

# ***NUECES COUNTY TEXAS***



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2012



# NUECES COUNTY, TEXAS

## Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2012



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

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

County Clerk  
Diana T. Barrera

County Attorney  
Laura Jimenez

County Purchasing Agent  
Elsa Saenz

County Auditor  
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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Elizabeth Non  
Diana Rosas

NUECES COUNTY, TEXAS  
 Comprehensive Annual Financial Report  
 Year Ended September 30, 2012

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# INTRODUCTORY SECTION







**Margaret L. (Peggy) Hayes, C.P.A.**  
County Auditor

**Diana Rosas, M.A.M.**  
First Assistant

**Anna Velazquez, F.P.C.**  
Payroll Supervisor

**Elva Gomez**  
Internal Audit Supervisor

March 28, 2013

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, 2012 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, 2012, 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, 2012 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 Piñeda 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 28<sup>th</sup> state. The geographic location of the County on the Gulf of Mexico and the Intercoastal Waterway gives it one of the most strategic locations in the southwest as the home of the sixth largest port in the nation, major military installations, petrochemical industries and tourist attractions.

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

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

The county auditor has 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 31<sup>st</sup> 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 40 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.

### **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 5.78% is lower than last year. The unemployment rate is currently 6.2% as of February 2013. Compared to the national unemployment rate of 7.8% the local unemployment rate is lower by 2.1 points. Our local unemployment rate is also lower than the statewide average rate which is 6.4%.

### **Retail Sales**

Retail sales are up, by 11.27% as compared to the previous fiscal year. Total sales volume continues to increase. The Eagle Ford Shale natural gas development is projected to have a positive economic impact for the next ten years.

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

In 2012 the City of Corpus Christi issued 14.88% more construction permit valuations as compared to the prior year for a total of \$334,081,777. Construction permits seem to be on the rise again since 2008. The highest issuance of permits occurred in 2005 when \$404,748,793 in valuation construction permits were issued. Please see Exhibit 19 for more information.

### **Deposits of FDIC Insured Institutions**

Local bank deposits are holding strong, increasing by 7.68% as compared to last year. This year is actually the highest amount in the past ten years at \$4.00 billion. Last year total deposits were \$3.72 billion.

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

Both housing sales and motor vehicle sales are up, 28.86% and 22.89% respectively. Housing sales dollars went up along with the number of units sold went up by 19.49%. The housing sales volume is \$689,413,715. Please see Exhibit 21 in the statistical section for more detail.

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

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 2012/2013 budget year.

### **Future Economic Developments**

Property tax valuations are expected to rise further along with several of the other major economic indices due to the Eagle Ford Shale formation and drilling. Even though the community is seeing strong economic growth, the commissioners court continues to plan expenditures in a conservative manner. The 2012/2013 budget kept expenditures at the same levels as the prior budget

**Long-term financial planning**

On February 29, 2012 a refunding issuance was finalized that yielded \$715,000 in future principal 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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

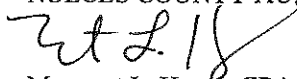
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both accounting principles and applicable legal requirements.

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 2011). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA on March 29, 2013 with enhancements since filing with the bond agencies in compliance with continuing disclosure requirements on March 31, 2013.

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, 2011

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.



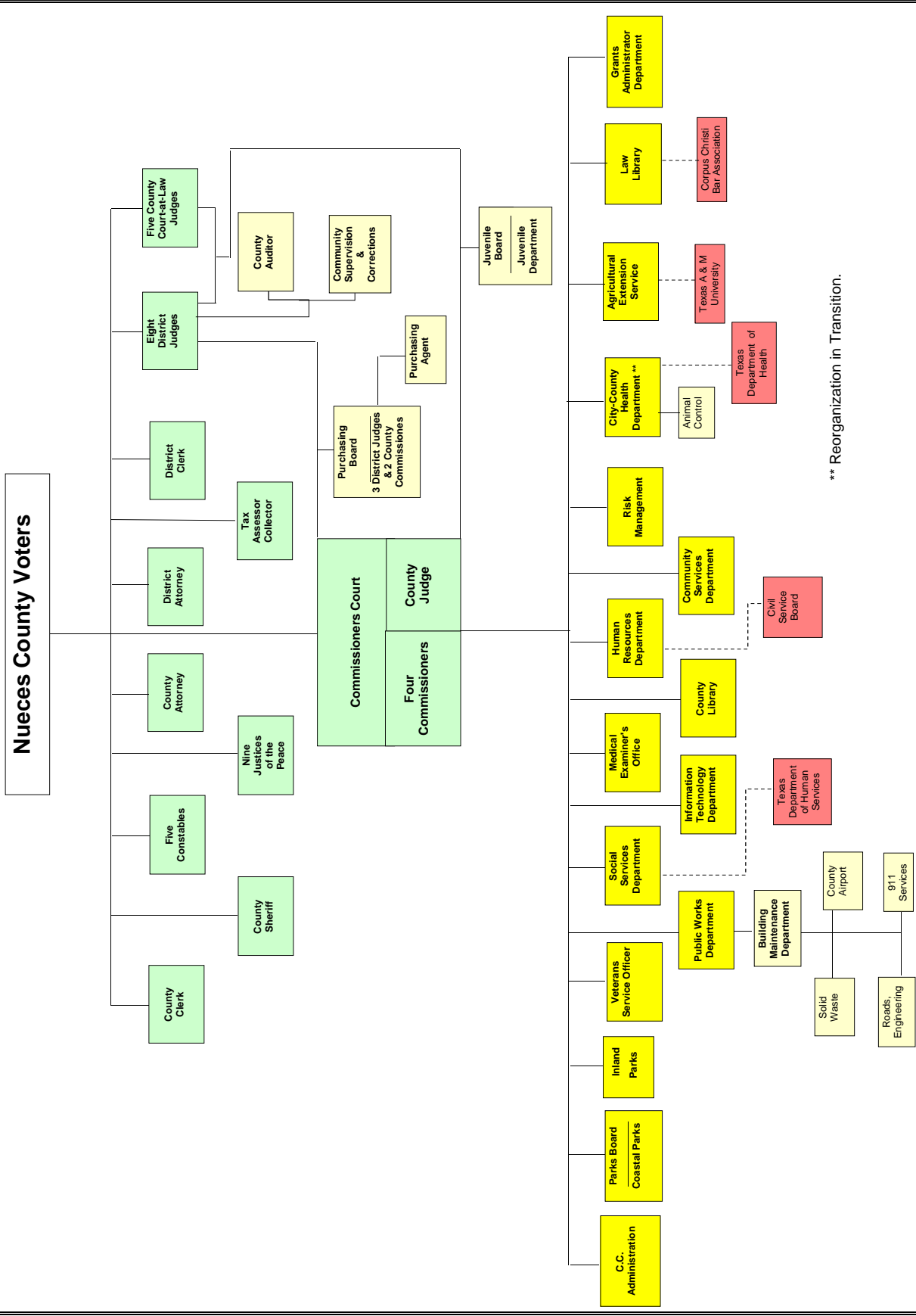
*Christopher P. Morrell*

President

*Jeffrey R. Evers*

Executive Director

# NUECES COUNTY ORGANIZATION CHART



\*\* Reorganization in Transition.

# Nueces County, Texas

## List of Principal Officials

### As of September 30, 2012

#### Elected Officials

Samuel L. Neal, Jr. County Judge  
 Mike Pusley County Commissioner Prt 1  
 Joe A. Gonzalez County Commissioner Prt 2  
 Oscar Ortiz County Commissioner Pct 3  
 Joe McComb County Commissioner Pct 4  
 Laura A. Jimenez County Attorney  
 Diana T. Barrera County Clerk  
 Kevin Kieschnick Tax Assessor-Collector  
 Robert J. Vargas Judge County Court at Law 1  
 Lisa Gonzales Judge County Court at Law 2  
 Davis Stith Judge County Court at Law 3  
 James E. Klager Judge County Court at Law 4  
 Brent Chesney Judge County Court at Law 5  
 Nanette Hasette Judge 28<sup>th</sup> District Court  
 Bobby Galvan Judge 94<sup>th</sup> District Court  
 Angelica Hernandez Judge 105<sup>th</sup> District Court  
 Sandra Watts Judge 117<sup>th</sup> District Court  
 Guy Williams Judge 148<sup>th</sup> District Court  
 Jose Longoria Judge 214<sup>th</sup> District Court  
 Thomas Greenwell Judge 319<sup>th</sup> District Court  
 Missy Medary Judge 347<sup>th</sup> District Court  
 Mark Skurka 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  
 Norma Alicia Davila County Extension Agent  
 Michael J. Biddle Director of Info Technology  
 Jeffrey R. Stapper County Extension Agent  
 Lance Esswein Risk Manager  
 Toby Cross Veteran's Service Officer  
 Ray Fernandez Medical Examiner  
 Abraham Gonzales, Jr. Director of Law Library  
 Julie Guerra Director of Human Resources  
 Margaret L. Hayes County Auditor  
 Edward Herrera Director of Community Services  
 & Inland Parks  
 Roxanna Hunt Grants Administrator  
 Anne E. Lorentzen Court Administrator  
 Rebecca Rach Director of Human Services  
 Scott Cross Director of Coastal Parks  
 Annette Rodriguez Interim Director of Public Health  
 Elsa Saenz Purchasing Agent  
 Glen R. Sullivan County Road Engineer  
 Rebecca G. Flanigan Legal Advisor, Director  
 Homer Flores Chief Juvenile Probation Officer  
 Steve Waterman Director of Commissioners Court



# FINANCIAL SECTION



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

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Toll Free 1-800-241-1272



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

**REPORT ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED  
SUPPLEMENTARY INFORMATION, SUPPLEMENTARY INFORMATION,  
AND OTHER INFORMATION**

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of Nueces County, Texas (the "County") as of and for the year ended September 30, 2012, 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 discretely presented component units, Nueces County Hospital District which represents 17 percent and 23 percent of the total assets and revenues nor the MHMR of Nueces County, which represents 3 percent and 11 percent of the total assets and revenues, respectively, for the year ended September 30, 2012. 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 or the MHMR of Nueces County, discretely presented component units, 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 the significant estimates made by management, as well as evaluating the overall financial 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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Nueces County, Texas, as of September 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and U. S. marshal contract, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund, internal service fund and fiduciary fund of the Nueces County, as of September 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the road fund, stadium & fairgrounds fund, law library fund, airport fund, inland parks fund, coastal parks fund and special revenues fund 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 28, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 15 through 28 and page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nueces County, Texas' financial statements as a whole. 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 financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

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

March 28, 2013

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

## Nueces County, Texas

### MANAGEMENT'S DISCUSSION AND ANALYSIS

From the managers of Nueces County, Texas (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2012. 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 \$138,655,045. As compared to the prior year, net assets decreased by \$(3,305,389) or 2.38%.
- In contrast to the government-wide statements, the County's governmental funds reports a combined ending fund balance of \$50,950,953; a decrease of \$(639,118) in comparison with the prior year. Most of this decrease is due to the spend down of capital projects money.
- The general fund total fund balance of \$22,019,909 reflects an increase of \$97,252 from the previous year. After adjusting for amounts for prepaids and inventories (nonspendable) and the minimum 25% fund balance (committed), there is a \$3,993,232 remaining in unassigned.
- The County's general obligation debt decreased by \$5,238,870. The balance of general obligation debt at year end is \$119,257,725. The debt service fund balance is \$3,945,987 or 36.02% of next year's debt service requirements. A refunding occurred 2012, which is explained in detail in the notes to the financial statements.

#### 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 are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains twenty-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 nor a schedule on the debt service fund is presented because only debt service activity is involved. Schedules of budget to actual are presented for all remaining funds elsewhere in the report except the grants fund for which an annual budget is not adopted similar to the capital projects fund.

The governmental fund financial statements can be found on pages 34-47 of this report followed by the Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual for the general fund and u.s. marshal contract funds.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is presented as a single presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 48-50 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 51 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-77 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 78 of this report.

Immediately following the required supplementary information on pensions are the combining statements referred to earlier in connection with the nonmajor governmental funds, the internal service funds and the fiduciary funds. Combining and individual fund statements and schedules can be found on pages 81-112 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net 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 \$138,655,045 and are summarized below along with comparative data from the previous year.

	<u>Governmental Activities</u>	
	Fiscal Year 11/12	Fiscal Year 10/11
Current and other assets	\$104,007,019	\$111,942,067
Capital assets (net of depreciation)	<u>185,358,136</u>	<u>176,134,008</u>
Total assets	289,365,155	291,076,075
Current and other liabilities	26,724,850	20,573,548
Long-term liabilities	<u>123,985,260</u>	<u>128,542,083</u>
Total liabilities	150,710,110	149,115,631
Net assets:		
Invested in capital assets, net of related debt	90,846,187	106,372,898
Restricted	17,328,598	16,108,044
Unrestricted	<u>30,480,260</u>	<u>19,479,502</u>
Total net assets	<u>\$138,655,045</u>	<u>\$141,960,444</u>

The largest portion of the County's net assets (65.52%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, software systems, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding.

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

Restricted net assets total \$17,328,598 and comprise 12.50% 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 \$30,480,260 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 \$(3,305,389). Key elements of this decrease are as follows:

<u>Changes in Net Assets</u> <u>Governmental Activities</u>					
	<u>Fiscal Year 11/12</u>		<u>Fiscal Year 10/11</u>		<u>Increase</u> <u>(Decrease)</u>
Revenues:					
Program revenues:					
Charges for services	\$23,060,051	22.50%	\$21,942,217	22.15%	1,117,834
Operating grants and contributions	9,230,257	9.01%	7,494,922	7.57%	1,735,335
Capital grants and contributions	194,861	0.19%	1,012,911	1.02%	(818,050)
General revenues:					
Property taxes	65,494,382	63.90%	64,229,777	64.84%	1,264,605
Other taxes	3,858,512	3.76%	3,396,993	3.43%	461,519
Investment earnings and other	226,253	0.22%	477,878	0.48%	(251,625)
Grants and contributions not restricted to specific programs	343,915	0.34%	232,961	0.24%	110,956
Gain on sale of assets	83,682	0.08%	275,630	0.28%	(191,950)
Miscellaneous	-	0.00%	-	0.00%	-
Total revenues	<u>102,491,913</u>	<u>100.00%</u>	<u>99,063,289</u>	<u>100.00%</u>	<u>3,428,624</u>
Expenses:					
General government	13,319,250	12.59%	13,436,667	12.72%	(117,417)
Buildings and facilities	9,490,211	8.97%	9,463,249	8.96%	26,962
Administration of justice	23,654,964	22.36%	24,069,550	22.79%	(414,586)
Law enforcement and corrections	27,986,723	26.45%	27,705,163	26.23%	281,560
Social services	2,606,445	2.46%	2,683,841	2.54%	(77,396)
Health, safety and sanitation	1,992,715	1.88%	1,527,275	1.45%	465,440
Agriculture, education and consumer sciences	776,594	0.73%	820,589	0.78%	(43,995)
Roads, bridges and transportation	14,810,777	14.00%	14,813,218	14.02%	(2,441)
Parks and recreation	6,140,480	5.80%	5,937,483	5.62%	202,997
Interest and fees on long-term debt	<u>5,019,143</u>	4.74%	<u>5,171,328</u>	4.90%	<u>(152,185)</u>
Total expenses	<u>105,797,302</u>	<u>100.00%</u>	<u>105,628,363</u>	<u>100.00%</u>	<u>168,939</u>
Increase (decrease) in net assets	(3,305,389)		(6,565,074)		<u>3,259,685</u>
Net assets - beginning	<u>141,960,434</u>		<u>148,525,508</u>		
Net assets - ending	<u>\$138,655,045</u>		<u>\$141,960,434</u>		<u>\$(3,305,389)</u>

Comparing the net assets to the previous year, there was a decrease of \$(3,305,399). In comparison to the prior year, revenues increased by \$3,428,624 resulting in a smaller deficit. Expenses remained relatively the same as prior year. Again, the change in net assets for this current fiscal year was a net decrease of \$(3,305,389), making the ending balance of net assets equal to \$138,655,045.

**REVENUES** - As shown in the table above, total revenues increase by \$3,428,624. There are three large swings that comprise most of this net increase. Property taxes increased \$1,264,605 due to a slight increase (1.57%) in the tax rate and new improvements added to the tax roll.

Charges for services reflect a net increase from the previous year of 1,117,834. There are numerous items in this category, but this increase is traceable to mainly two revenue types: Fees of office and the centralized tax collection commission. Both of these items are due to a favorable economic environment.



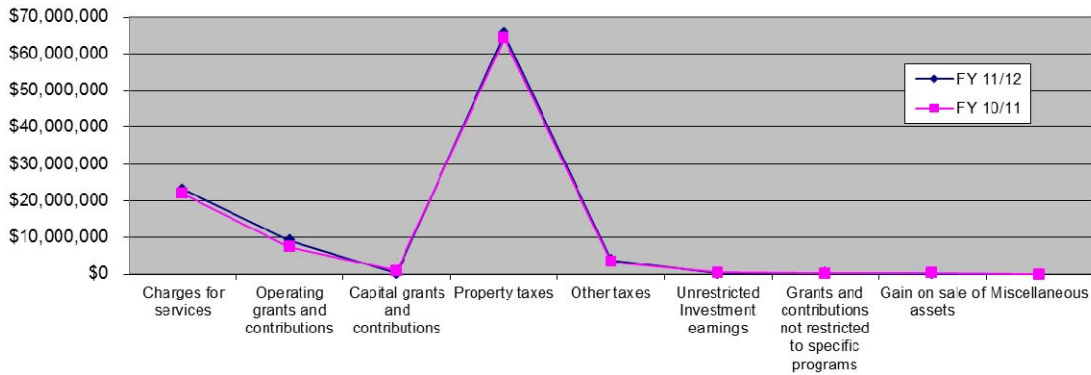
Operating grants and contributions increased by \$1,735,335 which is mainly due to new grants associated with coastal impact recovery.

Other taxes reflect an increase of \$461,519 which is attributed to increases of motor vehicle sales. Next year this category is expected to show another increase due to projected increases of motor vehicle sales.

Investment earnings were \$(251,625) lower than the prior year. This was not expected since we thought that market rates had bottomed out in the previous year for the second time.

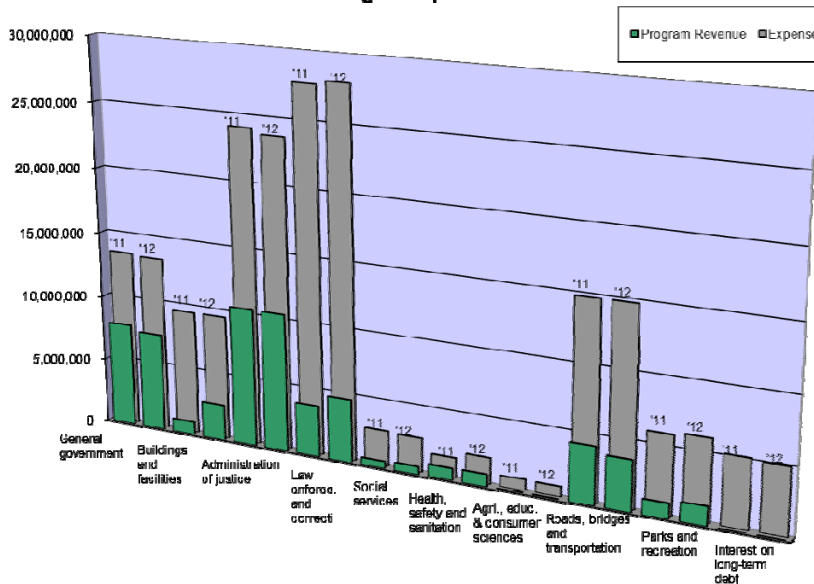
All other revenue categories reflect steady performance compared to the previous year.

**Chart I - Government-wide Revenues by Source**



The County’s government-wide revenue sources are graphically presented in Chart – I. Countywide, 63.90% of total revenues come from property taxes. The second largest revenue source, 22.50% 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 9.01% 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 10/11 revenues except for those areas previously mentioned.

**Chart II  
Net Program Expenses**



**EXPENSES** - Expenses increased by 0.16%, or \$168,939. This increase in expenses had a minimal impact on the net assets.

Expenditures were tightly controlled during the year and commissioners court froze vacant positions at the beginning of the 4<sup>th</sup> quarter. Depreciation expense decreased by \$(555,126). Interest expense decreased due to a refunding. In summary, the results of the efforts to keep expenditures from growing proved successful.

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 health, safety, and sanitation. General government and administration of justice also reflect a large portion of the activity costs are paid for with program revenues. There are no excess program revenues in any governmental activity. Therefore all governmental activities rely on property tax revenue to maintain services.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$50,950,953 lower by \$(639,118) in comparison with the prior year. Excluding capital projects fund, ending balances increased by \$1,026,291. This increase is attributed mostly to both higher revenues and lower operating expenditures.

The general fund is the chief operating fund of the County. At the end of the current fiscal year the total general fund unreserved fund balance was \$22,019,909. As compared to previous year, the total fund balance increased by \$97,252. The total fund balance represents 31.23% of the sum of total general fund budgeted and transfer in revenues. 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 \$17,626,642 which is designated as committed leaving \$3,993,232 as unassigned after adjusting for prepaids and inventories. Applying this measure (using the total fund balance) toward the general fund expenditures and transfers out calculates to be approximately 3.64 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 \$3,945,988 fund balance decreasing slightly by \$(19,511) as compared to prior year. Debt service payments totaled \$10,776,173, which is \$367,366 higher than the previous year. Revenues and transfers in were \$(68,447) lower than previous year totaling \$10,756,662. The debt service tax rate of 0.058213 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. marshal 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 \$12,789,249. The road and bridge fund is included within this category, as well as the grant fund and other funds restricted to specific purposes. The total combined fund balance increased as compared to the previous year by \$755,219.

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

Some observations on the revenues are as follows:

- The increase in property tax revenues of \$1,236,426, an increase of 1.91%, is attributed to a slight increase in the tax rate and new additions to the tax roll.

- Fees of office increased by \$411,781. This increase resulted from increased activity in the county and district clerk offices.
- Fines and forfeitures decreased by 11.43%. The county is looking forward to completing a new software implementation which will provide better information for collection efforts.
- The decrease in investment income, \$(250,721), is due to the decline in market interest rates. Year end balances of cash, cash equivalents, and investments are \$782,737 higher this year than what the balances were a year ago. Considering this, the decline in investment income is due to lower interest rates.

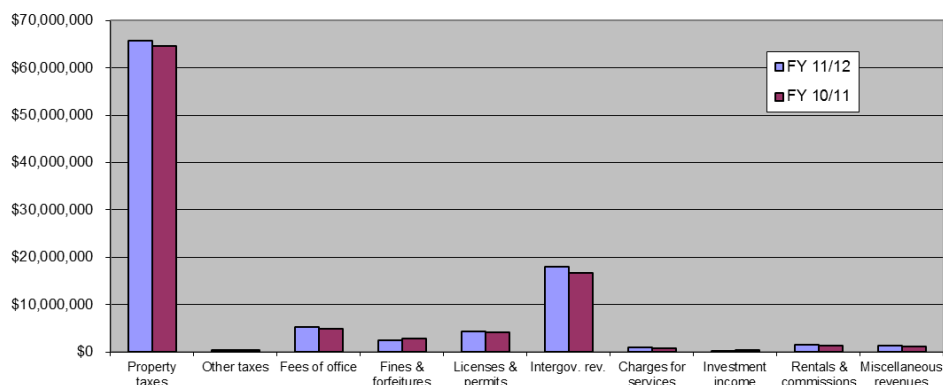
The remaining revenue categories remain strong and show no significant change from the previous year. Considering the national economic environment, these are excellent results.

### Governmental Funds – Revenues by Source

	FY 11/12	Percent of Total	FY 10/11	Percent of Total	Increase (Decrease)	Yr to Yr Percent of Change
Property taxes	\$65,803,580	59.64%	\$64,567,154	57.13%	\$ 1,236,426	1.91%
Other taxes	382,730	0.35%	361,415	0.32%	21,315	5.90%
Fees of office	5,296,898	4.80%	4,885,117	4.32%	411,781	8.43%
Fines and forfeitures	2,551,595	2.31%	2,880,933	2.55%	(329,338)	-11.43%
Licenses and permits	4,418,683	4.00%	4,190,771	3.71%	227,912	5.44%
Intergovernmental revenue	18,088,623	16.39%	16,687,845	14.77%	1,400,778	8.39%
Charges for services	940,888	0.85%	766,868	0.68%	174,020	22.69%
Investment income	215,294	0.20%	466,015	0.41%	(250,721)	-53.80%
Rentals and commissions	1,500,566	1.36%	1,363,402	1.21%	137,164	10.06%
Miscellaneous revenues	<u>1,417,049</u>	<u>1.28%</u>	<u>1,126,807</u>	<u>1.00%</u>	<u>290,242</u>	<u>25.76%</u>
Total revenues	100,615,906	91.19%	97,296,327	86.10%	\$3,319,579	3.41%
Other financing sources:						
Sale of assets	86,789	0.08%	275,630	0.24%	(188,841)	-68.51%
Issuance of debt	861,731	0.78%	7,028,126	6.22%	(48,512,909)	-98.25%
Transfers in	<u>8,778,061</u>	<u>7.96%</u>	<u>8,409,659</u>	<u>7.44%</u>	<u>368,402</u>	<u>4.38%</u>
Total revenues and other financing sources	<u>\$110,342,487</u>	<u>100.00%</u>	<u>\$113,009,742</u>	<u>100.00%</u>	<u>\$(51,384,029)</u>	<u>-31.77%</u>

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 property taxes, fees of office, and intergovernmental revenue.

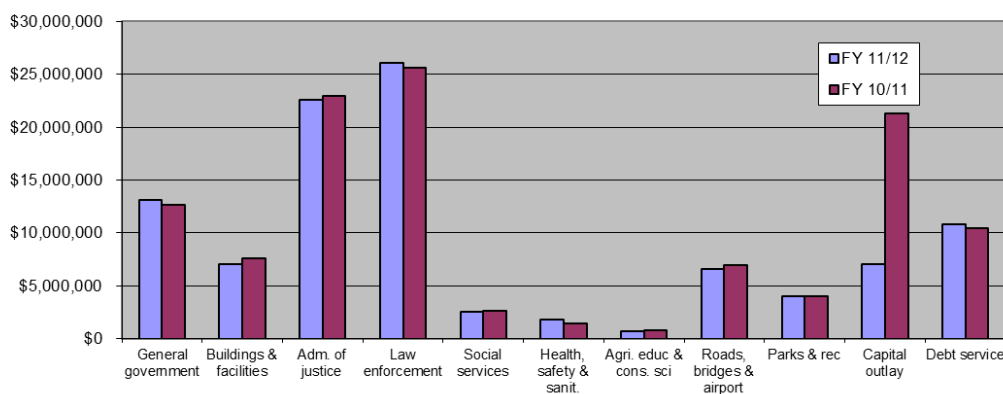
Chart - III  
Governmental Funds - Revenues by Source



## Governmental Funds – Expenditures by Function

Function:	FY 11/12	Percent of Total	FY 10/11	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$13,112,040	11.81%	\$12,601,731	10.12%	\$ 510,309	4.05%
Buildings and facilities	7,028,399	6.33%	7,559,472	6.07%	(531,073)	-7.03%
Administration of justice	22,581,134	20.35%	22,982,111	18.45%	(400,977)	-1.74%
Law enforcement and corrections	26,024,288	23.45%	25,596,884	20.55%	427,404	1.67%
Social services	2,500,076	2.25%	2,580,655	2.07%	(80,579)	-3.12%
Health, safety and sanitation	1,800,123	1.62%	1,379,811	1.11%	420,312	30.46%
Agriculture, education and consumer sciences	712,929	0.64%	752,931	0.60%	(40,002)	-5.31%
Roads, bridges and airport	6,600,256	5.95%	6,982,203	5.61%	(381,947)	-5.47%
Parks and recreation	4,009,444	3.61%	4,024,551	3.23%	(15,107)	-0.38%
Capital outlay	7,071,181	6.37%	21,257,553	17.07%	(14,186,372)	-66.74%
Debt service	<u>10,763,673</u>	<u>9.70%</u>	<u>10,408,807</u>	<u>8.36%</u>	<u>354,866</u>	<u>3.41%</u>
Total expenditures	\$102,203,543	92.09%	\$116,126,709	93.25%	(13,923,166)	-11.99%
Transfers out	<u>8,778,061</u>	<u>7.91%</u>	<u>8,409,659</u>	<u>6.75%</u>	<u>368,402</u>	<u>4.38%</u>
Total expenditures and transfers out	<u>\$110,981,604</u>	<u>100.00%</u>	<u>\$124,536,368</u>	<u>100.00%</u>	<u>(\$62,271,538)</u>	<u>-35.94%</u>

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



Total expenditures decreased by \$(62,271,538), or by 35.94% compared to the prior year. The largest item contributing to this decrease is capital outlay. Excluding capital outlay, the operating expenditures decreased by \$561,098. Roads, bridges, and airport reflect stepped up efforts to maintain roadways. For all funds and law enforcement collective bargaining agreement, but have remained contained for the most part.

In summary, total governmental fund balances decreased by (639,119). This decrease is attributed to the spending down of capital projects money. Ending combined fund balances totaled \$50,950,953.

*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 \$1,328,360 with \$565,983 belonging to the workers compensation fund, \$(9,501) belonging to the general liability fund and \$771,878 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 104-106.

**GENERAL FUND**

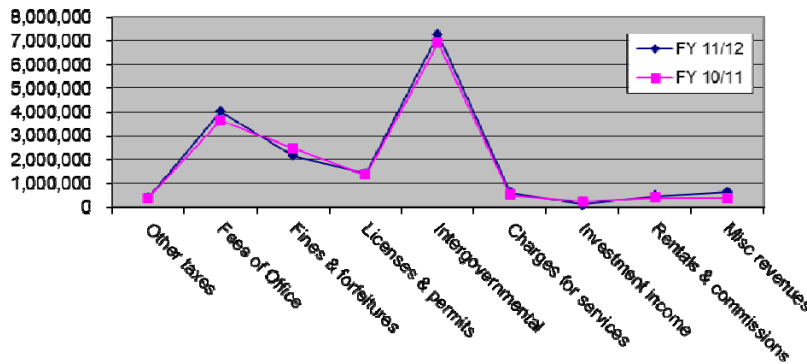
*Financial analysis*

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 11/12	Percent of Total	FY 10/11	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$54,283,207	76.21%	\$52,993,989	76.70%	\$ 1,289,218	2.43%
Other taxes	381,972	0.54%	360,768	0.52%	21,204	5.88%
Fees of office	4,003,508	5.62%	3,627,598	5.25%	375,910	10.36%
Fines & forfeitures	2,132,420	2.99%	2,446,469	3.54%	(314,049)	-12.84%
Licenses & permits	1,395,261	1.96%	1,340,044	1.94%	55,217	4.12%
Intergovernmental	7,258,853	10.19%	6,891,875	9.97%	366,978	5.32%
Charges for services	601,092	0.84%	483,596	0.70%	117,496	24.30%
Investment income	100,770	0.14%	206,817	0.30%	(106,047)	-51.28%
Rental & Commissions	455,489	0.64%	382,258	0.55%	73,231	19.16%
Miscellaneous revenues	<u>618,903</u>	<u>0.87%</u>	<u>358,333</u>	<u>0.52%</u>	<u>260,570</u>	<u>72.72%</u>
Total revenues	71,231,475	100.00%	69,091,747	100.00%	2,139,728	3.10%
Transfers in	<u>1,502,198</u>		<u>1,516,864</u>		<u>(14,666)</u>	<u>-0.97%</u>
Total revenues & transfers in	<u>\$72,733,673</u>		<u>\$70,608,611</u>		<u>\$ 2,125,062</u>	<u>3.01%</u>

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



As mentioned earlier, the property tax revenue increase is attributed to a small tax rate increase and new additions to the tax roll.

Comparing FY 2011/2012 to FY 2010/2011, the fees of office increased due to increased activity in the county and district clerk offices.

Investment income decreased by \$(106,047) due to declines in market rates.

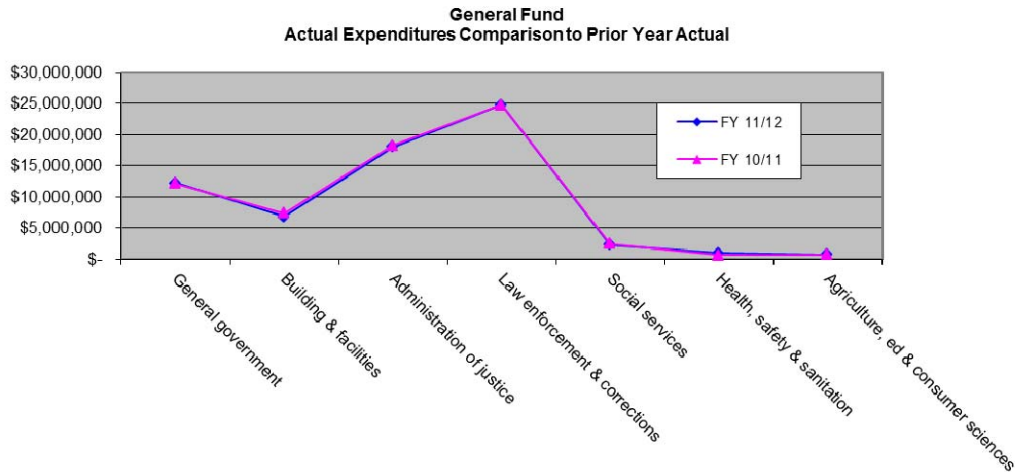
Fines and forfeitures revenue decreased by 12.84% compared to the prior year. As previously mentioned, the county anticipates higher collections once a new software system is completely installed.

Miscellaneous revenue increased by \$260,570 or 72.72% when compared to the previous year, due to sale of assets and court sanctions.

All other general fund revenues reflect stable and consistent performance.

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

	FY 11/12	Percent of Total	FY 10/11	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$ 12,244,705	18.41%	\$ 12,132,172	18.11%	\$ 112,533	0.93%
Buildings & facilities	6,822,574	10.26%	7,377,418	11.01%	(554,844)	-7.52%
Administration of justice	18,056,461	27.15%	18,304,011	27.32%	(247,550)	-1.35%
Law enforcement & corrections	24,811,539	37.30%	24,800,297	37.01%	11,242	0.05%
Social services	2,352,845	3.54%	2,498,486	3.73%	(145,641)	-5.83%
Health, safety & sanitation	1,005,382	1.51%	622,062	0.93%	383,320	61.62%
Agriculture, education and consumer sciences	709,376	1.07%	712,074	1.06%	(2,698)	-0.38%
Capital outlay	513,987	0.77%	563,280	0.84%	(49,293)	-8.75%
Total expenditures	66,516,869	100.00%	67,009,800	100.00%	(492,931)	-0.74%
Transfers out	6,119,552		5,705,644		413,908	7.25%
Total expenditures & transfers out	<u>\$ 72,636,421</u>		<u>\$ 72,715,444</u>		<u>\$ (79,023)</u>	-0.11%



Expenditures decreased by (0.74%) from the prior year. In comparison to the national consumer price index (CPI) of 1.99%, the county's expenditures were contained extremely well.

Buildings and facilities expenses decreased due to lower energy and maintenance costs. This is due to a major retrofit of light and plumbing fixtures and other efficiency improvements completed last year. The costs for health, safety and sanitation increased by 61.62% from last year due to public health issues.

*Budgetary highlights*

In total, the original budget and the final amended budget were equal although significant changes were made between the functions. Actual expenditures and transfers out for this fiscal year (budget basis) ended \$4,473,964 under total appropriations for an expenditure level of 94.19%. Actual revenues and transfers in came in \$2,220,956 over budget, or 103.16% of budget.

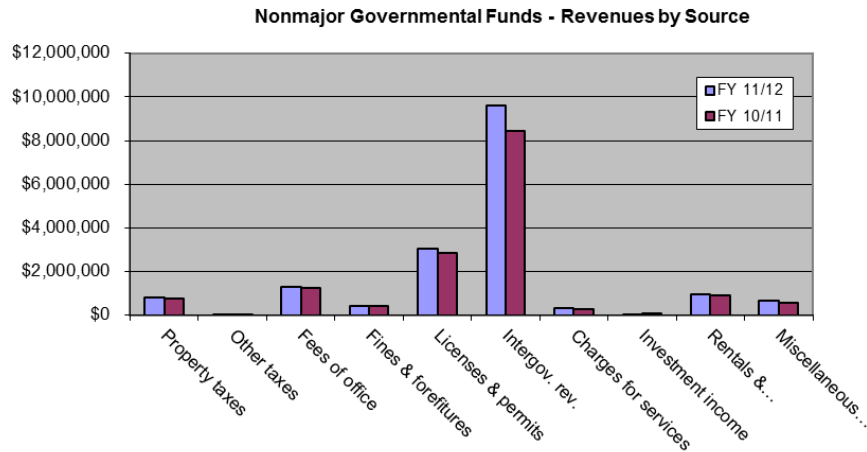
Last year actual revenues and transfers in came in at 100.27% of budget and expenditures and transfers out came in at 94.39%. Overall, the actual results compare favorably to the 10/11 budget, ending the year with a fund balance of \$22,019,909, an increase of \$97,253 over the prior year.

## 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

	FY 11/12	Percent of Total	FY10/11	Percent of Total	Increase (Decrease)	Percent of Change
Property taxes	\$ 785,740	3.22%	\$ 783,369	3.55%	\$ 2,371	0.30%
Other taxes	758	0.00%	647	0.00%	111	0.00%
Fees of office	1,293,390	5.30%	1,257,519	5.69%	35,871	2.85%
Fines and forfeitures	419,175	1.72%	434,464	1.97%	(15,289)	-3.52%
Licenses and permits	3,023,422	12.38%	2,850,727	12.90%	172,695	6.06%
Intergovernmental revenue	9,612,989	39.36%	8,445,607	38.23%	1,167,382	13.82%
Charges for services	339,796	1.39%	283,272	1.28%	56,524	19.95%
Investment income	54,584	0.22%	88,012	0.40%	(33,428)	-37.98%
Rentals and commissions	953,883	3.91%	892,520	4.04%	61,363	6.88%
Miscellaneous revenues	<u>649,840</u>	<u>2.66%</u>	<u>587,918</u>	<u>2.66%</u>	<u>61,922</u>	<u>10.53%</u>
Total revenues	17,133,577	70.16%	15,624,055	70.72%	1,509,522	9.66%
Other financing sources:						
Transfers in	7,200,913	29.49%	6,192,795	28.03%	1,008,118	16.28%
Sale of assets	<u>86,789</u>	<u>0.36%</u>	<u>275,630</u>	<u>1.25%</u>	<u>(188,841)</u>	<u>-8.11%</u>
Total revenues and other financing sources	<u>\$ 24,421,279</u>	<u>100.00%</u>	<u>\$ 22,092,480</u>	<u>100.00%</u>	<u>\$ 2,328,799</u>	10.54%

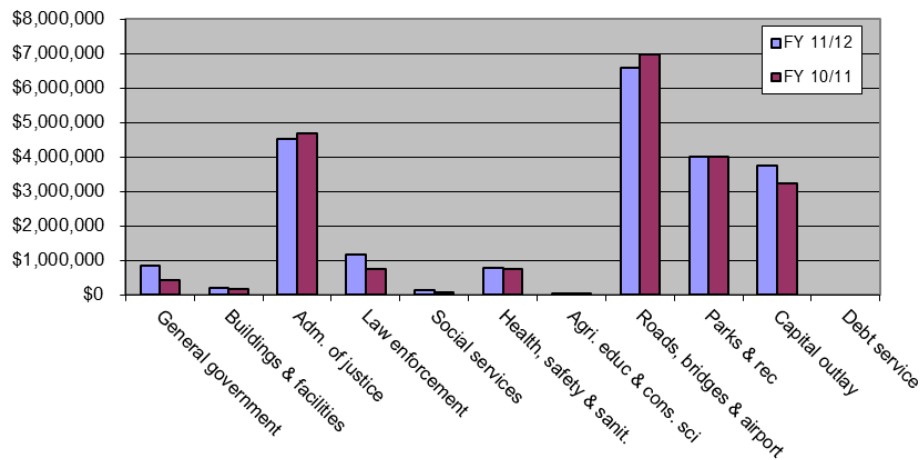


Total revenues for the nonmajor governmental funds are \$1,509,522 higher when compared to the previous year. Intergovernmental revenues increased by \$1,167,382 and come from activity in the road fund, commissioners court funds, juvenile program, and grants. The specific revenue streams are, again, 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

Function:	FY 11/12	Percent of Total	FY 10/11	Percent of Total	Increase (Decrease)	Percent of Change
General government	\$ 854,834	3.61%	\$ 436,424	1.93%	\$ 418,411	95.87%
Buildings and facilities	205,825	0.87%	182,054	0.81%	23,771	13.06%
Administration of justice	4,524,675	19.12%	4,678,100	20.74%	(153,425)	-3.28%
Law enforcement and corrections	1,152,346	4.87%	737,861	3.27%	414,485	56.17%
Social services	147,231	0.62%	82,169	0.36%	65,062	79.18%
Health, safety and sanitation	794,741	3.36%	757,749	3.36%	36,992	4.88%
Agriculture, education and consumer sciences	3,553	0.02%	40,857	0.18%	(37,304)	-91.30%
Roads, bridges and airport	6,600,256	27.89%	6,982,203	30.95%	(381,947)	-5.47%
Parks and recreation	4,009,444	16.94%	4,024,551	17.84%	(15,107)	-0.38%
Capital outlay	3,738,401	15.80%	3,229,287	14.31%	509,114	15.77%
Debt service:						
Principal retirement	-	0.00%	-	0.00%	-	0.00%
Interest and fiscal fees	-	0.00%	-	0.00%	-	0.00%
<b>Total expenditures</b>	<b>22,031,306</b>	<b>93.09%</b>	<b>21,151,255</b>	<b>93.75%</b>	<b>880,051</b>	<b>4.16%</b>
Transfers out	<u>1,634,754</u>	<u>6.91%</u>	<u>1,409,355</u>	<u>6.25%</u>	<u>225,399</u>	<u>15.99%</u>
<b>Total expenditures and transfers</b>	<b><u>\$23,666,060</u></b>	<b><u>100.00%</u></b>	<b><u>\$22,560,610</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 1,105,450</u></b>	<b>4.90%</b>

**Nonmajor Governmental Funds - Expenditures by Function**



Expenditures for the nonmajor governmental funds increased by \$880,051. Administration of justice and roads, bridges, and airport had the largest decrease in expenses. General government and law enforcement and corrections had the largest increase in expenditures. Law enforcement and corrections saw an increase due to the district attorney’s pre-trial diversion program. All other expenditures have been previously discussed and are in line with the budget and expectations.

Ending fund balances increased by \$ 755,216 for a total balance of \$12,789,244.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The County’s investment in capital assets for its governmental activities as of September 30, 2012, amounts to \$ 197,988,912 (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 (\$6,973,344) or 3.24%.

Nueces County Capital Assets (net of depreciation)		
	2012	2011
Land	\$6,090,433	\$6,090,433
Building and improvements	104,067,999	91,034,414
Furniture, equipment and machinery	10,426,005	9,956,077
Infrastructure	70,864,132	75,143,516
Construction in progress	<u>16,453,383</u>	<u>32,650,855</u>
	<u>\$207,901,952</u>	<u>\$214,875,296</u>

Additional information on the County's capital assets can be found in note IV-C on pages 65-68 of this report.

**Long-term debt.** At September 30, 2012, the County had general obligation debt outstanding in the amount of \$119,257,725. This amount is the total of certificates of obligation and a revolving loans through the State of Texas. This total debt is backed by the full faith and credit of the County. Chapter 1301, as amended, of the Texas Government Code, limits the amount of bonds that is payable from the \$0.80 Constitution Tax Rate issued for the purposes as follows:

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

Although, obligations for courthouses, jails, and certain other types of facilities may be under the authority of other provisions of Texas law, the County's current debt limitation using the 1½% shown above is \$364,030,796, which puts the County's outstanding debt at 32.76% of this legal limit.

#### NUECES COUNTY'S OUTSTANDING DEBT

Governmental Activities		
	2011	2012
Combination revenue and certificates of obligation	\$114,830,000	\$108,780,000
Loan star loans/energy texas loans	<u>7,803,900</u>	<u>8,275,767</u>
Sub-total	122,633,900	117,055,767
Premium on debt	<u>1,862,695</u>	<u>2,201,958</u>
Total	\$124,496,595	\$119,257,725

Since its upgrade in rating in 1998 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 70-73 of this report.

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

- The unemployment rate for Nueces County as of September 30, 2012 is 5.7%, a decrease from last year's rate of 7.8%. The County's unemployment rate is lower than the State's average unemployment rate of 6.4 percent. Both the State of Texas and the County are lower than the national average rate of 7.8 percent.
- School enrollment for 2012 is 61,026, which is an increase of 292 from last year.
- Retail sales went up this year by 11.28% as compared to prior year for a total increase of \$483.671 million.
- Net taxable value (NTV) increased by 1.68%. Last year there was a decrease of 4.34%.
- Port tonnage decreased by 2.29%.
- Population increased by 0.90%.

All these factors were considered in preparing the County's budget for the 2012/2013 fiscal year. Through the budget process, the County Commissioners set the goals for the County. The priorities inherent to the 2012/2013 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.

External issues affecting the 2012-2013 budget included: absorbing \$855,000 in costs previously funded through the hospital district, countering cuts in state and federal funding for juvenile programs, adapting to higher pension costs, funding pay increases for law enforcement according to collective bargaining agreement and maintaining the fund balance at 25% of the sum of revenues and transfers in.

The County budget for FY 2012/2013 included the following to enact the priorities within the current economic conditions:

- Adopted a property tax rate higher than the effective tax rate. Commissioners court adopted the same tax rate as in 2011/2012 of 0.355295 per \$100 value. This is 3.54% higher than the effective tax rate of 0.343101.
- Implemented the sixth year of a continuance pay plan where employees and elected officials received a pay increase of 2 ½% for every three years of service. In addition, a cost of living pay increase will be considered since the last one occurred in FY 2008/2009.
- Continued the 30 day hiring freeze
- No new program funding
- Maintain current service levels

## REQUESTS FOR INFORMATION

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

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

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

# BASIC FINANCIAL STATEMENTS



**NUECES COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**September 30, 2012**

	<b>Primary Government</b>	<b>Component Units</b>	
	Governmental Activities	Hospital District	MHMR Center
<b>ASSETS</b>			
Cash and cash equivalents	\$ 38,607,019	\$ 30,894,430	\$ 5,319,959
Investments	25,605,404	2,002,341	442,068
Receivables (net of allowance for uncollectibles)	16,646,936	16,988,344	247,175
Due from component unit	102,768	-	936,287
Due from agencies	-	-	-
Inventories	106,605	-	3,260
Prepays	394,471	146,898	29,316
Other assets	-	23,908	-
Capital assets (not being depreciated):			
Land	6,090,433	3,076,926	438,358
Construction in progress	16,453,383	-	-
Capital assets (net of accumulated depreciation):		6,691,253	2,845,136
Buildings and improvement:	104,067,999	-	-
Furniture, equipment and machinery	10,426,005	-	-
Computer Software Systems:	396,849	-	-
Infrastructure	70,467,283	-	-
Total assets	<u>289,365,155</u>	<u>59,824,100</u>	<u>10,261,559</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	23,814,994	1,293,616	804,884
Due to component unit	-	-	-
Accrued payroll payable	1,458,721	73,776	-
Accrued interest payable	632,147	51,916	-
Unearned revenue	818,988	-	352,521
Non-current liabilities		-	-
Due within one year	6,860,332	1,675,000	59,183
Due in more than one year	117,124,928	3,596,825	177,535
Accrued Compensated Absence:	-	-	395,200
Total liabilities:	<u>150,710,110</u>	<u>6,691,133</u>	<u>1,789,323</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	90,846,187	4,567,591	3,046,776
Restricted for:		-	-
Debt service	3,945,987	-	-
Roads, bridges and transportation	2,076,261	-	-
Stadium & Fairgrounds	428,514	-	-
Law library	294,831	-	-
Airport	32,997	-	-
Inland parks	320,852	-	-
Coastal parks	1,129,427	-	-
Commissioners precinct funds:	584,492	-	-
Commissioners court purpose:	2,257,553	-	-
County attorney funds	115,283	-	-
County clerk purpose:	2,870,510	-	-
Tax assessor collector purpose	97,823	-	-
Juvenile programs:	80,315	-	-
District attorney purpose:	226,566	-	-
District clerk purpose:	6,938	-	-
County sheriff purposes	406,982	-	-
Judicial and law enforcement purpose:	1,263,600	-	-
Law enforcement & district attorney education:	28,840	-	-
Other purposes	1,160,827	-	-
Unrestricted	30,480,260	48,565,376	5,425,460
Total net assets	<u>\$ 138,655,045</u>	<u>\$ 53,132,967</u>	<u>\$ 8,472,236</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, 2012**

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b><u>Functions/Programs</u></b>			
<b>Primary government:</b>			
Governmental Activities:			
General government	\$ 13,319,250	\$ 6,889,479	\$ 625,576
Buildings and facilities	9,490,211	762,958	1,959,851
Administration of justice	23,654,964	7,027,556	3,528,871
Law enforcement and corrections	27,986,723	3,741,178	1,088,942
Social services	2,606,445	149,331	436,431
Health, safety and sanitation	1,992,715	109,275	837,623
Agriculture, education and consumer sciences	776,594	25,384	369
Roads, bridges and transportation	14,810,777	3,109,675	565,822
Parks and recreation	6,140,480	1,245,215	186,772
Interest and fees on long-term debt	5,019,143	-	-
Total primary government	<u>105,797,302</u>	<u>23,060,051</u>	<u>9,230,257</u>
<b>Component Units:</b>			
Hospital district	40,373,028	3,367,615	698,820
MHMR	16,626,989	7,935,611	8,269,701
Total component units	<u>\$ 57,000,017</u>	<u>\$ 11,303,226</u>	<u>\$ 8,968,521</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 Government</u>	<u>Hospital</u>	<u>MHMR</u>
	<u>Governmental</u>	<u>District</u>	<u>Center</u>
	<u>Activities</u>		
\$ -	\$ (5,804,195)	\$ -	\$ -
-	(6,767,402)	-	-
-	(13,098,537)	-	-
-	(23,156,603)	-	-
-	(2,020,683)	-	-
-	(1,045,817)	-	(404,044)
-	(750,841)	-	-
194,861	(10,940,419)	-	-
-	(4,708,493)	-	-
-	(5,019,143)	-	(17,633)
<u>194,861</u>	<u>(73,312,133)</u>	<u>-</u>	<u>(421,677)</u>
-	-	(36,306,593)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(421,677)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,306,593)</u>	<u>\$ (421,677)</u>

General revenues:

Property taxes	65,494,382	30,900,316	-
Alcohol beverage and other taxes	3,858,512	-	-
Unrestricted investment earnings	226,253	1,147,155	22,895
Grants and contributions not restricted			-
to specific programs	343,915	-	453,827
Gain on sale of assets	83,682	-	-
Miscellaneous	-	31,088	125,470
Total general revenues	<u>70,006,744</u>	<u>32,078,559</u>	<u>602,192</u>
Change in net assets	(3,305,389)	(4,228,034)	180,515
Net assets - beginning	<u>141,960,434</u>	<u>57,361,001</u>	<u>8,291,721</u>
Net assets - ending	<u>\$ 138,655,045</u>	<u>\$ 53,132,967</u>	<u>\$ 8,472,236</u>

**NUECES COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2012**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 16,328,228	\$ 1,608,340
Investments	10,038,637	2,335,114
Receivables (net of allowance for uncollectibles)	2,419,139	3,033
Due from component unit	102,768	-
Due from other funds	3,911,426	-
Prepays	334,235	-
Inventories	65,800	-
Total assets	\$ 33,200,233	\$ 3,946,487
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 8,620,051	\$ 500
Accrued payroll	1,208,466	-
Due to other funds	1,338,551	-
Unearned revenue	3,187	-
Other liabilities	10,069	-
Total liabilities	11,180,324	500
Fund balances:		
Nonspendable	400,035	-
Restricted	-	3,945,987
Committed	17,626,642	-
Assigned	-	-
Unassigned	3,993,232	-
Total fund balances	22,019,909	3,945,987
Total liabilities and fund balances	\$ 33,200,233	\$ 3,946,487

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
\$ 798,263	\$ 5,871,354	\$ 11,518,913	\$ 36,125,098
-	4,928,484	7,488,988	24,791,223
9,445,361	6,397	4,003,459	15,877,389
-	-	-	102,768
-	1,594,914	1,678,289	7,184,629
617	-	59,619	394,471
-	-	40,805	106,605
<u>\$ 10,244,241</u>	<u>\$ 12,401,149</u>	<u>\$ 24,790,073</u>	<u>\$ 84,582,183</u>
\$ 10,047,764	\$ 320,279	\$ 3,972,555	\$ 22,961,149
3,146	-	247,108	1,458,720
-	78,388	5,767,690	7,184,629
-	-	815,802	818,989
-	-	1,197,674	1,207,743
<u>10,050,910</u>	<u>398,667</u>	<u>12,000,829</u>	<u>33,631,230</u>
617	-	86,989	487,641
192,714	-	-	4,138,701
-	12,002,482	-	29,629,124
-	-	12,702,255	12,702,255
-	-	-	3,993,232
<u>193,331</u>	<u>12,002,482</u>	<u>12,789,244</u>	<u>50,950,953</u>
<u>\$ 10,244,241</u>	<u>\$ 12,401,149</u>	<u>\$ 24,790,073</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.	207,901,952
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	297,625
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.	1,328,358
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(121,823,843)
Net assets of governmental activities	<u>\$ 138,655,045</u>

**NUECES COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the year ended September 30, 2012**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property taxes	\$ 54,283,207	\$ 10,734,633
Other taxes	381,972	-
Fees of office	4,003,508	-
Fines and forfeitures	2,132,420	-
Licenses and permits	1,395,261	-
Intergovernmental revenue	7,258,853	47
Charges for services	601,092	-
Investment income	100,770	21,982
Rentals and commissions	455,489	-
Miscellaneous revenues	618,903	-
Total revenues	71,231,475	10,756,662
<b>EXPENDITURES</b>		
Current:		
General government	12,244,705	12,500
Buildings and facilities	6,822,574	-
Administration of justice	18,056,461	-
Law enforcement and corrections	24,811,539	-
Social services	2,352,845	-
Health, safety and sanitation	1,005,382	-
Agriculture, education and consumer sciences	709,376	-
Roads, bridges and airport	-	-
Parks and recreation	-	-
Capital outlay	513,987	-
Debt Service:		
Principal retirement	-	5,724,864
Interest and other fees	-	5,038,809
Total expenditures	66,516,869	10,776,173
Excess (deficiency) of revenues over (under) expenditures	4,714,606	(19,511)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	1,502,198	-
Transfers out	(6,119,552)	-
Sale of assets	-	-
Bond Issuance	-	-
Bond Defeasance	-	-
Premium of Bonds Issued	-	-
Total other financing sources and uses	(4,617,354)	-
Net change in fund balances	97,252	(19,511)
Fund balances - beginning	21,922,657	3,965,499
Fund balances - ending	\$ 22,019,909	\$ 3,945,988

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
\$ -	\$ -	\$ 785,740	\$ 65,803,580
-	-	758	382,730
-	-	1,293,390	5,296,898
-	-	419,175	2,551,595
-	-	3,023,422	4,418,683
1,216,734	-	9,612,989	18,088,623
-	-	339,796	940,888
-	37,958	54,584	215,294
-	91,194	953,883	1,500,566
-	148,306	649,840	1,417,049
<u>1,216,734</u>	<u>277,458</u>	<u>17,133,577</u>	<u>100,615,906</u>
-	-	854,834	13,112,039
-	-	205,825	7,028,399
-	-	4,524,675	22,581,136
60,403	-	1,152,346	26,024,288
-	-	147,231	2,500,076
-	-	794,741	1,800,123
-	-	3,553	712,929
-	-	6,600,256	6,600,256
-	-	4,009,444	4,009,444
-	2,818,793	3,738,401	7,071,181
-	-	-	5,724,864
-	-	-	5,038,809
<u>60,403</u>	<u>2,818,793</u>	<u>22,031,306</u>	<u>102,203,544</u>
<u>1,156,331</u>	<u>(2,541,335)</u>	<u>(4,897,729)</u>	<u>(1,587,638)</u>
-	74,950	7,200,913	8,778,061
(963,000)	(60,755)	(1,634,754)	(8,778,061)
-	-	86,789	86,789
-	861,731	-	861,731
-	-	-	-
-	-	-	-
<u>(963,000)</u>	<u>875,926</u>	<u>5,652,948</u>	<u>948,520</u>
193,331	(1,665,409)	755,219	(639,118)
-	13,667,889	12,034,030	51,590,075
<u>\$ 193,331</u>	<u>\$ 12,002,480</u>	<u>\$ 12,789,249</u>	<u>\$ 50,950,957</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, 2012**

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)	\$ (639,119)
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.	(7,318,482)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(3,107)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(309,198)
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.	5,420,628
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.	(9,631)
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>(446,480)</u>
Change in net assets of governmental activities (page 33).	<u><u>\$ (3,305,389)</u></u>

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



**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Current property taxes	\$ 51,770,940	\$ 51,770,940	\$ 52,310,167	\$ 539,227
Delinquent property taxes	1,692,910	1,692,910	1,345,889	(347,021)
Penalty and interest	667,845	667,845	627,151	(40,694)
Total property taxes, penalty and interest	<u>54,131,695</u>	<u>54,131,695</u>	<u>54,283,207</u>	<u>151,512</u>
<b>OTHER TAXES</b>				
Bingo tax	285,000	285,000	299,155	14,155
Occupation tax	20,000	20,000	20,362	362
Vehicle inventory tax	25,000	25,000	62,455	37,455
Total other taxes	<u>330,000</u>	<u>330,000</u>	<u>381,972</u>	<u>51,972</u>
<b>FEES OF OFFICE</b>				
County Clerk	1,235,000	1,235,000	1,379,963	144,963
District Clerk	1,000,000	1,000,000	1,217,372	217,372
Justice of the Peace:				
J.P. Prct 1, Pl 1	40,000	40,000	50,144	10,144
J.P. Prct 1, Pl 2	40,000	40,000	41,292	1,292
J.P. Prct 1, Pl 3	40,000	40,000	33,042	(6,958)
J.P. Prct 2, Pl 1	75,000	75,000	80,157	5,157
J.P. Prct 2, Pl 2	30,000	30,000	23,439	(6,561)
J.P. Prct 3	15,000	15,000	23,968	8,968
J.P. Prct 4	10,000	10,000	11,453	1,453
J.P. Prct 5, Pl 1	45,000	45,000	41,663	(3,337)
J.P. Prct 5, Pl 2	10,000	10,000	12,939	2,939
Sub-total justice of the peace	<u>305,000</u>	<u>305,000</u>	<u>318,097</u>	<u>13,097</u>
Sheriff	<u>375,000</u>	<u>375,000</u>	<u>384,026</u>	<u>9,026</u>
Constables:				
Constable, Prct 1	280,000	280,000	294,044	14,044
Constable, Prct 2	210,000	210,000	239,796	29,796
Constable, Prct 3	9,000	9,000	12,363	3,363
Constable, Prct 4	30,000	30,000	34,510	4,510
Constable, Prct 5	30,000	30,000	26,635	(3,365)
Sub-total constables	<u>559,000</u>	<u>559,000</u>	<u>607,348</u>	<u>48,348</u>
Time Payment Fees	50,000	50,000	49,721	
Attorney fees	50,000	50,000	46,981	(3,019)
Total fees of office	<u>3,574,000</u>	<u>3,574,000</u>	<u>4,003,508</u>	<u>429,787</u>

(continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>FINES &amp; FORFEITURES</b>				
Misdemeanors & Felonies	\$1,350,000	1,350,000	\$939,776	(410,224)
J.P. Prct 1, Pl 1	195,000	195,000	234,998	39,998
J.P. Prct 1, Pl 2	180,000	180,000	153,125	(26,875)
J.P. Prct 1, Pl 3	120,000	120,000	142,020	22,020
J.P. Prct 2, Pl 1	75,000	75,000	88,267	13,267
J.P. Prct 2, Pl 2	120,000	120,000	90,345	(29,655)
J.P. Prct 3	100,000	100,000	195,162	95,162
J.P. Prct 4	100,000	100,000	90,937	(9,063)
J.P. Prct 5, Pl 1	120,000	120,000	114,531	(5,469)
J.P. Prct 5, Pl 2	60,000	60,000	63,531	3,531
Bail bond forfeitures	10,000	10,000	19,728	9,728
Total fines and forfeitures	<u>2,430,000</u>	<u>2,430,000</u>	<u>2,132,420</u>	<u>(297,580)</u>
<b>LICENSES &amp; PERMITS</b>	<u>129,300</u>	<u>129,300</u>	<u>189,524</u>	<u>60,224</u>
<b>MOTOR VEHICLE SERVICES</b>	<u>2,330,000</u>	<u>2,330,000</u>	<u>2,902,156</u>	<u>572,156</u>
<b>INTERGOVERNMENTAL REVENUE</b>				
Salary reimbursements	585,000	585,000	538,604	(46,396)
Utility reimbursements	45,000	45,000	42,820	(2,180)
Tax collection fees	870,000	870,000	931,410	61,410
Fiscal services and data processing	61,000	61,000	65,734	4,734
Child support IV-D programs	235,000	235,000	137,648	(97,352)
Social security reporting	55,000	55,000	80,200	25,200
State alcoholic beverage tax	1,000,000	1,000,000	1,032,435	32,435
State Jury Reimbursement	300,000	300,000	316,960	16,960
In lieu of taxes	6,000	6,000	20,649	14,649
911 Program	-	-	12,500	12,500
Emergency management grants	-	-	74,865	74,865
Senior community grants	290,000	290,000	295,708	5,708
Juvenile grants	90,000	90,000	86,015	(3,985)
Child protective service grants	85,000	85,000	62,732	(22,268)
Law enforcement overtime grants	-	-	-	-
Texas hazardous waste fees	170,000	170,000	274,234	104,234
Prosecution - legal services	-	-	-	-
Food Stamp Fraud Case Fees	3,000	3,000	280	(2,720)
Fema & Civil Defense	-	-	6,619	6,619
Election reimbursements	60,000	60,000	208,201	148,201
Federal grants	25,000	25,000	7,098	(17,902)
Inter-local government agreements	141,954	141,954	141,754	(200)
Other inter government funds	147,000	147,000	274,787	127,787
Total intergovernmental revenue	<u>4,168,954</u>	<u>4,168,954</u>	<u>4,611,253</u>	<u>442,299</u>

(continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>HOUSING INMATES AND JUVENILES</b>				
Housing federal inmates	200,750	200,750	464,480	263,730
Housing state inmates/transport	-	-	-	-
Housing outside county inmates	-	-	-	-
Housing juveniles	492,750	492,750	486,700	(6,050)
Total housing of inmates and juveniles	<u>693,500</u>	<u>693,500</u>	<u>951,180</u>	<u>257,680</u>
<b>CHARGES FOR SERVICES</b>				
Service fee for state costs	130,000	130,000	130,482	482
Tax certificates and other fees	5,000	5,000	42,519	37,519
Transaction fees	30,000	30,000	30,772	772
JP Omni Base	15,000	15,000	14,343	(657)
Juvenile service charges	-	-	-	-
Child support services	3,000	3,000	2,839	(161)
Sheriff miscellaneous charges	8,000	8,000	6,257	(1,743)
Medical examiner charges	250,000	250,000	348,978	98,978
Social program charges	6,000	6,000	10,623	4,623
Animal control fees	9,000	9,000	11,221	2,221
Other Charges	-	-	3,058	3,058
Total charges for service	<u>456,000</u>	<u>456,000</u>	<u>601,092</u>	<u>145,092</u>
<b>INVESTMENT INCOME</b>	<u>150,000</u>	<u>150,000</u>	<u>100,770</u>	<u>(49,230)</u>
<b>RENTALS &amp; COMMISSIONS</b>	<u>370,000</u>	<u>370,000</u>	<u>455,489</u>	<u>85,489</u>
<b>REFUNDS AND REIMBURSEMENTS</b>				
Workers comp salary reimbursement	-	-	5,921	5,921
Other refunds and reimbursements	1,000	1,000	10,573	9,573
Court appointed attorney reimbursements	180,000	180,000	228,866	48,866
Restitution and trust monies	-	-	1,799	1,799
Storage reimbursements	-	-	4,209	4,209
Total refund and reimbursements	<u>181,000</u>	<u>181,000</u>	<u>251,368</u>	<u>70,368</u>
<b>OTHER INCOME</b>				
Sale of printed material	10,000	10,000	13,529	3,529
Copy machine fees	17,000	17,000	23,898	6,898
Rebates and royalties	-	-	23,259	23,259
Contempt of court/sanctions	-	-	99,950	99,950
Overage / (Shortage)	-	-	404	404
Miscellaneous revenues	100,000	100,000	206,495	106,495
Total other income	<u>127,000</u>	<u>127,000</u>	<u>367,535</u>	<u>240,535</u>
<b>TOTAL REVENUES</b>	<u>69,071,449</u>	<u>69,071,449</u>	<u>71,231,474</u>	<u>2,160,304</u>

(continued)



**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - to Actual GAAP Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
County Commissioner Prct 1	\$ 148,769	\$ 148,769	\$ 144,023	\$ 4,746
County Commissioner Prct 2	158,941	157,570	154,578	2,992
County Commissioner Prct 3	158,571	158,571	155,811	2,760
County Commissioner Prct 4	148,778	151,715	151,703	12
County Judge	263,141	265,341	260,832	4,509
Commissioners Court Management	389,944	389,944	382,211	7,733
Grants Administration	207,060	208,748	201,302	7,446
Risk Management	157,928	163,967	140,914	23,053
County Attorney	1,232,280	1,215,456	1,206,035	9,421
County Clerk	582,113	583,663	542,165	41,498
County Clerk-Treasury	257,346	257,346	247,405	9,941
County Clerk Collections	236,739	236,739	201,194	35,545
Election Expense	643,544	1,272,589	911,678	360,911
Tax Assessor-Collector	2,626,098	2,626,098	2,482,271	143,827
Information Technology	1,878,962	1,871,025	1,530,322	340,703
Human Resources	290,324	290,324	263,955	26,369
County Auditor	1,370,373	1,375,811	1,316,223	59,588
County Purchasing	482,146	483,516	470,980	12,536
Veteran's Service	97,708	97,708	96,215	1,493
General Employee Benefits	176,826	176,826	151,677	25,149
General Administration	2,700,906	1,985,176	1,233,212	751,964
Total General Government	<u>14,208,497</u>	<u>14,116,902</u>	<u>12,244,706</u>	<u>1,872,196</u>
<b>BUILDINGS AND FACILITIES</b>				
Courthouse General Repairs	224,242	224,242	106,304	117,938
Ronnie H. Polston Bldg	52,822	56,317	56,283	34
Bill Bode County Building	61,724	65,556	65,461	95
Robert N Barnes Regional Juvenile Facility	520,352	580,225	507,949	72,276
Broadway Warehouse	11,089	11,089	4,605	6,484
Records Management Department	446,277	446,277	428,112	18,165
CSCD Cook Building	165,898	173,898	171,228	2,670
Mechanical Maintenance	3,689,852	2,710,183	2,400,952	309,231
Agua Dulce Building	40,748	43,239	42,471	768
Bishop Building	76,401	101,901	100,893	1,008
Port Aransas Building	42,604	44,604	39,934	4,670
Johnny S Calderon Building	233,771	264,921	237,037	27,884
Keach Library Building	202,390	226,590	183,409	43,181
Agricultural Building - Robstown	52,175	65,175	37,696	27,479
Medical Examiner Building	37,949	67,949	57,664	10,285
Building Superintendent	1,342,754	1,342,839	1,312,428	30,411
Welfare Building - Robstown	21,268	22,268	17,258	5,010
Hilltop Facility	158,167	158,167	155,008	3,159
Precint III Yard Buildings	21,645	33,045	28,646	4,399
McKenzie Annex	807,154	873,154	755,991	117,163

(Continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Robstown Community Center	53,682	55,682	52,300	3,382
Senior Community Service Buildings	51,189	49,189	42,612	6,577
David Berlanga, Sr. Building	23,826	23,826	18,333	5,493
Total Buildings and Facilities	8,337,979	7,640,336	6,822,574	817,762
 <u>ADMINISTRATION OF JUSTICE</u>				
County Court at Law 1	546,161	546,161	530,579	15,582
County Court at Law 2	555,646	554,946	478,851	76,095
County Court at Law 3	553,060	552,410	551,042	1,368
County Court at Law 4	569,367	569,267	494,607	74,660
County Court at Law 5	836,770	836,770	817,652	19,118
Legal Aid	95,128	95,128	93,509	1,619
Magistrate/Drug/DWI	231,318	231,586	215,165	16,421
Court Administration	1,336,107	1,336,107	1,000,793	335,314
Court Master	122,001	121,501	115,542	5,959
28th District Court	619,866	619,866	513,325	106,541
94th District Court	620,256	645,036	644,622	414
105th District Court	380,581	383,782	324,663	59,119
117th District Court	617,853	612,828	573,498	39,330
148th District Court	539,080	506,900	485,137	21,763
214th District Court	597,951	595,451	543,818	51,633
319th District Court	612,452	612,452	608,918	3,534
347th District Court	563,183	561,908	556,111	5,797
Juvenile Probation	2,088,460	2,107,114	2,057,855	49,259
Juvenile Detention	1,337,959	1,322,877	1,276,133	46,744
Justice Boot Camp	1,406,156	1,369,236	1,208,015	161,221
District Clerk	2,335,067	2,265,316	2,263,500	1,816
Child Support Division	48,926	45,024	40,106	4,918
Justice of the Peace 1-1	206,059	221,754	212,111	9,643
Justice of the Peace 1-2	221,019	238,368	234,757	3,611
Justice of the Peace 1-3	211,644	211,724	206,508	5,216
Justice of the Peace 2-1	233,645	253,840	253,520	320
Justice of the Peace 2-2	198,353	190,613	188,755	1,858
Justice of the Peace 3	156,832	160,072	159,896	176
Justice of the Peace 4	157,173	157,173	155,942	1,231
Justice of the Peace 5-1	198,019	204,059	203,177	882
Justice of the Peace 5-2	198,735	145,168	143,646	1,522
Medical Examiner	926,124	909,132	904,708	4,424
Total Administration of Justice	19,320,951	19,183,569	18,056,461	1,127,108

(Continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BANANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>LAW ENFORCEMENT &amp; CORRECTIONS</u>				
District Attorney	3,800,286	3,809,435	3,665,574	143,861
County Sheriff	5,262,882	5,245,297	5,149,033	96,264
Id Bureau	613,510	613,510	507,322	106,188
Jail	12,483,073	12,605,286	12,600,947	4,339
Constable 1	623,028	648,147	646,077	2,070
Constable 2	583,445	582,570	575,834	6,736
Constable 3	395,157	411,937	410,945	992
Constable 4	444,487	446,374	430,113	16,261
Constable 5	799,475	833,080	825,694	7,386
Total Law Enforcement & Corrections	<u>25,005,343</u>	<u>25,195,636</u>	<u>24,811,539</u>	<u>384,097</u>
<u>SOCIAL SERVICES</u>				
Social Services - Administration	870,165	802,964	791,962	11,002
Social Services - Social Services	576,307	558,307	555,125	3,182
Children Protective Services	107,699	95,733	67,777	27,956
Federal Emergency Management/United Way	-	-	-	-
Senior Community Services	846,320	835,250	771,213	64,037
Hilltop Community Services	45,894	45,894	45,398	496
Social Mental Services	153,714	153,714	121,369	32,345
Total Social Services	<u>2,600,099</u>	<u>2,491,862</u>	<u>2,352,844</u>	<u>139,018</u>
<u>HEALTH, SAFETY AND SANITATION</u>				
Emergency Services	399,800	437,726	412,926	24,800
Emergency Management	164,205	165,478	164,637	841
Emergency FEMA	-	-	-	-
911 Program	43,280	43,280	41,982	1,298
Code Enforcement	117,409	104,537	102,741	1,796
Animal Control	294,698	296,034	283,096	12,938
Total Health, Safety and Sanitation	<u>1,019,392</u>	<u>1,047,055</u>	<u>1,005,382</u>	<u>41,673</u>
<u>AGRICULTURE, EDUCATION &amp; CONSUMER SCIENCES</u>				
Agricultural Extension	240,772	252,037	249,341	2,696
Family & Consumer Sciences	84,662	84,662	74,526	10,136
County Library	392,212	393,561	385,509	8,052
Total Agriculture, Education & Consumer Sciences	<u>717,646</u>	<u>730,260</u>	<u>709,376</u>	<u>20,884</u>
<u>CAPITAL OUTLAY</u>				
Capital Outlay greater than \$5,000	580,000	579,609	513,987	65,622
Total Capital Outlay	<u>580,000</u>	<u>579,609</u>	<u>513,987</u>	<u>65,622</u>
Total Expenditures	<u>\$ 71,789,907</u>	<u>\$ 70,985,229</u>	<u>\$ 66,516,869</u>	<u>\$ 4,468,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,718,458)</u>	<u>(1,913,780)</u>	<u>4,714,605</u>	<u>6,628,385</u>

(continued)

**NUECES COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
For the Year Ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - to Actual GAAP Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>TRANSFERS</b>				
Transfers in from:				
Special Revenues Fund	1,335,121	1,335,121	1,302,198	(32,923)
Capital Projects Fund	100,000	100,000		(100,000)
TJPC Fund	-	-	200,000	200,000
Total transfers in	<u>1,435,121</u>	<u>1,435,121</u>	<u>1,502,198</u>	<u>67,077</u>
Transfers out to:				
Road Fund	(1,825,237)	(1,784,284)	(1,784,284)	-
Special Revenue Fund	(445,856)	(1,216,140)	(1,210,536)	5,604
Stadium Fairgrounds	(1,050,555)	(1,050,555)	(1,050,555)	-
Airport Fund	(60,000)	(60,000)	(60,000)	-
Inland Parks	(1,188,460)	(1,188,460)	(1,188,460)	-
Island Parks	(750,370)	(750,370)	(750,370)	-
Capital Projects	-	(75,347)	(75,347)	-
Main Grant Fund	-	-	-	-
TJPC Grant Fund	-	-	-	-
Total transfers out	<u>(5,320,478)</u>	<u>(6,125,156)</u>	<u>(6,119,552)</u>	<u>5,604</u>
Total other financing sources (uses)	<u>(3,885,357)</u>	<u>(4,690,035)</u>	<u>(4,617,354)</u>	<u>72,681</u>
Net change in fund balances	(6,603,815)	(6,603,815)	97,251	(6,701,066)
Fund balances - beginning	20,130,557	20,130,557	21,922,657	(1,792,100)
Fund balances - ending	<u>\$ 13,526,742</u>	<u>\$ 13,526,742</u>	<u>\$ 22,019,908</u>	<u>\$ (8,493,166)</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 1,028,000	\$ 1,028,000	\$ 1,216,734	\$ 188,734
Total revenues	<u>1,028,000</u>	<u>1,028,000</u>	<u>1,216,734</u>	<u>188,734</u>
<b>EXPENDITURES</b>				
Law Enforcement:				
Personnel services	59,394	64,712	60,403	4,309
Reserve appropriations	<u>5,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>65,000</u>	<u>64,712</u>	<u>60,403</u>	<u>4,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>963,000</u>	<u>963,288</u>	<u>1,156,331</u>	<u>193,043</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(963,000)</u>	<u>(963,000)</u>	<u>(963,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(963,000)</u>	<u>(963,000)</u>	<u>(963,000)</u>	<u>-</u>
Net change in fund balances	-	288	193,331	193,043
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ 193,331</u>	<u>\$ 193,043</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, 2012

	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,481,921
Investments	814,181
Receivables (net of allowance for uncollectibles)	<u>471,921</u>
Total assets	<u>3,768,023</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	<u>853,844</u>
Total current liabilities	853,844
Noncurrent liabilities	
Estimated claims liability	<u>1,585,821</u>
Total noncurrent liabilities	<u>1,585,821</u>
Total liabilities	<u>2,439,665</u>
<b>NET ASSETS</b>	
Total net assets - unrestricted	<u><u>\$ 1,328,358</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, 2012

	Governmental Activities - Internal Service Funds
Operating revenues:	
Premiums and reimbursements	\$ 8,545,527
Operating expenses:	
Benefit payments	5,774,075
Insurance premiums and bonds	1,926,426
Self-insurance claims	892,102
Administration	410,366
Total operating expenses	9,002,969
Operating income (loss)	(457,442)
Non-operating revenues:	
Investment income	10,958
Total non-operating revenue	10,958
Change in net assets	(446,484)
Total net assets - beginning	1,774,844
Total net assets - ending	\$ 1,328,360

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, 2012

	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 6,492,713
Receipts from employees	1,056,694
Receipts from other participants	499,482
Receipts from reimbursements and refunds	66,088
Payments for benefit claims	(5,772,833)
Payments for insurance and bond policies	(1,780,642)
Payments for administration	(410,366)
Payments for settlements and claims	(974,461)
	(823,325)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	37,566
Interest received	11,780
	49,346
 Net increase in cash and cash equivalents	 (773,979)
Cash and cash equivalents - beginning	3,255,902
Cash and cash equivalents - ending	\$ 2,481,923
 <b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income (loss)	\$ (457,442)
Adjustments to reconcile operating income to net cash provided:	
(Increase) decrease in accounts receivable	(461,033)
(Increase) decrease in due from other funds	-
Increase (decrease) in estimated claims liabilities	(82,360)
Increase (decrease) in deferred revenue	(16,751)
Increase (decrease) in accounts payable	147,027
Increase (decrease) in due to other insurance	47,234
Total adjustments	(365,883)
Net cash provided by operating activities	\$ (823,325)

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, 2012

	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 17,764,041
Due from other governments and agencies	-
Accounts receivable	987,675
Prepays	27,187
Total assets	\$ 18,778,903
<b>Liabilities</b>	
Accounts payable	\$ 13,997,853
Accrued payroll payable	267,152
Due to other governments and agencies	2,078,718
Funds held in escrow	2,435,180
Total liabilities	\$ 18,778,903

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



NUECES COUNTY, TEXAS  
Notes to the Financial Statements  
September 30, 2012

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

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

The Nueces County Mental Health and Mental Retardation Community Center dba MHMR of Nueces County (the “Center”), a unit of local government authorized by Section 534.001 of the Texas Health and Safety Code, began in May 1966, with the appointment of a nine-member Board of Trustees by the Nueces County Commissioner’s Court as authorized by the Texas Legislature by House Bill 3 of 1965. The Center provides various mental health and intellectual and developmental disability services to residents of the local area.

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 78401-0835

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

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

The Center's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments at August 31, 2012, primarily consist of investments in a governments and agency investment pool, certificates of deposit in local financial

institutions, and investments through Coastal Bend Community Foundation. Investments for the Center are reported at fair value. For investments in local government investments pools, the reported value of the pool is approximately 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, and any gain or loss on refundings 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 Equity**

Fund balance is divided into five classifications based primarily on the extent to which the county is bound to observe constraints imposed upon the use of the resources in the governmental funds. Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the county is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the commissioners court or state statute, commissioners court or a County official delegated that authority by commissioners' court.

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

#### County Fund Balance Policy

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County has in the past and plans to continue in the future its conservative approach to monitoring expenditures to ensure that fund balances stay strong at the 25% general fund policy level. Good management practices contributed toward the credit rating agencies deciding to reaffirm the County's "double A" ratings (AA+ and Aa2). As Standard & Poor's stated, "[Our] stable outlook also reflects our expectation that County officials will maintain reserve levels at a strong level. By a majority vote in a scheduled meeting of the Commissioners court, the Court may commit fund balances and it may modify or rescind these commitments. The Commissioners court may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds such as the County Judge.

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

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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	\$117,055,767
Premium (net)	2,201,958
Capital leases	143,995
Accrued interest payable	632,147
Compensated absences	<u>1,789,976</u>
Net adjustments to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$121,823,843</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 \$(7,446,913) difference are as follows:

Capital outlay	\$6,996,710
Depreciation expense	<u>(14,315,192)</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>\$ (7,318,482)</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 details of this \$(3,107) difference are as follows:

In the statement of activity, the loss on the disposal of capital assets is reported. However, in the governmental funds, the disposal does not change financial resources. Thus the change in net assets differs from the change in fund balance by the loss of the capital assets disposed.	<u>\$ (3,107)</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>\$ (3,107)</u>

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net 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 \$5,238,869 difference are as follows:

General obligation debt principle repayments	\$ 5,724,864
Issuance of debt – energy savings loan and refunding	(877,765)
Capital leases reconciliation	198,999
Loan star reconciliation	(17,240)
Amortization of issuance costs, premiums and deferred charges	<u>391,770</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at changes in <i>net assets of governmental activities</i>	<u>\$ 5,420,628</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 \$9,631 difference are as follows:

Change in compensated absences	\$ (52,150)
Accrued interest	<u>42,519</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at changes in <i>net assets of governmental activities</i>	<u>\$ (9,631)</u>

**III. Stewardship, compliance and accountability**

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

The County's investments are comprised of (U.S. Agencies), Federal Home Loan Bank, Federal Farm Credit Bank, and Fannie Mae and Freddie Mac bonds. Local government investment pools with ratings no lower than AAA or AAA – or an equivalent rating of at least one national recognized rating service. Currently the County is using one public

investment pool. This pool is the AAA Rated Texas Class, administered by Cutwater Investor Services Corporation with Wells Fargo as the custodian of funds. Texas Class is in compliance with the provisions of Texas Public Funds Investment Act.

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

	<u>Fair Value</u>	<u>Weighted Average Days to Maturity</u>
Government sponsored securities	\$19,153,404	726
Local government investment pools	16,528,835	1
Brokered Certificate of Deposits	<u>6,452,000</u>	<u>809</u>
Total	<u>\$49,051,658</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. House Bill 2226 (effective 6/17/2011) amends Section 2256.010(b) of the Government Code which allows the County to invest in certificate of deposit through a broker or depository institution. This allows the broker or depository institution to arrange investing for certificates of deposit in one or more federally insured depository institutions, wherever located. Currently the County is investing in brokered certificate of deposits.

**Concentration of credit risk**

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

**Interest rate risk**

In accordance with the County’s investment policy, the County manages exposure to declines in the fair market value by laddering its investment portfolio and by limiting its weighted average days to maturity to less than 365 days in the operating portfolio. 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 very close to being in compliance with our investment policy. Due to the low interest environment the County has been investing toward the lower end of the range of the ladder in order to reduce the interest rate risk.

### Component Units

The District's investment policies and types of investments are governed by the Texas Public Funds Investment Act ("PFIA"). The District's management believes that it has complied with the requirements of the PFIA and the District investment policies. At September 30, 2012, The District segmented time and distribution analysis of the portfolio by market sector is as follows, including the Health Benefit Trust:

Deposits of the Center at August 31, 2012, were fully insured with federal deposit insurance or collateralized with securities held by the Center, its agent, or by the pledging financial institution's department or agent in the name of the Center.

### Component Units

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

	Fair Value	Investment Maturities in Years	
		Less Than One Year	One to Four Years
U.S. Agency			
Federal Home Loan Mortgage Corporation	\$2,001,866	-	\$2,001,866
Federal Home Loan Bank	-	-	-
Government National Mortgage Association	475	-	475
AAA-Rated Local Govt			
Investment Pools:			
Texpool	15,631,648	15,631,648	-
Logic	17,272	17,272	-
TexStar	15,030,355	15,030,355	-
Money Market Mutual Funds	360,937	360,937	-
Collateralized Bank Accounts	215,005	215,005	-
Petty Cash	150	150	-
Total investments	<u>\$33,257,708</u>	<u>\$31,255,367</u>	<u>\$2,002,341</u>
% of Total Portfolio		93.98%	6.02%

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

### Credit risk

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

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

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

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

**Concentration of credit risk**

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

As of September 30, 2012, holdings in US Government securities with ratings of AAA represented 6.01% of the total portfolio. Investment in the State Treasurer’s local government investment pool, Texpool, represented 47.01% of the total portfolio. Investment in a second local government investment pool, LOGIC, represented .05% of the total portfolio. Investment in a third local government investment pool, TexStar, represented 45.19% of the total portfolio. Holdings in an AAA-rated money market mutual fund represented 1.09% of the total portfolio. The remaining .65% of the portfolio is invested in FDIC insured or fully collateralized bank deposits.

**Interest rate risk**

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

As of September 30, 2012, the portfolio contained two holdings in the portfolio with stated maturity dates beyond one year representing 6.03% of the total portfolio, and the weighted average of the combined portfolio was 32 days.

As of September 30, 2012, the portfolio contained one callable note and one Government National Mortgage Association pass through mortgage backed note with an original par value of \$100,000 and current market value of \$475 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, 2012, 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.

As of August 31, 2012 the Center has the following investments:

	<u>Fair Value</u>	<u>Cost</u>	<u>Weighted Average Maturity (Days)</u>
Investment through Coastal Bend Community Foundation	\$ 111,456	\$ 53,377	N/A
Total Investments	<u>\$ 111,456</u>	<u>\$ 53,377</u>	

The Center’s investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). These policies authorize the Center to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than “A” or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas, savings banks domiciled in Texas or state or federal credit unions domiciled in Texas; 6) fully collateralized repurchase agreements; and 7) other securities as described in the PFIA.

**Concentration of credit risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Center’s investment in a single issuer. 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**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer period are subject to increased risk of adverse interest rate changes. Center policy requires that the maturity of investments correspond to anticipated cash flows. The maximum allowable stated maturity of any individual investment owned by the Center shall not exceed three years.

**B. Receivables**

*Primary Government*

Receivables as of September 30, 2012 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	\$ 3,173,313	\$ 2,419,139	\$ -	\$ 5,592,452
Debt service	630,932	3,033	-	633,965
U.S. marshal	-	9,445,361	-	9,445,361
Capital projects fund	-	6,397	-	6,397
Nonmajor funds	68,740	574,938	3,428,521	4,072,199
Internal service fund	<u>-</u>	<u>471,921</u>	<u>-</u>	<u>471,921</u>
Total – governmental activities	3,872,985	12,920,789	3,428,521	20,222,295
Less:				
Allowance for uncollectible taxes	<u>(3,575,360)</u>	<u>-</u>	<u>-</u>	<u>(3,575,360)</u>
Total – governmental activities, net	<u>\$ 297,625</u>	<u>\$ 12,920,789</u>	<u>\$ 3,428,521</u>	<u>\$ 16,646,935</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	\$238,663	\$ -
Delinquent property taxes receivable (debt service fund) net	47,454	-
Delinquent property taxes receivable (road fund) net	11,507	-
Grant advances prior to meeting all eligibility requirements	-	813,837
Miscellaneous prepayments	<u>-</u>	<u>5,151</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 297,624</u>	<u>\$ 818,988</u>

Component units

	<u>District</u> As of September 30	<u>Center</u> As of August 31
Receivables:		
Accounts	\$ -	\$ 247,175
Taxes	1,915,053	-
Receivable other governments	-	936,287
Other receivables	896,518	-
Hospital lease receivable	<u>15,118,214</u>	-
Gross receivables	17,929,785	1,183,462
Less: allowance for uncollectibles	<u>( 941,441)</u>	-
Net total receivables	<u>\$16,988,344</u>	<u>\$1,183,462</u>

**C. Capital Assets**

*Primary Government*

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Completed Projects	Retirements	Adjustment	Ending Balance
<b>Governmental activities:</b>						
Capital assets not being depreciated:						
Land	\$ 6,090,433	\$ -	\$ -	\$ -	-	\$ 6,090,433
Construction in progress	<u>32,650,855</u>	<u>5,300,499</u>	<u>(21,497,971)</u>	-	-	<u>16,453,383</u>
Total capital assets, not being depreciated	<u>38,741,288</u>	<u>5,300,499</u>	<u>(21,497,971)</u>	-	-	<u>22,543,816</u>
Capital assets being depreciated:						
Buildings and improvements	153,740,981	94,591	17,997,454	-	5,679	171,838,705
Furniture, equipment and machinery	25,845,652	1,473,189	201,455	(1,070,813)	467,892	26,917,375
Software	527,776	-	-	-	-	527,776
Infrastructure	<u>174,035,253</u>	-	<u>3,299,062</u>	-	-	<u>177,334,315</u>
Total capital assets, being depreciated	354,149,662	1,567,780	21,497,971	(1,070,813)	473,571	376,618,171
Less accumulated depreciation for:						
Building and improvements	(62,706,567)	(5,064,139)	-	-	-	(67,770,706)
Furniture, equipment and machinery	(15,889,576)	(1,672,607)	-	1,070,813	-	(16,491,370)
Software	(42,964)	(87,963)	-	-	-	(130,927)
Infrastructure	<u>(99,376,549)</u>	<u>(7,490,484)</u>	-	-	-	<u>(106,867,033)</u>
Total accumulated depreciation	<u>(178,015,655)</u>	<u>(14,315,192)</u>	-	<u>1,070,813</u>	-	<u>(191,260,035)</u>
Total capital assets, being depreciated, net	<u>176,134,007</u>	<u>(12,747,412)</u>	-	-	-	<u>185,358,136</u>
Governmental activities capital assets, net	<u>214,875,295</u>	<u>( 7,446,913)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,571</u>	<u>\$207,901,952</u>

Depreciation expense for the year ended September 30, 2012 was charged to functions/programs of the County as follows:

Governmental activities:	FY 2012	FY 2011	Increase (Decrease)
General government	\$ 285,421	\$ 767,191	\$ (481,770)
Buildings and facilities	2,061,118	1,845,726	215,392
Administration of justice	554,443	497,841	56,602
Law enforcement and corrections	1,225,782	1,460,332	(234,550)
Health, safety and sanitation	128,888	112,248	16,640
Social services	39,833	40,409	(576)
Agriculture, education and consumer sciences	47,123	50,701	(3,578)
Roads, bridges and transportation	8,066,774	7,676,859	389,915
Parks and recreation	<u>1,905,810</u>	<u>1,844,770</u>	<u>61,040</u>
Total depreciation expense – governmental activities	<u>\$ 14,315,192</u>	<u>\$ 14,296,077</u>	<u>\$ 19,115</u>

At September 30, 2012 the County's construction commitments are as follows:

Project Description	Project Budget	Balance
Fairgrounds Improvements	\$ 7,601,981	\$ 235,974
Information Technology Systems & Upgrades	10,253,107	3,491,287
Jail Renovations	2,060,517	72,847
Juvenile Justice Center Renovations	1,318,291	343,281

Several projects were completed during the year and have been put into service in the amount of \$21,497,971. There is approximately \$2,324,786 available to begin new projects.

#### Component units

Capital assets activity for the District for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Decreases	Ending Balance
<b>Governmental activities</b>				
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	1,301,135	25,826	-	1,326,961
Buildings Leased to Spohn	28,073,023	-	-	28,073,023
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, being depreciated:	<u>29,374,158</u>	<u>25,826</u>	<u>-</u>	<u>29,299,984</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Furniture, equipment and machinery	(888,973)	(88,906)	-	(977,879)
Buildings Leased to Spohn	<u>(21,300,512)</u>	<u>(430,340)</u>	<u>-</u>	<u>(21,730,852)</u>
Total accumulated depreciation	<u>(22,189,484)</u>	<u>(519,246)</u>	<u>-</u>	<u>(22,708,731)</u>
Total capital assets, being depreciated, net	<u>7,184,673</u>	<u>(493,420)</u>	<u>-</u>	<u>6,691,253</u>
Governmental activities capital assets, net	<u>\$10,261,599</u>	<u>(493,420)</u>	<u>-</u>	<u>\$9,768,179</u>



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

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 438,358	\$ -	\$ -	\$ 438,358
Construction in progress	<u>10,500</u>	<u>-</u>	<u>10,500</u>	<u>-</u>
Total capital assets, not being depreciated	<u>448,858</u>	<u>-</u>	<u>(10,500)</u>	<u>438,358</u>
Capital assets being depreciated:				
Buildings and improvements	5,844,136	44,243	(10,500)	5,898,879
Furniture, equipment and machinery	1,845,960	5,873	168,169	1,683,664
Vehicles	<u>85,340</u>	<u>62,402</u>	<u>0</u>	<u>647,742</u>
Total capital assets, being depreciated	8,275,436	112,518	(157,667)	8,230,285
Less: accumulated depreciation	<u>(5,158,693)</u>	<u>(394,427)</u>	<u>167,971</u>	<u>(5,385,149)</u>
Governmental activities capital assets, net	<u>\$ 3,565,601</u>	<u>\$ (281,909)</u>	<u>\$ (198)</u>	<u>\$3,283,494</u>

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

The composition of interfund balances as of September 30, 2012, is as follows:

##### Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Main Grant fund (Long Term)	\$1,751,000
Expense fund (General fund)	Expense (Utilities fund)	<u>287,925</u>
	Subtotal	<u>2,038,925</u>
Capital Projects (1915)	Main Grant fund	<u>1,594,914</u>
	Subtotal	<u>1,594,914</u>
Payroll fund(General fund)	Payroll fund(General fund)	1,630
Payroll fund(General fund)	General fund	1,883
Expense fund (General fund)	Payroll fund(General fund)	59,315
Expense fund (General fund)	General fund	202,139
Expense fund (General fund)	Road fund	5,671
Expense fund (General fund)	Special Revenue fund	14,873
Expense fund (General fund)	Stadium/Fairgrounds fund	55,595
Expense fund (General fund)	Law Library fund	6,321
Expense fund (General fund)	Airport fund	225
Expense fund (General fund)	Inland Parks fund	1,470
Expense fund (General fund)	Coastal Parks fund	5,676
Expense fund (General fund)	Main Grant fund	31,130
General fund	Payroll fund (General fund)	1
General fund	Expense fund (General fund)	806,574
General fund	Jury fund (General fund)	24,129
General fund	Special Revenue fund	350,000
General fund	Coastal Parks fund	27,413
General fund	Capital Projects (1917)	6,495
General fund	Main Grant fund	271,961
Special Revenue fund	Payroll fund(General fund)	254
Special Revenue fund	Expense fund (General fund)	2,747
Special Revenue fund	Special Revenue fund	<u>1,591,107</u>
	Subtotal	<u>3,466,609</u>
Coastal Parks fund	Special Revenue fund	12,289
Main Grant fund	Capital Projects(1915)	<u>71,893</u>
	Subtotal	<u>84,182</u>
Total due to/from other funds		<u>\$7,184,630</u>

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

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

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

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

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government – general fund	Component unit – district	<u>\$102,768</u>

**Interfund transfers:**

	<u>Transfers in:</u>				Total
	General Fund	US Marshal Contract	Capital Projects	Nonmajor Governmental	
Transfers out:					
General fund	\$ -	\$ -	\$74,950	6,044,602	\$6,119,552
Capital projects	-	-	-	60,755	60,755
Nonmajor governmental	<u>1,502,198</u>	-	-	<u>1,095,556</u>	<u>2,597,754</u>
Total transfers out	<u>\$1,502,198</u>	<u>\$ -</u>	<u>\$74,950</u>	<u>\$7,200,913</u>	<u>\$8,778,061</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 at 9/30/12 has entered 2 capital leases agreements for the purchase of heavy equipment, the amount capitalized is \$349,813. Payments for the equipment during the fiscal year are \$113,679 and \$92,139 totaled \$205,818. Payments include interest at a rate of 3.20% and 3.75% respectively per annum.

*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.

A schedule of minimum future rentals to be received on the non-cancelable operating lease related to the real estate as of September 30, 2012, for each of the next five years and in the aggregate is as follows:

For the Year Ended September 30:	<u>TOTAL</u>
2013	3,367,614
2014	3,367,614
2015	3,367,614
2016	3,367,614
2017	3,367,614
Thereafter	<u>30,308,522</u>
Minimum Future Lease Payments	<u>\$47,146,592</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
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
2016	820,620	880,677	1,701,297
2017	878,218	823,097	1,701,315
Thereafter	<u>11,266,559</u>	<u>4,045,309</u>	<u>15,311,868</u>
Minimum Future Lease Payments	<u>\$15,118,214</u>	<u>\$8,700,214</u>	<u>\$23,818,428</u>

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.

#### Center

The Center is obligated under capital leases for certain equipment as of August 31, 2012. Assets under capital lease are recorded as equipment with a total cost of \$102,242 and accumulated depreciation of \$51,350 at August 31, 2012. The estimated rental commitments under existing non-cancelable operating lease agreements are not considered to be material to the financial statements.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the future minimum capital lease payments as of August 31, 2012:

For the Year Ended August 31:	<u>TOTAL</u>
2013	21,764
2014	15,494
2015	11,827
2016	6,645
2017	928
Thereafter	<u>0</u>
Total minimum lease payments	<u>56,658</u>
Less amount representing interest	<u>(6,586)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 50,072</u>

Interest rates on capital leases range from 6.36% to 18.19% and maturity dates range from March 28, 2013 to October 31, 2016. Capital leases are secured by the equipment purchased.

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

The following items comprise the county's outstanding general obligation debt at September 30, 2012.

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Bonds Outstanding</u>
Combination Tax and Revenue Certificates of Obligation, Series 2004	3.00%-5.00%	2004	2026	7,850,000
LoanStar Revolving Loan Program	3.00%	2004	2016	471,737
Combination Tax and Revenue Certificates of Obligation, Series 2007	4.00%-5.00%	2007	2027	33,705,000
General Obligation Refunding Bonds, Series 2010	3.00%	2010	2022	41,480,000
State Energy Conservation Office LoanStar Revolving Program Loan	2.00 %	2012	2027	7,804,030
General Obligation Refunding Bonds, Series 2012	3.00%-5.00%	2012	2026	<u>25,745,000</u>
Sub - total general obligation debt				117,055,767
Premium on debt (net)				<u>2,201,958</u>
Total general obligation debt at September 30, 2012				<u>\$119,257,725</u>

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. This particular Certificate of Obligation was refunded through General Obligation Refunding Bonds, Series 2010 and the balance on the Series 2002 has been paid out this fiscal year.

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

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

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

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

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

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

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

<u>Governmental Activities</u>			
Fiscal Year Ending September 30	Principal	Interest	Total Debt Service Requirements
2013	\$ 6,031,337	4,923,149	\$ 10,954,486
2014	6,419,917	4,639,569	11,059,486
2015	6,713,813	4,387,417	11,101,230
2016	7,184,604	4,112,521	11,297,125
2017	7,556,842	3,794,950	11,351,792
2018-2022	40,377,909	13,791,342	54,169,251
2023-2026	34,643,287	4,241,549	38,884,836
2027	<u>8,128,058</u>	<u>179,019</u>	<u>8,307,077</u>
Totals	<u>\$117,055,767</u>	<u>\$40,069,516</u>	<u>\$157,125,283</u>

<u>Changes in Long-term Liabilities</u>					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities:					
General obligation debt	\$124,496,594	\$877,765	(\$6,116,634)	119,257,725	\$6,031,337
Capital Leases	0	143,995	0	143,995	143,995
Compensated absences	1,737,826	3,288,669	(3,236,519)	1,789,976	100,000
General liability claims	1,661,653	400,000	(475,832)	1,585,821	475,000
Judgments and other claims	<u>646,010</u>	<u>845,069</u>	<u>(283,336)</u>	<u>1,207,743</u>	<u>110,000</u>
Totals	<u>\$128,542,083</u>	<u>\$5,555,498</u>	<u>\$(10,112,321)</u>	<u>\$123,985,260</u>	<u>\$6,860,332</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 an assigned cash account for making debt payments. The balance of this account is \$472,466 at September 30, 2012. The District had sufficient cash and cash equivalents at year end to cover current maturities of bonds payable.

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

Fiscal Year Ending <u>September 30,</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$5,230,00</u>	<u>\$426,095</u>	<u>\$5,656,095</u>

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Bonds:</b>					
Limited Tax Refunding Bonds, Series 2003	\$6,845,000	\$ -	\$1,615,000	\$ 5,230,000	\$1,675,000
Premium	(394)	-	158	(236)	-
Deferred Loss on Refunding	<u>(48,864)</u>	<u>-</u>	<u>19,688</u>	<u>(29,176)</u>	<u>-</u>
Total Bonds	\$ 6,795,742	\$ -	\$1,634,846	\$5,200,588	\$1,675,000
<b>Other Liabilities:</b>					
Accrued Paid Time Off	<u>66,900</u>	<u>148,270</u>	<u>143,933</u>	<u>71,237</u>	<u>-</u>
Total	<u>\$ 6,862,642</u>	<u>\$ 148,270</u>	<u>\$1,778,779</u>	<u>\$5,271,825</u>	<u>\$1,675,000</u>

Center

On October 31, 2001, the Center entered into a loan agreement with Bank of America, N.A. for the acquisition of real property located at 3733 South Port in Corpus Christi, Texas. The original loan in the amount of \$500,000 calls for monthly installments of \$4,242 beginning November 30, 2001 and thereafter each month until final maturity on October 31, 2016. The note bears an interest rate of 6.0%. The note is secured by the real estate purchased.

Debt service requirements to maturity for the note payable are summarized as follows:

Fiscal Year <u>Ending August 31,</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	40,681	10,228	50,909
2014	43,226	7,683	50,909
2015	45,929	4,980	50,909
2016	48,797	2,113	50,909
2017	<u>8,013</u>	<u>61</u>	<u>8,074</u>
Total	<u>\$186,646</u>	<u>\$25,064</u>	<u>\$211,710</u>

Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Balance	One Year
Governmental Activities					
Compensated absences	\$414,363	\$ 415,878	\$ (415,958)	\$ -	\$ -
Capital lease obligation	70,139	-	(20,067)	50,072	18,502
Notes payable	<u>224,898</u>	<u>-</u>	<u>(38,252)</u>	<u>186,646</u>	<u>40,681</u>
Total	<u>\$690,317</u>	<u>\$ 415,878</u>	<u>\$ (474,277)</u>	<u>\$ 631,918</u>	<u>\$ 454,383</u>

Interest expense for the year ended August 31, 2012, was \$17,633.

**G. Fund balance by designations**

Fund Balances – GASB 54

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the total governmental funds are presented as follows:

<b>Fund balances:</b>	<b><u>Amount</u></b>
<b>Nonspendable:</b>	
Inventory	\$106,605
Prepays	380,511
<b>Restricted for:</b>	
Debt service reserve	3,945,987
U.S. Marshall contract	192,714
<b>Committed to:</b>	
Capital projects	12,002,482
Policy on minimum reserves	17,626,642
<b>Assigned to:</b>	
Road & Bridges	2,076,261
Stadium & Fairgrounds	428,514
Law Library	294,831
Airport	32,997
Inland Parks	320,852
Coastal Parks	1,129,427
Commissioners Precinct	584,492
Commissioners Court	2,064,839
County Attorney	115,283
County Clerk	2,870,510
Tax Assessor Collector	97,823
Juvenile Programs	80,315
District Attorney	226,566
District Clerk	6,938
County Sheriff	406,982
Asset Forfeiture	1,263,600
Law Enforcement Education	28,840
Social Services	31,662
Community Health Program	467,898
Parks & Recreation	172,286
Library	1,865
<b>Unassigned:</b>	3,993,232
Total fund balances	\$50,950,953

**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 \$300,000 per individual with unlimited maximum lifetime coverage is kept in force. In addition, the County maintains aggregate coverage of its group health expenses of 125% of projected claims. There have been six claims that have exceeded the individual stop loss in the past six 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 9/30/11</u>	<u>General Liability 9/30/12</u>
Unpaid claims, beginning of fiscal year	\$1,662,174	\$1,661,654
Incurred claims and changes in estimates	-	400,000
Claim payments:	<u>(521)</u>	<u>(475,833)</u>
Unpaid claims, end of fiscal year	<u>\$1,661,653</u>	<u>\$1,585,821</u>



## *Component units*

### Risk Management

The Center is exposed to various risks of loss related to general liability; torts; theft of, damage to, and destruction of assets, errors and omission; injuries to employees; doctors' malpractice; and natural disasters. During fiscal year 2012, the Center was covered by insurance for these various risks at a cost it considered to be economically justifiable. The Center has entered into an agreement with the Texas Council Risk Management Fund (TCRMF), a public entity risk pool which operates as a common risk management and insurance program for members of the Texas Council of Community Centers. The agreement provides that the trust established by TCRMF will be self-sustaining through member premiums. The Center pays an annual premium to TCRMF for workers' compensation, general and auto liability, and property insurance coverage. 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.

### **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 \$1,661,654 has been established in the internal service fund. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney and legal counsel for the Commissioners court the resolution of these matters will not have a material adverse effect on the financial condition of the County.

### **C. Employee retirement systems and pension plans**

#### *Primary government – pension plan*

#### Texas County and District Retirement System

##### 1. Plan Description

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

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

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

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

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

##### 2. Funding Policy.

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 9.91% for the months of the fiscal year in 2011, and 10.78% for the months of the fiscal year in 2012.

The County's contribution rate payable by the employee members for calendar year 2011 was 9.91% and for 2012 is 10.78% 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, 2012, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$8,284,654.

The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 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, 2011 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, 2009 and December 31, 2010, the basis for determining the contributions rates for calendar years 2011 and 2012. The December 31, 2011 actuarial valuation is the most recent valuation.

#### Actuarial Valuation Information

Plan year	2011	2012	-
Actuarial valuation date	12/31/2009	12/31/2010	12/31/2011
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	19.8	20	20
Asset valuation method	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value	SAF:10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.30%	5.40%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

(1) Includes inflation at the stated rate.

#### Trend Information on Annual Pension Cost

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

As of December 31, 2011, the most recent actuarial valuation date, the plan was 86.25% funded. The actuarial accrued liability for benefits was \$200,756,977, and the actuarial value of assets was \$173,144,312, resulting in an unfunded (or overfunded) actuarial accrued liability (UAAL) (or OAAL) of \$27,612,655. The covered payroll (annual payroll of active employees covered by the plan) was \$48,004,309 and the ratio of the UAAL (or OAAL) to the covered payroll was 57.52%.

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, 2012, twenty-six 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, 2012 the District had retirement plan expenses of \$69,355.

Center

The Center maintains a 401(a) defined contribution money purchase pension plan for the benefit of eligible employees and their beneficiaries. The name of the plan is MHMR of Nueces County Retirement Plan and Trust. The Center contributes to the plan 6% of each covered employee's compensation for the year. These contributions are used to purchase investments on behalf of eligible Center employees. The employee may elect to contribute up to 10% of their post tax compensation. Eligible employees are full-time employees with 1,000 hours of service to the Center within a consecutive period. Employees vest in the Center's contributions to the plan on their behalf over a six-year period as follows:

<u>Years of Service</u>	<u>Percentage</u>
0-2 Years	0%
2-3 Years	20%
3-4 Years	40%
4-5 Years	60%
5-6 Years	80%
6+ Years	100%

The required contribution by the Center for the fiscal year ending August 31, 2012 was \$354,765, and the actual Center contribution was \$354,765. Employer contributions were reduced by forfeited non-vested accounts in the amount of \$39,014 for the fiscal year ending August 31, 2012. Employee contributions to the plan were \$84,308.

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 Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2005	136,173,277	147,139,665	10,966,388	92.55%	37,986,413	28.87%
12/31/2006	151,103,448	155,908,067	4,804,619	96.92%	41,214,894	11.66%
12/31/2007	160,072,306	164,375,875	4,303,569	97.38%	43,878,982	9.81%
12/31/2008	151,965,650	171,125,385	19,159,735	88.80%	44,839,036	42.73%
12/31/2009	165,369,459	183,680,265	18,310,806	90.03%	46,586,120	39.31%
12/31/2010	168,327,648	190,954,154	22,626,506	88.15%	47,503,849	47.63%
12/31/2011	173,144,312	200,756,977	27,612,665	86.25%	48,004,309	57.52%

# SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds  
Internal Service Funds  
Fiduciary Funds



## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Road Fund	Stadium & Fairgrounds	Law Library	Airport	Inland Parks
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,724,055	\$ 544,839	\$ 173,590	\$ 35,403	\$ 389,113
Investments	716,421	-	131,678	-	-
Receivable (net)	931	2,446	171	4,395	-
Due from other funds	-	-	-	-	-
Prepays	25,365	-	768	384	5,570
Inventories, at cost	19,943	-	-	7,154	657
	<u>2,486,715</u>	<u>547,285</u>	<u>306,207</u>	<u>47,336</u>	<u>395,340</u>
<b>LIABILITIES</b>					
Accounts payable	237,109	62,411	3,064	4,117	22,492
Accrued payroll payable	113,588	-	1,223	-	25,794
Due to other funds	14,450	56,360	6,321	718	19,975
Deferred revenues	-	-	-	1,965	-
Other liabilities	-	-	-	-	-
	<u>365,147</u>	<u>118,771</u>	<u>10,608</u>	<u>6,800</u>	<u>68,261</u>
<b>FUND BALANCES</b>					
Nonspendable	45,308	-	776	7,538	6,226
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,076,260	428,514	294,823	32,998	320,853
Unassigned	-	-	-	-	-
	<u>2,121,568</u>	<u>428,514</u>	<u>295,599</u>	<u>40,536</u>	<u>327,079</u>
Total liabilities and fund balances	<u>\$ 2,486,715</u>	<u>\$ 547,285</u>	<u>\$ 306,207</u>	<u>\$ 47,336</u>	<u>\$ 395,340</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Special Revenues Fund					
	Coastal Parks	Commissioners Precinct Funds		Commissioners Court Funds	County Attorney Funds	County Clerk Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 584,072	\$ 646,861	\$ 23,674	\$ 115,764	\$ 2,710,177	
Investments	714,010	-	4,625,658	-	252,466	
Receivable (net)	94,964	-	343,472	-	328	
Due from other funds	12,289	-	2,747	-	254	
Prepays	5,260	-	3,733	-	649	
Inventories, at cost	13,051	-	-	-	-	
<b>Total assets</b>	<u>1,423,646</u>	<u>646,861</u>	<u>4,999,284</u>	<u>115,764</u>	<u>2,963,874</u>	
<b>LIABILITIES</b>						
Accounts payable	197,493	62,369	177,615	116	77,729	
Accrued payroll payable	25,822	-	15,689	365	4,896	
Due to other funds	52,593	-	1,539,734	-	10,090	
Deferred revenues	-	-	-	-	-	
Other liabilities	-	-	1,197,674	-	-	
<b>Total liabilities</b>	<u>275,908</u>	<u>62,369</u>	<u>2,930,712</u>	<u>481</u>	<u>92,715</u>	
<b>FUND BALANCES</b>						
Nonspendable	20,110	-	3,733	-	649	
Restricted	-	-	-	-	-	
Committed	-	-	-	-	-	
Assigned	1,127,628	584,492	2,064,839	115,283	2,870,510	
Unassigned	-	-	-	-	-	
<b>Total fund balances</b>	<u>1,147,738</u>	<u>584,492</u>	<u>2,068,572</u>	<u>115,283</u>	<u>2,871,159</u>	
<b>Total liabilities and fund balances</b>	<u>\$ 1,423,646</u>	<u>\$ 646,861</u>	<u>\$ 4,999,284</u>	<u>\$ 115,764</u>	<u>\$ 2,963,874</u>	

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Special Revenues Fund				
	Tax Assessor Collector Funds	Juvenile Programs	District Attorney Funds	District Clerk Funds	County Sheriff Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 382,628	\$ -	\$ 230,231	\$ 6,938	\$ 406,892
Investments	-	514,811	-	-	-
Receivable (net)	10,635	66,771	80	-	48,824
Due from other funds	1,591,107	-	-	-	-
Prepays	31	-	2,435	182	-
Inventories, at cost	-	-	-	-	-
<b>Total assets</b>	<u>1,984,401</u>	<u>581,582</u>	<u>232,746</u>	<u>7,120</u>	<u>455,716</u>
<b>LIABILITIES</b>					
Accounts payable	1,883,953	87,605	2,511	-	45,165
Accrued payroll payable	2,594	-	1,234	-	-
Due to other funds	-	413,662	-	-	3,570
Deferred revenues	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<u>1,886,547</u>	<u>501,267</u>	<u>3,745</u>	<u>-</u>	<u>48,735</u>
<b>FUND BALANCES</b>					
Nonspendable	31	-	2,435	182	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	97,823	80,315	226,566	6,938	406,981
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>97,854</u>	<u>80,315</u>	<u>229,001</u>	<u>7,120</u>	<u>406,981</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,984,401</u>	<u>\$ 581,582</u>	<u>\$ 232,746</u>	<u>\$ 7,120</u>	<u>\$ 455,716</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	Special Revenues Fund				
	Asset Forfeiture Funds	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,088,772	\$ 28,866	\$ 38,914	\$ 146,946	\$ 184,351
Investments	213,577	-	-	320,366	-
Receivable (net)	864	-	-	586	460
Due from other funds	-	-	-	-	-
Prepays	1,282	-	-	-	-
Inventories, at cost	-	-	-	-	-
<b>Total assets</b>	<u>1,304,495</u>	<u>28,866</u>	<u>38,914</u>	<u>467,898</u>	<u>184,811</u>
<b>LIABILITIES</b>					
Accounts payable	38,563	-	6,064	-	12,525
Accrued payroll payable	1,051	-	-	-	-
Due to other funds	-	26	1,188	-	-
Deferred revenues	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<u>39,614</u>	<u>26</u>	<u>7,252</u>	<u>-</u>	<u>12,525</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,264,881	28,840	31,662	467,898	172,286
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>1,264,881</u>	<u>28,840</u>	<u>31,662</u>	<u>467,898</u>	<u>172,286</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,304,495</u>	<u>\$ 28,866</u>	<u>\$ 38,914</u>	<u>\$ 467,898</u>	<u>\$ 184,811</u>

**NUECES COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012**

	<u>Special Revenues Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	Library Funds	Grants	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,854	\$ 2,052,973	\$ 11,518,914
Investments	-	-	7,488,987
Receivable (net)	11	3,428,521	4,003,459
Due from other funds	-	71,893	1,678,290
Prepays	-	13,960	59,619
Inventories, at cost	-	-	40,805
	<u>3,865</u>	<u>5,567,347</u>	<u>24,790,073</u>
<b>LIABILITIES</b>			
Accounts payable	2,000	1,049,654	3,972,555
Accrued payroll payable	-	54,852	247,108
Due to other funds	-	1,898,004	4,016,691
Deferred revenues	-	813,837	815,802
Other liabilities	-	1,751,000	2,948,674
	<u>2,000</u>	<u>5,567,347</u>	<u>12,000,830</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	86,988
Restricted	-	-	-
Committed	-	-	-
Assigned	1,865	-	12,702,255
Unassigned	-	-	-
	<u>1,865</u>	<u>-</u>	<u>12,789,243</u>
Total liabilities and fund balances	<u>\$ 3,865</u>	<u>\$ 5,567,347</u>	<u>\$ 24,790,073</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2012**

	Road Fund	Stadium & Fairgrounds	Law Library	Airport	Inland Parks
<b>REVENUES</b>					
Property taxes	\$ 785,740	\$ -	\$ -	\$ -	\$ -
Other taxes	758	-	-	-	-
Fees of office	-	-	181,641	-	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	2,788,918	-	-	-	-
Intergovernmental revenues	1,207,675	-	-	708	-
Charges for services	-	-	650	-	-
Investment income	13,396	1,365	1,093	91	1,498
Rentals and commissions	-	77,676	780	55,593	-
Miscellaneous revenue	27,283	-	2,458	21,010	3,500
	<u>4,823,770</u>	<u>79,041</u>	<u>186,622</u>	<u>77,402</u>	<u>4,998</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Buildings and facilities	-	-	-	-	-
Administration of justice	-	-	179,134	-	-
Law enforcement and corrections	-	-	-	-	-
Social services	-	-	-	-	-
Health, safety and sanitation	-	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	6,393,703	-	-	104,627	-
Parks and recreation	-	1,083,197	-	-	1,055,190
Capital outlay	439,887	6,196	-	-	24,664
	<u>6,833,590</u>	<u>1,089,393</u>	<u>179,134</u>	<u>104,627</u>	<u>1,079,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,009,820)</u>	<u>(1,010,352)</u>	<u>7,488</u>	<u>(27,225)</u>	<u>(1,074,856)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,784,284	1,050,555	-	73,000	1,188,460
Transfers out	(673,049)	-	-	(2,173)	-
Sale of capital assets	28,028	-	-	-	-
	<u>1,139,263</u>	<u>1,050,555</u>	<u>-</u>	<u>70,827</u>	<u>1,188,460</u>
Net change in fund balances	(870,557)	40,203	7,488	43,602	113,604
Fund balances - beginning	2,992,126	388,311	288,111	(3,067)	213,475
Fund balances - ending	<u>\$ 2,121,569</u>	<u>\$ 428,514</u>	<u>\$ 295,599</u>	<u>\$ 40,535</u>	<u>\$ 327,079</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2012**

	Special Revenues Fund				
	Coastal Parks	Commissioners Precinct Funds	Commissioners Court Funds	County Attorney Funds	County Clerk Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	-	535,742	-	505,147
Fines and forfeitures	-	-	3,893	-	-
Licenses and permits	219,084	-	3,105	-	-
Intergovernmental revenues	92,387	-	323,520	125,000	27,523
Charges for services	-	-	-	-	-
Investment income	4,811	-	27,105	-	-
Rentals and commissions	777,173	-	9,540	-	-
Miscellaneous revenue	10,689	15,944	52,118	-	-
<b>Total revenues</b>	<b>1,104,144</b>	<b>15,944</b>	<b>955,023</b>	<b>125,000</b>	<b>532,670</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	245,162	62,171	60,395	242,847
Buildings and facilities	-	-	171,311	-	-
Administration of justice	-	-	554,261	-	-
Law enforcement and corrections	-	-	189	-	-
Social services	-	-	27,163	-	-
Health, safety and sanitation	-	-	19,228	-	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	-	-	42,824	-	-
Parks and recreation	1,837,947	12,110	-	-	-
Capital outlay	115,589	-	-	-	72,649
<b>Total expenditures</b>	<b>1,953,536</b>	<b>257,272</b>	<b>877,147</b>	<b>60,395</b>	<b>315,496</b>
Excess (deficiency) of revenues over (under) expenditures	(849,392)	(241,328)	77,876	64,605	217,174
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	750,370	812,050	1,225,695	-	-
Transfers out	(47,672)	-	(468,784)	-	(85,117)
Sale of capital assets	12,289	-	46,472	-	-
<b>Total other financing sources and (uses)</b>	<b>714,987</b>	<b>812,050</b>	<b>803,383</b>	<b>-</b>	<b>(85,117)</b>
<b>Net change in fund balances</b>	<b>(134,405)</b>	<b>570,722</b>	<b>881,259</b>	<b>64,605</b>	<b>132,057</b>
Fund balances - beginning	1,282,143	13,770	1,187,313	50,678	2,739,102
Fund balances - ending	<u>\$ 1,147,738</u>	<u>\$ 584,492</u>	<u>\$ 2,068,572</u>	<u>\$ 115,283</u>	<u>\$ 2,871,159</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2012**

Special Revenues Fund

	Tax Assessor Collector Funds	Juvenile Programs	District Attorney Funds	District Clerk Funds	County Sheriff Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	-	28,831	35,859	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	51,736	658,767	4,480	-	-
Charges for services	-	8,634	330,512	-	-
Investment income	1,209	750	-	-	42
Rentals and commissions	-	-	-	-	5,200
Miscellaneous revenue	-	4,008	-	107	430,708
	<u>52,945</u>	<u>672,159</u>	<u>363,823</u>	<u>35,966</u>	<u>435,950</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	69,874	-	-	-	-
Buildings and facilities	-	-	-	-	-
Administration of justice	-	633,752	355,149	12,848	-
Law enforcement and corrections	-	-	-	-	324,576
Social services	-	-	-	-	-
Health, safety and sanitation	-	-	-	-	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	-	26,744	-	-	127,381
	<u>69,874</u>	<u>660,496</u>	<u>355,149</u>	<u>12,848</u>	<u>451,957</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(16,929)</u>	<u>11,663</u>	<u>8,674</u>	<u>23,118</u>	<u>(16,007)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	8,635	-	-	-
Transfers out	-	(3,889)	(100,000)	(16,000)	-
Sale of capital assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)					
	<u>-</u>	<u>4,746</u>	<u>(100,000)</u>	<u>(16,000)</u>	<u>-</u>
Net change in fund balances	(16,929)	16,409	(91,326)	7,118	(16,007)
Fund balances - beginning	114,783	63,906	320,327	2	422,989
Fund balances - ending	<u>\$ 97,854</u>	<u>\$ 80,315</u>	<u>\$ 229,001</u>	<u>\$ 7,120</u>	<u>\$ 406,982</u>



**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2012**

	Special Revenues Fund				
	Asset Forfeitures Funds	Law Enforcement Education	Social Services Funds	Community Health Programs	Parks & Recreation Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Fees of office	-	-	-	6,170	-
Fines and forfeitures	415,282	-	-	-	-
Licenses and permits	-	-	-	12,315	-
Intergovernmental revenues	4,390	-	16,006	-	-
Charges for services	-	-	-	-	-
Investment income	3,224	-	-	-	-
Rentals and commissions	-	-	-	-	27,920
Miscellaneous revenue	1,301	-	62,197	-	1,190
	<u>424,197</u>	<u>-</u>	<u>78,203</u>	<u>18,485</u>	<u>29,110</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Buildings and facilities	-	-	-	-	28,294
Administration of justice	212,902	-	-	-	-
Law enforcement and corrections	67,283	15,068	-	-	-
Social services	-	-	74,169	-	80
Health, safety and sanitation	-	-	-	53,329	-
Agriculture, education and consumer sciences	-	-	-	-	-
Roads, bridges and transportation	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Capital outlay	60,184	-	-	-	-
	<u>340,369</u>	<u>15,068</u>	<u>74,169</u>	<u>53,329</u>	<u>28,374</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>83,828</u>	<u>(15,068)</u>	<u>4,034</u>	<u>(34,844)</u>	<u>736</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(4,234)	-	-	(25,202)	-
Sale of capital assets	-	-	-	-	-
	<u>(4,234)</u>	<u>-</u>	<u>-</u>	<u>(25,202)</u>	<u>-</u>
Total other financing sources and (uses)					
Net change in fund balances	79,594	(15,068)	4,034	(60,046)	736
Fund balances - beginning	1,185,288	43,908	27,628	527,944	171,550
Fund balances - ending	<u>\$ 1,264,882</u>	<u>\$ 28,840</u>	<u>\$ 31,662</u>	<u>\$ 467,898</u>	<u>\$ 172,286</u>

**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year ended September 30, 2012**

	<u>Special Revenues Fund</u>		Total Nonmajor Governmental Funds
	Library Funds	Grants	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	785,740
Other taxes	-	-	758
Fees of office	-	-	1,293,390
Fines and forfeitures	-	-	419,175
Licenses and permits	-	-	3,023,422
Intergovernmental revenues	-	7,100,797	9,612,989
Charges for services	-	-	339,796
Investment income	-	-	54,584
Rentals and commissions	-	-	953,882
Miscellaneous revenue	1,677	15,651	649,841
	<u>1,677</u>	<u>7,116,448</u>	<u>17,133,577</u>
Total revenues			
	<u>1,677</u>	<u>7,116,448</u>	<u>17,133,577</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	174,385	854,834
Buildings and facilities	-	6,220	205,825
Administration of justice	-	2,576,629	4,524,675
Law enforcement and corrections	-	745,230	1,152,346
Social services	-	45,819	147,231
Health, safety and sanitation	-	722,184	794,741
Agriculture, education and consumer sciences	3,553	-	3,553
Roads, bridges and transportation	-	59,102	6,600,256
Parks and recreation	-	21,000	4,009,444
Capital outlay	-	2,865,108	3,738,402
	<u>3,553</u>	<u>7,215,677</u>	<u>22,031,307</u>
Total expenditures			
	<u>3,553</u>	<u>7,215,677</u>	<u>22,031,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,876)</u>	<u>(99,229)</u>	<u>(4,897,730)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	307,864	7,200,913
Transfers out	-	(208,635)	(1,634,755)
Sale of capital assets	-	-	86,789
	<u>-</u>	<u>-</u>	<u>86,789</u>
Total other financing sources and (uses)			
	<u>-</u>	<u>99,229</u>	<u>5,652,947</u>
Net change in fund balances	(1,876) -	-	755,217
Fund balances - beginning	3,741	-	12,034,028
Fund balances - ending	<u>\$ 1,865</u>	<u>\$ -</u>	<u>\$ 12,789,245</u>

**NUECES COUNTY, TEXAS**  
**ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes, penalty & interest	\$ 783,212	\$ 783,212	\$ 786,498	\$ 3,286
Licenses and permits	3,355,000	3,355,000	3,875,955	520,955
Intergovernmental revenue	90,000	90,000	120,638	30,638
Investment income	30,000	30,000	13,396	(16,604)
Miscellaneous revenue	-	-	27,283	27,283
Total revenues	<u>4,258,212</u>	<u>4,258,212</u>	<u>4,823,770</u>	<u>565,558</u>
<b>EXPENDITURES</b>				
Roads, bridges and transportation:				
Personnel services	3,790,531	3,584,160	3,272,391	311,769
Maintenance, materials and supplies	2,850,865	2,887,558	2,865,911	21,647
Telephone & utilities	93,408	93,408	84,284	9,124
Reserve appropriations	454,174	74	-	74
Professional and special services	95,000	91,600	67,988	23,612
Other services and charges	131,543	200,574	195,268	5,306
Capital outlay	455,000	353,097	347,748	5,349
Total expenditures	<u>7,870,521</u>	<u>7,210,471</u>	<u>6,833,590</u>	<u>376,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,612,309)</u>	<u>(2,952,259)</u>	<u>(2,009,820)</u>	<u>942,439</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	28,028	28,028
Transfers in	1,830,237	1,830,237	1,784,284	(45,953)
Transfers out	(13,000)	(673,050)	(673,049)	1
Total other financing sources (uses)	<u>1,817,237</u>	<u>1,157,187</u>	<u>1,139,263</u>	<u>(17,924)</u>
Net change in fund balances	<u>(1,795,072)</u>	<u>(1,795,072)</u>	<u>(870,557)</u>	<u>924,515</u>
Fund balances - beginning	<u>1,954,788</u>	<u>1,954,788</u>	<u>2,992,126</u>	<u>1,037,338</u>
Fund balances - ending	<u>\$ 159,716</u>	<u>\$ 159,716</u>	<u>\$ 2,121,569</u>	<u>\$ 1,961,853</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, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
<b>REVENUES</b>				
Rentals and commissions	\$ 32,000	\$ 32,000	\$ 77,675	\$ 45,675
Investment income	750	750	1,366	616
Miscellaneous revenue	1,000,000	1,000,000	-	(1,000,000)
Total revenues	<u>1,032,750</u>	<u>1,032,750</u>	<u>79,041</u>	<u>(953,709)</u>
<b>EXPENDITURES</b>				
Parks and recreation:				
Personnel services	3,000	3,176	175	3,001
Maintenance, materials and supplies	43,000	47,248	47,168	80
Telephone & utilities	123,000	127,521	124,035	3,486
Reserve appropriations	1,130,137	1,130,137	-	1,130,137
Professional services	-	675	675	-
Other services and charges	1,052,300	1,056,010	911,144	144,866
Capital outlay	45,000	31,670	6,196	25,474
Total expenditures	<u>2,396,437</u>	<u>2,396,437</u>	<u>1,089,393</u>	<u>1,307,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,363,687)</u>	<u>(1,363,687)</u>	<u>(1,010,352)</u>	<u>353,335</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,050,555	1,050,555	1,050,555	-
Sale of Assets	-	-	-	-
Transfers out	(15,500)	(15,500)	-	15,500
Total other financing sources (uses)	<u>1,035,055</u>	<u>1,035,055</u>	<u>1,050,555</u>	<u>15,500</u>
Net change in fund balances	(328,632)	(328,632)	40,203	368,835
Fund balances - beginning	<u>30,458</u>	<u>30,458</u>	<u>388,311</u>	<u>357,853</u>
Fund balances - ending	<u>\$ (298,174)</u>	<u>\$ (298,174)</u>	<u>\$ 428,514</u>	<u>\$ 726,688</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fees of office	\$ 172,000	\$ 172,000	\$ 181,641	\$ 9,641
Charges for Services	500	500	650	150
Investment Income	1,500	1,500	1,093	(407)
Rentals and commissions	600	600	780	180
Miscellaneous revenue	3,250	3,250	2,458	(792)
Total revenues	<u>177,850</u>	<u>177,850</u>	<u>186,622</u>	<u>8,772</u>
<b>EXPENDITURES</b>				
Administration of Justice				
Personnel services	84,831	84,831	83,980	851
Maintenance, materials and supplies	1,250	1,250	542	708
Professional and special services	3,100	33,073	33,071	2
Reserve appropriations	20,000	20,000	-	20,000
Other services and charges	94,851	64,878	61,541	3,337
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>209,032</u>	<u>209,032</u>	<u>179,134</u>	<u>29,898</u>
Deficiency of revenues under expenditures	(31,182)	(31,182)	7,488	38,670
Fund balances - beginning	<u>269,176</u>	<u>269,176</u>	<u>288,111</u>	<u>18,935</u>
Fund balances - ending	<u>\$ 237,994</u>	<u>\$ 237,994</u>	<u>\$ 295,599</u>	<u>\$ 57,605</u>

**NUECES COUNTY, TEXAS**  
**AIRPORT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>Amounts</u>
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 708	\$ 708
Charges for Services	120	120	-	(120)
Investment income	300	300	91	(209)
Rentals and commissions	44,700	44,700	55,593	10,893
Miscellaneous revenue	3,545	3,545	21,010	17,465
Total revenues	<u>48,665</u>	<u>48,665</u>	<u>77,402</u>	<u>28,737</u>
<b>EXPENDITURES</b>				
Roads, bridges and transportation:				
Personnel services	44,107	51,674	51,672	2
Maintenance, materials and supplies	24,500	28,857	27,770	1,087
Telephone & utilities	23,692	17,057	17,056	1
Professional and special services	12,000	1,276	210	1,066
Other services and charges	8,243	9,391	7,919	1,472
Capital Outlay	30,000	34,287	-	34,287
Total expenditures	<u>142,542</u>	<u>142,542</u>	<u>104,627</u>	<u>37,915</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93,877)</u>	<u>(93,877)</u>	<u>(27,225)</u>	<u>66,652</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	73,000	73,000	73,000	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(2,173)</u>	<u>47,827</u>
Total other financing sources (uses)	<u>23,000</u>	<u>23,000</u>	<u>70,827</u>	<u>47,827</u>
Net change in fund balances	(70,877)	(70,877)	43,602	114,479
Fund balances - beginning	<u>86,277</u>	<u>86,277</u>	<u>(3,067)</u>	<u>(89,344)</u>
Fund balances - ending	<u>\$ 15,400</u>	<u>\$ 15,400</u>	<u>\$ 40,535</u>	<u>\$ 25,135</u>

**NUECES COUNTY, TEXAS**  
**INLAND PARKS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**For the Year Ended September 30, 2012**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>Amounts</u>
<b>REVENUES</b>				
Investment income	\$ 1,200	\$ 1,200	\$ 1,498	\$ 298
Miscellaneous revenue	-	-	3,500	3,500
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>4,998</u>	<u>3,798</u>
<b>EXPENDITURES</b>				
Parks and recreation:				
Personnel services	698,020	709,722	572,138	137,584
Maintenance, materials and supplies	178,408	251,349	234,843	16,506
Telephone & utilities	244,175	198,322	177,465	20,857
Professional and special services	5,000	16,500	16,484	16
Other services and charges	51,179	61,589	54,260	7,329
Capital outlay	85,500	24,800	24,664	136
Total expenditures	<u>1,262,282</u>	<u>1,262,282</u>	<u>1,079,854</u>	<u>182,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,261,082)</u>	<u>(1,261,082)</u>	<u>(1,074,856)</u>	<u>186,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,203,960	1,203,960	1,188,460	(15,500)
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Total other financing sources (uses)	<u>1,198,960</u>	<u>1,198,960</u>	<u>1,188,460</u>	<u>(10,500)</u>
Net change in fund balances	(62,122)	(62,122)	113,604	175,726
Fund balances - beginning	<u>170,000</u>	<u>170,000</u>	<u>213,475</u>	<u>43,475</u>
Fund balances - ending	<u>\$ 107,878</u>	<u>\$ 107,878</u>	<u>\$ 327,079</u>	<u>\$ 219,201</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Beach Parking Fees	\$ 275,000	\$ 275,000	\$ 219,084	\$ (55,916)
RV & PJ Park Rentals	339,000	339,000	331,598	(7,402)
Pier Fees & Commission	150,000	150,000	262,553	112,553
Interest Income	8,500	8,500	4,811	(3,689)
Rentals and commissions	55,000	55,000	60,708	5,708
Beach Cleaning - State	95,000	95,000	92,325	(2,675)
Refunds & Reimbursement	500	500	119	(381)
Other Income	500	500	-	(500)
Commodity Sales	1,000	1,000	4,663	3,663
Overage & Shortage	-	-	-	-
RV Park Improvements	95,000	95,000	128,283	33,283
Total revenues	<u>1,019,500</u>	<u>1,019,500</u>	<u>1,104,144</u>	<u>84,644</u>
<b>EXPENDITURES</b>				
Parks & Recreation:				
Personnel services	874,348	935,407	791,659	143,748
Maintenance, materials and supplies	303,221	301,111	262,873	38,238
Telephone & utilities	436,400	410,852	364,591	46,261
Professional and special services	76,900	43,281	34,937	8,344
Reserve appropriations	440,387	409,934	-	409,934
Other services and charges	518,537	501,537	497,566	3,971
Capital outlay	41,439	41,439	1,910	39,529
Total expenditures	<u>2,691,232</u>	<u>2,643,561</u>	<u>1,953,536</u>	<u>690,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,671,732)</u>	<u>(1,624,061)</u>	<u>(849,392)</u>	<u>774,669</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	12,289	12,289
Transfers in	750,370	750,370	750,370	-
Transfers out	-	(47,672)	(47,672)	-
Total other financing sources (uses)	<u>750,370</u>	<u>702,698</u>	<u>714,987</u>	<u>-</u>
Net change in fund balances	<u>(921,362)</u>	<u>(921,363)</u>	<u>(134,405)</u>	<u>774,669</u>
Fund balances - beginning	<u>1,185,060</u>	<u>1,185,060</u>	<u>1,282,143</u>	<u>97,083</u>
Fund balances - ending	<u>\$ 263,698</u>	<u>\$ 263,697</u>	<u>\$ 1,147,738</u>	<u>\$ 871,752</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, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Commissioners Precinct Funds	\$ -	\$ -	\$ 15,944	\$ 15,944
Commissioners Court Funds	858,148	858,148	955,022	96,874
County Attorney Funds	62,500	62,500	125,000	62,500
County Clerk Funds	710,000	710,000	532,670	(177,330)
Tax Assessor - Collector Funds	51,100	51,100	52,945	1,845
Juvenile Programs	847,600	847,600	672,160	(175,440)
District Attorney Funds	278,921	278,921	363,823	84,902
District Clerk Funds	33,000	33,000	35,966	2,966
County Sheriff Funds	279,040	279,040	435,949	156,909
Asset Forfeiture Funds	195,405	195,405	424,197	228,792
LEOSE Funds	31,730	31,730	-	(31,730)
Social Services Funds	70,000	70,000	78,203	8,203
Community Health Programs	15,500	15,500	18,485	2,985
Parks & Recreation Funds	35,700	35,700	29,111	(6,589)
Library Funds	7,300	7,300	1,677	(5,623)
Total revenues	3,475,944	3,475,944	3,741,152	265,208
 Current:				
<b>General government</b>				
Commissioners Precinct Funds	1,158,957	1,158,957	245,162	913,795
Commissioners Court	143,597	168,361	62,171	106,190
County Attorney	108,898	106,898	60,395	46,503
County Clerk	1,066,371	893,909	242,847	651,062
Tax Assessor Collector	160,870	164,813	69,874	94,939
<b>Buildings and facilities</b>				
Commissioners Court	180,000	180,000	171,311	8,689
Parks & recreation funds	144,937	142,135	28,294	113,841
<b>Administration of justice</b>				
Commissioners Court	784,243	803,737	554,261	249,476
Juvenile Programs	788,636	781,886	633,752	148,134
District Attorney Funds	300,564	390,225	355,149	35,076
District Clerk Funds	16,367	16,367	12,848	3,519
Asset Forfeiture	301,431	248,303	212,902	35,401
Law Enforcement Education	1,363	1,363	-	1,363
<b>Law enforcement and corrections</b>				
Commissioners Court	-	189	189	-
County Sheriff Funds	469,010	336,967	324,576	12,391
Asset Forfeiture	542,748	594,148	67,283	526,865
Law Enforcement Education	52,146	52,146	15,068	37,078
<b>Social services</b>				
Commissioners Court	29,878	42,204	27,163	15,041
Social Services	82,937	88,822	74,169	14,653
Parks & Recreation Funds	18,939	18,939	80	18,859
<b>Health, safety and sanitation</b>				
Commissioners Court	-	19,230	19,228	2
Community Health Programs	633,832	596,958	53,329	543,629
<b>Agriculture, education and consumer sciences</b>				
Commissioners Court	4,040	4,040	-	4,040
Library Funds	22,084	13,816	3,553	10,263

(Continued)

**NUECES COUNTY, TEXAS**  
**SPECIAL REVENUES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the year ended September 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Roads, bridges, and transportation</b>				
Commissioners Court	\$ 286,564	\$ 286,564	\$ 42,823	\$ 243,741
<b>Parks &amp; recreation</b>				
Commissioners Precinct Funds	-	12,110	12,110	-
Parks & recreation funds	41,905	41,905	-	41,905
Capital outlay:				
Capital outlay	291,000	602,867	286,958	315,909
Total expenditures	<u>7,631,317</u>	<u>7,767,859</u>	<u>3,575,495</u>	<u>4,192,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,155,373)</u>	<u>(4,291,915)</u>	<u>165,657</u>	<u>4,457,572</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	613,016	613,016	2,046,380	1,433,364
Transfers out	(918,070)	(800,816)	(703,226)	97,590
Sale of Assets	-	-	46,472	46,472
Total other financing sources and uses	<u>(305,054)</u>	<u>(187,800)</u>	<u>1,389,626</u>	<u>1,577,426</u>
Net change in fund balances	(4,460,427) -	(4,479,715)	1,555,283	6,034,998
Fund balances - beginning	<u>7,422,487</u>	<u>7,422,487</u>	<u>6,872,929</u>	<u>(549,558)</u>
	<u>\$ 2,962,060</u>	<u>\$ 2,942,772</u>	<u>\$ 8,428,212</u>	<u>\$ 5,485,440</u>



# INTERNAL SERVICE FUNDS

NUECES COUNTY, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
September 30, 2012

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 421,587	\$ 676,340	\$ 1,383,994	\$ 2,481,921
Investments	316,899	497,282	-	814,181
Due from island parks	-	-	-	-
Due from other governments and agencies	-	-	-	-
Receivables (net of allowance for uncollectibles)	253	410,349	61,319	471,921
<b>TOTAL ASSETS</b>	<b><u>738,739</u></b>	<b><u>1,583,971</u></b>	<b><u>1,445,313</u></b>	<b><u>3,768,023</u></b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	172,756	7,652	673,436	853,844
Total current liabilities	172,756	7,652	673,436	853,844
<b>Noncurrent liabilities</b>				
Estimated claims liability	-	1,585,821	-	1,585,821
Total noncurrent liabilities	-	1,585,821	-	1,585,821
<b>TOTAL LIABILITIES</b>	<b><u>172,756</u></b>	<b><u>1,593,473</u></b>	<b><u>673,436</u></b>	<b><u>2,439,665</u></b>
<b>NET ASSETS</b>				
Unrestricted	565,983	(9,502)	771,877	1,328,358
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 738,739</u></b>	<b><u>\$ 1,583,971</u></b>	<b><u>\$ 1,445,313</u></b>	<b><u>\$ 3,768,023</u></b>

NUECES COUNTY, TEXAS  
 INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 For the Year Ended September 30, 2012

	Workers Compensation Fund	General Liability Insurance	Group Health Insurance	Total
Operating revenues:				
Premiums and reimbursements	\$ 384,369	\$ 1,864,724	\$ 6,296,434	\$ 8,545,527
Total operating revenues	384,369	1,864,724	6,296,434	8,545,527
Operating expenses:				
Benefit payments	-	-	5,774,075	5,774,075
Insurance premiums and bonds	346,374	1,294,812	285,240	1,926,426
Claims and settlements	-	892,102	-	892,102
Administration	-	-	410,366	410,366
Total operating expenses	346,374	2,186,914	6,469,681	9,002,969
Operating income (loss)	37,995	(322,190)	(173,247)	(457,442)
Non operating revenues:				
Investment income	2,259	7,173	1,526	10,958
Net income (loss)	40,254	(315,017)	(171,721)	(446,484)
Net assets at beginning of year	525,729	305,516	943,599	1,774,844
Net assets at end of year	\$ 565,983	\$ (9,501)	\$ 771,878	\$ 1,328,360

NUECES COUNTY, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
For the Year Ended September 30, 2012

	Workers Compensation Fund	General Liability	Group Health Insurance	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 384,369	\$ 1,424,854	\$ 4,683,490	\$ 6,492,713
Receipts from employees	-	-	1,056,694	1,056,694
Receipts from other participants	-	(21,668)	521,150	499,482
Receipts from reimbursements and refunds	-	51,993	14,095	66,088
Payments for benefit claims	-	-	(5,772,833)	(5,772,833)
Payments for insurance and bond policies	(173,618)	(1,325,097)	(281,927)	(1,780,642)
Payments for administration	-	-	(410,366)	(410,366)
Payments for settlements and claims	-	(974,461)	-	(974,461)
Net cash provided in operating activities	<u>210,751</u>	<u>(844,379)</u>	<u>(189,697)</u>	<u>(823,325)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(102,114)	139,680	-	37,566
Interest received	2,480	7,774	1,526	11,780
Net cash provided by investing activities	<u>(99,634)</u>	<u>147,454</u>	<u>1,526</u>	<u>49,346</u>
Net increase in cash and cash equivalents	111,117	(696,925)	(188,171)	(773,979)
Cash and cash equivalents at beginning of year	<u>310,471</u>	<u>1,373,265</u>	<u>1,572,166</u>	<u>3,255,902</u>
Cash and cash equivalents at end of year	<u>\$ 421,588</u>	<u>\$ 676,340</u>	<u>\$ 1,383,995</u>	<u>\$ 2,481,923</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 37,995	\$ (322,190)	\$ (173,247)	\$ (457,442)
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in accounts receivable	-	(409,545)	(51,488)	(461,033)
(Increase) decrease in due from other funds	-	-	-	-
Increase (decrease) in estimated claims liabilities	-	(82,360)	-	(82,360)
Increase (decrease) in deferred revenue	-	-	(16,751)	(16,751)
Increase (decrease) in accounts payable	172,756	(30,284)	4,555	147,027
Increase (decrease) in other insurance	-	-	47,234	47,234
Total Adjustments	<u>172,756</u>	<u>(522,189)</u>	<u>(16,450)</u>	<u>(365,883)</u>
Net cash provided by operating activities	<u>\$ 210,751</u>	<u>\$ (844,379)</u>	<u>\$ (189,697)</u>	<u>\$ (823,325)</u>



# FIDUCIARY FUNDS



**NUECES COUNTY, TEXAS**  
**COMBINING STATEMENT FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2012**

ASSETS	<u>CSCD</u>	<u>Nueces County Trust</u>	<u>Metropolitan Planning Organization</u>	<u>Total</u>
Cash, equivalents & pooled funds	\$ 2,563,524	\$ 15,126,692	\$ 73,825	\$ 17,764,041
Due from other governments and agencies	-	-	-	-
Accounts receivable	4,669	737,875	245,131	987,675
Prepays	<u>-</u>	<u>26,978</u>	<u>209</u>	<u>27,187</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,568,193</u></u>	<u><u>\$ 15,891,545</u></u>	<u><u>\$ 319,165</u></u>	<u><u>\$ 18,778,903</u></u>
LIABILITIES				
Accounts payable	\$ 150,837	\$ 13,838,246	\$ 8,770	\$ 13,997,853
Accrued payroll payable	232,286	29,825	5,041	267,152
Due to other governments and agencies	116,161	1,694,557	268,000	2,078,718
Funds held in escrow	<u>2,068,909</u>	<u>328,917</u>	<u>37,354</u>	<u>2,435,180</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 2,568,193</u></u>	<u><u>\$ 15,891,545</u></u>	<u><u>\$ 319,165</u></u>	<u><u>\$ 18,778,903</u></u>

Nueces County, Texas  
Statement of Changes in Fiduciary Assets and Liabilities -  
Agency Funds  
For the Year Ended September 30, 2012

	Balance 9/30/2011	Additions	Deductions	Balance 9/30/2012
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,393,126	\$ 34,794,801	\$ 33,423,886	\$ 17,764,041
Due from other governments and agencies	876	1,272,611	1,273,487	-
Accounts receivable	1,204,252	5,959,832	6,176,409	987,675
Prepays	26,069	162,950	161,832	27,187
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 17,624,323</u></u>	<u><u>\$ 42,190,194</u></u>	<u><u>\$ 41,035,614</u></u>	<u><u>\$ 18,778,903</u></u>
<b>LIABILITIES</b>				
Accounts payable	14,318,767	23,312,798	22,991,884	13,997,853
Accrued payroll payable	272,966	8,952,400	8,946,586	267,152
Due to other governments and agencies	1,120,038	26,904,444	27,863,124	2,078,718
Funds held in escrow	1,912,552	3,887,340	4,409,968	2,435,180
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 17,624,323</u></u>	<u><u>\$ 63,056,982</u></u>	<u><u>\$ 64,211,562</u></u>	<u><u>\$ 18,778,903</u></u>

NUECES COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
For the Year Ended September 30, 2012

CSCD

	Balance 9/30/2011	Additions	Deductions	Balance 9/30/2012
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ 1,934,853	\$ 21,191,643	\$ 20,562,972	\$ 2,563,524
Due from other governments and agencies	-	-	-	-
Accounts receivable	26,176	43,922	65,429	4,669
Prepays	183	-	183	-
<b>TOTAL ASSETS</b>	<b>\$ 1,961,212</b>	<b>\$ 21,235,565</b>	<b>\$ 20,628,584</b>	<b>\$ 2,568,193</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 123,165	\$ 14,340,835	\$ 14,368,507	\$ 150,837
Accrued payroll payable	233,700	7,257,631	7,256,217	232,286
Due to other governments and agencies	-	20,843,947	20,960,108	116,161
Funds held in escrow	1,604,347	3,887,340	4,351,902	2,068,909
<b>TOTAL LIABILITIE</b>	<b>\$ 1,961,212</b>	<b>\$ 46,329,753</b>	<b>\$ 46,936,734</b>	<b>\$ 2,568,193</b>

NUECES COUNTY TRUST

	Balance 9/30/2011	Additions	Deductions	Balance 9/30/2012
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ 14,510,109	\$ 12,639,655	\$ 12,023,072	\$ 15,126,692
Accounts receivable	802,642	5,223,162	5,287,929	737,875
Prepays	22,791	162,507	158,320	26,978
<b>TOTAL ASSETS</b>	<b>\$ 15,335,542</b>	<b>\$ 18,025,324</b>	<b>\$ 17,469,321</b>	<b>\$ 15,891,545</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 14,175,086	\$ 8,149,337	\$ 7,812,497	\$ 13,838,246
Accrued payroll payable	34,597	1,232,819	1,228,047	29,825
Due to other governments and agencies	852,038	5,824,140	6,666,659	1,694,557
Funds held in escrow	273,821	-	55,096	328,917
<b>TOTAL LIABILITIES</b>	<b>\$ 15,335,542</b>	<b>\$ 15,206,296</b>	<b>\$ 15,762,299</b>	<b>\$ 15,891,545</b>

METROPOLITAN PLANNING ORG.

	Balance 9/30/2011	Additions	Deductions	Balance 9/30/2012
<b>ASSETS</b>				
Cash, equivalents & pooled funds	\$ (51,836)	\$ 963,503	\$ 837,842	\$ 73,825
Due from other agencies	876	1,272,611	1,273,487	-
Accounts Receivable	375,434	692,748	823,051	245,131
Prepays	3,095	443	3,329	209
<b>TOTAL ASSETS</b>	<b>\$ 327,569</b>	<b>\$ 2,929,305</b>	<b>\$ 2,937,709</b>	<b>\$ 319,165</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,516	\$ 822,626	\$ 810,880	\$ 8,770
Accrued payroll payable	4,669	461,950	462,322	5,041
Due to other governments and agencies	268,000	236,357	236,357	268,000
Funds Held in Escrow	34,384	-	2,970	37,354
<b>TOTAL LIABILITIES</b>	<b>\$ 327,569</b>	<b>\$ 1,520,933</b>	<b>\$ 1,512,529</b>	<b>\$ 319,165</b>



## *Statistical Section*

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	114-121
<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	122-135
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	136-145
<i>These present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	146-153
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	154-165
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

**Nueces County, Texas**  
**Net Assets By Component**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Primary government (excludes component units)				
Invested in capital assets, net of related debt	\$ 51,045,261	\$ 51,366,127	\$ 42,710,159	\$ 95,062,614
Restricted	11,047,485	13,307,054	32,800,849	41,385,412
Unrestricted	<u>10,176,379</u>	<u>11,882,141</u>	<u>10,630,392</u>	<u>20,754,076</u>
Total primary government net assets	<u>\$ 72,269,125</u>	<u>\$ 76,555,322</u>	<u>\$ 86,141,400</u>	<u>\$ 157,202,102</u>



Exhibit 1

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 127,137,862	\$ 119,615,150	\$ 114,418,905	\$ 84,990,779	\$ 106,372,898	\$ 90,846,187
15,684,832	48,736,178	14,855,823	14,739,132	16,108,044	17,328,598
14,273,648	(15,598,846)	21,545,294	48,795,609	19,479,502	30,480,260
<u>\$ 157,096,342</u>	<u>\$ 152,752,482</u>	<u>\$ 150,820,022</u>	<u>\$ 148,525,520</u>	<u>\$ 141,960,444</u>	<u>\$ 138,655,045</u>

**Nueces County, Texas  
Changes In Net Assets  
Last Ten Fiscal Years  
September 30, 2012**

	2003	2004	2005	2006
<b>Expenses</b>				
General government	\$ 12,280,648	\$ 12,231,938	\$ 13,828,609	\$ 11,309,350
Building and facilities	6,312,325	6,480,287	7,193,556	7,954,617
Administration of justice	21,184,105	20,168,883	20,970,326	22,667,915
Law enforcement and corrections	22,112,523	19,777,272	30,825,022	21,701,331
Social services	2,618,248	2,282,124	2,379,678	2,509,261
Health, safety and sanitation	1,745,064	1,554,184	852,329	1,192,347
Agriculture, education and consumer sciences	582,026	477,219	439,122	480,931
Roads, bridges and transportation	6,996,814	5,742,327	5,522,753	10,341,541
Parks and recreation	2,527,212	2,783,556	2,610,974	2,395,171
Interest and fees on long-term debt	905,647	1,833,454	6,379,012	5,005,426
Total primary government expenses	<u>\$ 77,264,612</u>	<u>\$ 73,331,244</u>	<u>\$ 91,001,381</u>	<u>\$ 85,557,890</u>
<b>Program Revenues</b>				
Charges for services:				
General government	\$ 6,300,344	\$ 6,101,382	\$ 6,877,929	\$ 6,773,455
Buildings and facilities	494,056	535,798	356,699	769,989
Administration of justice	4,117,636	5,343,647	5,535,141	5,002,914
Law enforcement and corrections	4,817,598	5,055,255	14,662,202	4,652,646
Social services	13,070	16,999	11,060	64,138
Health, safety, and sanitation	273,663	218,034	75,297	112,908
Agriculture, education, and consumers sciences	282	12	68	3,622
Roads, bridges and transportation	2,649,195	2,497,441	2,519,178	2,523,587
Parks and recreation	586,968	726,996	667,538	1,002,593
Interest and fees on long-term debt	-	-	-	-
Operating grants and contributions	9,868,841	7,743,506	8,226,779	8,479,146
Capital grants and contributions	201,600	1,857,282	2,810,367	1,854,807
Total primary government revenues	<u>\$ 29,323,253</u>	<u>\$ 30,096,352</u>	<u>\$ 41,742,258</u>	<u>\$ 31,239,805</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	(47,941,359)	(43,234,892)	(49,259,123)	(54,318,085)
Total primary government net expenses	<u>\$ (47,941,359)</u>	<u>\$ (43,234,892)</u>	<u>\$ (49,259,123)</u>	<u>\$ (54,318,085)</u>
<b>General revenues and other changes in net assets</b>				
<b>General Revenues</b>				
Property taxes	\$ 41,662,221	\$ 46,136,506	\$ 55,541,622	\$ 55,745,552
Alcohol beverage and other taxes	974,992	1,291,058	1,199,120	1,346,945
Unrestricted investment earnings	1,630,759	2,086,216	2,809,534	4,792,279
Grants and contributions not restricted to specific program	100	377,430	172,339	95,960
Gain or loss on sale of capital assets	(74,053)	23,106	(877,414)	-
Miscellaneous	-	-	0	-
Total general revenues	<u>\$ 44,194,019</u>	<u>\$ 49,914,316</u>	<u>\$ 58,845,201</u>	<u>\$ 61,980,736</u>
<b>Change in Net Assets</b>	<u>\$ (3,747,340)</u>	<u>\$ 6,679,424</u>	<u>\$ 9,586,078</u>	<u>\$ 7,662,651</u>

Exhibit 2

	2007	2008	2009	2010	2011	2012
\$	12,487,965	\$ 13,447,105	\$ 13,922,786	\$ 13,483,612	\$ 13,436,667	\$ 13,319,250
	8,256,406	8,799,943	9,216,536	10,165,122	9,463,249	9,490,211
	23,729,715	24,763,021	26,870,285	27,292,561	26,967,846	23,654,964
	23,817,761	22,643,877	23,257,876	24,468,809	24,806,867	27,986,723
	2,514,128	2,567,466	2,664,755	2,679,502	2,683,841	2,606,445
	1,748,318	1,757,672	3,083,653	2,023,424	1,527,275	1,992,715
	492,016	722,211	788,629	865,488	820,589	776,594
	12,578,634	13,708,534	13,662,879	14,143,486	14,813,218	14,810,777
	4,930,535	5,460,139	5,595,232	5,948,582	5,937,483	6,140,480
	5,995,943	6,291,032	6,086,736	5,823,695	5,171,328	5,019,143
	<u>\$ 96,551,421</u>	<u>\$ 100,161,000</u>	<u>\$ 105,149,367</u>	<u>\$ 106,894,281</u>	<u>\$ 105,628,363</u>	<u>\$ 105,797,302</u>
\$	6,803,856	\$ 7,614,423	\$ 7,419,814	\$ 7,631,054	\$ 6,931,136	\$ 6,889,479
	764,542	802,452	1,004,650	1,010,740	974,075	762,958
	6,312,388	5,761,254	6,290,997	8,381,617	6,498,942	7,027,556
	2,592,443	2,348,523	2,976,714	2,826,083	3,329,600	3,741,178
	145,940	123,282	88,258	168,321	156,370	149,331
	121,189	195,139	52,928	55,058	67,508	109,275
	5,006	7,535	16,049	20,361	23,543	25,384
	2,623,937	2,771,423	2,903,756	2,835,769	2,920,096	3,109,675
	898,852	852,643	998,061	1,077,838	1,040,947	1,245,215
	-	-	-	-	-	-
	8,957,688	9,141,332	9,256,087	8,625,300	7,494,922	9,230,257
	3,852,784	455,115	1,302,695	654,404	1,012,911	194,861
	<u>\$ 33,078,625</u>	<u>\$ 30,073,121</u>	<u>\$ 32,310,009</u>	<u>\$ 33,286,545</u>	<u>\$ 30,450,050</u>	<u>\$ 32,485,169</u>
	(63,472,796)	(70,087,879)	(72,839,358)	(73,607,736)	(75,178,313)	(73,312,133)
	<u>\$ (63,472,796)</u>	<u>\$ (70,087,879)</u>	<u>\$ (72,839,358)</u>	<u>\$ (73,607,736)</u>	<u>\$ (75,178,313)</u>	<u>\$ (73,312,133)</u>
\$	56,313,439	\$ 60,527,569	\$ 66,024,875	\$ 67,091,123	\$ 64,229,777	65,494,382
	1,447,606	1,518,806	2,741,543	3,028,318	3,396,993	3,858,512
	5,274,254	3,134,177	1,785,507	841,701	477,878	226,253
	331,737	378,320	354,973	281,025	232,961	343,915
	-	18,362	-	71,067	275,630	83,682
	-	166,788	-	-	-	-
	<u>\$ 63,367,036</u>	<u>\$ 65,744,022</u>	<u>\$ 70,906,898</u>	<u>\$ 71,313,234</u>	<u>\$ 68,613,239</u>	<u>\$ 70,006,744</u>
	<u>\$ (105,760)</u>	<u>\$ (4,343,857)</u>	<u>\$ (1,932,460)</u>	<u>\$ (2,294,502)</u>	<u>\$ (6,565,074)</u>	<u>\$ (3,305,389)</u>

**Nueces County, Texas**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Fund</b>				
Non-spendable	\$0	\$0	\$0	\$0
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	527,698	420,680	449,116	490,784
Unreserved	<u>7,933,023</u>	<u>11,697,472</u>	<u>17,323,215</u>	<u>15,930,195</u>
Total General Fund	<u>\$ 8,460,721</u>	<u>\$ 12,118,152</u>	<u>\$ 17,772,331</u>	<u>\$ 16,420,979</u>
<b>All Other Governmental Funds</b>				
Non-spendable	\$0	\$0	\$0	\$0
Restricted	1,923,768	97,605,241	61,145,663	27,670,892
Committed	1,521,312	2,346,690	2,486,611	2,751,145
Assigned	9,981,902	11,693,785	15,732,112	15,296,471
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Debt service funds	-	-	-	-
Special Revenue Funds	-	-	-	-
Total all other governmental funds	<u>\$13,426,982</u>	<u>\$111,645,716</u>	<u>\$79,364,386</u>	<u>\$45,718,508</u>

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

Exhibit 3

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$0	\$0	\$0	\$0	\$428,906	\$400,035
-	-	-	-	-	-
-	-	-	-	17,604,083	17,626,642
-	-	-	-	-	-
-	-	-	-	3,889,668	3,993,232
398,054	633,602	612,027	-	-	-
14,821,934	15,923,732	20,386,046	24,029,489	-	-
<u>\$ 15,219,988</u>	<u>\$ 16,557,334</u>	<u>\$ 20,998,073</u>	<u>\$ 24,029,489</u>	<u>\$ 21,922,657</u>	<u>\$ 22,019,909</u>
\$0	\$0	\$0	\$0	\$94,987	\$87,606
39,244,470	33,034,960	30,485,845	22,932,604	3,965,499	4,138,701
3,005,603	2,900,201	3,182,479	3,585,711	0	12,002,482
14,701,196	14,197,613	13,467,060	12,568,896	25,625,179	12,702,255
-	-	-	-	(18,249)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$56,951,269</u>	<u>\$50,132,774</u>	<u>\$47,135,384</u>	<u>\$39,087,211</u>	<u>\$29,667,416</u>	<u>\$28,931,044</u>

**Nueces County, Texas**  
**Changes In Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	2003	2004	2005	2006
<b>Revenues</b>				
Property taxes	\$ 41,694,172	\$ 46,443,623	\$ 55,253,521	\$ 55,630,171
Other taxes	191,121	255,473	311,058	352,995
Fees of office	4,543,144	4,735,286	4,804,000	5,324,240
Fines and forfeitures	1,898,311	2,666,386	3,569,262	2,956,251
Licenses and permits	4,052,302	3,513,680	3,594,125	3,654,604
Intergovernmental revenue	14,515,380	15,778,623	27,219,619	16,742,140
Charges for services	470,628	487,436	391,978	504,631
Investment revenue	1,494,300	1,982,999	2,692,259	4,581,599
Rentals and commissions	1,343,580	1,147,844	833,989	1,198,997
Miscellaneous revenue	771,440	1,701,925	1,583,699	1,405,550
Total Revenues	<u>\$ 70,974,378</u>	<u>\$ 78,713,275</u>	<u>\$ 100,253,510</u>	<u>\$ 92,351,178</u>
<b>Expenditures</b>				
General government	\$ 9,484,282	\$ 9,878,173	\$ 12,394,224	\$ 10,708,716
Building and facilities	5,463,576	5,604,821	5,572,030	5,830,607
Administration of justice	20,646,224	19,869,806	20,566,391	21,994,248
Law enforcement and corrections	20,806,390	19,326,454	29,919,163	19,993,842
Social services	2,577,319	2,271,452	2,333,082	2,439,475
Health, safety and sanitation	1,696,338	1,488,665	817,893	1,101,303
Agriculture, education and consumer scier	548,595	439,350	408,169	443,948
Roads, bridges and transportation	6,352,456	5,373,945	5,143,495	5,091,211
Parks and recreation	2,440,469	2,766,547	2,501,982	2,049,420
Capital outlay	10,761,788	3,610,784	38,304,549	48,868,601
Debt service:				
Interest and Other fees	912,647	893,162	7,006,834	5,245,801
Principal	1,415,000	1,190,000	2,240,000	4,137,349
Total Expenditures	<u>\$ 83,105,084</u>	<u>\$ 72,713,159</u>	<u>\$ 127,207,812</u>	<u>\$ 127,904,521</u>
Excess of Revenues over (under) expenditures	\$ (12,130,706)	\$ 6,000,116	\$ (26,954,302)	\$ (35,553,343)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 6,287,717	\$ 6,346,584	\$ 6,287,717	\$ 14,685,406
Transfers Out	(6,287,717)	(6,346,584)	(6,287,717)	(14,685,406)
Sale of Assets	130,414	23,106	338,454	178,937
Bond Issuance	-	-	-	-
Bond Defeasance	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Proceeds of General Obligation Bonds	16,734	95,852,944	(11,308)	365,000
Total Other Financing Sources (uses)	<u>\$ 147,148</u>	<u>\$ 95,876,050</u>	<u>\$ 327,146</u>	<u>\$ 543,937</u>
Net Changes in Fund Balances	<u>\$ (11,983,558)</u>	<u>\$ 101,876,166</u>	<u>\$ (26,627,156)</u>	<u>\$ (35,009,406)</u>
Debt Service as a percentage of noncapital expenditures	3.2%	3.0%	10.4%	11.9%

Exhibit 4

2007	2008	2009	2010	2011	2012
\$ 56,408,266	\$ 60,622,393	\$ 66,035,245	\$ 67,018,275	\$ 64,567,154	\$ 65,803,580
382,665	373,124	356,538	319,549	361,415	382,730
5,477,674	5,052,204	4,967,966	6,619,757	4,885,117	5,296,898
3,884,689	3,232,877	3,044,301	2,641,095	2,880,933	2,551,595
3,685,405	3,850,740	3,942,987	3,994,255	4,190,771	4,418,683
18,021,951	15,191,698	17,594,903	17,421,622	16,687,845	18,088,623
493,678	774,537	958,227	780,845	766,868	940,888
5,074,901	2,950,999	1,755,508	827,724	466,015	215,294
1,229,696	812,755	879,767	1,282,655	1,363,402	1,500,566
1,180,957	2,190,705	1,700,521	1,545,928	1,126,807	1,417,049
<u>\$ 95,839,882</u>	<u>\$ 95,052,032</u>	<u>\$ 101,235,963</u>	<u>\$ 102,451,705</u>	<u>\$ 97,296,327</u>	<u>\$ 100,615,906</u>
\$ 11,413,297	12,437,255	12,785,454	12,541,880	12,601,881	13,112,039
6,245,555	7,455,253	7,104,965	7,870,284	7,559,472	7,028,399
23,341,402	24,173,536	25,983,264	26,372,564	25,880,407	22,581,136
22,548,286	20,985,274	21,344,308	22,503,895	22,698,588	26,024,288
2,469,485	2,512,566	2,578,849	2,586,380	2,580,655	2,500,076
1,679,589	1,659,474	2,977,516	1,899,605	1,379,811	1,800,123
462,374	673,562	721,098	796,441	752,931	712,929
4,991,742	6,050,715	5,930,698	6,077,509	6,982,203	6,600,256
4,245,447	3,697,016	3,637,202	3,946,736	4,024,551	4,009,444
31,736,481	10,454,001	6,037,465	12,276,982	21,257,403	7,071,181
6,032,350	6,313,149	6,108,091	5,877,938	5,612,767	5,038,809
4,645,104	4,170,427	4,553,649	4,957,172	4,796,040	5,724,864
<u>\$ 119,811,112</u>	<u>\$ 100,582,228</u>	<u>\$ 99,762,559</u>	<u>\$ 107,707,386</u>	<u>\$ 116,126,709</u>	<u>\$ 102,203,544</u>
\$ (23,971,230)	(5,530,196)	1,473,404	(5,255,681)	(18,830,382)	(1,587,638)
\$ 11,881,458	\$ 7,150,277	\$ 8,453,858	\$ 9,987,541	\$ 8,409,659	8,778,061
(11,881,458)	(7,150,277)	(8,453,858)	(9,987,541)	(8,409,659)	(8,778,061)
-	49,050	-	71,067	275,630	86,789
-	-	-	-	49,374,640	861,731
-	-	-	-	(48,716,774)	-
-	-	-	-	6,370,260	-
34,000,000	-	-	-	-	-
<u>\$ 34,000,000</u>	<u>\$ 49,050</u>	<u>\$ -</u>	<u>\$ 71,067</u>	<u>\$ 7,303,756</u>	<u>\$ 948,520</u>
<u>\$ 10,028,770</u>	<u>(5,481,146)</u>	<u>1,473,404</u>	<u>(5,184,614)</u>	<u>(11,526,626)</u>	<u>(639,118)</u>
12.1%	11.6%	11.4%	11.4%	11.0%	11.3%

**Nueces County, Texas**  
**Assessed and Taxable Valuations**  
**Last Ten Fiscal Years**  
**September 30, 2012**

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

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

**Nueces County, Texas**  
**Property Tax Levies - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**September 30, 2012**

FISCAL YEAR ENDING SEPT. 30,	2003	2004	2005	2006
<u>TAX ROLL YEAR</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Nueces County - General Fund	\$ 39,310,039	\$ 43,598,209	\$ 45,032,203	\$ 45,658,468
Nueces County - Debt Service	1,996,174	2,099,207	9,419,091	9,293,659
Subtotal	41,306,213	45,697,416	54,451,294	54,952,127
Nueces County - Farm to Market	610,842	677,415	694,791	705,084
Total	\$ 41,917,055	\$ 46,374,831	\$ 55,146,085	\$ 55,657,211

**Special Districts:**

Hospital District	26,086,326	27,433,018	28,972,289	24,065,239
Downtown Management District	146,699	145,838	145,523	149,947
Port of Corpus Christi	-	-	-	-
Corpus Christi Junior College District	23,254,364	26,543,312	28,027,812	29,223,115
County Education District	-	-	-	-
Water Control No. 4	-	-	-	-
Water Control No. 5	-	-	-	-
Drainage District No. 2	899,148	898,982	1,018,906	898,339
Drainage District No. 3	39,244	41,757	48,100	49,705
South Texas Water Authority	500,544	219,735	224,058	246,235

**Cities:**

Agua Dulce	54,177	56,580	58,998	56,580
Bishop	375,347	556,016	600,944	605,688
Corpus Christi	54,282,424	57,640,118	61,310,406	65,178,042
Driscoll	58,229	61,888	64,719	67,322
Port Aransas	2,285,000	2,529,210	2,693,565	2,890,633
Robstown	1,637,928	1,648,777	1,778,888	1,832,949

**School Districts:**

Agua Dulce ISD	1,336,885	1,277,621	1,344,239	1,462,987
Aransas Pass ISD (1)	4,858,162	5,397,191	-	-
Banquete ISD	3,284,603	2,785,139	2,635,058	3,001,187
Bishop ISD	7,379,803	7,517,932	7,443,373	7,576,235
Calallen ISD	14,305,534	14,821,775	15,545,452	16,230,103
Corpus Christi ISD	107,133,675	112,648,515	120,513,417	128,878,344
Driscoll ISD	1,735,690	1,664,284	1,682,679	1,810,106
Flour Bluff ISD	15,124,516	15,983,185	18,518,588	21,557,838
London ISD	910,007	1,007,867	-	1,937,536
Port Aransas ISD	10,024,345	11,315,140	13,265,011	14,750,349
Robstown ISD	3,167,096	3,123,824	3,815,153	4,021,717
Tuloso Midway ISD	17,090,434	17,946,434	18,258,376	18,718,690
West Oso ISD	4,770,179	4,879,103	6,708,426	6,222,458

**Fire Districts:**

Fire Prevention District 1	649,709	693,452	728,011	947,416
Fire Prevention District 2	240,621	258,965	354,837	404,835
Fire Prevention District 3	144,071	145,021	146,598	152,205
Fire Prevention District 4	116,981	119,774	151,617	152,636
Fire Prevention District 5	22,235	21,262	22,929	25,719
Fire Prevention District 6	-	-	-	-
Total	\$ 343,831,031	\$ 365,756,546	\$ 391,224,057	\$ 408,771,366

Exhibit 6

2007	2008	2009	2010	2011	2012
2006	2007	2008	2009	2010	2011
\$ 46,461,648	\$ 50,085,508	\$ 54,636,632	\$ 55,456,844	\$ 53,624,613	\$ 54,495,366
9,374,604	10,391,327	10,908,756	11,379,441	10,924,694	10,835,130
55,836,252	60,476,835	65,545,388	66,836,285	64,549,307	65,330,496
718,108	737,557	804,802	824,104	791,360	788,479
\$ 56,554,360	\$ 61,214,392	\$ 66,350,190	\$ 67,660,389	\$ 65,340,667	\$ 66,118,975
24,636,585	25,279,939	27,667,730	30,075,910	30,144,807	31,381,381
161,577	161,357	159,691	165,584	158,258	156,357
-	-	-	-	-	-
35,534,509	38,286,064	41,484,470	44,196,050	43,545,490	44,477,385
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,015,895	1,077,856	1,193,703	1,280,248	1,184,406	1,262,100
55,286	55,904	64,045	65,721	68,347	68,933
270,600	287,420	329,056	352,589	381,888	360,780
56,714	55,798	55,254	56,321	56,054	54,354
625,681	660,731	669,179	718,038	717,361	777,224
68,229,629	72,714,618	77,246,481	80,059,041	79,419,087	79,241,020
85,200	90,847	119,117	136,750	140,333	150,721
3,057,037	3,536,314	3,892,916	4,406,448	4,211,939	4,250,061
1,995,347	2,160,908	2,298,460	2,453,516	2,547,737	2,561,579
1,453,986	1,300,513	1,637,940	1,738,741	1,774,476	1,718,702
-	-	-	-	-	-
3,193,546	3,006,540	3,158,296	3,753,016	3,899,640	3,743,103
6,965,248	5,468,039	6,740,678	7,412,684	7,057,666	7,224,087
15,459,524	12,534,365	15,292,156	14,837,798	14,285,938	14,521,821
128,015,148	111,679,245	124,364,289	138,205,927	134,509,386	137,310,628
2,003,197	1,523,471	1,827,693	1,674,838	1,736,141	1,602,741
23,260,437	21,312,429	23,011,873	24,686,703	24,152,098	23,066,097
2,106,536	2,334,769	3,099,680	2,770,807	2,751,523	2,908,575
18,901,149	17,866,260	20,136,951	18,723,992	17,114,597	16,908,910
4,027,906	3,479,118	3,792,182	4,616,958	5,177,291	5,854,557
18,595,792	16,536,840	18,651,309	19,361,393	19,194,283	21,958,877
6,231,796	6,187,913	6,633,690	7,418,412	7,536,112	7,375,479
1,042,128	1,147,898	1,655,807	1,763,463	1,745,305	1,840,015
479,999	571,642	613,532	655,742	646,663	613,808
257,225	258,646	280,209	163,126	155,554	154,935
179,341	183,393	228,663	271,938	275,763	259,741
28,005	30,365	33,210	33,295	31,177	36,531
-	-	-	-	397,627	390,428
\$ 424,479,383	\$ 411,003,594	\$ 452,688,450	\$ 479,715,438	\$ 470,357,614	\$ 478,349,905

**Nueces County, Texas**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	FISCAL YEAR	2003	2004	2005
	TAX ROLL YEAR	2002	2003	2004
Nueces County		0.366	0.385	0.429
<b>Special Districts:</b>				
Hospital District		0.228	0.228	0.225
Downtown Management District		0.500	0.500	0.500
Port of Corpus Christi		0.000	0.000	0.000
Corpus Christi Junior College District		0.200	0.236	0.234
County Education District		0.000	0.000	0.000
Water Control No. 4		0.000	0.000	0.000
Water Control No. 5		0.000	0.000	0.000
Drainage District No. 2		0.419	0.475	0.426
Drainage District No. 3		0.160	0.180	0.180
South Texas Water Authority		0.115	0.055	0.055
<b>Cities:</b>				
Agua Dulce		0.700	0.718	0.724
Aransas Pass		0.000	0.000	0.000
Bishop		0.646	0.901	0.930
Corpus Christi		0.644	0.644	0.634
Driscoll		0.660	0.632	0.644
Port Aransas		0.442	0.443	0.393
Robstown		1.082	1.082	1.056
<b>School Districts:</b>				
Agua Dulce ISD		1.809	1.805	1.760
Aransas Pass ISD		1.576	1.576	1.576
Banquete ISD		1.681	1.682	1.605
Bishop ISD		1.648	1.642	1.632
Calallen ISD		1.595	1.599	1.599
Corpus Christi ISD		1.590	1.590	1.616
Driscoll ISD		1.839	1.840	1.795
Flour Bluff ISD		1.526	1.526	1.526
London ISD		1.260	1.260	1.250
Port Aransas ISD		1.536	1.560	1.558
Robstown ISD		1.614	1.614	1.714
Tuloso Midway ISD		1.730	1.730	1.725
West Oso ISD		1.570	1.570	1.900
<b>Fire Districts:</b>				
Fire District No. 1		0.060	0.060	0.060
Fire District No. 2		0.022	0.022	0.026
Fire District No. 3		0.030	0.030	0.030
Fire District No. 4		0.058	0.069	0.088
Fire District No. 5		0.030	0.030	0.030
Fire District No. 6		0.000	0.000	0.000
TOTAL:		<u>27.336</u>	<u>27.684</u>	<u>27.920</u>

Exhibit 7

2006	2007	2008	2009	2010	2011	2012
2005	2006	2007	2008	2009	2010	2011
0.404	0.370	0.356	0.356	0.355	0.355	0.355
0.175	0.161	0.145	0.145	0.155	0.162	0.162
0.370	0.000	0.370	0.370	0.370	0.370	0.370
0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.228	0.256	0.242	0.242	0.251	0.258	0.258
0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.363	0.382	0.377	0.385	0.347	0.310	0.318
0.180	0.180	0.190	0.890	0.189	0.189	0.189
0.055	0.055	0.057	0.056	0.057	0.062	0.062
0.071	0.625	0.607	0.593	0.536	0.477	0.480
0.000	0.000	0.000	0.000	0.593	0.607	0.723
0.091	0.921	0.921	0.828	0.809	0.914	0.911
0.626	0.602	0.564	0.564	0.564	0.582	0.571
0.644	0.750	0.750	0.930	0.930	0.857	0.899
0.378	0.297	0.286	0.276	0.322	0.332	0.332
1.056	1.019	1.000	1.000	1.000	0.975	0.954
1.744	1.611	1.253	1.389	1.400	1.379	1.400
1.576	1.061	1.061	0.000	1.071	1.071	1.071
1.829	1.649	1.521	1.449	1.439	1.473	1.512
1.639	1.515	1.188	1.300	1.526	1.563	1.556
1.599	1.430	1.100	1.277	1.299	1.299	1.329
1.616	1.486	1.156	1.176	1.237	1.237	1.237
1.795	1.623	1.298	1.239	1.239	1.250	1.265
1.526	1.387	1.070	1.070	1.069	1.070	1.072
1.391	1.277	1.130	1.144	1.210	1.250	1.263
1.550	1.395	1.058	1.058	1.058	1.062	1.063
1.714	1.584	1.254	1.254	1.374	1.523	1.650
1.742	1.612	1.282	1.332	1.332	1.332	1.332
1.780	1.650	1.240	1.340	1.420	1.420	1.420
0.075	0.075	0.075	0.100	0.100	0.100	0.100
0.026	0.026	0.026	0.026	0.026	0.026	0.026
0.030	0.050	0.050	0.048	0.030	0.030	0.030
0.088	0.088	0.088	0.100	0.100	0.100	0.100
0.030	0.030	0.027	0.028	0.270	0.240	0.030
0.000	0.000	0.000	0.000	0.000	0.070	0.070
<u>26.390</u>	<u>25.167</u>	<u>21.742</u>	<u>21.965</u>	<u>23.678</u>	<u>23.945</u>	<u>24.110</u>



**Nueces County, Texas**  
**Principal Taxpayers**  
**Current Year and 10 Years Ago**  
**September 30, 2012**

**Exhibit 8**

Taxpayer	2012			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AEP Texas Central	140,849,390	6	4.75%	-	-	-
Apache Corporation	71,909,418	10	2.42%	-	-	-
Barney M Davis LP	84,296,490	8	2.84%	-	-	-
BASF Corporation Ibuprofen	-	-	-	71,604,410	9	3.19%
Central Power and Light	-	-	-	226,946,261	5	10.11%
Citgo Refining & Chemicals	521,727,640	3	17.58%	292,816,756	3	13.05%
Coastal Refining, Inc.	-	-	-	132,393,549	7	5.90%
Corpus Christi Retail Venture LP	86,000,000	7	2.90%	-	-	-
Equistar Chemicals LP	180,401,250	4	6.08%	303,255,260	2	13.51%
Flint Hills Resources	955,021,440	1	32.17%	-	-	-
H.E. Butt Grocery	81,200,107	9	2.74%	69,614,366	10	3.10%
Hoechst Cel-Plastics Division	172,279,510	5	5.80%	-	-	-
Koch Refining Company	-	-	-	615,282,662	1	27.42%
Nueces Bay WLE LP	-	-	-	-	-	-
Southwestern Bell Telephone	-	-	-	86,256,119	8	3.84%
Ticona Polymets Plastic Division	-	-	-	258,446,900	4	11.52%
Valero Refining Company	674,642,780	2	22.73%	187,612,015	6	8.36%
Wal-Mart Stores Inc.	-	-	-	-	-	-
<b>Total</b>	<b>2,968,328,025</b>		<b>100.00%</b>	<b>\$ 2,244,228,298</b>		<b>100.00%</b>

**Nueces County, Texas**  
**Tax Levies**  
**Last Ten Fiscal Years**  
**September 30, 2012**

FISCAL YEAR	2003	2004	2005	2006	2007
TAX ROLL YEAR	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Levy for maintenance and operations (M & O):					
General Fund	\$ 39,310,039	\$ 43,598,209	\$ 45,032,203	\$ 45,658,468	\$ 46,461,648
Road Fund	<u>610,842</u>	<u>677,415</u>	<u>694,791</u>	<u>705,084</u>	<u>718,108</u>
Total M & O levy	<u>39,920,881</u>	<u>44,275,624</u>	<u>45,726,994</u>	<u>46,363,552</u>	<u>47,179,756</u>
Levy for debt service (I & S):					
Debt Service Fund	<u>1,996,174</u>	<u>2,099,207</u>	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>
Total I & S levy	<u>1,996,174</u>	<u>2,099,207</u>	<u>9,419,091</u>	<u>9,293,659</u>	<u>9,374,604</u>
Total County levy	<u>\$ 41,917,055</u>	<u>\$ 46,374,831</u>	<u>\$ 55,146,085</u>	<u>\$ 55,657,211</u>	<u>\$ 56,554,360</u>



**Exhibit 9**

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

**Nueces County, Texas**  
**Property Tax Levies and Collections -**  
**General Fund and Debt Service Funds**  
**Last Ten Fiscal Years**  
**September 30, 2012**

FISCAL YEAR ENDING SEPT. 30, TAX ROLL YEAR	2003 2002	2004 2003	2005 2004	2006 2005
Tax Levy (original levy) (1)	41,306,213	45,697,416	54,451,294	54,952,127
Current Tax Collections (2)	39,677,733	43,834,626	52,341,670	52,997,962
Percent of Current Taxes Collected	96%	96%	96%	96%
Unpaid as of June 30th	1,628,480	1,862,790	2,109,624	1,954,165
Subsequent Collections & Adjustments	1,390,718	1,542,120	1,559,895	919,994
Total Collections & Adjustments	41,068,451	45,376,746	53,901,565	53,917,956
Percent Total Collections of Tax Levy	99.42%	99.30%	98.99%	98.12%
Unpaid Taxes Sept. 30, 2011	237,762	320,670	549,729	1,034,171

(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**

2007 2006	2008 2007	2009 2008	2010 2009	2011 2010	2012 2011
55,836,252	60,476,835	65,545,388	66,836,285	64,549,307	65,330,496
54,102,451	58,312,583	62,719,961	64,656,554	62,146,816	63,364,158
97%	96%	96%	97%	96%	97%
1,733,801	2,164,252	2,825,427	2,179,731	2,402,491	1,966,338
692,359	955,172	1,421,968	658,713	1,099,494	825,937
54,794,810	59,267,755	64,141,929	65,315,267	63,246,310	64,190,095
98.13%	98.00%	97.86%	97.72%	97.98%	98.25%
1,041,442	1,209,080	1,403,459	1,521,018	1,302,997	1,140,401

**Nueces County, Texas**  
**Property Tax Levies and Collections -**  
**Farm To Market**  
**Last Ten Fiscal Years**  
**September 30, 2012**

FISCAL YEAR ENDING SEPTEMBER 30, TAX ROLL YEAR	2003 2002	2004 2003	2005 2004	2006 2005
Tax Levy (1)	610,842	677,415	694,791	705,084
Current Tax Collections (2)	586,601	649,665	671,272	680,021
Percent of Current Taxes Collected	96%	96%	97%	96%
Unpaid as of June 30th	24,241	27,750	23,519	25,063
Subsequent Collections & Adjustments	20,752	23,052	16,524	11,948
Total Collections & Adjustments	607,353	672,717	687,796	691,969
Percent Total Collections of Tax Levy	99.43%	99.31%	98.99%	98.14%
Unpaid Taxes Sept. 30, 2011	3,489	4,698	6,995	13,115

(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>2007</u> <u>2006</u>	<u>2008</u> <u>2007</u>	<u>2009</u> <u>2008</u>	<u>2010</u> <u>2009</u>	<u>2011</u> <u>2010</u>	<u>2012</u> <u>2011</u>
718,108	737,557	804,802	824,104	791,360	788,479
695,790	710,093	769,669	790,533	761,190	761,310
97%	96%	96%	96%	96%	97%
22,318	27,464	35,133	33,571	30,170	27,169
9,043	12,856	17,998	14,989	14,263	13,463
704,833	722,949	787,667	805,522	775,453	774,773
98.15%	98.02%	97.87%	97.75%	97.99%	98.26%
13,275	14,608	17,135	18,582	15,907	13,706

**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, 2012**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Principal	1,415,000	1,190,000	2,240,000	4,137,349
Interest	909,130	879,571	7,006,834	5,199,308
Fiscal Agents & Other Fees	3,517	10,447	-	5,537
Total Debt Service	2,327,647	2,080,018	9,246,834	9,342,194
Total General governmental expenditures (2)	83,105,084	72,713,159	52,682,203	56,390,578
Ratio of Debt Service to General governmental expenditures	2.80%	2.86%	17.55%	16.57%

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

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

**Exhibit 12**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
4,641,465	4,170,427	4,553,649	4,957,377	4,796,040	5,724,864
6,027,209	6,308,649	6,104,074	5,869,233	5,179,967	5,054,843
4,768	4,500	4,017	8,500	432,800	(16,034)
10,673,442	10,483,576	10,661,740	10,835,110	10,408,807	10,763,673
60,442,720	62,733,431	65,036,510	66,283,738	67,009,800	66,516,869
17.66%	16.71%	16.39%	16.35%	15.53%	16.18%

**Nueces County, Texas**  
**Ratios Of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**September 30, 2012**

<u>Fiscal Year Ending</u>	<u>Gross<sup>(1)</sup> 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>
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	12,004,999	1.02%
2010	121,157,443	(3,585,711)	117,571,732	12,438,913	0.95%
2011	122,633,900	(3,965,499)	118,668,401	13,196,232	0.90%
2012	117,055,767	(3,945,987)	113,109,780	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>
11,444,636,874	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
18,035,454,760	0.66%	340,223	348.80
18,710,372,638	0.60%	343,281	329.50



**Nueces County, Texas**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2012**

**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	\$ 109,621,313	100.00%	\$ 109,621,313
Nueces County Hospital District	5,230,000	100.00%	5,230,000
County-Line Special Districts:			
Nueces County Water Control District 4	-	-	-
Nueces County Drainage District 2	294,762	100.00%	294,762
South Texas Water Authority	-	100.00%	-
Cities:			
Agua Dulce	100,976	100.00%	100,976
Aransas Pass	13,075,340	100.00%	13,075,340
Bishop	3,190,794	100.00%	3,190,794
Corpus Christi	265,515,153	100.00%	265,515,153
Driscoll	418,643	100.00%	418,643
Port Aransas	13,935,000	100.00%	13,935,000
Robstown	8,542,343	100.00%	8,542,343
School Districts:			
Agua Dulce ISD	2,100,000	52.20%	1,096,200
Aransas Pass ISD	2,065,000	7.83%	161,690
Banquete ISD	16,198,321	100.00%	16,198,321
Bishop ISD	24,149,823	100.00%	24,149,823
Calallen ISD	79,467,043	100.00%	79,467,043
Corpus Christi ISD	334,849,914	100.00%	334,849,914
Driscoll ISD	2,337,800	100.00%	2,337,800
Flour Bluff ISD	4,340,000	100.00%	4,340,000
Port Aransas ISD	7,618,288	99.90%	7,610,670
Robstown ISD	47,020,908	100.00%	47,020,908
Tuloso-Midway ISD	54,279,999	100.00%	54,279,999
West Oso ISD	49,152,140	100.00%	49,152,140
Sub-total direct and overlapping debt	1,043,503,560	99.72%	1,040,588,831
Nueces County	<u>117,055,767</u>	100.00%	<u>117,055,767</u>
Total direct and overlapping debt	<u>\$ 1,160,559,327</u>	99.75%	<u>\$ 1,157,644,598</u>

Estimated Nueces County: Population: 343,281

Nueces County share of Gross Debt per Capita is \$341.00

**Nueces County, Texas**  
**Legal Debt Margin Information**  
**Bonds and Certificates of Obligation**  
**Issued Under Texas General Laws**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Assessed value of taxable property excluding railroad rolling stock	14,021,927,292	14,742,391,603	15,793,709,529	16,855,147,222
Debt limit rate	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>
Amount of debt limit	<u>701,096,365</u>	<u>737,119,580</u>	<u>789,685,476</u>	<u>842,757,361</u>
Amount of debt applicable to debt limit:				
Gross bonded debt (1)	19,445,000	110,790,985	108,656,349	104,943,415
Less: Amounts set aside to repay general debt	<u>1,521,312</u>	<u>2,346,690</u>	<u>2,486,611</u>	<u>2,751,145</u>
Total amount of net debt applicable to debt limit	<u>17,923,688</u>	<u>108,444,295</u>	<u>106,169,738</u>	<u>102,192,270</u>
Legal debt margin	<u>\$ 683,172,677</u>	<u>\$ 628,675,285</u>	<u>\$ 683,515,738</u>	<u>\$ 740,565,091</u>
Total net debt applicable to the limit as a percentage of debt limit	2.56%	14.71%	13.44%	12.13%

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 and Energy Conservation Loans.

Exhibit 15

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
18,690,147,266	20,258,113,844	22,011,278,689	22,773,789,189	22,322,619,824	24,268,719,732
x <u>5%</u>	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>	x <u>5%</u>	<u>5%</u>
<u>934,507,363</u>	<u>1,012,905,692</u>	<u>1,100,563,934</u>	<u>1,138,689,459</u>	<u>1,116,130,991</u>	<u>1,213,435,987</u>
134,838,895	130,668,469	126,114,820	121,157,443	122,633,900	117,055,767
<u>3,005,603</u>	<u>2,900,021</u>	<u>3,182,479</u>	<u>3,585,711</u>	<u>3,965,499</u>	<u>3,945,987</u>
<u>131,833,292</u>	<u>127,768,448</u>	<u>122,932,341</u>	<u>117,571,732</u>	<u>118,668,401</u>	<u>113,109,780</u>
<u>\$ 802,674,071</u>	<u>\$ 885,137,244</u>	<u>\$ 977,631,593</u>	<u>\$ 1,021,117,727</u>	<u>\$ 997,462,590</u>	<u>\$ 1,100,326,207</u>
14.11%	12.61%	11.17%	10.33%	10.63%	9.32%

**Nueces County, Texas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**September 30, 2012**

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Solid Waste Fees	3,917	-	5,000	5,000
Total Revenues Available (1)	2,000	2,000	2,000	2,000
Debt Service Requirements				
Interest	589,283	590,515	582,001	577,880
Principal	430,000	210,000	265,000	280,000

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

**Exhibit 16**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
5,000	1,122	1,356	1,000	1,244	1,248
2,000	2,000	2,000	2,000	2,000	2,000
560,785	6,196,829	6,031,276	5,834,759	5,632,640	5,724,865
290,000	2,935,000	3,885,000	4,255,000	4,670,000	5,155,948

**Nueces County, Texas**  
**Miscellaneous Statistical Data**  
**Last Ten Fiscal Years**  
**September 30, 2012**

Year	(1) Estimated Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Public School Enrollment Corpus Christi
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	12,004,999	37,162	53,391
2010	323,046	12,438,913	36,545	52,993
2011	340,223	13,196,232	38,441	53,795
2012	343,281			53,968

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
7,266	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
6,939	7.8%	82,194,297	4,288,389,104
7,058	5.7%	80,310,217	4,772,060,753

Nueces County, Texas  
Principal Employers  
Last Ten Fiscal Years  
September 30, 2012

Employer Name	2003	2004	2005	2006		2007		2008				
				Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment	Number of Employees	Rank	Percent of Total City Employment
Bay, LTD				2,200	7	7.21%	2,100	6	6.63%	2,100	6	6.63%
Christus Spohn Health System				5,404	2	17.70%	5,400	1	17.06%	5,400	1	17.04%
City of Corpus Christi				2,500	6	8.19%	3,171	5	10.02%	3,171	5	10.00%
Corpus Christi Army Depot				2,654	5	8.69%	4,876	4	15.40%	4,876	4	15.38%
Corpus Christi ISD	Data not available	Data not available	Data not available	4,500	3	14.74%	5,178	2	16.36%	5,178	2	16.34%
Corpus Christi Medical Center				1,680	9	5.50%	1,300	10	4.11%	1,300	10	4.10%
Del Mar College				2,007	8	6.57%	1,500	8	4.74%	1,542	8	4.86%
Driscoll Children's Hospital				-	-	0.00%	-	-	0.00%	1,500	9	4.73%
First Data Corporation				1,200	10	3.93%	1,500	9	4.74%	-	-	0.00%
H.E.B.				2,882	4	9.44%	5,000	3	15.80%	5,000	3	15.77%
Kiewit Offshore Services				-	-	-	-	-	-	-	-	-
Naval Air Station Corpus Christi				5,500	1	18.02%	1,630	7	5.15%	1,630	7	5.14%
				<u>30,527</u>		<u>100.00%</u>	<u>31,655</u>		<u>100.00%</u>	<u>31,697</u>		<u>100.00%</u>

Source: Corpus Christi Regional Economic and Development

2009			2010			2011			2012		
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	7	6.12%	2,100	7	6.20%	2,100	8	5.84%
5,400	1	17.04%	5,144	3	15.00%	5,144	3	15.19%	5,144	3	14.30%
3,171	5	10.00%	3,171	6	9.24%	3,171	5	9.37%	3,171	5	8.82%
4,876	4	15.38%	3,541	5	10.32%	5,800	1	17.13%	5,800	1	16.13%
5,178	2	16.34%	5,178	2	15.10%	5,178	2	15.29%	5,178	2	14.40%
1,300	10	4.10%	1,300	10	3.79%	1,300	10	3.84%	1,200	11	3.34%
1,542	8	4.86%	1,542	9	4.50%	1,542	9	4.55%	1,542	10	4.29%
1,500	9	4.73%	1,800	8	5.25%	1,800	8	5.32%	1,800	9	5.01%
0	-	0.00%	0	-	0.00%	0	-	0.00%	0	-	0.00%
5,000	3	15.77%	5,000	4	14.58%	5,000	4	14.77%	5,000	4	13.90%
-	-	-	-	-	-	-	-	-	2,200	7	6.12%
1,630	7	5.14%	5,525	1	16.11%	2,822	6	8.34%	2,827	6	7.86%
<u>31,697</u>		<u>100.00%</u>	<u>34,301</u>		<u>100.00%</u>	<u>33,857</u>		<u>100.00%</u>	<u>35,962</u>		<u>100.00%</u>

**Nueces County, Texas**  
**Construction and Commercial Permits Valuations**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New Construction (1)					
Residential					
Dwelling Units	1,410	2,201	1,857	2,807	1,255
Permits	1,250	1,457	1,531	1,692	1,250
Valuation	128,562,414	172,818,160	199,543,259	241,180,554	148,166,220
Commercial					
Permits	157	306	318	361	280
Valuation	<u>198,745,734</u>	<u>118,167,688</u>	<u>205,205,534</u>	<u>132,941,420</u>	<u>108,504,979</u>
Total Permits Valuations	<u><u>327,308,148</u></u>	<u><u>290,985,848</u></u>	<u><u>404,748,793</u></u>	<u><u>374,121,974</u></u>	<u><u>256,671,199</u></u>

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

**Exhibit 19**

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

**Nueces County, Texas**  
**Deposits of FDIC Insured Institutions**  
**Last Ten Fiscal Years**  
**September 30, 2012**

<b>Banks</b>	<b>As of June 30,</b> <b>(in thousands)</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
American Bank National Assn	451,239	520,208	600,674	621,007
Bank of Alice	39,058	39,421	-	-
Bank of America NA	548,623	544,903	536,681	537,554
Capital One National Assn	-	-	-	64,331
Charter Alliance Bank	-	-	-	-
Charter Bank	88,095	83,757	98,229	106,767
Coastal Banc, S.S.B.	76,433	-	-	-
Compass Bank	-	-	-	-
Eisenhower National Bank	-	-	-	-
First Capital Bank, S.S.B.	212,174	209,507	-	-
First Commerce Bank	106,328	105,782	103,125	102,843
First Community Bank	78,563	51,255	58,712	55,025
First National Bank	304,731	499,461	330,191	370,356
First National Bank of South Texas	-	-	-	-
First National Bank Texas	3,745	3,910	4,330	4,502
First State Bank	-	-	-	-
First State Bank of Odem	10,085	11,536	10,101	18,614
First Victoria National Bank	-	-	-	1,571
Frost National Bank	499,356	549,663	537,453	543,689
Hibernia National Bank	-	74,924	70,696	-
International Bank of Commerce	82,519	81,044	100,493	95,649
Kleberg 1st National Bank of Kingsville	-	597	1,904	7,331
Laredo National Bank	40,964	34,736	39,189	44,465
Nationsbank National Assn	-	-	-	-
Norwest Bank Texas National Assn	-	-	-	-
Nueces National Bank	-	-	-	-
Pacific Southwest Bank	-	-	-	-
Prosperity Bank	-	-	189,289	180,690
Texas Champion Bank	-	-	45,493	46,875
Texas State Bank	30,334	47,805	93,446	146,750
Valuebank Texas	58,255	64,952	60,004	58,984
Wells Fargo Bank NA	284,801	296,437	297,276	340,420
	<u>2,915,303</u>	<u>3,219,898</u>	<u>3,177,286</u>	<u>3,347,423</u>

Source: Federal Deposit Insurance Corporation

Exhibit 20

2007	2008	2009	2010	2011	2012
644,881	698,673	685,739	703,129	757,780	830,338
-	-	-	-	-	-
465,883	482,977	406,264	398,930	436,490	444,816
59,792	56,904	68,296	55,625	51,603	47,010
-	-	7,638	17,733	-	-
107,686	123,952	121,795	119,481	157,791	188,199
-	-	-	-	-	-
-	187,969	133,466	99,436	92,053	99,599
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
67,122	83,364	90,478	94,331	111,158	123,372
306,232	308,412	250,532	192,998	155,941	148,400
-	-	-	-	-	-
4,925	4,987	5,025	5,024	6,144	7,579
-	-	-	-	-	-
17,969	18,844	23,229	24,707	31,737	32,758
6,450	13,156	46,022	50,119	60,127	83,127
578,236	632,489	669,928	794,867	823,063	899,232
-	-	-	-	-	-
108,526	121,413	127,193	149,092	145,132	150,220
110,082	108,597	116,587	115,187	113,900	126,574
42,107	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
172,888	170,084	163,458	160,186	163,079	172,913
51,733	65,602	60,307	57,325	60,172	64,052
120,610	-	-	-	-	-
60,944	60,463	57,816	58,468	61,730	65,917
346,995	349,123	404,671	432,757	487,542	516,821
<u>3,273,061</u>	<u>3,487,009</u>	<u>3,438,444</u>	<u>3,529,395</u>	<u>3,715,442</u>	<u>4,000,927</u>

**Nueces County, Texas**  
**Housing & Motor Vehicle Sales Volume**  
**Last Ten Fiscal Years**  
**September 30, 2012**

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

Source:

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



**Exhibit 21**

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

**Nueces County, Texas**  
**Full-Time Equivalent**  
**County Government Employees by Function**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>02/03</u>	<u>03/04</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>
General Government	188	167	167	170	178
Buildings & Facilities	52	44	43	41	41
Administration of Justice	367	355	344	344	348
Law Enforcement & Corrections	406	373	379	381	379
Social Services	40	36	35	35	35
Health, Safety & Sanitation	31	36	11	13	26
Agr, Ed & Consumer Sciences	12	13	13	13	13
Roads, Bridges & Airport	117	93	94	92	92
Parks & Recreation	48	32	32	32	34
Total Employee Positions	<u>1,261</u>	<u>1,149</u>	<u>1,118</u>	<u>1,121</u>	<u>1,146</u>

Source: Nueces County Clerk, adopted annual budgets.

**Exhibit 22**

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

**Nueces County, Texas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**September 30, 2012**

	<u>2002(1)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Administration of Justice</b>					
<b>JP Courts</b>					
Cases Filed	26,276	20,480	27,116	30,836	31,798
Cases Disposed	23,501	20,570	21,103	17,630	24,571
Cases Appealed	20	16	5	101	66
<b>County Courts at Law</b>					
Civil Cases Filed	2,287	1,950	1,965	1,991	2,348
Child Protective Services					
Civil Cases Disposed	2,292	1,728	2,166	1,963	2,052
Criminal Cases Filed	8,523	11,894	10,532	11,286	9,884
Criminal Cases Disposed	8,535	9,588	10,529	12,458	10,687
<b>District Courts</b>					
Civil Cases Filed	7,464	8,681	8,754	8,500	8,704
Child Protective Services					
Civil Cases Disposed	7,520	8,650	9,772	9,353	8,356
Criminal Cases Filed	4,324	4,380	4,632	5,091	4,588
Criminal Cases Disposed	3,712	4,698	4,715	4,816	4,832
<b>Juvenile</b>					
Juvenile Cases Filed	610	598	649	654	539
Juvenile Cases Disposed	524	461	478	392	429
<b>General Government</b>					
County Clerk Filling	-	-	-	-	75,208

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

Sources:

Office of Court Administration  
Nueces County Clerk

**Exhibit 23**

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
32,172	32,059	29,851	99,578	27,150	22,041
25,200	27,084	26,941	24,095	22,532	15,833
100	79	85	87	83	4
2,210	2,532	1,969	2,002	2,425	2,242
234	230	231	207	192	181
2,346	2,164	1,967	1,910	2,474	2,378
11,455	4,238	8,952	8,590	6,963	7,826
11,304	11,389	10,925	9,353	8,126	7,350
8,154	5,031	7,649	7,261	7,945	6,322
1	-	1	1	1	1
8,811	7,659	8,094	7,401	6,561	6,414
5,294	2,339	5,304	4,608	3,138	2,878
5,179	5,525	5,236	5,027	4,501	4,813
537	1,264	345	242	184	243
288	321	372	242	74	249
80,061	65,881	99,206	80,715	73,729	85,517

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

<b><u>Functions</u></b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>General Government</b>					
Number of Vehicles	6	5	6	8	5
Number of Buildings	2	2	2	2	2
<b>Administration of Justice</b>					
Number of Buildings	5	5	5	5	5
Number of Vehicles	11	7	7	7	8
<b>Law Enforcement</b>					
Number of Buildings	2	2	2	2	2
Jail Capacity - Main Jail	656	656	656	656	656
Jail Capacity - McKenzie Jail	412	412	412	412	412
Number of Vehicle	99	102	102	97	97
<b>Health, Safety, and Sanitation</b>					
Number of Vehicles	6	6	6	11	12
<b>Social Services</b>					
Number of Buildings	2	2	2	2	2
Number of Vehicles	8	9	8	10	9
<b>Roads, Bridges, and Transportation</b>					
Number of Buildings	12	12	12	12	13
Number of Bridges	80	80	80	80	80
Number of Miles (Paved Roads)	475	475	475	475	475
Number of Miles (Improved Caliche Roads)	50	50	50	50	50
Number of Miles (Dirt Roads)	178	178	178	178	178
Number of Vehicles	51	53	50	47	47
<b>Parks and Recreation</b>					
Number of Buildings	19	19	19	19	32
Number of Parks	13	13	13	13	13
Number of Vehicles	24	23	20	18	21
<b>Building and Facilities</b>					
Number of Buildings	24	24	24	25	26
Number of Vehicles	12	12	11	11	13
<b>Agriculture, Education, Consumer science</b>					
Number of Vehicles	4	4	3	4	4

**Exhibit 24**

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





**Nueces County, Texas**  
**Salaries and Surety Bonds of Elected Officials**  
**September 30, 2012**

**Exhibit 25**

<u>Official Title</u>	<u>Incumbent</u>	<u>Budget Salary</u>	<u>Surety Bond</u>	<u>Term Ending Dates</u>
Elected Officials:				
Commissioner, Precinct I	Mike Pusley	\$ 70,234	\$ 3,000	12/31/2012
Commissioner, Precinct II	Joe A. Gonzalez	70,234	3,000	12/31/2014
Commissioner, Precinct III	Oscar Ortiz	73,785	3,000	12/31/2012
Commissioner, Precinct IV	Joe Mc Comb	70,234	3,000	12/31/2014
County Judge	Samuel L. Neal, Jr.	87,858	10,000	12/31/2014
County Attorney	Laura A. Jimenez	105,649	2,500	12/31/2012
County Clerk	Diana T. Barrera	73,785	500,000	12/31/2014
Assessor-Collector of Taxes	Kevin Kieschnick	70,234	100,000	12/31/2012
District Clerk	Patsy Perez	73,785	100,000	12/31/2014
Sheriff	Jim Kaelin	78,729	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	Anna Elisabet Gonzales	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law III	David Stith	139,000	10,000	12/31/2012
County Court At Law Judge, Court At Law IV	James E. Klager	139,000	10,000	12/31/2014
County Court At Law Judge, Court At Law V	Brent Chesney	139,000	10,000	12/31/2014
District Judge, 28th District Court	Nanette Hasette	15,000	N/A (1)	12/31/2012
District Judge, 94th District Court	Robert M. Galvan	15,000	N/A (1)	12/31/2014
District Judge, 105th District Court	Angelica Hernandez	15,000	N/A (1)	12/31/2014
District Judge, 117th District Court	Sandra Watts	15,000	N/A (1)	12/31/2014
District Judge, 148th District Court	Guy Williams	15,000	N/A (1)	12/31/2014
District Judge, 214th District Court	Jose Longoria	15,000	N/A (1)	12/31/2012
District Judge, 319th District Court	Thomas Greenwell	15,000	N/A (1)	12/31/2014
District Judge, 347th District Court	Missy Medary	15,000	N/A (1)	12/31/2012
District Attorney	Mark Skurka	12,000	5,000 (1)	12/31/2012
Constable, Precinct I	Rodolfo A. Caceres	51,734	1,500	12/31/2012
Constable, Precinct II	Jerry C. Boucher	51,734	1,500	12/31/2012
Constable, Precinct III	Jimmy Rivera	49,248	1,500	12/31/2012
Constable, Precinct IV	Robert W. Sherwood	51,734	1,500	12/31/2012
Constable, Precinct V	Dionicio 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	55,111	5,000	12/31/2014
Justice of the Peace, Pct.I,Place III	Roberto Balderas	55,111	5,000	12/31/2014
Justice of the Peace,Pct.II,Place I	Janice K. Stoner	55,111	5,000	12/31/2012
Justice of the Peace, Pct. II, Place II	Larry G. Cox	55,111	5,000	12/31/2014
Justice of the Peace, Pct. III	Adolfo Contreras	53,767	5,000	12/31/2014
Justice of the Peace, Pct. IV	Duncan Neblett, Jr.	55,111	5,000	12/31/2014
Justice of the Peace, Pct. V, Place I	Roberto H Gonzalez Jr.	55,111	5,000	12/31/2012
Justice of the Peace, Pct. V, Place II	Hermilo Peña, Jr.	55,111	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, 2012**

<b>Type of Coverage</b>	<b>Premiums Paid FY02-03</b>	<b>Premiums Paid FY03-04</b>	<b>Premiums Paid FY04-05</b>	<b>Premiums Paid FY05-06</b>
Property With Excess Windstorm	584,968	547,707	534,094	
Property Without Excess Windstorm				138,271
County Buildings (Blanket Buildings)				
County Buildings (Blanket Contents)				
Primary Windstorm				316,402
<b>Subtotal Windstorm</b>	<b>584,968</b>	<b>547,707</b>	<b>534,094</b>	<b>454,693</b>
Flood Insurance	33,090	29,395	33,337	46,558
Building Limits				
Building Contents				
Building and Contents				
Excess Flood				
<b>Subtotal Flood</b>	<b>33,090</b>	<b>29,395</b>	<b>33,337</b>	<b>46,558</b>
Inland Marine:	7,664	7,893	6,955	12,471
Voting Machine				
Fine Arts				
Valuable Papers				
<b>Subtotal Inland Marine</b>	<b>7,664</b>	<b>7,893</b>	<b>6,955</b>	<b>12,471</b>
Public Official Employee Liability	56,830	57,621	52,753	52,701
Crime Policy Includes	2,190	2,512	2,512	2,512
Dishonesty				
Money & Securities				
Auto Liability Blanket	115,229	118,461	107,641	85,061
Boiler and Machinery	3,370	4,213	4,213	3,941
Airport Liability	4,500	4,950	4,950	4,950
Airport Hangar keepers Legal				
Other Liability				
<b>Total</b>	<b>807,840</b>	<b>772,751</b>	<b>746,454</b>	<b>662,887</b>

Exhibit 26

<b>Premiums Paid FY06-07</b>	<b>Premiums Paid FY07-08</b>	<b>Premiums Paid FY08-09</b>	<b>Premiums Paid FY09-10</b>	<b>Premiums Paid FY10-11</b>	<b>Premiums Paid FY11-12</b>
157,527	152,548	123,117	111,913	123,259	136,120
434,994	574,949	378,162	1,028,516	755,168	858,524
<b>592,521</b>	<b>727,497</b>	<b>501,279</b>	<b>1,140,429</b>	<b>878,427</b>	<b>994,644</b>
53,434	115,730	84,397			
19,243		80,012	76,260	83,441	91,802
<b>72,677</b>	<b>115,730</b>	<b>164,409</b>	<b>132,583</b>	<b>139,971</b>	<b>148,217</b>
13,220	11,132	13,212	5,939	7,418	7,051
<b>13,220</b>	<b>11,132</b>	<b>13,212</b>	<b>5,939</b>	<b>7,418</b>	<b>7,051</b>
37,199	33,435	33,435	24,567	31,361	30,153
2,783	2,783	2,783	2,783	2,783	2,783
115,016	113,989	119,122	111,242	115,029	106,706
5,140					
4,950	4,455				
		3,783	2,888	2,837	2,258
<b>843,506</b>	<b>1,009,021</b>	<b>838,023</b>	<b>1,420,431</b>	<b>1,177,826</b>	<b>1,291,812</b>

