<u>133,680</u>	<u>133,680</u>	<u>66,900</u>	<u>-</u>
Total	<u>\$ 9,890,164</u>	<u>\$ 133,680</u>	<u>\$1,676,908</u>	<u>\$8,403,392</u>	<u>\$1,565,000</u>

Center

On October 31, 2001, the Center entered into a \$500,000 note payable with Bank of America. Proceeds of the note were used to acquire a building located at 3733 South Port which also serves as collateral for the note. This note carries an interest rate of 6.0% and is payable in monthly installments of \$4,242. This note will mature on September 30, 2016.

Annual debt service requirements to maturity for the note payable of the Center are summarized as follows:

Requirements

Fiscal Year Ending August 31,	Principal	Interest	Total
2010	33,912	16,997	50,909
2011	36,034	14,875	50,909
2012	38,252	12,657	50,909
2013	40,681	10,228	50,909
2014	43,226	7,683	50,909
2015-2017	<u>102,739</u>	<u>7,152</u>	<u>109,891</u>
Total	<u>\$294,844</u>	<u>\$69,592</u>	<u>\$364,436</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Adjustments	Balance	One Year
Governmental Activities						
Compensated absences	\$ 453,151	\$ 24,080	\$ (12,073)	\$ -	\$ 465,158	\$ -
Capital leases	36,542	18,488	(10,626)	-	44,404	10,765
Notes payable	<u>326,759</u>	<u>-</u>	<u>(31,915)</u>	<u>-</u>	<u>294,844</u>	<u>33,912</u>
Total	<u>\$ 816,452</u>	<u>\$ 42,568</u>	<u>\$ (54,614)</u>	<u>\$ -</u>	<u>\$ 804,406</u>	<u>\$ 44,677</u>

V. Other information

A. Risk management

Primary Government

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

Workers Compensation

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

Property & Liability

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

<u>Coverage</u>		<u>Maximum Limit</u>	<u>Deductible</u>
Auto Liabilities		\$100,000	\$5,000
Auto Body Injury Liabilities		\$100,000/\$300,000	\$5,000
Property Damages	Windstorm/Hail Only	\$80,000,000	1% per item
Property Damages	Excluding Windstorm/Hail	\$231,472,077	\$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. Boon Chapman serves as the County's third party administrator. A stop loss policy which covers health claims in excess of \$250,000 per individual with a maximum lifetime coverage of \$1 million is kept in force. In addition, the County maintains aggregate coverage of its group health expenses of 125% of projected claims. There have been five claims that have exceeded the individual stop loss in the past four 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>9/30/10</u>	<u>General Liability</u> <u>9/30/09</u>
Unpaid claims, beginning of fiscal year	\$1,736,115	\$1,821,115
Incurred claims and changes in estimates	-	-
Claim payments:	<u>(73,941)</u>	<u>(85,000)</u>
Unpaid claims, end of fiscal year	<u>\$1,662,174</u>	<u>\$1,736,115</u>

Component units

Risk Management

NCMHMR is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; doctor's malpractice; and natural disasters. The Center has purchased commercial insurance to insure against these risks. During fiscal year 2009, NCMHMR was covered under a general liability insurance plan with a combined single limit of \$1,000,000 at a cost it considered to be economically justifiable. There were no significant reductions in insurance coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

NCMHMR has commercial insurance for all other risks of loss, including employee health benefits, worker's compensation and employee life insurance.

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 \$1,662,174 has been established in the internal service fund. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and legal counsel for the Commissioners Court the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Employee retirement systems and pension plans

Primary government – pension plan

Texas County and District Retirement System

1. Plan Description.

Nueces County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is a qualified pension plan under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans.

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 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 7.38% for the months of the fiscal year in 2009, and 10.17% for the months of the fiscal year in 2010.

The County's contribution rate payable by the employee members for calendar year 2009 was 7.38% and for 2010 is 10.17% 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, 2010, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$7,746,703.

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 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, 2008 and December 31, 2009, the basis for determining the contributions rates for calendar years 2008 and 2009. The December 31, 2009 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Plan year	2009	2010	-
Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
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	15	15	20
Asset valuation method	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.30%	5.30%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

(1) Includes inflation at the stated rate.

Trend Information on Annual Pension Cost

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

As of December 31, 2009, the most recent actuarial valuation date, the plan was 90.03% funded. The actuarial accrued liability for benefits was \$183,680,265, and the actuarial value of assets was \$165,369,459, resulting in an unfunded (or overfunded) actuarial accrued liability (UAAL) (or OAAL) of \$18,310,806. The covered payroll (annual payroll of active employees covered by the plan) was \$46,586,120 and the ratio of the UAAL (or OAAL) to the covered payroll was 39.31%.

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 units

District

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, 2010, twenty-seven 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, 2010, the District had retirement plan expenses of \$71,784.

Center

The Center has a contributory, defined contribution, money purchase pension plan. All full time employees with 1,000 hours of service in twelve month prior to the entry date of March 1st or September 1st are covered by the Nueces County Mental Health and Mental Retardation Community Center Retirement Plan. The Center contributes 6% of the participant's compensation to the plan trustee, Frost National Bank. The employee may elect to contribute up to an additional 10%. Participants are vested in the employer's contributions over a six-year vesting period. The Center's and employees' contributions to the plan for the year ended August 31, 2009, were \$335,550 and \$86,934, respectively. The center also offers a Section 403(b) tax-shelter program for its employees.

NUECES COUNTY, TEXAS

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 Ration (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%



SUPPLEMENTAL INFORMATION

General Fund
U.S. Marshal Fund
Nonmajor Governmental Funds
Internal Service Funds
Fiduciary Funds



GENERAL FUND

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010

	Actual GAAP Amounts	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
REVENUES				
PROPERTY TAXES				
Current property taxes	\$ 52,908,543	\$ 53,332,059	\$ 53,332,059	\$ (423,516)
Delinquent property taxes	1,469,933	1,456,435	\$ 1,456,435	13,498
Penalty and interest	633,962	741,458	\$ 741,458	(107,496)
Total property taxes, penalty and interest	55,012,438	55,529,952	55,529,952	(517,514)
OTHER TAXES				
Bingo tax	287,717	300,000	300,000	(12,283)
Occupation tax	23,651	20,000	20,000	3,651
Vehicle inventory tax	7,970	23,000	23,000	(15,030)
Total other taxes	319,339	343,000	343,000	(23,661)
FEES OF OFFICE				
County Clerk	1,555,910	1,200,000	1,200,000	355,910
District Clerk	1,218,021	950,000	950,000	268,021
Justice of the Peace:				
J.P. Prct 1, Pl 1	89,818	40,000	40,000	49,818
J.P. Prct 1, Pl 2	146,663	40,000	40,000	106,663
J.P. Prct 1, Pl 3	72,253	30,000	30,000	42,253
J.P. Prct 2, Pl 1	171,004	50,000	50,000	121,004
J.P. Prct 2, Pl 2	101,315	21,000	21,000	80,315
J.P. Prct 3	22,165	17,000	17,000	5,165
J.P. Prct 4	41,270	13,000	13,000	28,270
J.P. Prct 5, Pl 1	1,803,920	33,000	33,000	1,770,920
J.P. Prct 5, Pl 2	20,000	12,000	12,000	8,000
Sub-total justice of the peace	2,468,407	256,000	256,000	2,212,407
Sheriff	72,124	400,000	400,000	(327,876)
Constables:				
Constable, Prct 1	17,010	275,000	275,000	(257,990)
Constable, Prct 2	11,092	190,000	190,000	(178,908)
Constable, Prct 3	273	10,000	10,000	(9,727)
Constable, Prct 4	4,255	23,000	23,000	(18,745)
Constable, Prct 5	2,815	33,000	33,000	(30,185)
Sub-total constables	35,445	531,000	531,000	(495,555)
Time Payment Fees		15,000	15,000	
Attorney fees		60,000	60,000	(60,000)
Total fees of office	5,349,907	3,412,000	3,412,000	1,952,907

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010

	Actual GAAP Amounts	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
FINES & FORFEITURES				
Misdemeanors	1,292,999	1,340,000	1,340,000	(47,001)
Felonies	950	520,000	520,000	(519,050)
J.P. Prct 1, Pl 1	187,916	195,000	195,000	(7,084)
J.P. Prct 1, Pl 2	181,612	100,000	100,000	81,612
J.P. Prct 1, Pl 3	138,905	120,000	120,000	18,905
J.P. Prct 2, Pl 1	92,886	80,000	80,000	12,886
J.P. Prct 2, Pl 2	145,423	100,000	100,000	45,423
J.P. Prct 3	104,603	65,000	65,000	39,603
J.P. Prct 4	123,425	100,000	100,000	23,425
J.P. Prct 5, Pl 1	121,066	100,000	100,000	21,066
J.P. Prct 5, Pl 2	58,129	45,000	45,000	13,129
Bail bond forfeitures	18,802	22,000	22,000	(3,198)
Total fines and forfeitures	<u>2,466,714</u>	<u>2,787,000</u>	<u>2,787,000</u>	<u>(320,286)</u>
LICENSES & PERMITS	<u>188,331</u>	<u>116,000</u>	<u>116,000</u>	<u>72,331</u>
MOTOR VEHICLE SERVICES	<u>1,864,711</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>(135,289)</u>
INTERGOVERNMENTAL REVENUE				
Salary reimbursements	707,103	487,605	487,605	219,498
Utility reimbursements	44,765	41,500	41,500	3,265
Tax collection fees	943,956	800,000	800,000	143,956
Fiscal services and data processing	61,237	57,090	57,090	4,147
Child support IV-D programs	267,168	250,000	250,000	17,168
Social security reporting	52,200	20,000	20,000	32,200
State alcoholic beverage tax	1,104,429	1,000,000	1,000,000	104,429
State Jury Reimbursement	362,270	340,000	340,000	22,270
In lieu of taxes	6,098	2,000	2,000	4,098
911 Program and Emerg Mgmt	25,000	22,000	22,000	3,000
Senior community grants	333,817	234,882	234,882	98,935
Juvenile grants	88,829	80,000	80,000	8,829
Child protective service grants	106,866	100,000	100,000	6,866
Law enforcement overtime grants			-	-
Texas hazardous waste fees	177,642	200,000	200,000	(22,358)
Prosecution - legal services			-	-
Food Stamp Fraud Case Fees	8,400	5,000	5,000	3,400
Fema & Civil Defense	384,414	-	-	384,414
Election reimbursements	55,439	30,000	30,000	25,439
Federal grants	25,350	50,000	50,000	(24,650)
Inter-local government agreements	623,268	520,862	520,862	102,406
Other inter government funds	543,977	152,900	152,900	391,077
Total intergovernmental revenue	<u>5,922,229</u>	<u>4,393,839</u>	<u>4,393,839</u>	<u>1,528,390</u>

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010

	Actual GAAP Amounts	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
HOUSING INMATES AND JUVENILES				
Housing federal inmates		-	-	-
Housing state inmates/transport		-	-	-
Housing juveniles	640,915	300,000	300,000	340,915
Total housing of inmates and juveniles	<u>640,915</u>	<u>300,000</u>	<u>300,000</u>	<u>340,915</u>
CHARGES FOR SERVICES				
Service fee for state costs	155,431	120,000	120,000	35,431
Tax certificates and other fees	6,700	1,000	1,000	5,700
Transaction fees	33,159	10,000	10,000	23,159
JP Omini Base	12,831	10,000	10,000	2,831
Juvenile service charges		-	-	-
Child support services	5,595	12,000	12,000	(6,405)
Sheriff miscellaneous charges	7,450	15,000	15,000	(7,550)
Medical examiner charges	206,698	240,000	240,000	(33,302)
Social program charges	7,395	9,000	9,000	(1,605)
Animal control fees	6,914	10,000	10,000	(3,086)
Other Charges	52	1,000	1,000	(948)
Total charges for service	<u>442,225</u>	<u>428,000</u>	<u>428,000</u>	<u>14,225</u>
INVESTMENT INCOME	<u>313,218</u>	<u>580,000</u>	<u>580,000</u>	<u>(266,782)</u>
RENTALS & COMMISSIONS	<u>432,192</u>	<u>425,000</u>	<u>425,000</u>	<u>7,192</u>
REFUNDS AND REIMBURSEMENTS				
Workers comp salary reimbursement	-	5,000	5,000	(5,000)
Other refunds and reimbursements	424,287	130,000	130,000	294,287
Court appointed attorney reimbursements	180,144	112,000	112,000	68,144
Total refund and reimbursements	<u>604,431</u>	<u>247,000</u>	<u>247,000</u>	<u>357,431</u>
OTHER INCOME				
Sale of printed material	14,023	12,000	12,000	2,023
Copy machine fees	16,177	10,000	10,000	6,177
Miscellaneous revenues	601,724	15,000	15,000	586,724
Total other income	<u>631,923</u>	<u>37,000</u>	<u>37,000</u>	<u>594,923</u>
TOTAL REVENUES	<u>74,188,574</u>	<u>70,598,791</u>	<u>70,598,791</u>	<u>3,604,783</u>

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010

	Actual GAAP Amounts	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
OTHER FINANCING SOURCES (USES)				
TRANSFERS				
Transfers in from:				
Special Revenues Fund	1,679,542	1,381,671	1,381,671	297,871
Capital Projects Fund		-	-	-
TJPC Fund - Residential	233,046	262,911	262,911	(29,865)
TJPC Fund - Placement	13,500	30,000	30,000	(16,500)
Total transfers in	<u>1,926,088</u>	<u>1,674,582</u>	<u>1,674,582</u>	<u>251,506</u>
Transfers out to:				
Road Fund	(1,562,537)	(1,896,532)	(1,896,532)	333,995
Special Revenue Fund	(265,847)	(70,000)	(70,000)	(195,847)
Stadium Fairgrounds	(1,241,555)	(1,241,555)	(1,241,555)	-
Airport Fund	(65,000)	(65,000)	(65,000)	-
Inland Parks	(1,194,158)	(1,194,158)	(1,194,158)	-
Island Parks	(856,211)	(856,211)	(856,211)	-
Capital Projects	(1,614,200)	(600,000)	(600,000)	(1,014,200)
Main Grant Fund		-	-	-
TJPC Grant Fund		(190,847)	(190,847)	190,847
Total transfers out	<u>(6,799,508)</u>	<u>(6,114,303)</u>	<u>(6,114,303)</u>	<u>(685,205)</u>
Total other financing sources (uses)	<u>(4,873,420)</u>	<u>(4,439,721)</u>	<u>(4,439,721)</u>	<u>(433,699)</u>
Total revenues and other financing sources (uses)	<u>\$ 69,315,154</u>	<u>\$ 66,159,070</u>	<u>\$ 66,159,070</u>	<u>\$ 3,171,084</u>

**NUECES COUNTY ,TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010**

	Actual GAAP Expenditures				
	Personnel Services	Maintenance, Materials & Supplies	Telephone & Utilities	Professional & Special Personnel	Other Services & Charges
<u>GENERAL GOVERNMENT</u>					
County Commissioner Prct 1	\$ 139,002	\$ 3,825	\$ 707	\$ 225	\$ 1,355
County Commissioner Prct 2	148,312	2,785	709	1,350	2,692
County Commissioner Prct 3	143,212	3,860	813	1,150	1,370
County Commissioner Prct 4	143,354	2,712		795	2,715
County Judge	246,637	3,533	871	400	261
Commissioners Court Management	357,650	5,512	1,878	1,710	8,292
Grants Administration	173,215	4,205	1,751	14,660	4,004
Risk Management	127,876	2,436	-	9,274	4,781
County Attorney	1,121,269	36,590	2,125	11,413	16,627
County Clerk	514,163	30,596	1,869	765	19,662
County Clerk-Treasury	200,649	28,989	275	-	16,075
County Clerk Collections	165,352	16,148	-	15,091	3,357
Election Expense	94,698	10,416	12,723	116,737	382,071
Tax Assessor-Collector	2,302,363	204,384	-	4,905	38,295
Information Technology	905,164	242,565	180,437	72,359	7,987
Human Resources	274,005	6,816	871	2,500	7,264
County Auditor	1,053,192	30,562	1,744	168,149	36,735
County Purchasing	431,814	25,991	2,754	2,406	32,421
Veteran's Service	80,537	4,981	244	-	3,774
General Employee Benefits	-	761	-	89,321	51,362
General Administration	-	10,978	-	470,218	943,500
Total General Government	8,622,464	678,645	209,771	983,428	1,584,600
<u>BUILDINGS AND FACILITIES</u>					
Courthouse General Repairs	140,467	94,017	-	-	-
Ronnie H. Polston Bldg	24,352	17,364	18,433	-	-
Bill Bode County Building	42,317	8,685	18,379	-	-
Robert N Barnes Regional Juvenile Facility	-	144,937	343,601	-	-
Broadway Warehouse	-	12,115	4,289	-	-
Records Management Department	207,314	3,691	25,073	-	188,598
CSCD Cook Building	-	38,804	76,053	-	53,133
Mechanical Maintenance	448,003	680,053	1,933,870	-	564
Agua Dulce Building	17,049	11,920	17,048	-	-
Bishop Building	33,892	20,162	34,920	-	-
Port Aransas Building	18,095	2,262	19,836	-	-
Johnny S Calderon Building	104,139	31,372	106,680	-	-
Keach Library Building	36,095	75,989	120,830	4,230	579
Agricultural Building - Robstown	568	11,261	39,430	-	-
Medical Examiner Building	844	33,164	25,868	-	-
Building Superintendent	382,914	21,748	6,441	11,187	739,668
Welfare Building - Robstown	159	2,596	17,834	-	-
Hilltop Facility	77,096	40,826	39,069	-	3,877
Precint III Yard Buildings	-	5,514	17,894	-	-
McKenzie Annex	114,828	207,328	522,449	-	-

Total Expenditures	Budgeted Amounts		Variance Expenditures to Final Budget Positive (Negative)
	Original	Final	
\$ 145,114	\$ 148,796	\$ 149,338	\$ 4,224
155,848	158,350	158,350	2,502
150,405	154,712	154,712	4,307
149,576	151,973	151,973	2,397
251,702	260,775	260,775	9,073
375,042	383,409	383,579	8,537
197,835	217,675	217,675	19,840
144,367	146,330	156,330	11,963
1,188,024	1,198,237	1,200,529	12,505
567,055	604,673	604,673	37,618
245,988	250,333	254,433	8,445
199,948	233,295	233,295	33,347
616,645	557,645	619,245	2,600
2,549,947	2,595,904	2,555,534	5,587
1,408,512	1,658,600	1,659,678	251,166
291,456	284,653	292,047	591
1,290,382	1,309,768	1,320,959	30,577
495,386	474,987	496,454	1,068
89,536	100,932	106,032	16,496
141,444	170,866	153,912	12,468
1,424,696	3,172,549	1,655,896	231,200
<u>12,078,908</u>	<u>14,234,462</u>	<u>12,785,419</u>	<u>706,511</u>
234,484	230,838	236,511	2,027
60,149	63,284	68,549	8,400
69,381	67,387	74,087	4,706
488,538	570,282	542,232	53,694
16,404	15,086	25,956	9,552
424,676	456,643	456,643	31,967
167,990	165,901	175,059	7,069
3,062,490	3,639,019	3,451,330	388,840
46,017	41,876	51,976	5,959
88,974	92,754	105,954	16,980
40,193	38,912	40,462	269
242,191	233,012	242,195	4
237,723	154,518	238,015	292
51,259	43,065	51,735	476
59,876	43,731	63,831	3,955
1,161,958	1,174,561	1,187,967	26,009
20,589	20,599	21,899	1,310
160,868	178,982	175,534	14,666
23,408	35,399	39,349	15,941
844,605	930,890	940,044	95,439

(Continued)

**NUECES COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010**

	Actual GAAP Expenditures				
	Personnel Services	Maintenance, Materials & Supplies	Telephone & Utilities	Professional & Special Personnel	Other Services & Charges
Robstown Community Center	-	8,538	39,795	-	3,813
Senior Community Service Buildings	296	14,159	26,012	-	3,060
David Berlanga, Sr. Building	-	8,450	16,611	-	1,285
Total Buildings and Facilities	1,648,428	1,494,955	3,470,415	15,417	994,577

ADMINISTRATION OF JUSTICE

County Court at Law 1	318,517	1,984	-	196,075	6,227
County Court at Law 2	314,507	2,132	-	175,544	6,418
County Court at Law 3	320,991	1,715	-	168,764	6,656
County Court at Law 4	320,400	3,159	275	146,717	5,433
County Court at Law 5	336,190	1,994	-	841,945	7,194
Legal Aid	64,563	3,905	-	-	25,000
Magistrate/Drug/DWI	171,913	2,884	-	121,359	1,301
Court Administration	174,660	115,525	-	727,600	59,008
Court Master	105,393	864	-	925	245
28th District Court	231,836	1,480	-	307,409	5,033
94th District Court	229,444	3,170	-	358,888	5,117
105th District Court	190,815	6,641	-	159,559	10,370
117th District Court	232,019	3,693	-	440,071	4,405
148th District Court	163,040	3,144	-	359,134	4,858
214th District Court	202,032	1,805	-	331,680	4,041
319th District Court	235,223	1,884	-	328,634	3,852
347th District Court	182,314	2,618	-	302,731	3,852
Juvenile Probation	1,791,790	56,373	7,361	32,981	88,745
Juvenile Detention	1,103,953	145,455	-	11,318	23,982
Justice Boot Camp	1,141,864	192,654	-	9,420	18,975
District Attorney	3,479,327	77,676	2,812	39,549	67,132
District Clerk	2,094,561	74,781	-	335	38,001
Child Support Division	45,407	2,206	-	-	-
Justice of the Peace 1-1	194,568	11,221	272	200	6,939
Justice of the Peace 1-2	215,012	7,086	547	1,060	3,672
Justice of the Peace 1-3	199,770	4,810	1,750	660	6,053
Justice of the Peace 2-1	210,414	5,742	2,130	300	24,912
Justice of the Peace 2-2	187,741	5,344	-	200	2,567
Justice of the Peace 3	142,874	4,310	439	200	2,070
Justice of the Peace 4	146,714	3,619	-	300	4,089
Justice of the Peace 5-1	182,183	3,850	-	605	3,576
Justice of the Peace 5-2	185,987	2,165	881	400	3,254
Total Administration of Justice	15,116,022	755,889	16,467	5,064,563	452,977

Total Expenditures	Budgeted Amounts		Variance Final Budget Positive (Negative)
	Original	Final	
52,146	54,278	54,278	2,132
43,527	60,742	60,742	17,215
26,346	30,505	30,505	4,159
<u>7,623,792</u>	<u>8,342,264</u>	<u>8,334,853</u>	<u>711,061</u>
522,803	494,100	525,464	2,661
498,601	488,670	551,498	52,897
498,126	493,881	498,881	755
475,984	488,375	488,375	12,391
1,187,323	875,695	1,188,626	1,303
93,468	99,185	99,185	5,717
297,457	399,006	391,828	94,371
1,076,793	1,303,222	1,102,612	25,819
107,427	110,359	110,359	2,932
545,758	574,890	574,890	29,132
596,619	587,628	598,064	1,445
367,385	389,963	379,527	12,142
680,188	581,058	683,215	3,027
530,176	515,175	534,581	4,405
539,558	547,853	547,853	8,295
569,593	578,979	578,979	9,386
491,515	528,104	508,104	16,589
1,977,250	1,987,436	1,996,218	18,968
1,284,708	1,372,493	1,327,573	42,865
1,362,913	1,518,592	1,494,443	131,530
3,666,496	3,771,336	3,771,336	104,840
2,207,678	2,289,303	2,290,533	82,855
47,613	50,641	50,641	3,028
213,200	213,162	219,682	6,482
227,377	222,920	228,459	1,082
213,043	221,383	219,237	6,194
243,498	241,591	250,407	6,909
195,852	200,808	200,808	4,956
149,893	158,221	158,526	8,633
154,722	158,104	158,104	3,382
190,214	196,827	197,294	7,080
192,687	197,760	197,760	5,073
<u>21,405,918</u>	<u>21,856,720</u>	<u>22,123,062</u>	<u>717,144</u>

(Continued)

NUECES COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS) COMPARED TO BUDGET
For the Year Ended September 30, 2010

	Actual GAAP Expenditures				
	Personnel Services	Maintenance, Materials & Supplies	Telephone & Utilities	Professional & Special Personnel	Other Services & Charges
<u>LAW ENFORCEMENT & CORRECTIONS</u>					
County Sheriff	3,136,406	391,381	34,137	16,934	1,272,412
Id Bureau	493,695	48,293	-	200	6,017
Jail	10,305,704	1,494,077	47	4,555	106,706
Constable 1	546,152	51,133	2,758	745	11,843
Constable 2	477,970	64,774	1,981	418	8,986
Constable 3	335,214	47,801	711	-	10,838
Constable 4	372,040	42,163	1,909	150	8,619
Constable 5	652,111	98,755	4,592	395	20,615
Medical Examiner	526,977	16,655	4,169	184,849	80,248
Total Law Enforcement & Corrections	<u>16,846,269</u>	<u>2,255,032</u>	<u>50,304</u>	<u>208,246</u>	<u>1,526,284</u>
<u>SOCIAL SERVICES</u>					
Social Services - Administration	831,936	15,362	871	899	7,766
Social Services - Social Services	-	71,033	143,319	-	325,759
Children Protective Services	35,087	-	-	-	55,628
Federal Emergency Management/United Way	-	-	-	-	-
Senior Community Services	544,292	202,525	3,795	12	8,283
Hilltop Community Services	38,645	2,648	372	-	1,861
Social Mental Services	-	-	-	41,355	133,821
Total Social Services	<u>1,449,960</u>	<u>291,568</u>	<u>148,357</u>	<u>42,266</u>	<u>533,118</u>
<u>HEALTH, SAFETY AND SANITATION</u>					
Emergency Services	-	-	-	-	15,080
Emergency Management	92,290	1,635	341	300	25,967
Emergency FEMA	-	-	-	-	-
911 Program	41,478	2,246	-	-	1,503
Code Enforcement	83,231	15,482	9,686	1,014	4,124
Animal Control	217,499	37,603	7,473	20	11,527
Total Health, Safety and Sanitation	<u>434,498</u>	<u>56,966</u>	<u>17,500</u>	<u>1,334</u>	<u>58,201</u>
<u>AGRICULTURE, EDUCATION & CONSUMER SCIENCES</u>					
Agricultural Extension	188,072	13,096	2,900	981	24,673
Family & Consumer Sciences	67,840	10,157	1,545	721	8,888
County Library	285,147	25,594	-	12,892	59,590
Total Agriculture, Education & Consumer Sciences	<u>541,059</u>	<u>48,847</u>	<u>4,445</u>	<u>14,594</u>	<u>93,151</u>
<u>CAPITAL OUTLAY</u>					
Capital Outlay greater than \$5,000	-	553,121	-	-	-
Total Capital Outlay	<u>-</u>	<u>553,121</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 44,658,700</u>	<u>\$ 6,135,023</u>	<u>\$ 3,917,259</u>	<u>\$ 6,329,848</u>	<u>\$ 5,242,908</u>

Total Expenditures	Budgeted Amounts		Variance Final Budget Positive (Negative)
	Original	Final	
4,851,270	5,067,988	5,065,888	214,618
548,205	621,589	621,589	73,384
11,911,089	12,181,028	12,179,378	268,289
612,631	599,270	618,190	5,559
554,129	568,473	579,833	25,704
394,564	389,922	402,479	7,915
424,881	429,484	441,065	16,184
776,468	765,859	783,019	6,551
812,898	808,960	836,264	23,366
<u>20,886,135</u>	<u>21,432,573</u>	<u>21,527,705</u>	<u>641,570</u>
856,834	868,858	871,358	14,524
540,111	569,000	566,500	26,389
90,715	150,963	150,963	60,248
-	8,351	8,351	8,351
758,907	832,735	831,687	72,780
43,526	44,911	44,911	1,385
175,176	153,714	185,714	10,538
<u>2,465,269</u>	<u>2,628,532</u>	<u>2,659,484</u>	<u>194,215</u>
15,080	24,800	24,800	9,720
120,533	145,516	145,516	24,983
-	-	-	-
45,227	48,888	48,888	3,661
113,537	114,311	120,011	6,474
274,122	339,240	339,240	65,118
<u>568,499</u>	<u>672,755</u>	<u>678,455</u>	<u>109,956</u>
229,722	231,931	231,931	2,209
89,151	97,503	97,503	8,352
383,223	384,828	383,967	744
<u>702,096</u>	<u>714,262</u>	<u>713,401</u>	<u>11,305</u>
553,121	700,000	752,350	199,229
<u>553,121</u>	<u>700,000</u>	<u>752,350</u>	<u>199,229</u>
<u>\$ 66,283,738</u>	<u>\$ 70,581,568</u>	<u>\$ 69,574,729</u>	<u>\$ 3,290,991</u>



NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Road Fund	Stadium & Fairgrounds	Law Library	Airport	Inland Parks
ASSETS					
Cash and cash equivalents	\$ 415,457	\$ 420,718	\$ 88,925	\$ 118,343	\$ 205,059
Investments	3,827,185	-	198,643	-	-
Receivable (net)	13,484	26,318	699	935	-
Due from other funds	290,860	1,493	3,150	1,280	23,377
Prepays	48,300	-	1,152	-	8,726
Inventories, at cost	19,943	-	-	6,533	-
	<u>4,615,229</u>	<u>448,529</u>	<u>292,569</u>	<u>127,091</u>	<u>237,162</u>
LIABILITIES					
Accounts payable	310,825	49,138	6,650	3,747	69,639
Accrued payroll payable	276,931	-	6,169	2,432	42,743
Due to other funds	16,203	-	841	-	-
Deferred revenues	-	-	-	1,605	-
Other liabilities	-	-	-	-	-
	<u>603,959</u>	<u>49,138</u>	<u>13,660</u>	<u>7,784</u>	<u>112,382</u>
FUND BALANCES					
Reserved:					
Change and imprest funds	-	-	8	100	-
Prepays	48,300	-	1,152	-	8,726
Inventories	19,943	-	-	6,533	-
Unreserved:					
Undesignated	3,943,027	399,391	277,750	112,674	116,053
	<u>4,011,270</u>	<u>399,391</u>	<u>278,910</u>	<u>119,307</u>	<u>124,779</u>
Total fund balances	<u>4,011,270</u>	<u>399,391</u>	<u>278,910</u>	<u>119,307</u>	<u>124,779</u>
Total liabilities and fund balances	<u>\$ 4,615,229</u>	<u>\$ 448,529</u>	<u>\$ 292,570</u>	<u>\$ 127,091</u>	<u>\$ 237,161</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Special Revenues Fund				
	Coastal Parks	Commissioners Court Funds	County Attorney Funds	County Clerk Funds	Tax Assessor Collector Funds
ASSETS					
Cash and cash equivalents	\$ 622,590	\$ 104,921	\$ 111,774	\$ 742,276	\$ 1,263,545
Investments	891,686	1,267,006	-	1,604,625	-
Receivable (net)	52,706	236,803	-	-	5,066
Due from other funds	67,032	15,215	1,904	6,804	2,070
Prepays	12,923	3,732	-	1,152	73
Inventories, at cost	12,198	-	-	-	-
Total assets	<u>1,659,135</u>	<u>1,627,677</u>	<u>113,678</u>	<u>2,354,857</u>	<u>1,270,754</u>
LIABILITIES					
Accounts payable	175,840	63,584	-	20,351	1,142,298
Accrued payroll payable	63,485	23,878	3,583	14,058	3,659
Due to other funds	37,533	15,642	-	-	-
Deferred revenues	-	-	62,500	-	-
Other liabilities	-	510,378	-	-	-
Total liabilities	<u>276,858</u>	<u>613,482</u>	<u>66,083</u>	<u>34,409</u>	<u>1,145,957</u>
FUND BALANCES					
Reserved:					
Change and imprest funds	1,800	-	-	-	-
Prepays	12,923	3,732	-	1,152	73
Inventories	12,198	-	-	-	-
Unreserved:					
Undesignated	<u>1,355,357</u>	<u>1,010,462</u>	<u>47,595</u>	<u>2,319,296</u>	<u>124,724</u>
Total fund balances	<u>1,382,278</u>	<u>1,014,194</u>	<u>47,595</u>	<u>2,320,448</u>	<u>124,797</u>
Total liabilities and fund balances	<u>\$ 1,659,136</u>	<u>\$ 1,627,676</u>	<u>\$ 113,678</u>	<u>\$ 2,354,857</u>	<u>\$ 1,270,754</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

<u>Special Revenues Fund</u>					
	<u>Juvenile Programs</u>	<u>District Attorney Funds</u>	<u>District Clerk Funds</u>	<u>County Sheriff Funds</u>	<u>Asset Forfeiture Funds</u>
ASSETS					
Cash and cash equivalents	\$ 50,481	\$ 190,632	\$ 65,570	\$ 446,366	\$ 755,654
Investments	73,125	-	-	-	300,000
Receivable (net)	149,134	-	-	-	499
Due from other funds	8,097	5,378	2,253	8,363	6,255
Prepays	576	192	278	-	576
Inventories, at cost	-	-	-	-	-
Total assets	<u>281,413</u>	<u>196,202</u>	<u>68,101</u>	<u>454,729</u>	<u>1,062,984</u>
LIABILITIES					
Accounts payable	110,069	4,773	4,100	52,315	8,831
Accrued payroll payable	4,647	10,244	4,325	-	9,273
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Other liabilities	-	480	-	-	-
Total liabilities	<u>114,716</u>	<u>15,497</u>	<u>8,425</u>	<u>52,315</u>	<u>18,104</u>
FUND BALANCES					
Reserved:					
Change and imprest funds	-	-	-	-	-
Prepays	576	192	278	-	576
Inventories	-	-	-	-	-
Unreserved:					
Undesignated	<u>166,121</u>	<u>180,513</u>	<u>59,398</u>	<u>402,414</u>	<u>1,044,304</u>
Total fund balances	<u>166,697</u>	<u>180,705</u>	<u>59,676</u>	<u>402,414</u>	<u>1,044,880</u>
Total liabilities and fund balances	<u>\$ 281,413</u>	<u>\$ 196,202</u>	<u>\$ 68,101</u>	<u>\$ 454,729</u>	<u>\$ 1,062,984</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Special Revenues Fund				
	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds	Library Funds
ASSETS					
Cash and cash equivalents	\$ 37,485	\$ 35,680	\$ 131,227	\$ 134,258	\$ 35,682
Investments	-	-	450,000	-	-
Receivable (net)	-	-	8,153	875	11
Due from other funds	150	1,303	525	-	1,190
Prepays	-	-	-	-	-
Inventories, at cost	-	-	-	-	-
	<u>37,635</u>	<u>36,983</u>	<u>589,905</u>	<u>135,133</u>	<u>36,883</u>
Total assets					
	<u>37,635</u>	<u>36,983</u>	<u>589,905</u>	<u>135,133</u>	<u>36,883</u>
LIABILITIES					
Accounts payable	-	4,263	2,064	552	3,278
Accrued payroll payable	-	-	1,563	-	-
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Other liabilities	-	-	-	-	-
	<u>-</u>	<u>4,263</u>	<u>3,627</u>	<u>552</u>	<u>3,278</u>
Total liabilities					
	<u>-</u>	<u>4,263</u>	<u>3,627</u>	<u>552</u>	<u>3,278</u>
FUND BALANCES					
Reserved:					
Change and imprest funds	-	-	-	-	-
Prepays	-	-	-	-	-
Inventories	-	-	-	-	-
Unreserved:					
Undesignated	<u>37,635</u>	<u>32,720</u>	<u>586,278</u>	<u>134,581</u>	<u>33,605</u>
Total fund balances					
	<u>37,635</u>	<u>32,720</u>	<u>586,278</u>	<u>134,581</u>	<u>33,605</u>
Total liabilities and fund balances					
	<u>\$ 37,635</u>	<u>\$ 36,983</u>	<u>\$ 589,905</u>	<u>\$ 135,133</u>	<u>\$ 36,883</u>

**NUECES COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Grants	Total Nonmajor Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 837,878	\$ 6,814,521
Investments	-	8,612,270
Receivable (net)	2,358,754	2,853,437
Due from other funds	444,146	890,845
Prepays	16,490	94,170
Inventories, at cost	-	38,674
	<u>3,657,268</u>	<u>19,303,917</u>
LIABILITIES		
Accounts payable	1,353,996	3,386,313
Accrued payroll payable	139,486	606,476
Due to other funds	2,012,000	2,082,219
Deferred revenues	151,786	215,891
Other liabilities	-	510,858
	<u>3,657,268</u>	<u>6,801,757</u>
FUND BALANCES		
Reserved:		
Change and imprest funds	-	1,908
Prepays	-	77,680
Inventories	-	38,674
Unreserved:		
Undesignated	-	12,383,898
	<u>-</u>	<u>12,502,160</u>
Total fund balances	<u>-</u>	<u>12,502,160</u>
Total liabilities and fund balances	<u>\$ 3,657,268</u>	<u>\$ 19,303,917</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2010

	Road Fund	Stadium & Fairgrounds	Law Library	Airport	Inland Parks
REVENUES					
Property taxes	\$ 812,408	\$ -	\$ -	\$ -	\$ -
Other taxes	210	-	-	-	-
Fees of office	-	-	179,836	-	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	2,491,475	-	-	-	-
Intergovernmental revenues	1,252,036	-	-	-	-
Charges for services	-	-	824	10	-
Investment income	73,438	1,621	2,170	415	1,081
Rentals and commissions	-	39,918	825	38,119	-
Miscellaneous revenue	4,353	50,000	3,492	3,224	-
Total revenues	4,633,920	91,539	187,147	41,768	1,081
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Buildings and facilities	-	-	-	-	-
Administration of justice	-	-	172,869	-	-
Law enforcement and corrections	-	-	-	-	-
Social services	-	-	-	-	-
Health, safety and sanitation	-	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	5,902,985	-	-	124,924	-
Parks and recreation	-	1,124,800	-	-	1,075,319
Capital outlay	481,923	13,569	3,682	-	67,255
Total expenditures	6,384,908	1,138,369	176,551	124,924	1,142,574
Excess (deficiency) of revenues over (under) expenditures	<u>(1,750,988)</u>	<u>(1,046,830)</u>	<u>10,596</u>	<u>(83,156)</u>	<u>(1,141,493)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,562,538	1,241,555	-	65,000	1,194,158
Transfers out	-	-	-	(24,800)	-
Sale of capital assets	-	-	-	-	-
Total other financing sources and (uses)	1,562,538	1,241,555	-	40,200	1,194,158
Net change in fund balances	(188,450)	194,725	10,596	(42,956)	52,665
Fund balances - beginning	4,199,721	204,666	268,314	162,261	72,115
Fund balances - ending	<u>\$ 4,011,271</u>	<u>\$ 399,391</u>	<u>\$ 278,910</u>	<u>\$ 119,305</u>	<u>\$ 124,780</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2010

	Special Revenues Fund				
	Coastal Parks	Commissioners Court Funds	County Attorney Funds	County Clerk Funds	Tax Assessor Collector Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	548,550	-	488,321	-
Fines and forfeitures	-	4,552	-	-	-
Licenses and permits	231,939	4,000	-	-	-
Intergovernmental revenues	97,169	192,364	62,500	48,717	51,647
Charges for services	-	-	-	-	-
Investment income	14,918	51,507	-	-	1,168
Rentals and commissions	641,944	700	-	-	-
Miscellaneous revenue	15,177	19,894	-	-	-
Total revenues	1,001,147	821,567	62,500	537,038	52,815
EXPENDITURES					
Current:					
General government	-	50,026	60,079	286,669	66,198
Buildings and facilities	-	180,966	-	-	-
Administration of justice	-	496,605	-	-	-
Law enforcement and corrections	-	-	-	-	-
Social services	-	22,182	-	-	-
Health, safety and sanitation	-	-	-	-	-
Agriculture, education and consumer sciences	-	25,399	-	-	-
Roads, bridges and transportation	-	-	-	-	-
Parks and recreation	1,746,617	-	-	-	-
Capital outlay	91,830	197,964	-	24,999	-
Total expenditures	1,838,447	973,142	60,079	311,668	66,198
Excess (deficiency) of revenues over (under) expenditures	(837,300)	(151,575)	2,421	225,370	(13,383)
OTHER FINANCING SOURCES (USES)					
Transfers in	856,211	507,709	-	-	-
Transfers out	-	(576,416)	-	(81,149)	-
Sale of capital assets	-	5,000	-	-	-
Total other financing sources and (uses)	856,211	(63,707)	-	(81,149)	-
Net change in fund balances	18,911	(215,282)	2,421	144,221	(13,383)
Fund balances - beginning	1,363,367	1,229,476	45,174	2,176,227	138,181
Fund balances - ending	<u>\$ 1,382,278</u>	<u>\$ 1,014,194</u>	<u>\$ 47,595</u>	<u>\$ 2,320,448</u>	<u>\$ 124,798</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2010

	Special Revenues Fund				
	Juvenile Programs	District Attorney Funds	District Clerk Funds	County Sheriff Funds	Asset Forfeitures Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	12,289	35,889	-	-
Fines and forfeitures	-	-	-	-	169,829
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	1,002,484	-	-	-	1,949
Charges for services	5,754	325,198	-	-	-
Investment income	11,034	-	-	34	16,705
Rentals and commissions	-	-	-	5,946	-
Miscellaneous revenue	2,066	77	-	340,250	7,957
	<u>1,021,338</u>	<u>337,564</u>	<u>35,889</u>	<u>346,230</u>	<u>196,440</u>
Total revenues					
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Buildings and facilities	-	-	-	-	-
Administration of justice	1,101,440	77,387	42,218	-	301,758
Law enforcement and corrections	-	-	-	249,764	169,130
Social services	-	-	-	-	-
Health, safety and sanitation	-	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	66,060	35,982
	<u>1,101,440</u>	<u>77,387</u>	<u>42,218</u>	<u>315,824</u>	<u>506,870</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(80,102)</u>	<u>260,177</u>	<u>(6,329)</u>	<u>30,406</u>	<u>(310,430)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(381,342)	(275,971)	-	-	(3,718)
Sale of capital assets	-	-	-	-	66,067
	<u>(381,342)</u>	<u>(275,971)</u>	<u>-</u>	<u>-</u>	<u>62,349</u>
Total other financing sources and (uses)					
Net change in fund balances	(461,444)	(15,794)	(6,329)	30,406	(248,081)
Fund balances - beginning	628,141	196,500	66,004	372,008	1,292,961
Fund balances - ending	<u>\$ 166,697</u>	<u>\$ 180,706</u>	<u>\$ 59,675</u>	<u>\$ 402,414</u>	<u>\$ 1,044,880</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2010

	Special Revenues Fund				
	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds	Library Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	-	4,965	-	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	-	-	15,610	-	-
Intergovernmental revenues	29,263	18,885	2,822	-	7,395
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
Rentals and commissions	-	-	261	35,435	-
Miscellaneous revenue	200	87,765	-	273	58,723
Total revenues	<u>29,463</u>	<u>106,650</u>	<u>23,658</u>	<u>35,708</u>	<u>66,118</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Buildings and facilities	-	-	-	7,937	-
Administration of justice	668	-	-	-	-
Law enforcement and corrections	39,429	-	-	-	-
Social services	-	98,929	-	-	-
Health, safety and sanitation	-	-	40,643	-	-
Agriculture, education and consumer sciences	-	-	-	-	68,946
Roads, bridges and transportation	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	6,266
Total expenditures	<u>40,097</u>	<u>98,929</u>	<u>40,643</u>	<u>7,937</u>	<u>75,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,634)</u>	<u>7,721</u>	<u>(16,985)</u>	<u>27,771</u>	<u>(9,094)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	24,051	-	5,000
Transfers out	-	-	(119,554)	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>(95,503)</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	<u>(10,634)</u>	<u>7,721</u>	<u>(112,488)</u>	<u>27,771</u>	<u>(4,094)</u>
Fund balances - beginning	<u>48,269</u>	<u>24,999</u>	<u>698,766</u>	<u>106,810</u>	<u>37,698</u>
Fund balances - ending	<u>\$ 37,635</u>	<u>\$ 32,720</u>	<u>\$ 586,278</u>	<u>\$ 134,581</u>	<u>\$ 33,604</u>

NUECES COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended September 30, 2010

	Grants	Total Nonmajor Governmental Funds
REVENUES		
Property taxes	\$ -	812,408
Other taxes	-	210
Fees of office	-	1,269,850
Fines and forfeitures	-	174,381
Licenses and permits	-	2,743,024
Intergovernmental revenues	6,087,297	8,854,528
Charges for services	6,834	338,620
Investment income	53	174,144
Rentals and commissions	-	763,148
Miscellaneous revenue	31,992	625,443
	<u>6,126,176</u>	<u>15,755,756</u>
EXPENDITURES		
Current:		
General government	-	462,972
Buildings and facilities	-	188,903
Administration of justice	2,773,701	4,966,646
Law enforcement and corrections	1,137,308	1,595,631
Social services	-	121,111
Health, safety and sanitation	1,290,463	1,331,106
Agriculture, education and consumer sciences	-	94,345
Roads, bridges and transportation	49,600	6,077,509
Parks and recreation	-	3,946,736
Capital outlay	1,576,905	2,566,435
	<u>6,827,977</u>	<u>21,351,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(701,801)</u>	<u>(5,595,638)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	965,231	6,421,453
Transfers out	(263,430)	(1,726,380)
Sale of capital assets	-	71,067
	<u>701,801</u>	<u>4,766,140</u>
Total other financing sources and (uses)	<u>701,801</u>	<u>4,766,140</u>
Net change in fund balances	-	(829,498)
Fund balances - beginning	-	13,331,658
Fund balances - ending	<u>\$ -</u>	<u>\$ 12,502,160</u>

NUECES COUNTY, TEXAS
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes, penalty & interest	\$ 819,680	\$ 819,680	\$ 812,619	\$ (7,061)
Licenses and permits	3,662,000	3,662,000	3,654,214	(7,786)
Intergovernmental revenue	34,100	34,100	89,296	55,196
Investment income	225,500	225,500	73,438	(152,062)
Miscellaneous revenue	-	-	4,353	4,353
Total revenues	<u>4,741,280</u>	<u>4,741,280</u>	<u>4,633,920</u>	<u>(107,360)</u>
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	3,801,725	3,806,194	3,611,143	195,051
Maintenance, materials and supplies	3,461,833	3,464,288	1,933,932	1,530,356
Telephone & utilities	79,125	79,125	77,520	1,605
Reserve appropriations	453,951	453,951	-	453,951
Professional and special services	171,000	131,890	118,019	13,871
Other services and charges	138,385	170,571	162,371	8,200
Capital outlay	510,000	510,000	481,923	28,077
Total expenditures	<u>8,616,019</u>	<u>8,616,019</u>	<u>6,384,908</u>	<u>2,231,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,874,739)</u>	<u>(3,874,739)</u>	<u>(1,750,988)</u>	<u>2,123,751</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,911,532	1,911,532	1,562,538	(348,994)
Transfers out	(8,209)	(8,209)	-	8,209
Total other financing sources (uses)	<u>1,903,323</u>	<u>1,903,323</u>	<u>1,562,538</u>	<u>(340,785)</u>
Net change in fund balances	<u>(1,971,416)</u>	<u>(1,971,416)</u>	<u>(188,450)</u>	<u>1,782,966</u>
Fund balances - beginning	<u>3,151,841</u>	<u>3,151,841</u>	<u>4,199,722</u>	<u>1,047,881</u>
Fund balances - ending	<u>\$ 1,180,425</u>	<u>\$ 1,180,425</u>	<u>\$ 4,011,272</u>	<u>\$ 2,830,847</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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rentals and commissions	\$ 60,000	\$ 60,000	\$ 39,918	\$ (20,082)
Investment income	750	750	1,621	871
Miscellaneous revenue	1,000,000	1,000,000	50,000	(950,000)
Total revenues	<u>1,060,750</u>	<u>1,060,750</u>	<u>91,539</u>	<u>(969,211)</u>
EXPENDITURES				
Parks and recreation:				
Personnel services	3,000	18,193	15,192	3,001
Maintenance, materials and supplies	48,000	78,372	53,954	24,418
Telephone & utilities	165,000	165,000	147,786	17,214
Reserve appropriations	1,020,325	1,020,325	-	1,020,325
Other services and charges	996,490	970,925	907,868	63,057
Capital outlay	35,000	15,000	13,569	1,431
Total expenditures	<u>2,267,815</u>	<u>2,267,815</u>	<u>1,138,369</u>	<u>1,129,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,207,065)</u>	<u>(1,207,065)</u>	<u>(1,046,830)</u>	<u>160,235</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,241,555	1,241,555	1,241,555	-
Transfers out	(15,500)	(15,500)	-	15,500
Total other financing sources (uses)	<u>1,226,055</u>	<u>1,226,055</u>	<u>1,241,555</u>	<u>15,500</u>
Net change in fund balances	18,990	18,990	194,725	175,735
Fund balances - beginning	<u>53,478</u>	<u>53,478</u>	<u>204,666</u>	<u>151,188</u>
Fund balances - ending	<u>\$ 72,468</u>	<u>\$ 72,468</u>	<u>\$ 399,391</u>	<u>\$ 326,923</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, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 170,000	\$ 170,000	\$ 179,836	\$ 9,836
Charges for Services	700	700	824	124
Investment Income	5,690	5,690	2,170	(3,520)
Rentals and commissions	900	900	825	(75)
Miscellaneous revenue	4,000	4,000	3,492	(508)
Total revenues	<u>181,290</u>	<u>181,290</u>	<u>187,147</u>	<u>5,857</u>
EXPENDITURES				
Adminstration of Justice				
Personnel services	85,540	85,636	81,018	4,618
Maintenance, materials and supplies	1,250	966	790	176
Professional and special services	3,100	3,100	2,885	215
Reserve appropriations	20,000	20,000	-	20,000
Other services and charges	94,902	95,090	88,176	6,914
Capital outlay	5,000	5,000	3,682	1,318
Total expenditures	<u>209,792</u>	<u>209,792</u>	<u>176,551</u>	<u>33,241</u>
Deficiency of revenues under expenditures	(28,502)	(28,502)	10,596	39,098
Fund balances - beginning	<u>284,504</u>	<u>284,504</u>	<u>268,314</u>	<u>(16,190)</u>
Fund balances - ending	<u>\$ 256,002</u>	<u>\$ 256,002</u>	<u>\$ 278,910</u>	<u>\$ 22,908</u>

NUECES COUNTY, TEXAS
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,000	\$ 5,000	\$ 10	\$ (4,990)
Investment income	1,000	1,000	415	(585)
Rentals and commissions	33,000	33,000	38,119	5,119
Miscellaneous revenue	8,010	8,010	3,224	(4,786)
Total revenues	47,010	47,010	41,768	(5,242)
EXPENDITURES				
Roads, bridges and transportation:				
Personnel services	33,591	55,524	55,519	5
Maintenance, materials and supplies	21,500	41,795	41,746	49
Telephone & utilities	16,613	16,847	16,847	-
Professional and special services	12,000	3,900	3,810	90
Other services and charges	6,676	7,407	7,002	405
Capital Outlay	30,000	1,495	-	1,495
Total expenditures	120,380	126,968	124,924	2,044
Excess (deficiency) of revenues over (under) expenditures	(73,370)	(79,958)	(83,156)	(3,198)
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	65,000	-
Transfers out	(50,000)	(43,412)	(24,800)	18,612
Total other financing sources (uses)	15,000	21,588	40,200	18,612
Net change in fund balances	(58,370)	(58,370)	(42,956)	15,414
Fund balances - beginning	126,767	126,767	162,261	35,494
Fund balances - ending	\$ 68,397	\$ 68,397	\$ 119,305	\$ 50,908

NUECES COUNTY, TEXAS
INLAND PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 1,304	\$ 1,304	\$ 1,081	\$ (223)
Total revenues	<u>1,304</u>	<u>1,304</u>	<u>1,081</u>	<u>(223)</u>
EXPENDITURES				
Parks and recreation:				
Personnel services	687,079	683,635	638,094	45,541
Maintenance, materials and supplies	149,651	202,432	202,357	75
Telephone & utilities	237,000	176,379	165,640	10,739
Professional and special services	-	7,000	6,889	111
Other services and charges	62,678	66,962	62,339	4,623
Capital outlay	90,000	90,000	67,255	22,745
Total expenditures	<u>1,226,408</u>	<u>1,226,408</u>	<u>1,142,574</u>	<u>83,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,225,104)</u>	<u>(1,225,104)</u>	<u>(1,141,493)</u>	<u>83,611</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,209,658	1,209,658	1,194,158	(15,500)
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Total other financing sources (uses)	<u>1,204,658</u>	<u>1,204,658</u>	<u>1,194,158</u>	<u>(10,500)</u>
Net change in fund balances	(20,446)	(20,446)	52,665	73,111
Fund balances - beginning	<u>65,186</u>	<u>65,186</u>	<u>72,115</u>	<u>6,929</u>
Fund balances - ending	<u>\$ 44,740</u>	<u>\$ 44,740</u>	<u>\$ 124,780</u>	<u>\$ 80,040</u>

NUECES COUNTY, TEXAS
COASTAL PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 175,000	\$ 175,000	\$ 231,939	\$ 56,939
Intergovernmental revenue	100,000	100,000	97,169	(2,831)
Investment income	10,000	10,000	14,918	4,918
Rentals and commissions	545,000	545,000	641,944	96,944
Miscellaneous revenue	1,800	1,800	15,177	13,377
Total revenues	<u>831,800</u>	<u>831,800</u>	<u>1,001,147</u>	<u>169,347</u>
EXPENDITURES				
Parks & Recreation:				
Personnel services	798,388	926,275	883,598	42,677
Maintenance, materials and supplies	226,000	327,794	256,364	71,430
Telephone & utilities	436,000	427,014	371,334	55,680
Professional and special services	56,900	53,531	24,956	28,575
Reserve appropriations	390,000	189,267	-	189,267
Other services and charges	258,230	215,684	196,006	19,678
Capital outlay	88,000	123,953	106,189	17,764
Total expenditures	<u>2,253,518</u>	<u>2,263,518</u>	<u>1,838,447</u>	<u>425,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,421,718)</u>	<u>(1,431,718)</u>	<u>(837,300)</u>	<u>594,418</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	856,211	856,211	856,211	-
Transfers out	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>846,211</u>	<u>856,211</u>	<u>856,211</u>	<u>-</u>
Net change in fund balances	(575,507)	(575,507)	18,911	594,418
Fund balances - beginning	<u>1,075,205</u>	<u>1,075,205</u>	<u>1,363,367</u>	<u>288,162</u>
Fund balances - ending	<u>\$ 499,698</u>	<u>\$ 499,698</u>	<u>\$ 1,382,278</u>	<u>\$ 882,580</u>



NUECES COUNTY, TEXAS
SPECIAL REVENUES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Commissioners Court Funds	\$ 959,716.00	\$ 959,716.00	\$ 821,566.00	\$ (138,150.00)
County Attorney Funds	62,500	62,500	62,500	-
County Clerk Funds	650,000	650,000	537,038	(112,962)
Tax Assessor - Collector Funds	124,000	124,000	52,815	(71,185)
Juvenile Programs	911,590	911,590	1,021,338	109,748
District Attorney Funds	105,000	105,000	337,564	232,564
District Clerk Funds	33,000	33,000	35,889	2,889
County Sheriff Funds	256,750	256,750	346,230	89,480
Asset Forfeiture Funds	229,295	229,295	196,440	(32,855)
LEOSE Funds	27,283	27,283	29,463	2,180
Social Services Funds	110,000	110,000	106,650	(3,350)
Community Health Programs	11,500	11,500	23,658	12,158
Parks & Recreation Funds	19,500	19,500	35,709	16,209
Library Funds	1,100	1,100	66,118	65,018
Total revenues	<u>3,501,234</u>	<u>3,501,234</u>	<u>3,672,978</u>	<u>171,744</u>
EXPENDITURES				
Current:				
General government				
Commissioners Court	1,062,596	268,739	50,026	218,713
County Attorney	106,717	106,752	60,079	46,673
County Clerk	2,261,064	1,445,250	286,669	1,158,581
Tax Assessor Collector	262,169	262,769	66,198	196,571
Buildings and facilities				
Commissioners Court	271,682	183,431	180,966	2,465
Parks & recreation funds	125,697	125,897	7,937	117,960
Administration of justice				
Commissioners Court	236,514	815,751	496,605	319,146
Juvenile Programs	1,408,592	1,264,217	1,101,440	162,777
District Attorney Funds	127,156	174,878	77,387	97,491
District Clerk Funds	90,146	118,049	42,218	75,831
Asset Forfeiture	481,515	504,779	301,758	203,021
Law Enforcement Education	1,717	1,717	668	1,049
Law enforcement and corrections				
County Sheriff Funds	490,140	474,740	249,764	224,976
Asset Forfeiture	836,105	808,850	169,130	639,720
Law Enforcement Education	88,716	88,716	39,429	49,287
Social services				
Commissioners Court	43,174	58,052	22,182	35,870
Social Services	121,694	187,099	98,929	88,170
Health, safety and sanitation				
Community Health Programs	695,061	733,960	40,643	693,317
Agriculture, education and consumer sciences				
Commissioners Court	-	51,144	25,399	25,745
Library Funds	96,137	121,859	68,946	52,913
Roads, bridges, and transportation				
Parks & recreation				
Capital outlay:				
Capital outlay	110,000	604,141	331,271	272,870
Total expenditures	<u>8,916,592</u>	<u>8,400,790</u>	<u>3,717,644</u>	<u>4,683,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,415,358)</u>	<u>(4,899,556)</u>	<u>(44,666)</u>	<u>4,854,890</u>

(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	527,876	527,876	536,761	8,885
Transfers out	(926,019)	(1,472,373)	(1,438,150)	34,223
Sale of Assets	-	-	71,067	71,067
Total other financing sources and uses	<u>(398,143)</u>	<u>(944,497)</u>	<u>(830,322)</u>	<u>114,175</u>
Net change in fund balances	(5,813,501) -	(5,844,053)	(874,988)	4,969,065
Fund balances - beginning	<u>6,945,913</u>	<u>6,945,913</u>	<u>7,061,213</u>	<u>115,300</u>
Fund balances - ending	<u>\$ 1,132,412</u>	<u>\$ 1,101,860</u>	<u>\$ 6,186,225</u>	<u>\$ 5,084,365</u>



INTERNAL SERVICE FUNDS

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
September 30, 2010

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
ASSETS				
Cash and cash equivalents	\$ 88,516	\$ 1,044,204	\$ 1,651,902	\$ 2,784,622
Investments	240,970	747,830	-	988,800
Due from other governments and agencies	345,327	89,224	-	434,551
Receivables (net of allowance for uncollectibles)	3,484	-	1,484	4,968
TOTAL ASSETS	678,297	1,881,258	1,653,386	4,212,941
LIABILITIES				
Current liabilities				
Accounts payable	84,660	9,540	613,026	707,226
Due from other governments and agencies	4,186	-	-	4,186
Total current liabilities	88,846	9,540	613,026	711,412
Noncurrent liabilities				
Estimated claims liability	-	1,662,174	-	1,662,174
Total noncurrent liabilities	-	1,662,174	-	1,662,174
TOTAL LIABILITIES	88,846	1,671,714	613,026	2,373,586
NET ASSETS				
Unrestricted	589,451	209,544	1,040,360	1,839,355
TOTAL LIABILITIES AND NET ASSETS	\$ 678,297	\$ 1,881,258	\$ 1,653,386	\$ 4,212,941

NUECES COUNTY, TEXAS
 INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 For the Year Ended September 30, 2010

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$ 270,786	\$ 1,252,714	\$ 6,370,723	\$ 7,894,223
Total operating revenues	<u>270,786</u>	<u>1,252,714</u>	<u>6,370,723</u>	<u>7,894,223</u>
Operating expenses:				
Benefit payments	417	-	5,136,160	5,136,577
Insurance premiums and bonds	319,925	1,424,964	297,638	2,042,527
Claims and settlements	-	32,749	-	32,749
Administration	-	-	500,635	500,635
Total operating expenses	<u>320,342</u>	<u>1,457,713</u>	<u>5,934,433</u>	<u>7,712,488</u>
Operating income (loss)	<u>(49,556)</u>	<u>(204,999)</u>	<u>436,290</u>	<u>181,735</u>
Non operating revenues:				
Investment income	<u>3,952</u>	<u>9,120</u>	<u>904</u>	<u>13,976</u>
Net income (loss)	(45,604)	(195,879)	437,194	195,711
Net assets at beginning of year	<u>635,055</u>	<u>405,423</u>	<u>603,166</u>	<u>1,643,644</u>
Net assets at end of year	<u>\$ 589,451</u>	<u>\$ 209,544</u>	<u>\$ 1,040,360</u>	<u>\$ 1,839,355</u>

NUECES COUNTY, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2010

	Workers Compensation Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ -	\$ 1,026,161	\$ 4,660,215	\$ 5,686,376
Receipts from employees	-	-	983,532	983,532
Receipts from other participants	3,912	150,810	500,446	655,168
Receipts from reimbursements and refunds	-	-	225,479	225,479
Payments for benefit claims	(417)	-	(5,142,160)	(5,142,577)
Payments for insurance and bond policies	(379,433)	(1,429,811)	(297,638)	(2,106,882)
Payments for administration	-	-	(500,635)	(500,635)
Payments for settlements and claims	-	(106,690)	-	(106,690)
Net cash provided in operating activities	<u>(375,938)</u>	<u>(359,530)</u>	<u>429,239</u>	<u>(306,229)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investments	(240,970)	(747,830)	-	(988,800)
Interest received	468	9,120	904	10,492
Net cash provided by investing activities	<u>(240,502)</u>	<u>(738,710)</u>	<u>904</u>	<u>(978,308)</u>
Net increase in cash and cash equivalents	(616,440)	(1,098,240)	430,143	(1,284,537)
Cash and cash equivalents at beginning of year	<u>704,956</u>	<u>2,142,444</u>	<u>1,221,759</u>	<u>4,069,159</u>
Cash and cash equivalents at end of year	<u>\$ 88,516</u>	<u>\$ 1,044,204</u>	<u>\$ 1,651,902</u>	<u>\$ 2,784,622</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (49,556)	\$ (204,999)	\$ 436,290	\$ 181,735
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	(75,743)	(1,051)	(76,794)
(Increase) decrease in due from other funds	(345,327)	-	-	(345,327)
Increase (decrease) in estimated claims liabilities	-	(73,941)	-	(73,941)
Increase (decrease) in accounts payable	14,759	(4,847)	(6,000)	3,912
Increase (decrease) in due to other funds	4,186	-	-	4,186
Total Adjustments	<u>(326,382)</u>	<u>(154,531)</u>	<u>(7,051)</u>	<u>(487,964)</u>
Net cash provided by operating activities	<u>\$ (375,938)</u>	<u>\$ (359,530)</u>	<u>\$ 429,239</u>	<u>\$ (306,229)</u>

FIDUCIARY FUNDS



NUECES COUNTY, TEXAS
COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2010

ASSETS	<u>CSCD</u>	<u>Nueces County Trust</u>	<u>Metropolitan Planning Organization</u>	<u>Total</u>
Cash, equivalents & pooled funds	\$ 1,245,459	\$ 15,805,540	\$ 67,375	\$ 17,118,374
Due from other governments and agencies	389,762	-	18,396	408,158
Accounts receivable	173,978	304,500	272,987	751,465
Prepays	-	17,063	403	17,466
Equipment	666,605	-	-	666,605
Furniture	222,821	-	-	222,821
Vehicles	470,921	-	-	470,921
TOTAL ASSETS	<u>\$ 3,169,546</u>	<u>\$ 16,127,103</u>	<u>\$ 359,161</u>	<u>\$ 19,655,810</u>
LIABILITIES				
Accounts payable	\$ 93,029	\$ 16,070,202	\$ 26,943	\$ 16,190,174
Accrued payroll payable	587,381	95,376	34,472	717,229
Due to other governments and agencies	-	643,872	268,000	911,872
Funds held in escrow	2,489,136	(682,347)	29,746	1,836,535
TOTAL LIABILITIES	<u>\$ 3,169,546</u>	<u>\$ 16,127,103</u>	<u>\$ 359,161</u>	<u>\$ 19,655,810</u>

Nueces County, Texas
Statement of Changes in Fiduciary Assets and Liabilities -
Agency Funds
For the Year Ended September 30, 2010

	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash and cash equivalents	\$ 18,780,892	\$ 34,257,956	\$ 35,920,474	\$ 17,118,374
Due from other governments and agencies	399,266	25,330,251	25,321,359	408,158
Accounts receivable	1,043,443	7,657,535	7,949,513	751,465
Prepays	26,478	295,575	304,587	17,466
Equipment	666,605	-	-	666,605
Furniture	222,821	-	-	222,821
Vehicles	470,921	-	-	470,921
TOTAL ASSETS	<u>21,610,426</u>	<u>67,541,317</u>	<u>69,495,933</u>	<u>19,655,810</u>
LIABILITIES				
Accounts payable	17,302,284	47,828,028	46,715,918	16,190,174
Accrued payroll payable	620,628	10,142,260	10,238,861	717,229
Due to other governments and agencies	621,886	4,987,892	5,277,878	911,872
Funds held in escrow	3,065,628	4,445,629	3,216,536	1,836,535
TOTAL LIABILITIES	<u>\$ 21,610,426</u>	<u>\$ 67,403,809</u>	<u>\$ 65,449,193</u>	<u>\$ 19,655,810</u>

NUECES COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2010

CSCD

	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash, equivalents & pooled funds	\$ 2,214,921	18,751,578	19,721,040	1,245,459
Due from other governments and agencies	395,293	23,830,106	23,835,637	389,762
Accounts receivable	189,504	2,654,114	2,669,640	173,978
Equipment	666,605	-	-	666,605
Furniture	222,821	-	-	222,821
Vehicles	470,921	-	-	470,921
TOTAL ASSETS	\$ 4,160,065	45,235,798	46,226,317	3,169,546
LIABILITIES				
Accounts payable	\$ 835,294	17,498,323	16,756,058	93,029
Accrued payroll payable	509,771	8,367,423	8,445,033	587,381
Due to other governments and agencies	-	-	-	-
Funds held in escrow	2,815,000	3,541,865	3,216,001	2,489,136
TOTAL LIABILITIES	\$ 4,160,065	29,407,611	28,417,092	3,169,546

NUECES COUNTY TRUST

	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash, equivalents & pooled funds	\$ 16,585,430	14,555,047	15,334,937	15,805,540
Accounts receivable	473,950	4,373,852	4,543,302	304,500
Prepays	22,938	282,784	288,660	17,063
TOTAL ASSETS	\$ 17,082,318	19,211,683	20,166,899	16,127,103
LIABILITIES				
Accounts payable	\$ 16,309,967	28,924,645	28,684,880	16,070,202
Accrued payroll payable	79,048	1,311,058	1,327,386	95,376
Due to other governments and agencies	471,886	4,837,892	5,009,878	643,872
Funds held in escrow	221,417	903,764	-	(682,347)
TOTAL LIABILITIES	\$ 17,082,318	35,977,359	35,022,144	16,127,103

METROPOLITAN PLANNING ORG.

	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
ASSETS				
Cash, equivalents & pooled funds	\$ (19,459)	951,331	864,497	67,375
Due from other agencies	3,973	1,500,145	1,485,722	18,396
Accounts Receivable	379,989	629,569	736,571	272,987
Prepays	3,540	12,790	15,927	403
TOTAL ASSETS	\$ 368,043	3,093,835	3,102,717	359,161
LIABILITIES				
Accounts Payable	\$ 157,023	1,405,060	1,274,980	26,943
Accrued payroll payable	31,809	463,779	466,442	34,472
Due to other governments and agencies	150,000	150,000	268,000	268,000
Funds Held in Escrow	29,211	-	535	29,746
TOTAL LIABILITIES	\$ 368,043	2,018,839	2,009,957	359,161



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	130-137
<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	138-151
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	152-161
<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	162-169
<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	170-181
<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 Assets By Component
Last Ten Fiscal Years
September 30, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:					
Primary government (excludes component units)					
Invested in capital assets, net of related debt	Data not available	Data not available	\$ 51,045,261	\$ 51,366,127	\$ 42,710,159
Restricted	Data not available	Data not available	11,047,485	13,307,054	32,800,849
Unrestricted			<u>10,176,379</u>	<u>11,882,141</u>	<u>10,630,392</u>
Total primary government net assets			<u>\$ 72,269,125</u>	<u>\$ 76,555,322</u>	<u>\$ 86,141,400</u>

Exhibit 1

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 95,062,614	\$ 127,137,862	\$ 119,615,150	\$ 114,418,905	\$ 84,990,779
41,385,412	15,684,832	48,736,178	14,855,823	14,739,132
<u>20,754,076</u>	<u>14,273,648</u>	<u>(15,598,846)</u>	<u>21,545,294</u>	<u>48,795,609</u>
<u>\$ 157,202,102</u>	<u>\$ 157,096,342</u>	<u>\$ 152,752,482</u>	<u>\$ 150,820,022</u>	<u>\$ 148,525,520</u>

Nueces County, Texas
Changes In Net Assets
Last Ten Fiscal Years
September 30, 2010

	2001	2002	2003	2004	2005
Expenses					
General government			\$ 12,280,648	\$ 12,231,938	\$ 13,828,609
Building and facilities			6,312,325	6,480,287	7,193,556
Administration of justice			21,184,105	20,168,883	20,970,326
Law enforcement and corrections			22,112,523	19,777,272	30,825,022
Social services			2,618,248	2,282,124	2,379,678
Health, safety and sanitation			1,745,064	1,554,184	852,329
Agriculture, education and consumer sciences			582,026	477,219	439,122
Roads, bridges and transportation			6,996,814	5,742,327	5,522,753
Parks and recreation			2,527,212	2,783,556	2,610,974
Interest and fees on long -term debt			905,647	1,833,454	6,379,012
Total primary government expenses			\$ 77,264,612	\$ 73,331,244	\$ 91,001,381
Program Revenues					
Charges for services:					
General government			\$ 6,300,344	\$ 6,101,382	\$ 6,877,929
Buildings and facilities			494,056	535,798	356,699
Administration of justice			4,117,636	5,343,647	5,535,141
Law enforcement and corrections			4,817,598	5,055,255	14,662,202
Social services			13,070	16,999	11,060
Health, safety, and sanitation			273,663	218,034	75,297
Agriculture, education, and consumers sciences			282	12	68
Roads, bridges and transportation			2,649,195	2,497,441	2,519,178
Parks and recreation			586,968	726,996	667,538
Interest and fees on long-term debt			-	-	-
Operating grants and contributions	Data not available	Data not available	9,868,841	7,743,506	8,226,779
Capital grants and contributions	Data not available	Data not available	201,600	1,857,282	2,810,367
Total primary government revenues			\$ 29,323,253	\$ 30,096,352	\$ 41,742,258
Net (Expense) Revenue					
Governmental activities			\$ (47,941,359)	\$ (43,234,892)	\$ (49,259,123)
Total primary government net expenses			\$ (47,941,359)	\$ (43,234,892)	\$ (49,259,123)
General revenues and other changes in net assets					
General Revenues					
Property taxes			\$ 41,662,221	\$ 46,136,506	\$ 55,541,622
Alcohol beverage and other taxes			974,992	1,291,058	1,199,120
Unrestricted investment earnings			1,630,759	2,086,216	2,809,534
Grants and contributions not restricted to specific program			100	377,430	172,339
Gain or loss on sale of capital assets			(74,053)	23,106	(877,414)
Miscellaneous			-	-	0
Total general revenues			\$ 44,194,019	\$ 49,914,316	\$ 58,845,201
Change in Net Assets			\$ (3,747,340)	\$ 6,679,424	\$ 9,586,078

Exhibit 2

	2006	2007	2008	2009	2010
\$	11,309,350	\$ 12,487,965	\$ 13,447,105	\$ 13,922,786	\$ 13,483,612
	7,954,617	8,256,406	8,799,943	9,216,536	10,165,122
	22,667,915	23,729,715	24,763,021	26,870,285	27,292,561
	21,701,331	23,817,761	22,643,877	23,257,876	24,468,809
	2,509,261	2,514,128	2,567,466	2,664,755	2,679,502
	1,192,347	1,748,318	1,757,672	3,083,653	2,023,424
	480,931	492,016	722,211	788,629	865,488
	10,341,541	12,578,634	13,708,534	13,662,879	14,143,486
	2,395,171	4,930,535	5,460,139	5,595,232	5,948,582
	5,005,426	5,995,943	6,291,032	6,086,736	5,823,695
\$	<u>85,557,890</u>	<u>\$ 96,551,421</u>	<u>\$ 100,161,000</u>	<u>\$ 105,149,367</u>	<u>\$ 106,894,281</u>
\$	6,773,455	\$ 6,803,856	\$ 7,614,423	\$ 7,419,814	\$ 7,631,054
	769,989	764,542	802,452	1,004,650	1,010,740
	5,002,914	6,312,388	5,761,254	6,290,997	8,381,617
	4,652,646	2,592,443	2,348,523	2,976,714	2,826,083
	64,138	145,940	123,282	88,258	168,321
	112,908	121,189	195,139	52,928	55,058
	3,622	5,006	7,535	16,049	20,361
	2,523,587	2,623,937	2,771,423	2,903,756	2,835,769
	1,002,593	898,852	852,643	998,061	1,077,838
	-	-	-	-	-
	8,479,146	8,957,688	9,141,332	9,256,087	8,625,300
	1,854,807	3,852,784	455,115	1,302,695	654,404
\$	<u>31,239,805</u>	<u>\$ 33,078,625</u>	<u>\$ 30,073,121</u>	<u>\$ 32,310,009</u>	<u>\$ 33,286,545</u>
\$	<u>(54,318,085)</u>	<u>\$ (63,472,796)</u>	<u>\$ (70,087,879)</u>	<u>\$ (72,839,358)</u>	<u>\$ (73,607,736)</u>
\$	<u>(54,318,085)</u>	<u>\$ (63,472,796)</u>	<u>\$ (70,087,879)</u>	<u>\$ (72,839,358)</u>	<u>\$ (73,607,736)</u>
\$	55,745,552	\$ 56,313,439	\$ 60,527,569	\$ 66,024,875	\$ 67,091,123
	1,346,945	1,447,606	1,518,806	2,741,543	3,028,318
	4,792,279	5,274,254	3,134,177	1,785,507	841,701
	95,960	331,737	378,320	354,973	281,025
	-	-	18,362	-	71,067
	-	-	166,788	-	-
\$	<u>61,980,736</u>	<u>\$ 63,367,036</u>	<u>\$ 65,744,022</u>	<u>\$ 70,906,898</u>	<u>\$ 71,313,234</u>
\$	<u>7,662,651</u>	<u>\$ (105,760)</u>	<u>\$ (4,343,857)</u>	<u>\$ (1,932,460)</u>	<u>\$ (2,294,502)</u>

Nueces County, Texas
Fund Balances, Governmental Fund
Last Ten Fiscal Years
September 30, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 247,190	\$ 292,390	\$ 527,698	\$ 420,680	\$ 449,116
Unreserved	<u>12,242,862</u>	<u>10,971,336</u>	<u>7,933,023</u>	<u>11,697,472</u>	<u>17,323,215</u>
Total General Fund	<u>\$ 12,490,052</u>	<u>\$ 11,263,726</u>	<u>\$ 8,460,721</u>	<u>\$ 12,118,152</u>	<u>\$ 17,772,331</u>
All Other Governmental Funds					
Reserved	\$ 11,019,589	\$ 9,516,981	\$ 1,923,768	\$ 97,605,241	\$ 61,145,663
Unreserved, reported in:					
Debt service funds	-	-	1,521,312	2,346,690	2,486,611
Special Revenue Funds	<u>12,487,941</u>	<u>11,282,868</u>	<u>9,981,902</u>	<u>11,693,785</u>	<u>15,732,112</u>
Total all other governmental funds	<u>\$ 23,507,530</u>	<u>\$ 20,799,849</u>	<u>\$ 13,426,982</u>	<u>\$ 111,645,716</u>	<u>\$ 79,364,386</u>

Exhibit 3

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 490,784	\$ 398,054	\$ 633,602	\$ 612,027	\$ -
<u>15,930,195</u>	<u>14,821,934</u>	<u>15,923,732</u>	<u>20,386,046</u>	<u>24,029,489</u>
<u>\$ 16,420,979</u>	<u>\$ 15,219,988</u>	<u>\$ 16,557,334</u>	<u>\$ 20,998,073</u>	<u>\$ 24,029,489</u>
\$ 27,670,892	\$ 39,244,470	\$ 33,034,960	\$ 30,485,845	\$ 22,932,604
2,751,145	3,005,603	2,900,201	3,182,479	3,585,711
<u>15,296,471</u>	<u>14,701,196</u>	<u>14,197,613</u>	<u>13,467,060</u>	<u>12,568,896</u>
<u>\$ 45,718,508</u>	<u>\$ 56,951,269</u>	<u>\$ 50,132,774</u>	<u>\$ 47,135,384</u>	<u>\$ 39,087,211</u>

Nueces County, Texas
Changes In Fund Balances, Governmental Funds,
Last Ten Fiscal Years
September 30, 2010

	2001	2002	2003	2004	2005
Revenues					
Property taxes	\$ 36,919,428	\$ 39,342,759	\$ 41,694,172	\$ 46,443,623	\$ 55,253,521
Other taxes	979,489	250,633	191,121	255,473	311,058
Fees of office	4,219,914	4,334,967	4,543,144	4,735,286	4,804,000
Fines and forfeitures	1,954,842	1,562,733	1,898,311	2,666,386	3,569,262
Licenses and permits	3,887,624	3,488,755	4,052,302	3,513,680	3,594,125
Intergovernmental revenue	13,793,806	14,397,991	14,515,380	15,778,623	27,219,619
Charges for services	453,452	453,068	470,628	487,436	391,978
Investment revenue	3,424,015	1,534,382	1,494,300	1,982,999	2,692,259
Rentals and commissions	1,358,948	1,662,996	1,343,580	1,147,844	833,989
Miscellaneous revenue	458,676	515,840	771,440	1,701,925	1,583,699
Total Revenues	<u>67,450,194</u>	<u>67,544,124</u>	<u>70,974,378</u>	<u>78,713,275</u>	<u>100,253,510</u>
Expenditures					
General government	\$ 9,931,589	\$ 9,576,629	\$ 9,484,282	\$ 9,878,173	\$ 12,394,224
Building and facilities	5,131,389	4,922,960	5,463,576	5,604,821	5,572,030
Administration of justice	17,900,467	19,053,006	20,646,224	19,869,806	20,566,391
Law enforcement and corrections	17,791,229	19,499,114	20,806,390	19,326,454	29,919,163
Social services	2,555,605	2,572,243	2,577,319	2,271,452	2,333,082
Health, safety and sanitation	1,514,576	1,421,721	1,696,338	1,488,665	817,893
Agriculture, education and consumer science	331,068	408,700	548,595	439,350	408,169
Roads, bridges and transportation	6,102,042	6,824,127	6,352,456	5,373,945	5,143,495
Parks and recreation	2,944,503	2,790,111	2,440,469	2,766,547	2,501,982
Capital outlay	8,584,325	8,970,464	10,761,788	3,610,784	38,304,549
Debt service:					
Interest	488,503	808,306	912,647	893,162	7,006,834
Principal	1,725,000	1,220,000	1,415,000	1,190,000	2,240,000
Total Expenditures	<u>\$ 75,000,296</u>	<u>\$ 78,067,381</u>	<u>\$ 83,105,084</u>	<u>\$ 72,713,159</u>	<u>\$ 127,207,812</u>
Excess of Revenues over (under) expenditures	\$ (7,550,102)	\$ (10,523,257)	\$ (12,130,706)	\$ 6,000,116	\$ (26,954,302)
Other Financing Sources (Uses)					
Transfers In	\$ 16,696,305	\$ 15,671,951	\$ 6,287,717	\$ 6,346,584	\$ 6,287,717
Transfers Out	(16,696,305)	(15,671,951)	(6,287,717)	(6,346,584)	(6,287,717)
Sale of Assets	113,256	46,900	130,414	23,106	338,454
Proceeds of General Obligation Bonds	6,829,737	6,523,430	16,734	95,852,944	(11,308)
Total Other Financing Sources (uses)	<u>\$ 6,942,993</u>	<u>\$ 6,570,330</u>	<u>\$ 147,148</u>	<u>\$ 95,876,050</u>	<u>\$ 327,146</u>
Net Changes in Fund Balances	<u>\$ (607,109)</u>	<u>\$ (3,952,927)</u>	<u>\$ (11,983,558)</u>	<u>\$ 101,876,166</u>	<u>\$ (26,627,156)</u>
Debt Service as a percentage of noncapital expenditures	3.3%	2.9%	3.2%	3.0%	10.4%

Exhibit 4

	2006	2007	2008	2009	2010
\$	55,630,171	\$ 56,408,266	\$ 60,622,393	\$ 66,035,245	\$ 67,018,275
	352,995	382,665	373,124	356,538	319,549
	5,324,240	5,477,674	5,052,204	4,967,966	6,619,757
	2,956,251	3,884,689	3,232,877	3,044,301	2,641,095
	3,654,604	3,685,405	3,850,740	3,942,987	3,994,255
	16,742,140	18,021,951	15,191,698	17,594,903	17,421,622
	504,631	493,678	774,537	958,227	780,845
	4,581,599	5,074,901	2,950,999	1,755,508	827,724
	1,198,997	1,229,696	812,755	879,767	1,282,655
	1,405,550	1,180,957	2,190,705	1,700,521	1,545,928
	<u>92,351,178</u>	<u>95,839,882</u>	<u>95,052,032</u>	<u>101,235,963</u>	<u>102,451,705</u>
\$	10,708,716	\$ 11,413,297	12,437,255	12,785,454	12,541,880
	5,830,607	6,245,555	7,455,253	7,104,965	7,870,284
	21,994,248	23,341,402	24,173,536	25,983,264	26,372,564
	19,993,842	22,548,286	20,985,274	21,344,308	22,503,895
	2,439,475	2,469,485	2,512,566	2,578,849	2,586,380
	1,101,303	1,679,589	1,659,474	2,977,516	1,899,605
	443,948	462,374	673,562	721,098	796,441
	5,091,211	4,991,742	6,050,715	5,930,698	6,077,509
	2,049,420	4,245,447	3,697,016	3,637,202	3,946,736
	48,868,601	31,736,481	10,454,001	6,037,465	12,276,982
	5,245,801	6,032,350	6,313,149	6,108,091	5,877,938
	<u>4,137,349</u>	<u>4,645,104</u>	<u>4,170,427</u>	<u>4,553,649</u>	<u>4,957,172</u>
\$	<u>127,904,521</u>	<u>\$ 119,811,112</u>	<u>100,582,228</u>	<u>99,762,559</u>	<u>107,707,386</u>
\$	(35,553,343)	\$ (23,971,230)	(5,530,196)	1,473,404	(5,255,681)
\$	14,685,406	\$ 11,881,458	\$ 7,150,277	\$ 8,453,858	\$ 9,987,541
	(14,685,406)	(11,881,458)	(7,150,277)	(8,453,858)	(9,987,541)
	178,937	-	49,050	-	71,067
	<u>365,000</u>	<u>34,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>543,937</u>	<u>\$ 34,000,000</u>	<u>\$ 49,050</u>	<u>\$ -</u>	<u>\$ 71,067</u>
\$	<u>(35,009,406)</u>	<u>\$ 10,028,770</u>	<u>(5,481,146)</u>	<u>1,473,404</u>	<u>(5,184,614)</u>
	11.9%	12.1%	11.6%	11.4%	11.4%

Nueces County, Texas
Assessed and Taxable Valuations
Last Ten Fiscal Years
September 30, 2010

<u>Fiscal Year Ending Sept. 30,</u>	<u>Tax Roll Year</u>	<u>Mineral Roll</u>	<u>Real Estate Roll</u>	<u>Railroads & Intangible Personal</u>	<u>Special Inventory</u>	<u>Personal Property</u>
2000	1999	144,161,950	10,562,099,766	4,528,959	-	1,207,284,179
2001	2000	191,485,540	10,798,381,895	3,998,830	54,208,030	1,201,556,154
2002	2001	344,843,680	11,284,528,832	4,151,976	60,237,948	1,333,926,249
2003	2002	332,963,870	11,872,891,279	4,670,931	64,709,399	1,349,554,486
2004	2003	286,691,170	12,502,549,019	4,812,182	62,030,925	1,454,083,741
2005	2004	375,402,210	13,444,475,383	5,059,948	60,413,525	1,464,771,920
2006	2005	369,927,940	14,336,209,343	3,923,966	61,919,774	1,602,281,496
2007	2006	454,174,950	15,908,063,075	3,437,744	61,474,765	1,778,332,026
2008	2007	445,066,850	18,350,063,512	4,057,666	68,521,322	2,017,368,089
2009	2008	630,187,640	19,074,304,898	4,349,437	74,314,714	2,043,613,181
2010	2009	448,474,373	20,458,356,089	4,642,526	69,261,166	2,558,065,865

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

Source: Nueces County Appraisal District

Utilities Pipelines	Gross Market Valuation	Less Exemptions & Abatements	Net Taxable Assessed Valuation	Direct Tax Rate		Total Direct Tax Rate
				County Tax Rate	Hospital District Tax Rate	
474,259,855	12,392,334,709	(2,109,455,834)	10,282,878,875	0.347185	0.228028	0.575213
462,773,479	12,712,403,928	(2,234,965,638)	10,477,438,290	0.355480	0.228028	0.583508
406,755,184	13,434,443,869	(2,285,588,602)	11,148,855,267	0.355480	0.228028	0.583508
397,137,327	14,021,927,292	(2,577,290,418)	11,444,636,874	0.366318	0.228028	0.594346
437,036,748	14,747,203,785	(2,711,844,657)	12,035,359,128	0.385381	0.228028	0.613409
443,586,543	15,793,709,529	(2,958,537,009)	12,835,172,520	0.429731	0.225225	0.654956
484,808,669	16,859,071,188	(3,084,157,163)	13,774,914,025	0.404096	0.174903	0.578999
484,664,706	18,690,147,266	(3,353,502,019)	15,336,645,247	0.370678	0.160715	0.531393
442,155,470	21,327,232,909	(3,988,600,184)	17,338,632,725	0.355678	0.144785	0.500463
441,662,715	22,268,432,585	(4,097,252,632)	18,171,179,953	0.355678	0.144782	0.500460
448,894,815	23,987,694,834	(4,618,079,656)	19,369,615,178	0.355259	0.154678	0.509937

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Nueces County, Texas
Property Tax Levies - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2010

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2001 2000	2002 2001	2003 2002	2004 2003	2005 2004
Nueces County - General Fund	\$ 35,042,735	\$ 37,103,390	\$ 39,310,039	\$ 43,598,209	\$ 45,032,203
Nueces County - Debt Service	1,915,590	2,038,345	1,996,174	2,099,207	9,419,091
Subtotal	36,958,325	39,141,735	41,306,213	45,697,416	54,451,294
Nueces County - Farm to Market	283,594	577,586	610,842	677,415	694,791
Total	\$ 37,241,919	\$ 39,719,321	\$ 41,917,055	\$ 46,374,831	\$ 55,146,085

Special Districts:

Hospital District	23,882,361	25,413,517	26,086,326	27,433,018	28,972,289
Downtown Management District	155,231	152,794	146,699	145,838	145,523
Port of Corpus Christi	2,484,092	235,945	-	-	-
Corpus Christi Junior College District	21,365,824	22,365,050	23,254,364	26,543,312	28,027,812
County Education District	-	-	-	-	-
Water Control No. 4	296,977	274,003	-	-	-
Water Control No. 5	-	-	-	-	-
Drainage District No. 2	739,289	864,466	899,148	898,982	1,018,906
Drainage District No. 3	31,066	35,218	39,244	41,757	48,100
South Texas Water Authority	469,274	514,785	500,544	219,735	224,058

Cities:

Agua Dulce	48,829	52,343	54,177	56,580	58,998
Bishop	480,067	490,352	375,347	556,016	600,944
Corpus Christi	47,727,802	51,724,101	54,282,424	57,640,118	61,310,406
Driscoll	49,367	58,223	58,229	61,888	64,719
Port Aransas	1,778,828	2,102,841	2,285,000	2,529,210	2,693,565
Robstown	1,499,446	1,569,904	1,637,928	1,648,777	1,778,888

School Districts:

Agua Dulce ISD	1,226,740	1,313,893	1,336,885	1,277,621	1,344,239
Aransas Pass ISD (1)	-	-	4,858,162	5,397,191	-
Banquete ISD	2,269,815	2,759,105	3,284,603	2,785,139	2,635,058
Bishop ISD	7,681,182	7,773,648	7,379,803	7,517,932	7,443,373
Calallen ISD	12,825,034	13,838,196	14,305,534	14,821,775	15,545,452
Corpus Christi ISD	97,897,867	102,346,438	107,133,675	112,648,515	120,513,417
Driscoll ISD	1,473,842	1,753,525	1,735,690	1,664,284	1,682,679
Flour Bluff ISD	12,492,648	13,528,827	15,124,516	15,983,185	18,518,588
London ISD	853,044	942,556	910,007	1,007,867	-
Port Aransas ISD	6,574,503	8,077,060	10,024,345	11,315,140	13,265,011
Robstown ISD	2,788,007	3,002,461	3,167,096	3,123,824	3,815,153
Tuloso Midway ISD	16,029,361	16,635,596	17,090,434	17,946,434	18,258,376
West Oso ISD	4,189,696	4,646,530	4,770,179	4,879,103	6,708,426

Fire Districts:

Fire Prevention District 1	289,966	609,182	649,709	693,452	728,011
Fire Prevention District 2	201,121	219,103	240,621	258,965	354,837
Fire Prevention District 3	148,105	155,908	144,071	145,021	146,598
Fire Prevention District 4	45,970	93,403	116,981	119,774	151,617
Fire Prevention District 5	20,112	22,707	22,235	21,262	22,929
Total	\$ 305,257,385	\$ 323,291,001	\$ 343,831,031	\$ 365,756,546	\$ 391,224,057

Exhibit 6

	2006	2007	2008	2009	2010
	2005	2006	2007	2008	2009
\$	45,658,468	\$ 46,461,648	\$ 50,085,508	\$ 54,636,632	\$ 55,456,844
	<u>9,293,659</u>	<u>9,374,604</u>	<u>10,391,327</u>	<u>10,908,756</u>	<u>11,379,441</u>
	54,952,127	55,836,252	60,476,835	65,545,388	66,836,285
	<u>705,084</u>	<u>718,108</u>	<u>737,557</u>	<u>804,802</u>	<u>824,104</u>
\$	<u>55,657,211</u>	<u>\$ 56,554,360</u>	<u>\$ 61,214,392</u>	<u>\$ 66,350,190</u>	<u>\$ 67,660,389</u>
	24,065,239	24,636,585	25,279,939	27,667,730	30,075,910
	149,947	161,577	161,357	159,691	165,584
	-	-	-	-	-
	29,223,115	35,534,509	38,286,064	41,484,470	44,196,050
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	898,339	1,015,895	1,077,856	1,193,703	1,280,248
	49,705	55,286	55,904	64,045	65,721
	246,235	270,600	287,420	329,056	352,589
	56,580	56,714	55,798	55,254	56,321
	605,688	625,681	660,731	669,179	718,038
	65,178,042	68,229,629	72,714,618	77,246,481	80,059,041
	67,322	85,200	90,847	119,117	136,750
	2,890,633	3,057,037	3,536,314	3,892,916	4,406,448
	1,832,949	1,995,347	2,160,908	2,298,460	2,453,516
	1,462,987	1,453,986	1,300,513	1,637,940	1,738,741
	-	-	-	-	-
	3,001,187	3,193,546	3,006,540	3,158,296	3,753,016
	7,576,235	6,965,248	5,468,039	6,740,678	7,412,684
	16,230,103	15,459,524	12,534,365	15,292,156	14,837,798
	128,878,344	128,015,148	111,679,245	124,364,289	138,205,927
	1,810,106	2,003,197	1,523,471	1,827,693	1,674,838
	21,557,838	23,260,437	21,312,429	23,011,873	24,686,703
	1,937,536	2,106,536	2,334,769	3,099,680	2,770,807
	14,750,349	18,901,149	17,866,260	20,136,951	18,723,992
	4,021,717	4,027,906	3,479,118	3,792,182	4,616,958
	18,718,690	18,595,792	16,536,840	18,651,309	19,361,393
	6,222,458	6,231,796	6,187,913	6,633,690	7,418,412
	947,416	1,042,128	1,147,898	1,655,807	1,763,463
	404,835	479,999	571,642	613,532	655,742
	152,205	257,225	258,646	280,209	163,126
	152,636	179,341	183,393	228,663	271,938
	25,719	28,005	30,365	33,210	33,295
\$	<u>408,771,366</u>	<u>\$ 424,479,383</u>	<u>\$ 411,003,594</u>	<u>\$ 452,688,450</u>	<u>\$ 479,715,438</u>

Nueces County, Texas
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2010

	FISCAL YEAR	2001	2002	2003	2004
	TAX ROLL YEAR	2000	2001	2002	2003
Nueces County		0.355	0.355	0.366	0.385
Special Districts:					
Hospital District		0.228	0.228	0.228	0.228
Downtown Management District		0.500	0.500	0.500	0.500
Port of Corpus Christi		0.024	0.002	0.000	0.000
Corpus Christi Junior College District		0.220	0.220	0.200	0.236
County Education District		0.000	0.000	0.000	0.000
Water Control No. 4		0.062	0.050	0.000	0.000
Water Control No. 5		0.000	0.000	0.000	0.000
Drainage District No. 2		0.389	0.424	0.419	0.475
Drainage District No. 3		0.160	0.160	0.160	0.180
South Texas Water Authority		0.133	0.115	0.115	0.055
Cities:					
Agua Dulce		0.684	0.681	0.700	0.718
Aransas Pass		0.000	0.000	0.000	0.000
Bishop		0.880	0.867	0.646	0.901
Corpus Christi		0.624	0.644	0.644	0.644
Driscoll		0.599	0.660	0.660	0.632
Port Aransas		0.470	0.470	0.442	0.443
Robstown		1.082	1.082	1.082	1.082
School Districts:					
Agua Dulce ISD		1.844	1.743	1.809	1.805
Aransas Pass ISD		1.487	1.576	1.576	1.576
Banquete ISD		1.555	1.380	1.681	1.682
Bishop ISD		1.625	1.628	1.648	1.642
Calallen ISD		1.524	1.600	1.595	1.599
Corpus Christi ISD		1.570	1.570	1.590	1.590
Driscoll ISD		1.910	1.635	1.839	1.840
Flour Bluff ISD		1.526	1.526	1.526	1.526
London ISD		1.337	1.265	1.260	1.260
Port Aransas ISD		1.449	1.462	1.536	1.560
Robstown ISD		1.614	1.614	1.614	1.614
Tuloso Midway ISD		1.750	1.740	1.730	1.730
West Oso ISD		1.540	1.540	1.570	1.570
Fire Districts:					
Fire District No. 1		0.030	0.060	0.060	0.060
Fire District No. 2		0.022	0.022	0.022	0.022
Fire District No. 3		0.030	0.030	0.030	0.030
Fire District No. 4		0.030	0.045	0.058	0.069
Fire District No. 5		0.030	0.030	0.030	0.030
TOTAL:		<u>27.283</u>	<u>26.924</u>	<u>27.336</u>	<u>27.684</u>

Exhibit 7

2005	2006	2007	2008	2009	2010
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
0.429	0.404	0.370	0.356	0.356	0.355
0.225	0.175	0.161	0.145	0.145	0.155
0.500	0.370	0.000	0.370	0.370	0.370
0.000	0.000	0.000	0.000	0.000	0.000
0.234	0.228	0.256	0.242	0.242	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
0.426	0.363	0.382	0.377	0.385	0.347
0.180	0.180	0.180	0.190	0.890	0.189
0.055	0.055	0.055	0.057	0.056	0.057
0.724	0.071	0.625	0.607	0.593	0.536
0.000	0.000	0.000	0.000	0.000	0.593
0.930	0.091	0.921	0.921	0.828	0.809
0.634	0.626	0.602	0.564	0.564	0.564
0.644	0.644	0.750	0.750	0.930	0.930
0.393	0.378	0.297	0.286	0.276	0.322
1.056	1.056	1.019	1.000	1.000	1.000
1.760	1.744	1.611	1.253	1.389	1.400
1.576	1.576	1.061	1.061	0.000	1.071
1.605	1.829	1.649	1.521	1.449	1.439
1.632	1.639	1.515	1.188	1.300	1.526
1.599	1.599	1.430	1.100	1.277	1.299
1.616	1.616	1.486	1.156	1.176	1.237
1.795	1.795	1.623	1.298	1.239	1.239
1.526	1.526	1.387	1.070	1.070	1.069
1.250	1.391	1.277	1.130	1.144	1.210
1.558	1.550	1.395	1.058	1.058	1.058
1.714	1.714	1.584	1.254	1.254	1.374
1.725	1.742	1.612	1.282	1.332	1.332
1.900	1.780	1.650	1.240	1.340	1.420
0.060	0.075	0.075	0.075	0.100	0.100
0.026	0.026	0.026	0.026	0.026	0.260
0.030	0.030	0.050	0.050	0.048	0.030
0.088	0.088	0.088	0.088	0.100	0.100
0.030	0.030	0.030	0.027	0.028	0.270
<u>27.920</u>	<u>26.390</u>	<u>25.167</u>	<u>21.742</u>	<u>21.965</u>	<u>23.912</u>



Nueces County, Texas
Principal Taxpayers
Current Year and 10 Years Ago
September 30, 2010

Exhibit 8

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AEP Texas Central	162,086,585	5	5.55%	-	-	-
Apache Corporation	76,205,067	8	2.61%	-	-	-
BASF Corporation Ibuprofen	-	-	-	71,604,410	9	3.19%
Central Power and Light	-	-	-	226,946,261	5	10.11%
Citgo Refining & Chemicals	460,854,815	3	15.78%	292,816,756	3	13.05%
Coastal Refining, Inc.	-	-	-	132,393,549	7	5.90%
Corpus Christi Day Cruise	-	-	-	-	-	-
Corpus Christi Cogeneration	-	-	-	-	-	-
Corpus Christi Retail Venture LP	75,510,188	9	2.59%	-	-	-
El Paso Merchant Energy	-	-	-	-	-	-
EOG Resources	110,500,686	7	3.78%	-	-	-
Equistar Chemicals LP	157,387,825	6	5.39%	303,255,260	2	13.51%
Flint Hills Resources	826,954,660	1	28.32%	-	-	-
H.E. Butt Grocery	74,869,112	10	2.56%	69,614,366	10	3.10%
Hoechst Cel-Plastics Division	164,980,220	4	5.65%	-	-	-
Koch Refining Company	-	-	-	615,282,662	1	27.42%
Oxy Petrochemical Inc.	-	-	-	-	-	-
Southwestern Bell Telephone	-	-	-	86,256,119	8	3.84%
Ticona Polymets Plastic Division	-	-	-	258,446,900	4	11.52%
Valero Refining Company	810,563,018	2	27.76%	187,612,015	6	8.36%
Wal-Mart Stores Inc.	-	-	-	-	-	-
Total	<u>2,919,912,176</u>		<u>100.00%</u>	<u>\$ 2,244,228,298</u>		<u>100.00%</u>

Nueces County, Texas
Tax Levies
Last Ten Fiscal Years
September 30, 2010

FISCAL YEAR	2001	2002	2003	2004	2005
TAX ROLL YEAR	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Levy for maintenance and operations (M & O):					
General Fund	\$ 35,042,735	\$ 37,103,390	\$ 39,310,039	\$ 43,598,209	\$ 45,032,203
Road Fund	<u>283,594</u>	<u>577,586</u>	<u>610,842</u>	<u>677,415</u>	<u>694,791</u>
Total M & O levy	<u>35,326,329</u>	<u>37,680,976</u>	<u>39,920,881</u>	<u>44,275,624</u>	<u>45,726,994</u>
Levy for debt service (I & S):					
Debt Service Fund	<u>1,915,590</u>	<u>2,038,345</u>	<u>1,996,174</u>	<u>2,099,207</u>	<u>9,419,091</u>
Total I & S levy	<u>1,915,590</u>	<u>2,038,345</u>	<u>1,996,174</u>	<u>2,099,207</u>	<u>9,419,091</u>
Total County levy	<u>\$ 37,241,919</u>	<u>\$ 39,719,321</u>	<u>\$ 41,917,055</u>	<u>\$ 46,374,831</u>	<u>\$ 55,146,085</u>

Exhibit 9

2006 <u>2005</u>	2007 <u>2006</u>	2008 <u>2007</u>	2009 <u>2008</u>	2010 <u>2009</u>
\$ 45,658,468	\$ 46,461,648	\$ 50,085,508	\$ 54,636,632	\$ 55,456,844
<u>705,084</u>	<u>718,108</u>	<u>737,557</u>	<u>804,802</u>	<u>824,104</u>
<u>46,363,552</u>	<u>47,179,756</u>	<u>50,823,065</u>	<u>55,441,434</u>	<u>56,280,948</u>
<u>9,293,659</u>	<u>9,374,604</u>	<u>10,391,327</u>	<u>10,908,756</u>	<u>11,379,441</u>
<u>9,293,659</u>	<u>9,374,604</u>	<u>10,391,327</u>	<u>10,908,756</u>	<u>11,379,441</u>
<u><u>\$ 55,657,211</u></u>	<u><u>\$ 56,554,360</u></u>	<u><u>\$ 61,214,392</u></u>	<u><u>\$ 66,350,190</u></u>	<u><u>\$ 67,660,389</u></u>

Nueces County, Texas
Property Tax Levies and Collections -
General Fund and Debt Service Funds
Last Ten Fiscal Years
September 30, 2010

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2001 2000	2002 2001	2003 2002	2004 2003	2005 2004
Tax Levy (original levy) (1)	36,958,325	39,141,735	41,306,213	45,697,416	54,451,294
Current Tax Collections (2)	35,465,553	37,579,833	39,677,733	43,834,626	52,341,670
Percent of Current Taxes Collected	96%	96%	96%	96%	96%
Unpaid as of June 30th	1,492,772	1,561,902	1,628,480	1,862,790	2,109,624
Subsequent Collections & Adjustments	1,345,770	1,378,353	1,390,718	1,542,120	1,559,895
Total Collections & Adjustments	36,811,323	38,958,186	41,068,451	45,376,746	53,901,565
Percent Total Collections of Tax Levy	99.60%	99.53%	99.42%	99.30%	98.99%
Unpaid Taxes Sept. 30, 2010	147,002	183,549	237,762	320,670	549,729

(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

<u>2006</u> <u>2005</u>	<u>2007</u> <u>2006</u>	<u>2008</u> <u>2007</u>	<u>2009</u> <u>2008</u>	<u>2010</u> <u>2009</u>
54,952,127	55,836,252	60,476,835	65,545,388	66,836,285
52,997,962	54,102,451	58,312,583	62,719,961	64,656,554
96%	97%	96%	96%	97%
1,954,165	1,733,801	2,164,252	2,825,427	2,179,731
919,994	692,359	955,172	1,421,968	658,713
53,917,956	54,794,810	59,267,755	64,141,929	65,315,267
98.12%	98.13%	98.00%	97.86%	97.72%
1,034,171	1,041,442	1,209,080	1,403,459	1,521,018

Nueces County, Texas
Property Tax Levies and Collections -
Farm To Market
Last Ten Fiscal Years
September 30, 2010

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2001 2000	2002 2001	2003 2002	2004 2003	2005 2004
Tax Levy (1)	283,594	577,586	610,842	677,415	694,791
Current Tax Collections (2)	272,028	555,824	586,601	649,665	671,272
Percent of Current Taxes Collected	96%	96%	96%	96%	97%
Unpaid as of June 30th	11,566	21,762	24,241	27,750	23,519
Subsequent Collections & Adjustments	10,449	19,063	20,752	23,052	16,524
Total Collections & Adjustments	282,477	574,887	607,353	672,717	687,796
Percent Total Collections of Tax Levy	99.61%	99.53%	99.43%	99.31%	98.99%
Unpaid Taxes Sept. 30, 2010	1,117	2,699	3,489	4,698	6,995

(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>2006</u> <u>2005</u>	<u>2007</u> <u>2006</u>	<u>2008</u> <u>2007</u>	<u>2009</u> <u>2008</u>	<u>2010</u> <u>2009</u>
705,084	718,108	737,557	804,802	824,104
680,021	695,790	710,093	769,669	790,533
96%	97%	96%	96%	96%
25,063	22,318	27,464	35,133	33,571
11,948	9,043	12,856	17,998	14,989
691,969	704,833	722,949	787,667	805,522
98.14%	98.15%	98.02%	97.87%	97.75%
13,115	13,275	14,608	17,135	18,582

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, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Principal	1,725,000	1,220,000	1,415,000	1,190,000	2,240,000
Interest	486,013	804,898	909,130	879,571	7,006,834
Fiscal Agents & Other Fees	2,490	3,408	3,517	10,447	-
Total Debt Service	2,213,503	2,028,306	2,327,647	2,080,018	9,246,834
Total General governmental expenditures (2)	75,000,296	78,067,381	83,105,084	72,713,159	52,682,203
Ratio of Debt Service to General governmental expenditures	2.95%	2.60%	2.80%	2.86%	17.55%

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

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

Exhibit 12

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
4,137,349	4,641,465	4,170,427	4,553,649	4,957,377
5,199,308	6,027,209	6,308,649	6,104,074	5,869,233
5,537	4,768	4,500	4,017	8,500
9,342,194	10,673,442	10,483,576	10,661,740	10,835,110
56,390,578	60,442,720	62,733,431	65,036,510	66,283,738
16.57%	17.66%	16.71%	16.39%	16.35%

Nueces County, Texas
Ratios Of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
September 30, 2010

<u>Fiscal Year Ending</u>	<u>Gross⁽¹⁾ Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Personal Income (in thousands)</u>	<u>Percentage of Personal Income</u>
2001	15,350,000	(1,826,606)	13,523,394	7,790,699	0.17%
2002	20,860,000	(1,807,686)	19,052,314	8,025,024	0.24%
2003	19,445,000	(1,521,312)	17,923,688	8,391,864	0.21%
2004	110,135,000	(2,346,690)	107,788,310	8,838,953	1.22%
2005	108,715,764	(2,486,611)	106,229,153	9,427,932	1.13%
2006	104,943,415	(2,738,967)	102,204,448	10,347,486	0.99%
2007	134,838,895	(3,005,603)	131,833,292	10,874,617	1.21%
2008	130,668,469	(2,900,021)	127,768,448	11,633,423	1.10%
2009	126,114,820	(3,182,479)	122,932,341	Not available	Not available
2010	121,157,443	(3,585,711)	117,571,732	Not available	Not available

(1) Certificates of Obligation.

(2) Excludes valuation of tax ceiling property and property under protest is at lower values as of July 25th.

Exhibit 13

<u>Assessed Valuation</u>	<u>Net Debt of Valuation %</u>	<u>Estimated Population</u>	<u>Net Debt Per Capita</u>
11,148,855,267	0.13%	313,645	43.12
11,444,636,874	0.17%	312,470	60.97
12,035,359,128	0.15%	314,696	56.96
12,835,172,520	0.84%	309,397	348.38
13,774,914,025	0.77%	311,592	340.92
14,831,500,357	0.69%	313,465	326.05
16,755,834,017	0.79%	321,457	410.11
18,171,179,953	0.70%	321,135	397.87
18,543,081,236	0.66%	322,077	381.69
17,737,980,901	0.68%	323,046	363.95



Nueces County, Texas
Computation of Direct and Overlapping Debt
September 30, 2010

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	\$ 123,762,045	100.00%	\$ 123,762,045
Nueces County Hospital District	9,425,711	100.00%	9,425,711
County-Line Special Districts:			
Nueces County Water Control District 4	-	-	-
Nueces County Drainage District 2	488,149	100.00%	488,149
South Texas Water Authority	54,983	100.00%	54,983
Cities:			
Agua Dulce	92,873	100.00%	92,873
Aransas Pass	2,237,654	100.00%	2,237,654
Bishop	1,659,379	100.00%	1,659,379
Corpus Christi	456,892,969	100.00%	456,892,969
Driscoll	741,273	100.00%	741,273
Port Aransas	8,615,877	100.00%	8,615,877
Robstown	9,245,817	100.00%	9,245,817
School Districts:			
Agua Dulce ISD	2,475,000	52.20%	1,291,950
Aransas Pass ISD	2,450,000	7.83%	191,835
Banquete ISD	18,570,583	100.00%	18,570,583
Bishop ISD	25,924,899	100.00%	25,924,899
Calallen ISD	47,912,381	100.00%	47,912,381
Corpus Christi ISD	217,998,478	100.00%	217,998,478
Driscoll ISD	2,651,203	100.00%	2,651,203
Flour Bluff ISD	4,941,597	100.00%	4,941,597
Port Aransas ISD	8,544,690	99.90%	8,536,145
Robstown ISD	37,560,107	100.00%	37,560,107
Tuloso-Midway ISD	50,688,561	100.00%	50,688,561
West Oso ISD	34,210,525	100.00%	34,210,525
Sub-total direct and overlapping debt	1,067,144,754	99.68%	1,063,694,994
Nueces County	<u>121,157,443</u>	100.00%	<u>121,157,443</u>
Total direct and overlapping debt	<u>\$ 1,188,302,197</u>	99.71%	<u>\$ 1,184,852,437</u>

Estimated Nueces County: Population: 323,046

Nueces County share of Gross Debt per Capita is \$375.05

Nueces County, Texas
Legal Debt Margin Information
Bonds and Certificates of Obligation
Issued Under Texas General Laws
Last Ten Fiscal Years
September 30, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed value of all taxable property	12,675,410,015	13,434,443,869	14,021,927,292	14,742,391,603	15,793,709,529
Debt limit rate	x 5%	x 5%	x 5%	x 5%	x 5%
Amount of debt limit	<u>633,770,501</u>	<u>671,722,193</u>	<u>701,096,365</u>	<u>737,119,580</u>	<u>789,685,476</u>
Amount of debt applicable to debt limit:					
Gross bonded debt (1)	15,350,000	20,860,000	19,445,000	110,790,985	108,656,349
Less: Amounts set aside to repay general debt	<u>1,826,606</u>	<u>1,807,686</u>	<u>1,521,312</u>	<u>2,346,690</u>	<u>2,486,611</u>
Total amount of net debt applicable to debt limit	<u>13,523,394</u>	<u>19,052,314</u>	<u>17,923,688</u>	<u>108,444,295</u>	<u>106,169,738</u>
Legal debt margin	<u>\$ 620,247,107</u>	<u>\$ 652,669,879</u>	<u>\$ 683,172,677</u>	<u>\$ 628,675,285</u>	<u>\$ 683,515,738</u>
Total net debt applicable to the limit as a percentage of debt limit	2.13%	2.84%	2.56%	14.71%	13.44%

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 and Certificates of Obligation

Exhibit 15

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
16,855,147,222	18,690,147,266	21,385,557,163	23,170,211,252	24,044,540,087
x 5%	x 5%	x 5%	x 5%	x 5%
<u>842,757,361</u>	<u>934,507,363</u>	<u>1,069,277,858</u>	<u>1,158,510,563</u>	<u>1,202,227,004</u>
104,943,415	134,838,895	130,668,469	126,114,820	121,157,443
<u>2,751,145</u>	<u>3,005,603</u>	<u>2,900,021</u>	<u>3,182,479</u>	<u>3,585,711</u>
<u>102,192,270</u>	<u>131,833,292</u>	<u>127,768,448</u>	<u>122,932,341</u>	<u>117,571,732</u>
<u>\$ 740,565,091</u>	<u>\$ 802,674,071</u>	<u>\$ 941,509,410</u>	<u>\$ 1,035,578,222</u>	<u>\$ 1,084,655,272</u>
12.13%	14.11%	11.95%	10.61%	9.78%

**Nueces County, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years
September 30, 2010**

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Solid Waste Fees	5,397	3,791	3,917	-	5,000
Total Revenues Available (1)	2,000	2,000	2,000	2,000	2,000
Debt Service Requirements					
Interest	-	438,667	589,283	590,515	582,001
Principal	-	130,000	430,000	210,000	265,000

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

Exhibit 16

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
5,000	5,000	1,122	1,356	1,000
2,000	2,000	2,000	2,000	2,000
577,880	560,785	6,196,829	6,031,276	5,834,759
280,000	290,000	2,935,000	3,885,000	4,255,000

**Nueces County, Texas
Miscellaneous Statistical Data
Last Ten Fiscal Years
September 30, 2010**

Year	(1) Estimated Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment Corpus Christi
2001	313,645	7,790,699	24,937	53,748
2002	312,470	8,025,024	25,570	54,120
2003	314,696	8,391,864	26,695	53,519
2004	309,397	8,838,953	27,892	53,557
2005	311,592	9,427,932	29,541	53,264
2006	313,465	10,347,486	32,299	53,323
2007	321,457	10,874,617	33,970	53,401
2008	321,135	11,633,423	36,318	52,897
2009	322,077	-	-	53,391
2010	323,046	-	-	52,993

Form of Government

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

Area - 847 Square Miles

Transportation

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

Communications

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

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

Exhibit 17

(4) Public School Rural County	(5) Nueces County Unemployment Rate	(6) Port Tonnage	(7) Retail Sales
7,339	5.6%	89,424,115	3,637,183,919
7,266	6.2%	87,035,957	3,446,919,483
7,333	6.5%	80,958,923	3,479,487,441
7,387	6.3%	85,131,124	3,622,168,301
7,402	5.4%	86,393,801	3,772,517,274
7,106	4.9%	86,785,590	3,919,474,169
7,019	4.4%	86,982,833	4,178,081,762
6,890	5.1%	89,319,693	3,953,684,008
6,855	7.6%	85,859,440	3,917,568,280
6,963	7.6%	76,519,648	3,840,034,538

**Nueces County, Texas
Principal Employers
Last Ten Fiscal Years
September 30, 2010**

<u>Employer Name</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>		
						<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Bay, LTD						2,200	7	7.21%
Christus Spohn Health System						5,404	2	17.70%
City of Corpus Christi						2,500	6	8.19%
Corpus Christi Army Depot						2,654	5	8.69%
Corpus Christi ISD	Data not available	Data not available	Data not available	Data not available	Data not available	4,500	3	14.74%
Corpus Christi Medical Center						1,680	9	5.50%
Del Mar College						2,007	8	6.57%
Driscoll Children's Hospital						-	-	0.00%
First Data Corporation						1,200	10	3.93%
H.E.B.						2,882	4	9.44%
Naval Air Station Corpus Christi						5,500	1	18.02%
						<u>30,527</u>		<u>100.00%</u>

Source: Corpus Christi Regional Economic and Development

2007			2008			2009			2010		
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
2,100	6	6.63%	2,100	6	6.63%	2,100	6	6.63%	2,100	7	6.12%
5,400	1	17.06%	5,400	1	17.04%	5,400	1	17.04%	5,144	3	15.00%
3,171	5	10.02%	3,171	5	10.00%	3,171	5	10.00%	3,171	6	9.24%
4,876	4	15.40%	4,876	4	15.38%	4,876	4	15.38%	3,541	5	10.32%
5,178	2	16.36%	5,178	2	16.34%	5,178	2	16.34%	5,178	2	15.10%
1,300	10	4.11%	1,300	10	4.10%	1,300	10	4.10%	1,300	10	3.79%
1,500	8	4.74%	1,542	8	4.86%	1,542	8	4.86%	1,542	9	4.50%
-	-	0.00%	1,500	9	4.73%	1,500	9	4.73%	1,800	8	5.25%
1,500	9	4.74%	-	-	0.00%	0	-	0.00%	0	-	0.00%
5,000	3	15.80%	5,000	3	15.77%	5,000	3	15.77%	5,000	4	14.58%
1,630	7	5.15%	1,630	7	5.14%	1,630	7	5.14%	5,525	1	16.11%
<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>34,301</u>		<u>100.00%</u>

Nueces County, Texas
Construction and Commercial Permits Valuations
Last Ten Fiscal Years
September 30, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
New Construction (1)					
Residential					
Dwelling Units	996	1,186	1,410	2,201	1,857
Permits	876	985	1,250	1,457	1,531
Valuation	89,891,377	109,830,371	128,562,414	172,818,160	199,543,259
Commercial					
Permits	235	163	157	306	318
Valuation	<u>61,258,982</u>	<u>88,733,837</u>	<u>198,745,734</u>	<u>118,167,688</u>	<u>205,205,534</u>
Total Permits Valuations	<u><u>151,150,359</u></u>	<u><u>198,564,208</u></u>	<u><u>327,308,148</u></u>	<u><u>290,985,848</u></u>	<u><u>404,748,793</u></u>

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

Exhibit 19

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
2,807	1,255	1,249	806	913
1,692	1,250	848	738	657
241,180,554	148,166,220	121,972,346	93,209,375	98,637,278
361	280	160	140	190
<u>132,941,420</u>	<u>108,504,979</u>	<u>80,363,751</u>	<u>60,853,477</u>	<u>118,984,064</u>
<u><u>374,121,974</u></u>	<u><u>256,671,199</u></u>	<u><u>202,336,097</u></u>	<u><u>154,062,852</u></u>	<u><u>217,621,342</u></u>

Nueces County, Texas
Deposits of FDIC Insured Institutions
Last Ten Fiscal Years
September 30, 2010

Banks	As of June 30, (in thousands)				
	2001	2002	2003	2004	2005
American Bank National Assn	380,860	412,438	451,239	520,208	600,674
Bank of Alice	35,594	39,545	39,058	39,421	-
Bank of America NA	526,093	519,043	548,623	544,903	536,681
Capital One National Assn	-	-	-	-	-
Charter Alliance Bank	-	-	-	-	-
Charter Bank	68,390	72,442	88,095	83,757	98,229
Coastal Banc, S.S.B.	82,151	76,389	76,433	-	-
Compass Bank	-	-	-	-	-
Eisenhower National Bank	2,044	2,285	-	-	-
First Capital Bank, S.S.B.	229,040	221,797	212,174	209,507	-
First Commerce Bank	99,081	104,051	106,328	105,782	103,125
First Community Bank	42,788	67,265	78,563	51,255	58,712
First National Bank	-	183,496	304,731	499,461	330,191
First National Bank of South Texas	-	-	-	-	-
First National Bank Texas	2,227	2,665	3,745	3,910	4,330
First State Bank	29,862	30,895	-	-	-
First State Bank of Odem	5,665	10,355	10,085	11,536	10,101
First Victoria National Bank	-	-	-	-	-
Frost National Bank	451,044	475,405	499,356	549,663	537,453
Hibernia National Bank	-	-	-	74,924	70,696
International Bank of Commerce	82,806	74,963	82,519	81,044	100,493
Kleberg 1st National Bank of Kingsville	-	-	-	597	1,904
Laredo National Bank	30,876	37,144	40,964	34,736	39,189
Nationsbank National Assn	-	-	-	-	-
Norwest Bank Texas National Assn	-	-	-	-	-
Nueces National Bank	96,073	-	-	-	-
Pacific Southwest Bank	-	-	-	-	-
Prosperity Bank	-	-	-	-	189,289
Texas Champion Bank	-	-	-	-	45,493
Texas State Bank	-	-	30,334	47,805	93,446
Valuebank Texas	61,383	61,901	58,255	64,952	60,004
Wells Fargo Bank NA	269,538	273,688	284,801	296,437	297,276
	<u>2,495,515</u>	<u>2,665,767</u>	<u>2,915,303</u>	<u>3,219,898</u>	<u>3,177,286</u>

Source: Federal Deposit Insurance Corporation

Exhibit 20

As of June 30,
(in thousands)

2006	2007	2008	2009	2010
621,007	644,881	698,673	685,739	703,129
-	-	-	-	-
537,554	465,883	482,977	406,264	398,930
64,331	59,792	56,904	68,296	55,625
-	-	-	7,638	17,733
106,767	107,686	123,952	121,795	119,481
-	-	-	-	-
-	-	187,969	133,466	99,436
-	-	-	-	-
-	-	-	-	-
102,843	-	-	-	-
55,025	67,122	83,364	90,478	94,331
370,356	306,232	308,412	250,532	192,998
-	-	-	-	-
4,502	4,925	4,987	5,025	5,024
-	-	-	-	-
18,614	17,969	18,844	23,229	24,707
1,571	6,450	13,156	46,022	50,119
543,689	578,236	632,489	669,928	794,867
-	-	-	-	-
95,649	108,526	121,413	127,193	149,092
7,331	110,082	108,597	116,587	115,187
44,465	42,107	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
180,690	172,888	170,084	163,458	160,186
46,875	51,733	65,602	60,307	57,325
146,750	120,610	-	-	-
58,984	60,944	60,463	57,816	58,468
340,420	346,995	349,123	404,671	432,757
<u>3,347,423</u>	<u>3,273,061</u>	<u>3,487,009</u>	<u>3,438,444</u>	<u>3,529,395</u>

Nueces County, Texas
Housing & Motor Vehicle Sales Volume
Last Ten Fiscal Years
September 30, 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Home Sales Volume(1)	378,370,000	417,770,000	506,795,000	626,580,000	720,990,000
Units Sold(1)	3,517	3,770	4,198	4,745	4,894
Median Price Real Estate(1)	89,100	93,100	101,400	113,800	125,200
Registered Vehicles(2)	246,644	252,213	251,273	253,291	255,585
Motor vehicle sales tax(2)	-	-	-	37,277,463	34,119,016

Source:

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

(2) Texas Department of Transportation

Exhibit 21

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
795,840,000	730,788,955	614,709,948	535,561,527	524,798,817
5,192	4,510	3,773	3,444	3,445
130,400	136,500	138,900	134,800	136,500
264,065	270,083	267,474	268,198	269,639
40,999,661	43,237,796	44,348,871	33,145,384	35,560,228

Nueces County, Texas
Full-Time Equivalent
County Government Employees by Function
Last Ten Fiscal Years
September 30, 2010

	<u>00/01</u>	<u>01/02</u>	<u>02/03</u>	<u>03/04</u>	<u>04/05</u>
General Government	187	188	188	167	167
Buildings & Facilities	50	51	52	44	43
Administration of Justice	367	365	367	355	344
Law Enforcement & Corrections	407	407	406	373	379
Social Services	39	40	40	36	35
Health, Safety & Sanitation	62	30	31	36	11
Agr, Ed & Consumer Sciences	12	12	12	13	13
Roads, Bridges & Airport	117	117	117	93	94
Parks & Recreation	65	65	48	32	32
Total Employee Positions	<u>1,306</u>	<u>1,275</u>	<u>1,261</u>	<u>1,149</u>	<u>1,118</u>

Source: Nueces County Clerk, adopted annual budgets.

Exhibit 22

<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>08/09</u>	<u>09/10</u>
170	178	183	183	183
41	41	41	41	41
344	348	349	359	358
381	379	384	384	385
35	35	37	36	36
13	26	23	23	23
13	13	16	16	16
92	92	92	91	92
32	34	38	38	38
<u>1,121</u>	<u>1,146</u>	<u>1,163</u>	<u>1,171</u>	<u>1,172</u>

Nueces County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
September 30, 2010

	2001	2002(1)	2003	2004	2005
Administration of Justice					
JP Courts					
Cases Filed		26,276	20,480	27,116	30,836
Cases Disposed		23,501	20,570	21,103	17,630
Cases Appealed		20	16	5	101
County Courts at Law					
Civil Cases Filed		2,287	1,950	1,965	1,991
Civil Cases Disposed		2,292	1,728	2,166	1,963
Criminal Cases Filed		8,523	11,894	10,532	11,286
Criminal Cases Disposed		8,535	9,588	10,529	12,458
District Courts					
Civil Cases Filed	Data not available	7,464	8,681	8,754	8,500
Civil Cases Disposed		7,520	8,650	9,772	9,353
Criminal Cases Filed		4,324	4,380	4,632	5,091
Criminal Cases Disposed		3,712	4,698	4,715	4,816
Juvenile Cases		610	598	649	654
Juvenile Cases Disposed		524	461	478	392
General Government					
County Clerk Filling	-	-	-	-	-

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

Sources:

Office of Court Administration
Nueces County Clerk
Nueces County Tax Assessor/Collector

Exhibit 23

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
31,798	32,172	32,059	29,851	99,578
24,571	25,200	27,084	26,941	24,095
66	100	79	85	87
2,348	2,210	2,532	1,969	2,002
2,052	2,346	2,164	1,967	1,910
9,884	11,455	4,238	8,952	8,590
10,687	11,304	11,389	10,925	9,353
8,704	8,154	5,031	7,649	7,261
8,356	8,811	7,659	8,094	7,401
4,588	5,294	2,339	5,304	4,608
4,832	5,179	5,525	5,236	5,027
539	537	1,264	345	242
429	288	321	372	242
75,208	80,061	65,881	99,206	80,715

Nueces County, Texas
Motor Vehicle Fleet Statistics by Function/Program
Last Ten Fiscal Years
September 30, 2010

	2001		2002		2003		2004		2005	
	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet
Law Enforcement										
Sheriff	103	101	103	101	62	58	62	58	63	59
Constable 1	15	15	15	15	9	8	9	9	9	9
Constable 2	13	11	13	11	11	11	11	11	11	11
Constable 3	7	7	7	7	5	5	5	5	5	5
Constable 4	10	10	10	10	8	7	8	8	8	8
Constable 5	14	14	14	14	11	10	11	11	11	10
sub-total	162	158	162	158	106	99	106	102	107	102
Road and Bridge	72	57	72	60	54	51	54	53	51	50
Parks and Recreation	46	39	47	37	24	24	24	23	24	20
General Government	5	5	5	5	6	6	6	5	6	6
Buildings and Facilities	12	12	12	12	12	12	12	12	12	11
Administration of Justice	10	10	11	11	11	11	11	7	11	7
Social Services	11	10	11	10	8	8	9	9	9	8
Health, Safety, and Sanitation	8	7	8	7	6	6	6	6	11	11
Agriculture & Consumer Sciences	4	4	4	4	4	4	4	4	4	3
Unallocated	0	0	0	0	0	0	0	0	0	0
Total	330	302	332	304	231	221	232	221	235	218

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

Exhibit 24

2006		2007		2008		2009		2010	
Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet	Fleet Budget	Actual Fleet
63	54	63	54	63	58	63	59	62	62
9	9	9	9	9	9	9	11	9	8
11	11	11	11	11	11	11	11	9	10
5	5	5	5	5	5	5	5	6	5
8	8	8	7	8	8	8	8	7	8
11	10	11	11	11	11	11	12	14	14
107	97	107	97	107	102	107	106	107	107
51	47	51	47	51	50	51	51	47	49
24	18	24	21	24	16	25	17	20	21
6	8	5	5	5	6	7	6	7	7
12	11	13	13	13	13	14	11	13	11
11	7	11	8	11	9	13	9	9	7
9	10	9	9	9	10	9	9	8	8
11	12	11	12	11	12	12	12	12	12
4	4	4	4	4	4	4	4	4	4
0	0	0	0	0	0	18	0	0	0
235	214	235	216	235	222	260	225	227	226



Nueces County, Texas
Salaries and Surety Bonds of Elected Officials
September 30, 2010

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	James M. Pusley	\$ 70,234	\$ 3,000	12/31/2012
Commissioner, Precinct II	Betty Jean Longoria	71,985	3,000	12/31/2010
Commissioner, Precinct III	Oscar Ortiz	71,985	3,000	12/31/2012
Commissioner, Precinct IV	Chuck Cazalas	71,985	3,000	12/31/2010
County Judge	Samuel L. Neal, Jr.	85,715	10,000	12/31/2014
County Attorney	Laura A. Jimenez	103,072	2,500	12/31/2012
County Clerk	Diana T. Barrera	71,985	500,000	12/31/2014
Assessor-Collector of Taxes	Ramiro Canales	71,985	100,000	12/31/2012
District Clerk	Patsy Perez	71,985	100,000	12/31/2014
Sheriff	Jim Kaelin	76,809	30,000	12/31/2012
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	Lisa Gonzales	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law III	John Martinez	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law IV	James E. Klager	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law V	Terry Shamsie	139,000	10,000	12/31/2010
District Judge, 28th District Court	Nanette Hasette	15,000	N/A (1)	12/31/2012
District Judge, 94th District Court	Robert M. Galvan	15,000	N/A (1)	12/31/2014
District Judge, 105th District Court	J. Manuel Banales	15,000	N/A (1)	12/31/2010
District Judge, 117th District Court	Sandra Watts	15,000	N/A (1)	12/31/2014
District Judge, 148th District Court	Marisela Saldaña	15,000	N/A (1)	12/31/2010
District Judge, 214th District Court	Jose Longoria	15,000	N/A (1)	12/31/2012
District Judge, 319th District Court	Thomas Greenwell	15,000	N/A (1)	12/31/2014
District Judge, 347th District Court	Nelva G. Ramos	15,000	N/A (1)	12/31/2012
District Attorney	Anna Jimenez	12,000	5,000 (1)	12/31/2012
Constable, Precinct I	Rodolfo A. Caceres	50,472	1,500	12/31/2012
Constable, Precinct II	Jerry C. Boucher	50,472	1,500	12/31/2012
Constable, Precinct III	Jimmy Rivera	49,248	1,500	12/31/2012
Constable, Precinct IV	Robert W. Sherwood	50,472	1,500	12/31/2012
Constable, Precinct V	Don Ysassi III	49,248	1,500	12/31/2012
Justice of the Peace, Pct. I, Place I	Amanda Torres	53,766	5,000	12/31/2012
Justice of the Peace, Pct. I, Place II	Henry A. Santana	53,766	5,000	12/31/2014
Justice of the Peace, Pct.I,Place III	Roberto Balderas	53,766	5,000	12/31/2014
Justice of the Peace,Pct.II,Place I	Janice K. Stoner	53,766	5,000	12/31/2012
Justice of the Peace, Pct. II, Place II	Larry G. Cox	53,766	5,000	12/31/2014
Justice of the Peace, Pct. III	Adolfo Contreras	52,455	5,000	12/31/2014
Justice of the Peace, Pct. IV	Duncan Neblett, Jr.	53,766	5,000	12/31/2014
Justice of the Peace, Pct. V, Place I	Roberto H Gonzalez Jr.	53,766	5,000	12/31/2012
Justice of the Peace, Pct. V, Place II	Hermilo Peña, Jr.	53,766	5,000	12/31/2014

Notes:

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

Nueces County, Texas
Summary of Insurance Coverage
Last Ten Fiscal Years
September 30, 2010

Type of Coverage	Premiums Paid FY00-01	Premiums Paid FY01-02	Premiums Paid FY02-03	Premiums Paid FY03-04	Premiums Paid FY04-05
Property With Excess Windstorm			584,968	547,707	534,094
	368,198	635,175			
Property Without Excess Windstorm	368,198	635,175			
County Buildings (Blanket Buildings)					
County Buildings (Blanket Contents)					
Primary Windstorm					
Subtotal Windstorm	368,198	635,175	584,968	547,707	534,094
Flood Insurance	14,668	17,095	33,090	29,395	33,337
Building Limits					
Building Contents					
Building and Contents					
Excess Flood					
Subtotal Flood	14,668	17,095	33,090	29,395	33,337
Inland Marine:	5,631	6,778	7,664	7,893	6,955
Voting Machine					
Fine Arts					
Valuable Papers					
Subtotal Inland Marine	5,631	6,778	7,664	7,893	6,955
Public Official Employee Liability	35,243	42,175	56,830	57,621	52,753
Crime Policy Includes	2,190	2,190	2,190	2,512	2,512
Dishonesty					
Money & Securities					
Auto Liability Blanket	141,886	134,697	115,229	118,461	107,641
Boiler and Machinery	2,215	2,930	3,370	4,213	4,213
Airport Liability	3,445	4,500	4,500	4,950	4,950
Airport Hangar keepers Legal					
Other Liability	2,250				
Total	576,805	845,540	807,840	772,751	746,454

Exhibit 26

Premiums Paid FY05-06	Premiums Paid FY06-07	Premiums Paid FY07-08	Premiums Paid FY08-09	Premiums Paid FY09-10
138,271	157,527	152,548	123,117	111,913
316,402	434,994	574,949	378,162	1,028,516
454,693	592,521	727,497	501,279	1,140,429
46,558	53,434	115,730	84,397	
				76,260
	19,243		80,012	56,323
46,558	72,677	115,730	164,409	132,583
12,471	13,220	11,132	13,212	5,939
12,471	13,220	11,132	13,212	5,939
52,701	37,199	33,435	33,435	24,567
2,512	2,783	2,783	2,783	2,783
85,061	115,016	113,989	119,122	111,242
3,941	5,140			
4,950	4,950	4,455		
			3,783	2,888
662,887	843,506	1,009,021	838,023	1,420,431



COMPLIANCE SECTION



**ERNEST R. GARZA
AND COMPANY, P.C.**

Certified Public Accountants

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

To the Honorable County Judge,
Members of City Council
Nueces County, Texas

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Nueces County, Texas, as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas, *Single Audit Circular*.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to the administration of the Nueces County, Texas, in a letter dated March 29, 2011.

MEMBER
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

This report is intended solely for the information of County Commissioners, the audit committee, the administration, and the various federal agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Ernest R. Garza and Company, P.C.
Certified Public Accountants

March 29, 2011

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

