

ARANSAS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

Aransas County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2011

TABLE OF CONTENTS

	Page	Exhibit/Table
INTRODUCTORY SECTION		
Organizational Chart.....	1	
List of Principal Officials.....	1	
FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	2	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	12	Exhibit A-1
Statement of Activities.....	13	Exhibit A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	15	Exhibit A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	17	Exhibit A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	18	Exhibit A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	20	Exhibit A-6
Statement of Net Assets - Enterprise Funds.....	21	Exhibit A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Enterprise Funds.....	22	Exhibit A-8
Statement of Cash Flows - Proprietary Funds.....	23	Exhibit A-9
Statement of Fiduciary Net Assets - Fiduciary Funds.....	24	Exhibit A-10
Notes to the Financial Statements	25	
<u>Required Supplementary Information:</u>		
<u>Budgetary Comparison Schedules:</u>		
General Fund.....	41	Exhibit B-1
Road and Bridge.....	42	Exhibit B-2
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	43	Exhibit C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	44	Exhibit C-2
<u>Special Revenue Funds:</u>		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	45	Exhibit C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	53	Exhibit C-4

Aransas County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2011

TABLE OF CONTENTS

	Page	Exhibit/Table
Budgetary Comparison Schedules:		
Hotel/Motel Occupancy Tax Fund.....	60	Exhibit C-5
Mosquito Control.....	61	Exhibit C-6
County Library.....	62	Exhibit C-7
Special Contingency.....	63	Exhibit C-8
Records Management - County Clerk.....	64	Exhibit C-9
Law Library.....	65	Exhibit C-10
Courthouse Security.....	66	Exhibit C-11
Records Management - Countywide.....	67	Exhibit C-12
Indigent Health Care.....	68	Exhibit C-13
Aransas County Assistance Department.....	69	Exhibit C-14
Health Care Sales Tax.....	70	Exhibit C-15
Court Reporter Service Fee.....	71	Exhibit C-16
Fire Department Project.....	72	Exhibit C-17
Records Management - District Clerk.....	73	Exhibit C-18
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	74	Exhibit C-19
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	75	Exhibit C-20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	76	Exhibit C-21
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	78	Exhibit C-22
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	80	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance In Accordance With OMB Circular A-133.....	82	
Schedule of Findings and Questioned Costs	84	
Summary Schedule of Prior Audit Findings.....	85	
Corrective Action Plan.....	86	
Schedule of Expenditures of Federal Awards	87	Exhibit D-1
Notes to the Schedule of Expenditures of Federal Awards.....	89	

Aransas County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2011

TABLE OF CONTENTS

	Page	Exhibit/Table
Texas Office of Rural Affairs Grants:		
728011.....	90	Exhibit D-2
710019.....	91	Exhibit D-3
710205.....	92	Exhibit D-4
728025.....	93	Exhibit D-4
STATISTICAL SECTION		
Net Assets by Component.....	94	Table E-1
Expenses, Program Revenues, and Net (Expense)/Revenue.....	95	Table E-2
General Revenues and Total Change in Net Assets.....	96	Table E-3
Fund Balances of Governmental Funds.....	97	Table E-4
Changes in Fund Balances of Governmental Funds.....	98	Table E-5
Assessed Value and Estimated Actual Value of Taxable Property.....	99	Table E-6
Principal Property Tax Payers.....	100	Table E-7
Property Tax Levies and Collections.....	101	Table E-8

Introductory Section

ARANSAS COUNTY

Lezlie M. Kirk
County Auditor
lkirk@aransascounty.org

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Rockport, Texas 78382
Phone (361) 790-0124
Fax (361) 790-0125

June 22, 2012

Honorable District Judges
Honorable County Judge
Honorable County Commissioners
Aransas County
Rockport, Texas 78382

Ladies and Gentlemen:

Conforming to statutory requirements of the duties of the County Auditor, submitted herewith is the comprehensive annual financial report for Aransas County, Texas, for the year ended December 31, 2011. This report is issued by the County Auditor's office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. The report consists of three parts:

- 1) Introductory section
- 2) Financial section, including financial statements and supplemental data of the government accompanied by our independent auditor's opinion
- 3) Statistical section, including a number of tables of unaudited data depicting the financial history of the government for the past 10 years, and other miscellaneous information

ACCOUNTING METHODS AND REPORT

The Governmental Accounting and Standards Board require various other entities and activities to be reviewed for possible inclusion in the reporting entity. Accordingly, it has been determined that the reporting entity for Aransas County, Texas, includes all of the funds of the County. The County received an unqualified, or a clean, opinion on the financial statements for 2011. In years prior to 2004, a qualified opinion had been received because of the lack of fixed asset records.

Your attention is particularly directed to the Statement of Net Assets and Statement of Activities in this report which provides an overview of the financial position and results of operations for the County as a whole, and to the "Notes to Financial Statements" which include additional descriptive information necessary for a full understanding of the County's financial condition. The more detailed financial statements comprising the remainder of the report describe the specific activities of each fund and group of accounts used in accounting for the County's financial transactions.

FINANCIAL ADMINISTRATION

The officials having responsibility for the financial administration of the County are the County Judge and four County Commissioners (the Commissioners Court), the Tax Assessor-Collector, and the County Treasurer, all of whom are elected for four-year terms, and the County Auditor who is appointed for a two-year term by the State District Judges having jurisdiction within the County. The governing body of the County is the Commissioners Court. It has only powers expressly granted to it by the legislature and powers necessarily implied from such grant. Among other duties, it prepares and approves the County budget, determines the County tax rates, approves contracts in the name of the County, determines whether a proposition to issue bonds should be submitted to the voters, and appoints certain County officials.

The County Judge is the presiding officer of the Commissioners Court and is elected for a four-year term by the voters of the County. Each Commissioner represents one of the four Commissioner precincts into which the County is divided and is elected by the voters of his precinct for a four-year term. The Commissioners Court oversees road and bridge maintenance and construction, which is performed out of one central field office and staff, with one set of road and bridge equipment.

The Tax Assessor-Collector is responsible for collecting ad valorem taxes, collecting certain State and County fees and other taxes, including taxes collected for other local entities.

The County Treasurer's responsibilities include depositing monies received by the County in the depository selected by the Commissioners Court and signing all the County's checks. In addition, the Treasurer serves as the County's investment officer and administers the Indigent Health Care and County Assistance Programs.

The County Auditor is the chief financial officer of Aransas County. She is appointed for a two-year term by and is accountable to the State District Judges. The County Auditor is responsible for substantially all County finance and accounting functions. Her responsibilities include those for accounting, auditing, accounting systems design, assisting with financial planning, financial operations, insurance and payroll. Her signature is also required on the County's checks.

INTERNAL CONTROL

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETING

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. He accumulates departmental requests and works with the County Auditor in compiling estimates of revenue and departmental expenditures.

The Commissioners Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available cash. Unused appropriations lapse at year end.

When the budget has been adopted by the Commissioners Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners Court advised of the condition of the various funds and accounts.

Each fund is budgeted on an annual basis with no carryovers into the next year. If a fund has or shows a balance at the end of the year, the balance is included in making computation of available cash for next year's budget.

The Agency Funds are not budgeted as they are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Various other smaller funds were not budgeted for various reasons.

CASH MANAGEMENT

With the approval of Commissioners Court, cash temporarily idle in the various funds is invested in time deposits, money market certificates, and various securities as allowed by law. Interest rates on time deposits are governed by the County depository contract which, by law, is awarded for a two or four year period to the best bidder. The interest rates paid on County time deposits during the year ended December 31, 2011, vary with Treasury Bill rates and the period of time the money is invested.

INDEPENDENT AUDIT

Aransas County has followed the policy of having annual independent audits of all its funds during the last several years. This policy has been continued for year 2011 and the independent auditor's report has been included in this report.

GENERAL REVIEW AND OUTLOOK

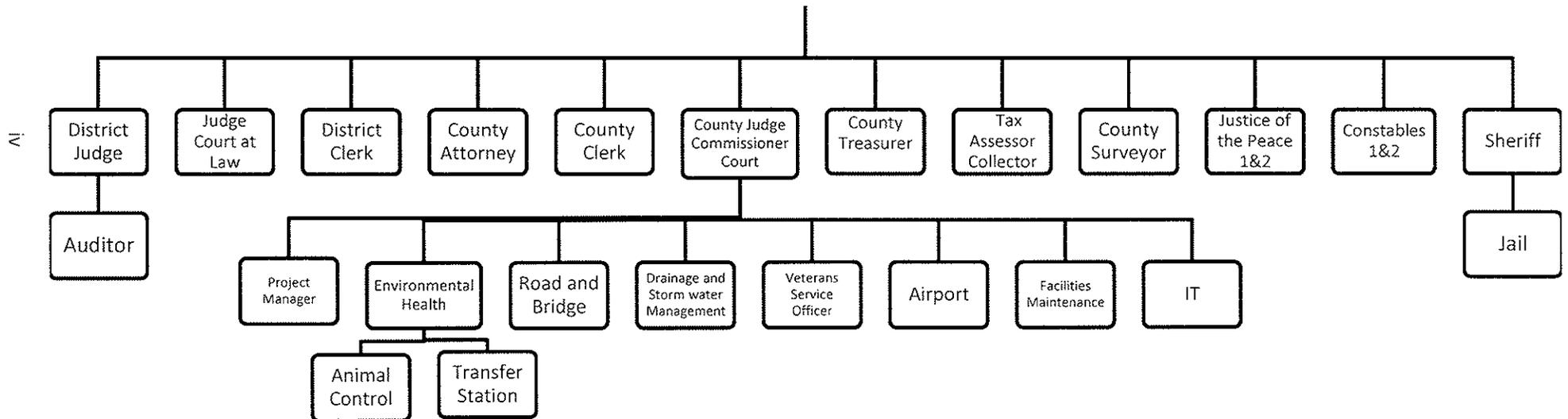
The County is in a sound financial condition as of December 31, 2011. The significant progress that Aransas County has made in keeping county facilities and operations in step with the economic development and growth of the County, in updating its financial records and record keeping, in the preparation of this report, and in the sound financial administration of the County could not have been accomplished without the cooperation of the various County officials and the Commissioners Court. I wish to thank them all.

Respectfully submitted,



Leslie M. Kirk
County Auditor

Aransas County Organizational Chart



ARANSAS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2011

Elected Officials

<u>Name</u>	<u>Office</u>
<u>District Courts</u>	
Michael Welborn	Judge, 36th Judicial District
Joel B. Johnson	Judge, 156th Judicial District
Janna Whatley	Judge, 343rd, Judicial District
Patrick Flanigan	District Attorney
Pam Heard	District Clerk
<u>Commissioners Court</u>	
C.H. (Burt) Mills	County Judge
Jack Chaney	Commissioner, Precinct 1
Leslie (Bubba) Casterline	Commissioner, Precinct 2
Charles Smith	Commissioner, Precinct 3
Russel Cole	Commissioner, Precinct 4
<u>Other County Officials</u>	
William Adams	Judge, County Court at Law
William Mills	Sheriff
Alma Cartwright	County Treasurer
Peggy L. Friebele	County Clerk
Jeri Cox	Tax Assessor-Collector
Richard Bianchi	County Attorney
Diane Dupnik	Justice of the Peace, Precinct 1
Dinana McGinnis	Justice of the Peace, Precinct 2
Harry "Doc" Thomas	Constable, Precinct 1
Michael Gregg	Constable, Precinct 2
Jerald L. Brundrett	County Surveyor

Appointed Officials

<u>Name</u>	<u>Position</u>
Lezlie Kirk	County Auditor
David Vyoral	Road Administrator
Gene Johnson	Airport Manager
James Jackson	Enviornmental Health
David J. Reid	Drainage Engineer
Justin Cook	IT Director

Financial Section

Michael A. Arnold, PLLC

501 E. MARKET
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CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report on Financial Statements

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

Members of the Commissioners' Court:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aransas County, Texas as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Aransas County, Texas's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aransas County, Texas as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of Aransas County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aransas County, Texas's financial statements as a whole. not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,



Michael A. Arnold, PLLC

June 22, 2012

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Aransas County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the transmittal letter on page i744 and the County's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

County's Change in Net Assets – Governmental and Business-Type Activities

Total government-wide net assets increased \$515,208 as a result of this year's operations. Governmental activities contributed \$952,834 with the balance of (\$437,626) resulting from business-type activities.

General Fund Performance

As a result of this year's operations, the General fund reported a \$588,736 increase to fund balance.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 and 13) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund finance statements start on page 40. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

One of the central concerns in assessing any County's finances is summarized in the question, "Is the County as a whole better off or worse off as a result of the year's activities?" Our analysis addressing this question begins on page 5. The analysis includes a condensed summary of the government-wide financial statements – The Statement of Net Assets and the Statement of Activities, which present information about the County in a way that facilitates answering this question. These statements are presented much

like the private-sector companies – including all assets and liabilities using the accrual basis of accounting. All revenues and expenses for the current year are reported without regard to when cash is received or paid.

These government-wide financial statements report both net assets and changes thereto. Net assets are reported in the Statement of Net Assets. The County's net assets, which is the difference between assets and liabilities, is one indicator of the County's financial well-being or financial position at one point in time. Increases or decreases to net assets over a period of time is an indication of whether its financial well-being is improving or deteriorating. Of course, other non-financial considerations enter into the determination of the County's overall health, which would include such things as changes in the County's property tax base and the condition of its streets.

Changes to net assets are reported in the Statement of Activities, which divides all County functions into two categories:

Governmental activities – Most of the County's basic services are reported in this category, which includes judicial, public safety, roads, health and welfare, culture and recreation and general administration. These activities are primarily supported by sales taxes, property taxes, fines and official fees.

Business-type activities – Services provided at the County Airport and Inmate Commissary are paid for from fees that are charged to customers. These two funds are reported in this category.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds commences on page 40. The fund financial statements are presented on pages 40 through 77. These statements present detailed information about the County's more significant funds as opposed to the County as a whole. Funds are established for various reasons – some are required by state law; others, by bond covenants. The County has two categories of funds, which can be used for public purpose – governmental and proprietary. Each category uses a different accounting approach.

Governmental funds – Most of the County's basic services are reported in governmental funds. These funds focus on the flow of money into and out of the funds and the balance left over at the end of the year that is available for future spending. Governmental funds use a method of accounting called modified accrual. The purpose of this method is to measure cash and other financial assets that can readily be converted to cash. This approach provides a detailed short-term perspective of the County's general government operations and the basic services it provides. This view of the County's operations provides information that helps to determine the extent to which financial resources are available to spend in the near future to finance County programs. The relationship

between these governmental fund financial statements and the governmental activities column shown in the government-wide financial statements is shown in the form of a reconciliation presented on the page following each governmental fund financial statement.

Proprietary funds- Services provided to either outside customers or to another unit of the County, where a fee is charged, are generally reported in proprietary funds. Proprietary funds are reported the same way that is used in the government-wide financial statements. The County's enterprise funds (a component of proprietary funds) are the same as the business-type activities column of the government-wide financial statements but provides more detail including cash flows. The County has no internal service funds.

THE COUNTY AS A WHOLE

The County's Condensed Statement of Net Assets is presented in Table 1.

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	33.0	24.0	0.8	0.7	33.8	24.7
Capital Assets	23.1	22.3	10.3	10.8	33.4	33.1
Total Assets	56.1	46.3	11.1	11.5	67.2	57.8
Long-term debt outstanding	23.0	15.3	1.0	1.1	24.0	16.4
Other liabilities	11.8	10.6	0.1	-	11.9	10.6
Total liabilities	34.8	25.9	1.1	1.1	35.9	27.0
Net assets:	21.3	20.4	10.0	10.4	31.3	30.8
Invested in capital assets,	8.7	7.1	9.2	9.7	17.9	16.8
Net of debt						
Restricted	8.7	3.4	-	-	8.7	3.4
Unrestricted (deficit)	3.9	9.9	0.7	0.7	4.6	10.6
Total net assets	21.3	20.4	10.0	10.4	31.3	30.8

Net assets of the County's governmental activities increased \$952,834. This increase is primarily due to budgeting expenditures based upon a conservative estimate of revenues, strong performance of revenues and control over expenditures – all of which will be discussed in greater detail below.

The net assets of the County's business-type activities decreased \$437,626. This decrease was due primarily to depreciation of assets acquired by TXDOT grants at the County Airport.

Table 2
Changes in Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	5.4	5.5	1.3	.9	6.7	6.4
Grants	1.5	2.2	0.1	.3	1.6	2.5
General revenues:						
Property taxes	9.6	9.7			9.6	9.7
Sales tax	2.2	2.1			2.2	2.1
Other taxes	0.7	0.3			0.1	.3
Investment income	0.5	-			0.5	-
Other general revenues	-	0.3			-	.3
Total revenues	19.9	20.1	1.4	1.2	21.3	21.3
Program expenses						
General government	1.3	1.2			1.3	1.2
Judicial	1.3	1.3			1.3	1.3
Legal	0.6	.5			0.6	.5
Elections	0.1	.1			0.1	.1
Financial admin.	1.0	1.0			1.0	1.0
Public facilities	0.5	.5			0.5	.5
Public safety	6.9	6.8			6.9	6.8
Environmental	0.6	.6			0.6	.6
Public Transportation	2.5	2.4			2.5	2.4
Flood Control	0.2	.2			0.2	.2
Health & Welfare	1.8	1.8			1.8	1.8
Culture and recreation	0.7	.4			0.8	.4
Conservation	0.1	.1			0.1	.1
Contributions	0.6	.6			0.6	.6
Interest on long-term debt	0.8	.6			0.8	.6
County Airport			1.7	1.6	1.7	1.6
Inmate Commissary			0.1	-	0.1	-
Total expenses	19.0	18.1	1.8	1.6	20.8	19.7
Excess (deficiency)						
Before special items						

And transfers	-	2.0	-	(.4)	-	1.6
Transfers		-		-		-
Increase (decrease)						
In net assets	0.9	2.0	(.4)	(.4)	0.5	1.6

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

Governmental Activities

Total revenues generated from governmental activities this year amounted to \$19.9 million. Expenses came in at \$19.0 million.

The cost of all governmental activities this year was \$19.0 million. However, as shown on the Statement of Activities on pages 13 and 14, the amount that our taxpayers ultimately financed for these activities through taxes and other general revenues was \$13.0 million. \$5.4 million to finance these programs was paid by those who directly benefited from them, \$1.5 was financed through contributions and grants.

Table 3 presents the cost of each of the County's four largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Table 3
Governmental Activities
(in Millions)

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Public Safety	6.9	6.8	3.8	3.3
General Government	1.3	1.2	1.2	1.1
Public Transportation	2.5	2.4	1.3	1.3
Health and Welfare	1.7	1.8	1.4	1.3
Total	12.4	12.2	7.7	7.0

Business-type Activities

Total revenues generated from business-type activities this year amounted to \$1.4 million. Expenses came in at \$1.8 million, leaving a \$0.4 million decrease to net assets before transfers.

More details will be provided about governmental and business-type activities' operations later in this discussion and analysis.

THE COUNTY'S FUNDS

As a result of this year's operation, governmental funds (as reflected in the balance sheet) increased combined fund balance to \$18.1 million, an increase of \$7.9 million from last year.

Governmental Funds - A Detailed Discussion

Revenues

The following table presents a summary of total governmental funds for the years ended December 31, 2011 and 2010.

Table 4
Revenues

Revenues and Transfers- In	2011 Amount	% of Total	2010 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	12,504,443	62.5	12,097,215	407,228	3.4
Licenses & Permits	621,393	3.1	625,631	(4,238)	(0.7)
Intergovernmental	1,647,835	8.2	2,326,132	(678,297)	(29.2)
Charges for services	3,978,628	19.9	3,911,143	67,485	1.7
Fines and Forfeitures	788,589	3.9	899,541	(110,952)	(12.3)
Investment Income	25,905	0.2	47,203	(21,298)	(45.1)
Miscellaneous	451,110	2.2	296,730	154,380	52.0
Total	20,017,903	100.0	20,203,595	(185,692)	

Taxes

The tax rate for fiscal year ending December 31, 2011 was .35978 compared to .33973 for 2010. Income from the 2011 tax roll will be recognized in 2012.

Growth in Taxable Assessed Value

Taxable assessed values increased by \$10,777,064 or .3% over last year.

Collection Rate

This year's collection rate of current property taxes on the current adjusted tax levy amounted to 98%, the same as last year.

These factors resulted in the increase in property tax revenues.

The following table presents a summary of governmental funds' expenditures, operating transfers-out and other financing uses for the years ended December 31, 2011 and 2010.

Table 5
Expenditures and Transfers-Out

Expenditures and Transfers- Out	2011 Amount	Percent of Total	2010 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	\$1,287,075	6.8	\$1,193,056	94,019	7.9
Judicial	1,348,882	7.1	1,325,709	23,173	1.7
Legal	577,008	3.0	552,067	24,941	4.5
Elections	97,032	0.5	87,415	9,617	11.0
Financial Adm.	1,015,339	5.4	1,006,588	8,751	0.9
Public Facilities	525,684	2.8	493,412	32,272	6.5
Public safety	6,904,439	36.4	6,785,792	118,647	1.7
Environmental	613,945	3.2	591,681	22,264	3.8
Public transportation	2,521,181	13.3	2,366,571	154,610	6.5
Flood Control	210,974	1.1	218,225	(7,251)	(3.3)
Health and welfare	1,722,701	9.1	1,875,452	(152,751)	(8.1)
Culture and recreation	718,408	3.8	358,062	360,346	100.6
Conservation	72,812	0.4	96,809	(23,997)	(24.8)
Contributions	585,844	3.1	564,108	21,736	3.9
Capital Outlay	-	-	-	-	-
Debt Service	755,641	4.0	649,725	105,916	16.3
Total	18,956,965		18,164,672	792,293	4.4

Government Fund Expenditures

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

General Fund

Revenues and transfers-in generated \$12,106,359 and 628,427, respectively, aggregating \$12,734,786. Expenditures and transfers-out amounted to \$11,872,396 and \$273,654, respectively, aggregating \$12,146,050. The resulting effect on fund balance represented an increase of \$588,736.

PROPRIETARY FUNDS

Enterprise Funds

The County's enterprise operations consist of the County Airport and the Inmate Commissary. Net operating loss for the County Airport was \$437,449 compared to a loss of \$416,330 in 2010. The \$437,449 loss includes depreciation expense of \$667,724.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the County had \$33,400,772 in capital assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land	2,103,725	1,716,963	125,710	125,710	2,229,435	1,842,673
Construction in progress	1,031,117	154,943	-	-	1,031,117	154,943
Buildings and improvements	12,003,046	12,437,749	10,040,294	10,520,698	22,043,340	22,958,447
Equipment	2,534,142	2,581,235	111,964	130,606	2,646,106	2,711,841
Infrastructure	5,450,774	5,423,483	-	-	5,450,774	5,423,483
Totals	23,122,804	22,314,373	10,277,968	10,777,014	33,400,772	33,091,387

Debt Administration

The County is authorized to issue bonds, for any purpose for which a County may issue bonds under the constitution and laws of the State of Texas. State law precludes the use of bond proceeds for any other purpose other than that for which the bonds were sold.

The County had two bond issues during the fiscal year for a total of \$8,250,000.

Bond Ratings

The County's bond rating as of last issue from Standards & Poor's is AAA.

Bonds Outstanding

At the end of the fiscal year, the County had \$24,047,796 in bonds outstanding.

At December 31, 2011 the County was in compliance with all bond covenants.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the budget process for fiscal year 2011-12 the elected and appointed officials considered many factors including the forces driving the economy in their budget decisions.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to inform the citizens, taxpayers and customers of the County of Aransas as well as its investors and creditors about the County's finances and to provide accountability for the public support that it receives. If you have any questions about the report or need additional financial information, contact the County Auditor's office at 301 N. Live Oak, Rockport, Texas 78382.

Basic Financial Statements

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ARANSAS COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 22,616,771	\$ 663,355	\$ 23,280,126
Receivables (net of allowances for uncollectibles):			
Property taxes	6,198,163	--	6,198,163
Interest	5,435	--	5,435
Intergovernmental	734,806	--	734,806
Accounts	--	74,074	74,074
Sundry	4,952	--	4,952
Leases	1,180,000	--	1,180,000
Fines and fees	1,624,216	--	1,624,216
Inventories	68,639	35,545	104,184
Cash and investments - restricted	202,250	--	202,250
Bond issue costs	369,814	23,950	393,764
Capital assets, net of accumulated depreciation			
Land	2,103,725	125,710	2,229,435
Buildings, facilities and improvements	12,003,046	10,040,292	22,043,338
Machinery and equipment	2,534,142	111,966	2,646,108
Infrastructure	5,450,774	--	5,450,774
Construction in progress	1,031,117	--	1,031,117
Total Assets	<u>56,127,850</u>	<u>11,074,892</u>	<u>67,202,742</u>
LIABILITIES			
Accounts payable	1,117,663	28,085	1,145,748
Due to others	--	10,489	10,489
Accrued wages payable	128,304	--	128,304
Accrued interest payable	335,048	18,646	353,694
Unearned revenue	5,879,989	--	5,879,989
Advance tax collections	4,312,217	--	4,312,217
Long-term liabilities:			
Due within one year	909,314	43,631	952,945
Due in more than one year	22,096,508	998,343	23,094,851
Total Liabilities	<u>34,779,043</u>	<u>1,099,194</u>	<u>35,878,237</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	8,700,419	9,240,346	17,940,765
Restricted For:			
Legislative	3,876,142	--	3,876,142
Debt Service	2,459,702	--	2,459,702
Capital Projects	1,981,691	--	1,981,691
Health Care	(28,718)	--	(28,718)
Tourism	399,406	--	399,406
Public Safety	83,616	--	83,616
Unrestricted	3,875,867	735,352	4,611,219
Total Net Assets	<u>\$ 21,348,125</u>	<u>\$ 9,975,698</u>	<u>\$ 31,323,823</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,287,075	\$ 81,477	\$ 2,153	\$ --
Judicial	1,348,882	879,929	40,720	--
Legal	577,008	41,960	1,007	--
Elections	97,032	--	12,524	--
Financial administration	1,015,339	120,506	1,863	--
Public facilities	525,684	--	990	--
Public safety	6,904,439	2,479,376	654,154	--
Environmental protection	613,945	419,873	16,224	--
Public Transportation	2,521,181	1,197,409	13,318	--
Flood Control	210,974	--	--	--
Health and welfare	1,722,701	75,896	226,280	--
Culture and recreation	718,408	8,709	8,407	--
Conservation	72,812	--	134	--
Contributions to other governments:				
Water and sewer system	95,000	--	--	95,000
Coastal restoration	490,844	--	--	454,758
Capital outlay	--	128	--	--
Interest and fiscal charges	755,641	53,303	--	--
Total expenditures	18,956,965	5,358,566	977,774	549,758
Business-type Activities:				
County Airport	1,685,816	1,130,896	31,267	85,356
Inmate Commissary	133,963	133,786	--	--
Total Business-type Activities	1,819,779	1,264,682	31,267	85,356
Total Primary Government	\$ 20,776,744	\$ 6,623,248	\$ 1,009,041	\$ 635,114

General Revenues:
 Property taxes
 Sales taxes
 Occupancy taxes
 Other taxes
 Investment earnings
 Other income
 Transfers
 Total General Revenues
 Change in Net Assets
 Net Assets - Beginning
 Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,203,445)		\$ (1,203,445)
(428,233)		(428,233)
(534,041)		(534,041)
(84,508)		(84,508)
(892,970)		(892,970)
(524,694)		(524,694)
(3,770,909)		(3,770,909)
(177,848)		(177,848)
(1,310,454)		(1,310,454)
(210,974)		(210,974)
(1,420,525)		(1,420,525)
(701,292)		(701,292)
(72,678)		(72,678)
--		--
(36,086)		(36,086)
128		128
(702,338)		(702,338)
(12,070,867)		(12,070,867)
--	\$ (438,297)	(438,297)
--	(177)	(177)
--	(438,474)	(438,474)
(12,070,867)	(438,474)	(12,509,341)
9,596,760	--	9,596,760
2,238,415	--	2,238,415
596,611	--	596,611
83,609	--	83,609
57,196	848	58,044
451,110	--	451,110
--	--	--
13,023,701	848	13,024,549
952,834	(437,626)	515,208
20,395,291	10,413,324	30,808,615
\$ 21,348,125	\$ 9,975,698	\$ 31,323,823

ARANSAS COUNTY, TEXAS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	<u>General Fund</u>	<u>Road and Bridge</u>
ASSETS		
Cash and investments	\$ 7,179,191	\$ 2,021,037
Receivables (net of allowances for uncollectibles):		
Property taxes	4,192,806	709,702
Interest	3,805	1,630
Intergovernmental	480,901	--
Sundry	4,952	--
Leases	--	--
Due from other funds	73,193	--
Inventories	17,985	41,512
Cash and investments - restricted	--	--
Total Assets	<u>\$ 11,952,833</u>	<u>\$ 2,773,881</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 348,154	\$ 14,421
Accrued wages payable	118,240	10,064
Due to other funds	--	--
Deferred revenues	4,192,806	709,702
Advance tax collections	2,732,401	436,103
Total Liabilities	<u>7,391,601</u>	<u>1,170,290</u>
FUND BALANCES		
Nonspendable	17,985	41,512
Restricted	--	1,562,079
Committed	--	--
Unassigned	4,543,247	--
Total Fund Balances	<u>4,561,232</u>	<u>1,603,591</u>
Total Liabilities and Fund Balances	<u>\$ 11,952,833</u>	<u>\$ 2,773,881</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund	2011 Flood Control C.O.	Other Governmental Funds	Total Governmental Funds
\$ 1,671,683	\$ 5,500,169	\$ 6,244,691	\$ 22,616,771
1,131,280	--	164,375	6,198,163
--	--	--	5,435
--	--	253,905	734,806
--	--	--	4,952
1,180,000	--	--	1,180,000
--	--	--	73,193
--	--	9,142	68,639
--	--	202,250	202,250
<u>\$ 3,982,963</u>	<u>\$ 5,500,169</u>	<u>\$ 6,874,363</u>	<u>\$ 31,084,209</u>
\$ --	\$ --	\$ 755,088	\$ 1,117,663
--	--	--	128,304
--	--	73,193	73,193
2,311,280	--	173,517	7,387,305
1,011,959	--	131,754	4,312,217
<u>3,323,239</u>	<u>--</u>	<u>1,133,552</u>	<u>13,018,682</u>
--	--	--	59,497
659,724	5,500,169	5,787,999	13,509,971
--	--	(47,870)	(47,870)
--	--	--	4,543,247
<u>659,724</u>	<u>5,500,169</u>	<u>5,740,129</u>	<u>18,064,845</u>
<u>\$ 3,982,963</u>	<u>\$ 5,500,169</u>	<u>\$ 6,874,363</u>	<u>\$ 31,084,209</u>

ARANSAS COUNTY, TEXASRECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total fund balances - governmental funds balance sheet	\$ 18,064,845
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	23,122,804
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	327,316
Payables for bond principal which are not due in the current period are not reported in the funds.	(22,846,126)
Payables for bond interest which are not due in the current period are not reported in the funds.	(335,048)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(159,696)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	369,814
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,624,216
Capital lease receivable unavailable to pay for current period expenditures are not accrued in the funds.	1,180,000
Net assets of governmental activities - Statement of Net Assets	<u>\$ 21,348,125</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Road and Bridge
Revenue:		
Taxes	\$ 7,820,457	\$ 1,110,521
Licenses and permits	75,896	545,497
Intergovernmental	77,013	12,346
Charges for services	3,370,027	406,175
Fines and forfeitures	485,124	218,873
Investment earnings	17,198	5,986
Miscellaneous	260,644	5,244
Total revenues	<u>12,106,359</u>	<u>2,304,642</u>
Expenditures:		
Current:		
General government	1,149,623	--
Judicial	1,299,292	--
Legal	535,055	--
Elections	67,724	--
Financial administration	989,346	--
Public facilities	525,684	--
Public safety	5,619,172	--
Environmental protection	439,988	--
Public Transportation	516,300	1,687,654
Flood Control	--	--
Health and welfare	474,583	--
Culture and recreation	71,206	--
Conservation	71,070	--
Capital outlay	113,353	--
Debt service:		
Principal	--	--
Interest and fiscal charges	--	--
Bond issuance costs	--	--
Total expenditures	<u>11,872,396</u>	<u>1,687,654</u>
Excess (deficiency) of revenues (under) expenditures	233,963	616,988
Other financing sources (uses):		
Transfers in	628,427	--
Transfers out	(273,654)	(586,421)
Proceeds from bonds	--	--
Premium on bonds sold	--	--
Interest from bond sale	--	--
Total other financing sources (uses)	<u>354,773</u>	<u>(586,421)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	588,736	30,567
Fund balances, January 1	3,972,496	1,573,024
Fund balances, December 31	<u>\$ 4,561,232</u>	<u>\$ 1,603,591</u>

The accompanying notes are an integral part of this statement.

Debt Service Fund	2011 Flood Control C.O.	Other Governmental Funds	Total Governmental Funds
\$ 1,187,782	\$ --	\$ 2,385,683	\$ 12,504,443
--	--	--	621,393
120,303	--	1,438,173	1,647,835
--	--	202,426	3,978,628
--	--	84,592	788,589
441	594	1,686	25,905
--	--	185,222	451,110
<u>1,308,526</u>	<u>594</u>	<u>4,297,782</u>	<u>20,017,903</u>
--	425	86,570	1,236,618
--	--	48,400	1,347,692
--	--	41,953	577,008
--	--	12,247	79,971
--	--	--	989,346
--	--	--	525,684
--	--	781,228	6,400,400
--	--	97,647	537,635
--	--	--	2,203,954
--	--	195,677	195,677
--	--	1,237,329	1,711,912
--	--	597,380	668,586
--	--	--	71,070
--	--	2,356,934	2,470,287
715,500	--	--	715,500
644,656	--	--	644,656
--	127,488	113,599	241,087
<u>1,360,156</u>	<u>127,913</u>	<u>5,568,964</u>	<u>20,617,083</u>
(51,630)	(127,319)	(1,271,182)	(599,180)
40,750	--	1,161,200	1,830,377
--	--	(970,302)	(1,830,377)
--	5,480,000	2,770,000	8,250,000
--	147,488	--	147,488
31,291	--	--	31,291
<u>72,041</u>	<u>5,627,488</u>	<u>2,960,898</u>	<u>8,428,779</u>
20,411	5,500,169	1,689,716	7,829,599
639,313	--	4,050,413	10,235,246
<u>\$ 659,724</u>	<u>\$ 5,500,169</u>	<u>\$ 5,740,129</u>	<u>\$ 18,064,845</u>

ARANSAS COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds	\$ 7,829,599
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,884,443
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,076,012)
Amortization of bond premiums are recorded in SOA, but not in the funds.	15,226
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	10,952
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	715,500
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(19,253)
(Increase) decrease in accrued interest from beginning of period to end of period.	(106,958)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	6,085
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	(83,347)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(8,250,000)
Bond premiums are reported in the funds but not in the SOA.	(147,488)
Bond issue costs are reported in the funds but not in the SOA.	241,087
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(67,000)</u>
Change in net assets of governmental activities - Statement of Activities	\$ <u>952,834</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

DECEMBER 31, 2011

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 499,792	\$ 163,563	\$ 663,355
Receivables (net of allowances for uncollectibles):			
Accounts	74,074	--	74,074
Inventories	35,545	--	35,545
Total Current Assets	<u>609,411</u>	<u>163,563</u>	<u>772,974</u>
Noncurrent Assets:			
Bond issue costs	23,950	--	23,950
Capital assets, net of accumulated depreciation			
Land	125,710	--	125,710
Buildings, facilities and improvements	10,040,292	--	10,040,292
Machinery and equipment	111,966	--	111,966
Total Capital Assets	<u>10,277,968</u>	<u>--</u>	<u>10,277,968</u>
Total Assets	<u>\$ 10,911,329</u>	<u>\$ 163,563</u>	<u>\$ 11,074,892</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 28,085	\$ --	\$ 28,085
Due to others	--	10,489	10,489
Accrued interest payable	18,646	--	18,646
Current portion of long-term debt	43,631	--	43,631
Total Current Liabilities	<u>90,362</u>	<u>10,489</u>	<u>100,851</u>
Noncurrent Liabilities:			
Compensated absences payable	4,352	--	4,352
Bonds payable	993,991	--	993,991
Total Noncurrent Liabilities	<u>998,343</u>	<u>--</u>	<u>998,343</u>
Total Liabilities	<u>1,088,705</u>	<u>10,489</u>	<u>1,099,194</u>
NET ASSETS			
Invested in Capital Assets	9,240,346	--	9,240,346
Unrestricted	582,278	153,074	735,352
Total Net Assets	<u>9,822,624</u>	<u>153,074</u>	<u>9,975,698</u>
Total Liabilities and Net Assets	<u>\$ 10,911,329</u>	<u>\$ 163,563</u>	<u>\$ 11,074,892</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
OPERATING REVENUES:			
Charges for services	\$ 1,130,896	\$ 133,786	\$ 1,264,682
Total Operating Revenues	<u>1,130,896</u>	<u>133,786</u>	<u>1,264,682</u>
OPERATING EXPENSES:			
Cost of services	611,006	--	611,006
Personal services	210,092	--	210,092
Contractual services	117,968	--	117,968
Supplies	2,955	133,963	136,918
Repairs and maintenance	30,148	--	30,148
Depreciation and amortization	667,724	--	667,724
Total Operating Expenses	<u>1,639,893</u>	<u>133,963</u>	<u>1,773,856</u>
Operating Income (Loss)	<u>(508,997)</u>	<u>(177)</u>	<u>(509,174)</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	31,267	--	31,267
Interest revenue	848	--	848
Interest expense	(45,923)	--	(45,923)
Total Non-operating Revenues (Expenses)	<u>(13,808)</u>	<u>--</u>	<u>(13,808)</u>
Income (Loss) before Capital Contributions and Transfers	<u>(522,805)</u>	<u>(177)</u>	<u>(522,982)</u>
TRANSFERS:			
Capital Contributions	85,356	--	85,356
Transfers in	--	--	--
Transfers out	--	--	--
Change in Net Assets	<u>(437,449)</u>	<u>(177)</u>	<u>(437,626)</u>
Net Assets, beginning of year	10,260,073	153,251	10,413,324
Net Assets, end of year	<u>\$ 9,822,624</u>	<u>\$ 153,074</u>	<u>\$ 9,975,698</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Funds		
	County Airport	Inmate Commissary	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 1,117,348	\$ 133,786	\$ 1,251,134
Cash Payments to Employees for Services	(213,994)	--	(213,994)
Cash Payments to Other Suppliers for Goods and Services	(752,466)	(134,106)	(886,572)
Net Cash Provided (Used) by Operating Activities	150,888	(320)	150,568
Cash Flows from Non-capital Financing Activities:			
Repayment of loans from other funds	--	--	--
Deposits from others	--	10,489	10,489
Transfers to other funds	--	--	--
Operating Grants Received	31,267	--	31,267
Net Cash Provided (Used) by Non-capital Financing Activities	31,267	10,489	41,756
Cash Flows from Capital and Related Financing Activities:			
Debt service payments	(102,278)	--	(102,278)
Acquisition or Construction of Capital Assets	(83,320)	--	(83,320)
Net Cash Provided (Used) for Capital & Related Financing Activities	(185,598)	--	(185,598)
Cash Flows from Investing Activities:			
Oil and gas royalties	--	--	--
Interest and Dividends on Investments	848	--	848
Net Cash Provided (Used) for Investing Activities	848	--	848
Net Increase (Decrease) in Cash and Cash Equivalents	(2,595)	10,169	7,574
Cash and Cash Equivalents at Beginning of Year	502,387	153,394	655,781
Cash and Cash Equivalents at End of Year	\$ 499,792	\$ 163,563	\$ 663,355
		163,563	
Reconciliation of Operating Income to Net Cash		--	
Provided by Operating Activities:			
Operating Income (Loss)	\$ (508,997)	\$ (177)	\$ (509,174)
Adjustments to Reconcile Operating Income to Net Cash			
Provided by Operating Activities			
Depreciation and Amortization	667,724	--	667,724
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(13,548)	--	(13,548)
Decrease (Increase) in Inventories	(2,671)	--	(2,671)
Increase (Decrease) in Accounts Payable	12,282	(143)	12,139
Increase (Decrease) in Wages Payable	(3,902)	--	(3,902)
Total Adjustments	659,885	(143)	659,742
Net Cash Provided (Used) by Operating Activities	\$ 150,888	\$ (320)	\$ 150,568
Significant noncash transactions:			
Construction paid by Texas Department of Transportation Grants	\$ 85,356	\$ --	\$ 85,356

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2011

	<u>Agency Funds</u>
ASSETS	
Assets:	
Cash and investments	\$ 6,497,808
Total Assets	<u>\$ 6,497,808</u>
LIABILITIES AND EQUITY	
Liabilities:	
Due to others	\$ 6,497,808
Total Liabilities	<u>6,497,808</u>
Equity:	
Total equity	<u>--</u>
Total Liabilities and Equity	<u>\$ 6,497,808</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

A. Summary of Significant Accounting Policies

The combined financial statements of Aransas County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

Aransas County, Texas, (the "County") was organized in 1871. The County operates under a County Judge-Commissioners Court type of government and provides the following services throughout the County: public safety, public transportation (highways, roads and airport), health and welfare, culture-recreation, conservation, public facilities, environmental protection, judicial and legal, election functions, and general administrative services.

The financial statements of the County include all governmental activities, organizations and functions of the County for which the Commissioners Court has oversight responsibility. The financial statements include all funds and account groups of the County. There are no component units applicable to the County. Therefore, the primary government (Aransas County) is the same as the reporting entity. The County is not a component unit of any other entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Road and Bridge Fund. This fund is used to account for monies provided by ad valorem taxes, registration fees and various other revenue sources for maintenance of county roads.

Debt Service Fund. This fund is used to account for the accumulation of resources and payment of bond principal.

2011 Flood Control C.O. Fund. This fund is used to account for the receipt and use of the funds pertaining to the 2011 C.O. issue.

The County reports the following major enterprise funds:

County Airport Fund. This fund is used to account for the operations of the County Airport.

In addition, the County reports the following fund types:

Agency Funds: These funds are used to account for assets held by the County as agent for individuals, private organizations and other governmental units. Agency funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen not to apply future FASB standards.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

3. Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Commissioners' Court is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Commissioners' Court.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Commissioners' Court and are not made after fiscal year end. During the year, the budget was amended as necessary.

Annual budgets are legally adopted for the general fund, most special revenue funds and the debt service fund. Budgets are adopted on a basis consistent with GAAP with the following exception:

Assistance Department Special Revenue Fund - revenues and expenditures recognized as the result of receipt and distribution of federal commodities are not budgeted.

Encumbrance accounting is not utilized by the County.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

The legal level of budgetary control is at the fund level.

Formal budgets are not adopted in the Capital Projects Funds. Effective budgetary control in these funds is achieved through individual project budgeting in conformance with the provisions of bond orders, grant awards and other sources.

4. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Allowances for uncollectible tax receivables within the General, Special Revenue and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

The County's Tax Assessor-Collector acts as agent in the billing and collecting of taxes for the Aransas County Independent School District, the City of Rockport, the Aransas County Navigation District No.1, the Town of Fulton and the Aransas County MUD No.1. These transactions are accounted for in the Tax Collector-Assessor Agency Fund.

c. Inventories and Prepaid Items

The County records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings, Improvements and Facilities	20-40
Machinery and Equipment	5-10

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Except for the lease receivable, there are no significant receivables which are not scheduled for collection within one year of year end.

f. Compensated Absences

Vacation, sick leave benefits and compensatory time are accrued by County employees according to guidelines set in the County's personnel policy. All full-time employees with one year service accrue vacation with pay. The amount of vacation earned depends upon the length of service with the County. Unused vacation leave over 40 hours will be lost at the end of each fiscal year.

Sick leave accrues at the rate of one day per month while an employee is actually employed by the County on a full-time basis. Part-time employees do not receive the benefit of sick leave. The maximum number of days which shall accrue to the individual can not exceed one hundred-twenty days at any one time. Sick leave will not be paid upon termination of employment.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

i. Fund Balances - Governmental Funds

For the year ended December 31, 2011, the County adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." Fund balances are now classified as described below:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the Commissioners' Court. Committed amounts cannot be used for any other purpose unless the Court removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Court. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Commissioners' Court or by an official or body to which the Court delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

j. Use of Estimates

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

ARANSAS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Indigent Health	\$ (40,850)	To be funded by Health Care Sales Tax Fund.
Grant Construction Fund	(159,983)	To be funded by the General Fund.

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At December 31, 2011, the carrying amount of the County's deposits in its depository bank was \$5,758,340 and the bank balance was \$6,819,210. The County's cash deposits at December 31, 2011 and during the year ended December 31, 2011, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The County also invests in certificates of deposit at other financial institutions which are fully covered by FDIC insurance. The term of these certificates varies between 3 months to 2 years.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust

ARANSAS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

funds.

The County's investments at December 31, 2011 are shown below.

Investment or Investment Type	Weighted Average To Maturity (Days)	Fair Value
Investment Pools:		
TexPool	34	\$ 4,029,664
Funds Management Group	31	6,780,248
TexStar	47	2,612,708
Texas Class	29	3,528,224
		<u>16,950,844</u>
Certificates of Deposit	406	7,271,000
Total Investments		\$ <u>24,221,844</u>

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

At December 31, 2011, the County's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

Investment	Rating	Agency
TexPool	AAAm	Standards & Poors
Funds Management Group	AAAm	Standards & Poors
TexStar	AAAm	Standards & Poors
Texas Class	AAAm	Standards & Poors

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County uses a wide range of pools and financial institutions and was not significantly exposed to concentration of credit risk at year end.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Lease Receivable

During 2003, the County issued Certificates of Obligation in the amount of \$11,400,000 for construction of a new jail and law enforcement center. The City of Rockport (the City) agreed to occupy and share the cost of the law enforcement center. The City entered into a lease purchase agreement with the County to share the cost of the law enforcement center of \$3,300,010. The City contributed real estate valued at \$54,216 as a partial payment. The City and County share the facility on a 50/50 basis. Both parties agreed that the City's remaining cost for the project (after credit for the real estate contribution) to be \$1,607,000. The City's payments have been calculated by prorating the debt service requirements due on the Certificate issue over 20 years. Payments began in 2004. As soon as the City has met its payment requirements, the City will own an undivided interest of approximately 50% in the law enforcement center.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

The lease receivable of \$1,180,000 has been recorded in the Debt Service Fund.

Year Ending December 31,	Principal	Interest	Total
2012	\$ 70,000	\$ 50,820	\$ 120,820
2013	73,000	48,137	121,137
2014	75,000	45,222	120,222
2015	78,000	42,162	120,162
2016	82,000	38,911	120,911
2017-2021	466,000	137,203	603,203
2022-2024	336,000	26,181	362,181
Totals	\$ 1,180,000	\$ 388,636	\$ 1,568,636

The effective interest rate on the lease is 4.394%.

E. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,716,963	\$ 386,762	\$ --	\$ 2,103,725
Construction in progress	154,943	876,174	--	1,031,117
Total capital assets not being depreciated	1,871,906	1,262,936	--	3,134,842
Capital assets being depreciated:				
Infrastructure	9,009,884	199,140	--	9,209,024
Buildings, improvements and facilities	16,120,882	--	--	16,120,882
Machinery and equipment	6,839,189	422,367	--	7,261,556
Total capital assets being depreciated	31,969,955	621,507	--	32,591,462
Less accumulated depreciation for:				
Infrastructure	(3,586,401)	(171,849)	--	(3,758,250)
Buildings, improvements and facilities	(3,683,133)	(434,703)	--	(4,117,836)
Machinery and equipment	(4,257,954)	(469,460)	--	(4,727,414)
Total accumulated depreciation	(11,527,488)	(1,076,012)	--	(12,603,500)
Total capital assets being depreciated, net	20,442,467	(454,505)	--	19,987,962
Governmental activities capital assets, net	\$ 22,314,373	\$ 808,431	\$ --	\$ 23,122,804
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 125,710	\$ --	\$ --	\$ 125,710
Construction in progress	--	--	--	--
Total capital assets not being depreciated	125,710	--	--	125,710
Capital assets being depreciated:				
Buildings, improvements and facilities	14,654,163	168,678	--	14,822,841
Machinery and equipment	544,181	--	--	544,181
Total capital assets being depreciated	15,198,344	168,678	--	15,367,022
Less accumulated depreciation for:				
Buildings, improvements and facilities	(4,133,465)	(649,082)	--	(4,782,547)
Machinery and equipment	(413,575)	(18,642)	--	(432,217)
Total accumulated depreciation	(4,547,040)	(667,724)	--	(5,214,764)
Total capital assets being depreciated, net	10,651,304	(499,046)	--	10,152,258
Business-type activities capital assets, net	\$ 10,777,014	\$ (499,046)	\$ --	\$ 10,277,968

ARANSAS COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Depreciation was charged to functions as follows:

Governmental activities:	
General Government	\$ 56,612
Judicial	1,190
Elections	17,061
Financial administration	25,993
Public safety	504,039
Flood control	15,227
Environmental protection	76,310
Public transportation	317,227
Health and welfare	10,789
Culture and recreation	49,822
Conservation	1,742
	<u>\$ 1,076,012</u>
Business-type activities:	
Airport	<u>\$ 667,724</u>

F. Interfund Balances and Activity

1. Due To and From Other Funds

The County had no interfund receivables or payables at December 31, 2011.

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2011, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 273,654	Supplement other funds sources
Road and Bridge Fund	General Fund	586,421	Supplement other funds sources
Other Governmental Funds	General Fund	42,006	Supplement other funds sources
Other Governmental Funds	Other Governmental Funds	928,296	Supplement other funds sources
	Total	<u>\$ 1,830,377</u>	

G. Deferred Revenues

Deferred revenue at year end consisted of the following:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Total</u>
General Fund			
Property taxes	\$ 3,942,560	\$ 250,246	\$ 4,192,806
	<u>3,942,560</u>	<u>250,246</u>	<u>4,192,806</u>
Special Revenue Funds			
Road and Bridge			
Property taxes	667,914	41,788	709,702
	<u>667,914</u>	<u>41,788</u>	<u>709,702</u>
Flood Control			
Property taxes	132,839	17,576	150,415

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Moquito Control			
Property taxes	11,718	2,242	13,960
Aransas County Assistance Dept.			
Commodity inventory	9,142	--	9,142
	<u>821,613</u>	<u>61,606</u>	<u>883,219</u>
Debt Service			
Lease receivable	--	1,180,000	1,180,000
Property taxes	1,115,816	15,464	1,131,280
	<u>1,115,816</u>	<u>1,195,464</u>	<u>2,311,280</u>
Total Deferred Revenue	<u>\$ 5,879,989</u>	<u>\$ 1,507,316</u>	<u>\$ 7,387,305</u>

H. Short-Term Debt Activity

There was no short-term debt activity for the year ended December 31, 2011.

I. Long-Term Obligations

1. Long-Term Obligation

Long-term debt consisted of the following at December 31, 2011:

	<u>Interest Rate</u>	<u>General Long-Term Debt</u>	<u>Enterprise Fund Debt</u>
Certificates of Obligation, Serices 2003	3.00-5.125%	\$ 8,370,000	\$ --
Certificates of Obligation, Serices 2007	4.10-5.00%	2,035,506	619,494
Certificates of Obligation, Serices 2009	2.50-5.00%	3,915,000	390,000
Certificates of Obligation, Serices 2011	2.00-4.00%	5,480,000	--
Venue Project Revenue Bonds, Serices 2011	2.00-4.00%	<u>2,770,000</u>	<u>--</u>
Total Bonded Debt		22,570,506	1,009,494
Unamortized bond premium		275,620	28,128
Compensated absences		<u>159,696</u>	<u>4,352</u>
Total Long-Term Debt		<u>\$ 23,005,822</u>	<u>\$ 1,041,974</u>

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Changes in long-term obligations for the year ended December 31, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 15,036,006	\$ 5,480,000	\$ 715,500	\$ 19,800,506	783,462
Bond Premium	143,358	147,488	15,226	275,620	7,852
Compensated absences *	165,781	--	6,085	159,696	8,000
Total governmental activities	\$ 15,345,145	\$ 8,397,488	\$ 736,811	\$ 23,005,822	\$ 909,314
Business activities					
Certificates of Obligation	\$ 1,048,994	\$ --	\$ 39,500	\$ 1,009,494	\$ 40,666
Bond Premium	30,093	--	1,965	28,128	1,965
Compensated absences *	5,259	--	907	4,352	1,000
Total business activities	\$ 1,084,346	\$ --	\$ 42,372	\$ 1,041,974	\$ 43,631

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Compensated absences	Business	Airport

2. Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2011, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 1,044,334	\$ 893,462	\$ 1,937,796
2013	1,078,167	861,019	1,939,186
2014	1,115,834	824,964	1,940,798
2015	1,154,667	786,752	1,941,419
2016	1,198,500	745,224	1,943,724
2017-2021	6,729,502	2,978,150	9,707,652
2022-2026	6,548,168	1,459,340	8,007,508
2026-2031	3,701,334	374,796	4,076,130
Totals	\$ 22,570,506	\$ 8,923,707	\$ 31,494,213

Year Ending December 31,	Business Activities		
	Principal	Interest	Total
2012	\$ 40,666	\$ 44,732	\$ 85,398
2013	41,833	43,043	84,876
2014	44,166	41,232	85,398
2015	45,333	39,294	84,627
2016	51,500	37,173	88,673
2017-2021	285,498	148,466	433,964
2022-2026	356,832	74,572	431,404
2026-2029	143,666	7,863	151,529
Totals	\$ 1,009,494	\$ 436,375	\$ 1,445,869

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

3. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

J. Fund Balances

Fund Balances at December 31, 2011 consisted of the following:

Nonspendable:

General Fund	\$ 17,985
Road and Bridge Fund	41,512
	<u>59,497</u>

Restricted:

Legislative:

Road and Bridge	1,562,079
County Attorney Hot Check	6,272
Mosquito Control	161,289
Special Contingency	88,270
Records Management County Clerk	118,966
Law Library	46,387
Courthouse Security	6,620
Records Management - Countywide	164,741
Justice of the Peace Technology	94,653
Title IV-D Child Support	10,511
Out of County Juvenile Detention	349
Road and Bridge I&S	98
Court Reporter Service Fee	62,576
TECLOSE Training	21,402
Flood Control	1,030,814
Records Management-District Clerk	20,292
Records Archive	207,025
Appellate Judicial System	9,930
Child Abuse Prevention	626
County & District Court Technology	1,410
Court Records Preservation	10,909
District Court Technology	1,891
Pretrial Intervention	21,419
Voter Registration	92
Juvenile Case Management	21,197
	<u>3,669,818</u>

Public Safety

County Forfeiture	6,454
Sheriff's Forfeiture	9,237
DEA Forfeiture	67,925
	<u>83,616</u>

Health:

Indigent Health	(40,850)
Health Care Sales Tax	12,132
	<u>(28,718)</u>

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Tourism		
Hotel/Motel Occupancy Tax Fund		399,406
Venue Tax		301,326
		<u>700,732</u>
Capital Outlay:		
2011 Flood Control C.O.		5,500,169
2009 C.O. Fund		604,538
2011 C.O. Venue Capital Projects		2,320,092
		<u>8,424,799</u>
Debt Service:		
Debt Service Fund		659,724
		<u>659,724</u>
Total Restricted		<u>13,509,971</u>
Committed:		
Grant Construction Fund		(159,983)
County Library		71,959
Aransas County Assistance Department		40,154
		<u>(47,870)</u>
Unassigned:		
General Fund		4,543,247
		<u>4,543,247</u>
Total Fund Balances		<u>\$ 18,064,845</u>

K. Commitments Under Noncapitalized Leases

The County has no material commitments under noncapitalized leases at December 31, 2011.

L. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2011, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Risk Management Pool. The Pool is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to the Pool for its above insurance coverage. The agreement for the formation of the Pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

M. Pension Plan

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCERS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCERS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78766-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits are adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7.67% for calendar year 2011. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the employer's accounting year ending December 31, 2011, the annual pension cost for the TCDRS Plan for its employees was \$523,044, and the actual contributions were \$523,044.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2010, the basis for determining the contribution rate for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

Actuarial Information

	12/31/08	12/31/09	12/31/10
Actuarial valuation date	Entry Age	Entry Age	Entry Age
Actuarial cost method	Level percent.	Level percent.	Level percent.
Amortization method	of payroll, cls.	of payroll, cls.	of payroll, cls.
Amortization period	20.00	20.00	20.00
Asset valuation method	SAF: 10yr	SAF: 10yr	SAF: 10yr
	smoothed value	smoothed value	smoothed value
	ESF: Fund Val.	ESF: Fund Val.	ESF: Fund Val.
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases*	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	--	--	--

*Includes inflation at the stated rate

Trend Information

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$ 449,583	100%	\$-0-
12/31/10	\$ 554,001	100%	\$-0-
12/31/11	\$ 523,044	100%	\$-0-

It was determined in accordance with GASB Statement No. 27 that the pension liability was zero at the transition to that statement effective January 1, 1998, because all actuarially required contributions for the accounting years for the period January 1, 1988 through December 31, 2011 have been paid. There was no previously reported pension liability before the transition. Therefore, the difference between the pension liability at transition and the previously reported pension liability is zero.

Schedule of Funding Progress for the Retirement Plan for the Employees of Aransas County

Actuarial Valuation Date	Actuarial Value of 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)
12/31/08	10,376,499 \$	11,594,034 \$	1,217,535 \$	89.50% \$	5,909,423	20.60%
12/31/09	11,515,187	12,694,313	1,179,126	90.71%	6,822,207	17.28%
12/31/10	12,281,947	13,753,468	1,471,521	89.30%	7,066,358	20.82%

N. Other Employee Benefits

Post Employment Benefits

The County provides health care benefits as required by the Federal government under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. COBRA participants are reimbursed at the same levels as active employees. At December 31, 2011, the County had been fully reimbursed for costs related to COBRA participants.

Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The plan is held in an independent trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. The plan is not accounted for in the County's financial statements.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

O. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

The County was involved in various matters of litigation at December 31, 2011. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the financial position of the County. The accompanying financial statements do not reflect any accrual for contingent liabilities as of December 31, 2011.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

ARANSAS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 7,599,502	\$ 7,686,449	\$ 7,820,457	\$ 134,008
Licenses and permits	69,060	69,060	75,896	6,836
Intergovernmental	99,250	99,250	77,013	(22,237)
Charges for services	3,045,375	3,088,350	3,370,027	281,677
Fines and forfeitures	715,700	715,700	485,124	(230,576)
Investment earnings	40,000	40,000	17,198	(22,802)
Miscellaneous	177,700	201,781	260,644	58,863
Total revenues	<u>11,746,587</u>	<u>11,900,590</u>	<u>12,106,359</u>	<u>205,769</u>
Expenditures:				
Current:				
General government	1,251,400	1,270,252	1,149,623	120,629
Judicial	1,364,104	1,386,327	1,299,292	87,035
Legal	541,787	550,262	535,055	15,207
Elections	68,264	74,035	67,724	6,311
Financial administration	1,017,331	1,021,880	989,346	32,534
Public facilities	559,199	560,432	525,684	34,748
Public safety	5,802,398	5,963,919	5,619,172	344,747
Environmental protection	447,588	449,188	439,988	9,200
Public Transportation	525,370	532,984	516,300	16,684
Health and welfare	452,107	490,652	474,583	16,069
Culture and recreation	49,000	71,250	71,206	44
Conservation	89,859	89,859	71,070	18,789
Capital outlay	126,511	126,511	113,353	13,158
Total expenditures	<u>12,294,918</u>	<u>12,587,551</u>	<u>11,872,396</u>	<u>715,155</u>
Excess (deficiency) of revenues (under) expenditures	(548,331)	(686,961)	233,963	920,924
Other financing sources (uses):				
Transfers in	599,555	599,555	628,427	28,872
Transfers out	(273,654)	(273,654)	(273,654)	--
Total other financing sources (uses)	<u>325,901</u>	<u>325,901</u>	<u>354,773</u>	<u>(28,872)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(222,430)	(361,060)	588,736	949,796
Fund balances, January 1	3,972,496	3,972,496	3,972,496	--
Fund balances, December 31	<u>\$ 3,750,066</u>	<u>\$ 3,611,436</u>	<u>\$ 4,561,232</u>	<u>\$ 949,796</u>

ARANSAS COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 1,102,254	\$ 1,102,254	\$ 1,110,521	\$ 8,267
Licenses and permits	547,000	547,000	545,497	(1,503)
Intergovernmental	10,000	10,000	12,346	2,346
Charges for services	209,000	228,021	406,175	178,154
Fines and forfeitures	196,000	224,873	218,873	(6,000)
Investment earnings	10,000	10,000	5,986	(4,014)
Miscellaneous	2,000	2,000	5,244	3,244
Total revenues	<u>2,076,254</u>	<u>2,124,148</u>	<u>2,304,642</u>	<u>180,494</u>
Expenditures:				
Current:				
Public Transportation	1,897,981	1,912,830	1,687,654	225,176
Capital outlay	16,500	20,672	--	20,672
Total expenditures	<u>1,914,481</u>	<u>1,933,502</u>	<u>1,687,654</u>	<u>245,848</u>
Excess (deficiency) of revenues (under) expenditures	161,773	190,646	616,988	426,342
Other financing sources (uses):				
Transfers out	(557,549)	(586,422)	(586,421)	(1)
Total other financing sources (uses)	<u>(557,549)</u>	<u>(586,422)</u>	<u>(586,421)</u>	<u>(1)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(395,776)	(395,776)	30,567	426,343
Fund balances, January 1	1,573,024	1,573,024	1,573,024	--
Fund balances, December 31	<u>\$ 1,177,248</u>	<u>\$ 1,177,248</u>	<u>\$ 1,603,591</u>	<u>\$ 426,343</u>

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and investments	\$ 3,233,224	\$ 3,011,467	\$ 6,244,691
Receivables (net of allowances for uncollectibles):			
Property taxes	164,375	--	164,375
Intergovernmental	92,420	161,485	253,905
Inventories	9,142	--	9,142
Cash and investments - restricted	--	202,250	202,250
Total Assets	\$ 3,499,161	\$ 3,375,202	\$ 6,874,363
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 144,533	\$ 610,555	\$ 755,088
Due to other funds	73,193	--	73,193
Deferred revenues	173,517	--	173,517
Advance tax collections	131,754	--	131,754
Total Liabilities	522,997	610,555	1,133,552
FUND BALANCES			
Restricted	2,863,369	2,924,630	5,787,999
Committed	112,113	(159,983)	(47,870)
Total Fund Balances	2,975,482	2,764,647	5,740,129
Total Liabilities and Fund Balances	\$ 3,499,161	\$ 3,375,202	\$ 6,874,363

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes	\$ 2,385,683	\$ --	\$ 2,385,683
Intergovernmental	211,776	1,226,397	1,438,173
Charges for services	202,426	--	202,426
Fines and forfeitures	84,592	--	84,592
Investment earnings	617	1,069	1,686
Miscellaneous	5,031	180,191	185,222
Total revenues	<u>2,890,125</u>	<u>1,407,657</u>	<u>4,297,782</u>
Expenditures:			
Current:			
General government	86,570	--	86,570
Judicial	48,400	--	48,400
Legal	41,953	--	41,953
Elections	--	12,247	12,247
Public safety	202,726	578,502	781,228
Environmental protection	86,447	11,200	97,647
Flood Control	195,677	--	195,677
Health and welfare	1,237,329	--	1,237,329
Culture and recreation	592,107	5,273	597,380
Capital outlay	199,140	2,157,794	2,356,934
Bond issuance costs	--	113,599	113,599
Total expenditures	<u>2,690,349</u>	<u>2,878,615</u>	<u>5,568,964</u>
Excess (deficiency) of revenues (under) expenditures	199,776	(1,470,958)	(1,271,182)
Other financing sources (uses):			
Transfers in	1,161,200	--	1,161,200
Transfers out	(970,302)	--	(970,302)
Proceeds from bonds	--	2,770,000	2,770,000
Total other financing sources (uses)	<u>190,898</u>	<u>2,770,000</u>	<u>2,960,898</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	390,674	1,299,042	1,689,716
Fund balances, January 1	2,584,808	1,465,605	4,050,413
Fund balances, December 31	<u>\$ 2,975,482</u>	<u>\$ 2,764,647</u>	<u>\$ 5,740,129</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
ASSETS				
Cash and investments	\$ 399,406	\$ 7,484	\$ 173,384	\$ 77,454
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	13,960	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	\$ 399,406	\$ 7,484	\$ 187,344	\$ 77,454
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ 1,212	\$ 103	\$ 5,495
Due to other funds	--	--	--	--
Deferred revenues	--	--	13,960	--
Advance tax collections	--	--	11,992	--
Total Liabilities	--	1,212	26,055	5,495
FUND BALANCES				
Restricted	399,406	6,272	161,289	--
Committed	--	--	--	71,959
Total Fund Balances	399,406	6,272	161,289	71,959
Total Liabilities and Fund Balances	\$ 399,406	\$ 7,484	\$ 187,344	\$ 77,454

Special Contingency	Records Management - County Clerk	Law Library	Courthouse Security	Records Management - Countywide
\$ 88,270	\$ 119,955	\$ 47,861	\$ 6,949	\$ 164,741
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 88,270</u>	<u>\$ 119,955</u>	<u>\$ 47,861</u>	<u>\$ 6,949</u>	<u>\$ 164,741</u>
\$ --	\$ 989	\$ 1,474	\$ 329	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>989</u>	<u>1,474</u>	<u>329</u>	<u>--</u>
88,270	118,966	46,387	6,620	164,741
--	--	--	--	--
<u>88,270</u>	<u>118,966</u>	<u>46,387</u>	<u>6,620</u>	<u>164,741</u>
<u>\$ 88,270</u>	<u>\$ 119,955</u>	<u>\$ 47,861</u>	<u>\$ 6,949</u>	<u>\$ 164,741</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax	Justice of the Peace Technology
ASSETS				
Cash and investments	\$ 84,854	\$ 40,479	\$ --	\$ 94,657
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	3,545	88,875	--
Inventories	--	9,142	--	--
Total Assets	<u>\$ 84,854</u>	<u>\$ 53,166</u>	<u>\$ 88,875</u>	<u>\$ 94,657</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 125,704	\$ 3,870	\$ 3,550	\$ 4
Due to other funds	--	--	73,193	--
Deferred revenues	--	9,142	--	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>125,704</u>	<u>13,012</u>	<u>76,743</u>	<u>4</u>
FUND BALANCES				
Restricted	(40,850)	--	12,132	94,653
Committed	--	40,154	--	--
Total Fund Balances	<u>(40,850)</u>	<u>40,154</u>	<u>12,132</u>	<u>94,653</u>
Total Liabilities and Fund Balances	<u>\$ 84,854</u>	<u>\$ 53,166</u>	<u>\$ 88,875</u>	<u>\$ 94,657</u>

Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee	Fire Department Project
\$ 10,511	\$ 349	\$ 98	\$ 62,576	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 62,576</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
10,511	349	98	62,576	--
--	--	--	--	--
<u>10,511</u>	<u>349</u>	<u>98</u>	<u>62,576</u>	<u>--</u>
<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 98</u>	<u>\$ 62,576</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	<u>County Forfeiture</u>	<u>TECLOSE Training</u>	<u>Sheriff's Forfeiture</u>	<u>Flood Control</u>
ASSETS				
Cash and investments	\$ 6,454	\$ 21,402	\$ 9,237	\$ 1,152,041
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	150,415
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 6,454</u>	<u>\$ 21,402</u>	<u>\$ 9,237</u>	<u>\$ 1,302,456</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ 1,465
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	150,415
Advance tax collections	--	--	--	119,762
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>271,642</u>
FUND BALANCES				
Restricted	6,454	21,402	9,237	1,030,814
Committed	--	--	--	--
Total Fund Balances	<u>6,454</u>	<u>21,402</u>	<u>9,237</u>	<u>1,030,814</u>
Total Liabilities and Fund Balances	<u>\$ 6,454</u>	<u>\$ 21,402</u>	<u>\$ 9,237</u>	<u>\$ 1,302,456</u>

Records Management - District Clerk	Records Archive	DEA Forfeiture	Appellate Judicial System	ARRA Grant Fund
\$ 20,292	\$ 207,025	\$ 67,925	\$ 9,930	\$ --
--	--	--	--	--
--	--	--	--	--
<u>\$ 20,292</u>	<u>\$ 207,025</u>	<u>\$ 67,925</u>	<u>\$ 9,930</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
20,292	207,025	67,925	9,930	--
--	--	--	--	--
<u>20,292</u>	<u>207,025</u>	<u>67,925</u>	<u>9,930</u>	<u>--</u>
<u>\$ 20,292</u>	<u>\$ 207,025</u>	<u>\$ 67,925</u>	<u>\$ 9,930</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Venue Tax	Child Abuse Prevention	County & District Court Technology	Court Records Preservation
ASSETS				
Cash and investments	\$ 301,326	\$ 626	\$ 1,410	\$ 10,909
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 301,326</u>	<u>\$ 626</u>	<u>\$ 1,410</u>	<u>\$ 10,909</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Restricted	301,326	626	1,410	10,909
Committed	--	--	--	--
Total Fund Balances	<u>301,326</u>	<u>626</u>	<u>1,410</u>	<u>10,909</u>
Total Liabilities and Fund Balances	<u>\$ 301,326</u>	<u>\$ 626</u>	<u>\$ 1,410</u>	<u>\$ 10,909</u>

District Court Technology	Pretrial Intervention	Voter Registration	Juvenile Case Management	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 1,891	\$ 22,101	\$ 92	\$ 21,535	\$ 3,233,224
--	--	--	--	164,375
--	--	--	--	92,420
--	--	--	--	9,142
<u>\$ 1,891</u>	<u>\$ 22,101</u>	<u>\$ 92</u>	<u>\$ 21,535</u>	<u>\$ 3,499,161</u>
\$ --	\$ --	\$ --	\$ 338	\$ 144,533
--	--	--	--	73,193
--	--	--	--	173,517
--	--	--	--	131,754
<u>--</u>	<u>--</u>	<u>--</u>	<u>338</u>	<u>522,997</u>
1,891	21,419	92	21,197	2,863,369
--	--	--	--	112,113
<u>1,891</u>	<u>21,419</u>	<u>92</u>	<u>21,197</u>	<u>2,975,482</u>
<u>\$ 1,891</u>	<u>\$ 22,101</u>	<u>\$ 92</u>	<u>\$ 21,535</u>	<u>\$ 3,499,161</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
Revenue:				
Taxes	\$ 258,286	\$ --	\$ 30,082	\$ --
Intergovernmental	--	--	--	3,000
Charges for services	--	28,699	--	2,240
Fines and forfeitures	--	--	--	6,469
Investment earnings	--	--	92	39
Miscellaneous	--	--	--	2,291
Total revenues	<u>258,286</u>	<u>28,699</u>	<u>30,174</u>	<u>14,039</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	27,577	--	--
Public safety	--	--	--	--
Environmental protection	--	--	86,447	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	414,803	--	--	165,809
Capital outlay	--	--	--	--
Total expenditures	<u>414,803</u>	<u>27,577</u>	<u>86,447</u>	<u>165,809</u>
Excess (deficiency) of revenues (under) expenditures	(156,517)	1,122	(56,273)	(151,770)
Other financing sources (uses):				
Transfers in	--	--	134,999	157,315
Transfers out	--	--	(42,006)	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>92,993</u>	<u>157,315</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(156,517)	1,122	36,720	5,545
Fund balances, January 1	555,923	5,150	124,569	66,414
Fund balances, December 31	<u>\$ 399,406</u>	<u>\$ 6,272</u>	<u>\$ 161,289</u>	<u>\$ 71,959</u>

Special Contingency	Records Management - County Clerk	Law Library	Courthouse Security	Records Management - Countywide
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
3,210	32,170	13,261	21,913	11,085
--	--	--	--	--
--	--	--	--	--
3,210	32,170	13,261	21,913	11,085
--	50,727	--	--	--
--	--	--	--	--
--	--	14,376	--	--
--	--	--	22,338	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	50,727	14,376	22,338	--
3,210	(18,557)	(1,115)	(425)	11,085
--	--	--	--	--
--	--	--	--	--
3,210	(18,557)	(1,115)	(425)	11,085
85,060	137,523	47,502	7,045	153,656
\$ 88,270	\$ 118,966	\$ 46,387	\$ 6,620	\$ 164,741

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax	Justice of the Peace Technology
Revenue:				
Taxes	\$ --	\$ --	\$ 1,121,405	\$ --
Intergovernmental	--	199,252	--	--
Charges for services	--	--	--	10,937
Fines and forfeitures	--	--	--	--
Investment earnings	--	--	--	--
Miscellaneous	--	2,740	--	--
Total revenues	--	201,992	1,121,405	10,937
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	10,326
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	604,995	337,625	292,209	--
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	604,995	337,625	292,209	10,326
Excess (deficiency) of revenues (under) expenditures	(604,995)	(135,633)	829,196	611
Other financing sources (uses):				
Transfers in	604,999	147,548	--	--
Transfers out	--	--	(887,546)	--
Total other financing sources (uses)	604,999	147,548	(887,546)	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	4	11,915	(58,350)	611
Fund balances, January 1	(40,854)	28,239	70,482	94,042
Fund balances, December 31	\$ (40,850)	\$ 40,154	\$ 12,132	\$ 94,653

Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee	Fire Department Project
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	7,977	--
--	--	--	--	--
--	--	--	--	--
--	--	--	7,977	--
--	--	--	--	--
--	--	--	1,976	--
--	--	--	--	116,339
--	--	--	--	--
--	--	--	--	--
--	--	--	1,976	116,339
--	--	--	6,001	(116,339)
--	--	--	--	116,339
--	--	--	--	116,339
--	--	--	6,001	--
10,511	349	98	56,575	--
\$ 10,511	\$ 349	\$ 98	\$ 62,576	\$ --

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	County Forfeiture	TECLOSE Training	Sheriff's Forfeiture	Flood Control
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ 637,585
Intergovernmental	--	7,024	--	--
Charges for services	--	--	--	--
Fines and forfeitures	25,704	--	20,896	--
Investment earnings	--	--	--	470
Miscellaneous	--	--	--	--
Total revenues	<u>25,704</u>	<u>7,024</u>	<u>20,896</u>	<u>638,055</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	22,727	6,202	16,135	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	195,677
Health and welfare	--	--	--	--
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	199,140
Total expenditures	<u>22,727</u>	<u>6,202</u>	<u>16,135</u>	<u>394,817</u>
Excess (deficiency) of revenues (under) expenditures	2,977	822	4,761	243,238
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,977	822	4,761	243,238
Fund balances, January 1	3,477	20,580	4,476	787,576
Fund balances, December 31	<u>\$ 6,454</u>	<u>\$ 21,402</u>	<u>\$ 9,237</u>	<u>\$ 1,030,814</u>

Records Management - District Clerk	Records Archive	DEA Forfeiture	Appellate Judicial System	ARRA Grant Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	2,500
2,316	31,466	--	--	--
--	--	--	2,619	--
--	--	3	--	--
--	--	--	--	--
<u>2,316</u>	<u>31,466</u>	<u>3</u>	<u>2,619</u>	<u>2,500</u>
--	31,500	--	--	--
--	--	--	1,609	--
--	--	--	--	--
--	--	18,985	--	--
--	--	--	--	--
--	--	--	--	2,500
--	--	--	--	--
--	<u>31,500</u>	<u>18,985</u>	<u>1,609</u>	<u>2,500</u>
2,316	(34)	(18,982)	1,010	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,316	(34)	(18,982)	1,010	--
17,976	207,059	86,907	8,920	--
<u>\$ 20,292</u>	<u>\$ 207,025</u>	<u>\$ 67,925</u>	<u>\$ 9,930</u>	<u>\$ --</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Venue Tax	Child Abuse Prevention	County & District Court Technology	Court Records Preservation
Revenue:				
Taxes	\$ 338,325	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeitures	--	128	916	5,784
Investment earnings	13	--	--	--
Miscellaneous	--	--	--	--
Total revenues	338,338	128	916	5,784
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	11,495	--	--	--
Capital outlay	--	--	--	--
Total expenditures	11,495	--	--	--
Excess (deficiency) of revenues (under) expenditures	326,843	128	916	5,784
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	(40,750)	--	--	--
Total other financing sources (uses)	(40,750)	--	--	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	286,093	128	916	5,784
Fund balances, January 1	15,233	498	494	5,125
Fund balances, December 31	\$ 301,326	\$ 626	\$ 1,410	\$ 10,909

ARANSAS COUNTY, TEXAS
HOTEL/MOTEL OCCUPANCY TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 196,500	\$ 258,286	\$ 61,786
Total revenues	<u>196,500</u>	<u>258,286</u>	<u>61,786</u>
Expenditures:			
Current:			
Culture and recreation	431,619	414,803	16,816
Total expenditures	<u>431,619</u>	<u>414,803</u>	<u>16,816</u>
Excess (deficiency) of revenues (under) expenditures	(235,119)	(156,517)	78,602
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(235,119)	(156,517)	78,602
Fund balances, January 1	555,923	555,923	--
Fund balances, December 31	<u>\$ 320,804</u>	<u>\$ 399,406</u>	<u>\$ 78,602</u>

ARANSAS COUNTY, TEXAS
MOSQUITO CONTROL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 25,327	\$ 30,082	\$ 4,755
Investment earnings	--	92	92
Total revenues	<u>25,327</u>	<u>30,174</u>	<u>4,847</u>
Expenditures:			
Current:			
Environmental protection	119,520	86,447	33,073
Total expenditures	<u>119,520</u>	<u>86,447</u>	<u>33,073</u>
Excess (deficiency) of revenues (under) expenditures	(94,193)	(56,273)	37,920
Other financing sources (uses):			
Transfers in	134,999	134,999	--
Transfers out	(42,006)	(42,006)	--
Total other financing sources (uses)	<u>92,993</u>	<u>92,993</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,200)	36,720	37,920
Fund balances, January 1	124,569	124,569	--
Fund balances, December 31	<u>\$ 123,369</u>	<u>\$ 161,289</u>	<u>\$ 37,920</u>

ARANSAS COUNTY, TEXAS
 COUNTY LIBRARY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 9,400	\$ 3,000	\$ (6,400)
Charges for services	2,500	2,240	(260)
Fines and forfeitures	6,500	6,469	(31)
Investment earnings	--	39	39
Miscellaneous	4,500	2,291	(2,209)
Total revenues	<u>22,900</u>	<u>14,039</u>	<u>(8,861)</u>
Expenditures:			
Current:			
Culture and recreation	187,267	165,809	21,458
Total expenditures	<u>187,267</u>	<u>165,809</u>	<u>21,458</u>
Excess (deficiency) of revenues (under) expenditures	(164,367)	(151,770)	12,597
Other financing sources (uses):			
Transfers in	157,315	157,315	--
Total other financing sources (uses)	<u>157,315</u>	<u>157,315</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(7,052)	5,545	12,597
Fund balances, January 1	66,414	66,414	--
Fund balances, December 31	<u>\$ 59,362</u>	<u>\$ 71,959</u>	<u>\$ 12,597</u>

ARANSAS COUNTY, TEXAS
 SPECIAL CONTINGENCY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,800	\$ 3,210	\$ 410
Total revenues	<u>2,800</u>	<u>3,210</u>	<u>410</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,800	3,210	410
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,800	3,210	410
Fund balances, January 1	85,060	85,060	--
Fund balances, December 31	<u>\$ 87,860</u>	<u>\$ 88,270</u>	<u>\$ 410</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTY CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 36,000	\$ 32,170	\$ (3,830)
Total revenues	<u>36,000</u>	<u>32,170</u>	<u>(3,830)</u>
Expenditures:			
General government	51,210	50,727	483
Total expenditures	<u>51,210</u>	<u>50,727</u>	<u>483</u>
Excess (deficiency) of revenues (under) expenditures	(15,210)	(18,557)	(3,347)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(15,210)	(18,557)	(3,347)
Fund balances, January 1	137,523	137,523	--
Fund balances, December 31	<u>\$ 122,313</u>	<u>\$ 118,966</u>	<u>\$ (3,347)</u>

ARANSAS COUNTY, TEXAS
 LAW LIBRARY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 14,377	\$ 13,261	\$ (1,116)
Total revenues	<u>14,377</u>	<u>13,261</u>	<u>(1,116)</u>
Expenditures:			
Current:			
Legal	14,377	14,376	1
Total expenditures	<u>14,377</u>	<u>14,376</u>	<u>1</u>
Excess (deficiency) of revenues (under) expenditures	--	(1,115)	(1,115)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(1,115)	(1,115)
Fund balances, January 1	47,502	47,502	--
Fund balances, December 31	<u>\$ 47,502</u>	<u>\$ 46,387</u>	<u>\$ (1,115)</u>

ARANSAS COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 19,000	\$ 21,913	\$ 2,913
Total revenues	19,000	21,913	2,913
Expenditures:			
Current:			
Public safety	23,285	22,338	947
Total expenditures	23,285	22,338	947
Excess (deficiency) of revenues (under) expenditures	(4,285)	(425)	3,860
Other financing sources (uses):			
Total other financing sources (uses)	--	--	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,285)	(425)	3,860
Fund balances, January 1	7,045	7,045	--
Fund balances, December 31	\$ 2,760	\$ 6,620	\$ 3,860

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTYWIDE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 8,500	\$ 11,085	\$ 2,585
Total revenues	8,500	11,085	2,585
Expenditures:			
General government	8,500	--	8,500
Total expenditures	8,500	--	8,500
Excess (deficiency) of revenues (under) expenditures	--	11,085	11,085
Other financing sources (uses):			
Total other financing sources (uses)	--	--	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	11,085	11,085
Fund balances, January 1	153,656	153,656	--
Fund balances, December 31	\$ 153,656	\$ 164,741	\$ 11,085

ARANSAS COUNTY, TEXAS
 INDIGENT HEALTH CARE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Health and welfare	604,999	604,995	4
Total expenditures	604,999	604,995	4
Excess (deficiency) of revenues (under) expenditures	(604,999)	(604,995)	4
Other financing sources (uses):			
Transfers in	604,999	604,999	--
Total other financing sources (uses)	604,999	604,999	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	4	4
Fund balances, January 1	(40,854)	(40,854)	--
Fund balances, December 31	\$ (40,854)	\$ (40,850)	\$ 4

ARANSAS COUNTY, TEXAS
 ARANSAS COUNTY ASSISTANCE DEPARTMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 43,000	\$ 45,350	\$ 2,350
Miscellaneous	1,700	2,740	1,040
Total revenues	<u>44,700</u>	<u>48,090</u>	<u>3,390</u>
Expenditures:			
Current:			
Health and welfare	192,248	183,723	8,525
Total expenditures	<u>192,248</u>	<u>183,723</u>	<u>8,525</u>
Excess (deficiency) of revenues (under) expenditures	(147,548)	(135,633)	11,915
Other financing sources (uses):			
Transfers in	147,548	147,548	--
Total other financing sources (uses)	<u>147,548</u>	<u>147,548</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	11,915	11,915
Fund balances, January 1	28,239	28,239	--
Fund balances, December 31	<u>\$ 28,239</u>	<u>\$ 40,154</u>	<u>\$ 11,915</u>

ARANSAS COUNTY, TEXAS
 HEALTH CARE SALES TAX
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ --	\$ 1,121,405	\$ 1,121,405
Total revenues	<u> --</u>	<u>1,121,405</u>	<u>1,121,405</u>
Expenditures:			
Current:			
Health and welfare	328,391	292,209	36,182
Total expenditures	<u>328,391</u>	<u>292,209</u>	<u>36,182</u>
Excess (deficiency) of revenues (under) expenditures	(328,391)	829,196	1,157,587
Other financing sources (uses):			
Transfers out	(887,546)	(887,546)	--
Total other financing sources (uses)	<u>(887,546)</u>	<u>(887,546)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,215,937)	(58,350)	1,157,587
Fund balances, January 1	77,042	70,482	(6,560)
Fund balances, December 31	<u>\$ (1,138,895)</u>	<u>\$ 12,132</u>	<u>\$ 1,151,027</u>

ARANSAS COUNTY, TEXAS
 COURT REPORTER SERVICE FEE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 8,000	\$ 7,977	\$ (23)
Total revenues	<u>8,000</u>	<u>7,977</u>	<u>(23)</u>
Expenditures:			
Current:			
Judicial	8,000	1,976	6,024
Total expenditures	<u>8,000</u>	<u>1,976</u>	<u>6,024</u>
Excess (deficiency) of revenues (under) expenditures	--	6,001	6,001
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	6,001	6,001
Fund balances, January 1	56,575	56,575	--
Fund balances, December 31	<u>\$ 56,575</u>	<u>\$ 62,576</u>	<u>\$ 6,001</u>

ARANSAS COUNTY, TEXAS
 FIRE DEPARTMENT PROJECT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-17

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Public safety	116,339	116,339	--
Total expenditures	116,339	116,339	--
Excess (deficiency) of revenues (under) expenditures	(116,339)	(116,339)	--
Other financing sources (uses):			
Transfers in	116,339	116,339	--
Total other financing sources (uses)	116,339	116,339	--
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	--	--
Fund balances, January 1	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-18

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,500	\$ 2,316	\$ (184)
Total revenues	<u>2,500</u>	<u>2,316</u>	<u>(184)</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,500	2,316	(184)
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,500	2,316	(184)
Fund balances, January 1	17,976	17,976	--
Fund balances, December 31	<u>\$ 20,476</u>	<u>\$ 20,292</u>	<u>\$ (184)</u>

ARANSAS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-19

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 1,297,253	\$ 1,187,782	\$ (109,471)
Intergovernmental	120,303	120,303	--
Investment earnings	5,600	441	(5,159)
Total revenues	<u>1,423,156</u>	<u>1,308,526</u>	<u>(114,630)</u>
Expenditures:			
Debt service:			
Principal	715,500	715,500	--
Interest and fiscal charges	682,098	644,656	37,442
Total expenditures	<u>1,397,598</u>	<u>1,360,156</u>	<u>37,442</u>
Excess (deficiency) of revenues (under) expenditures	25,558	(51,630)	(77,188)
Other financing sources (uses):			
Transfers in	--	40,750	40,750
Interest from bond sale	--	31,291	31,291
Total other financing sources (uses)	<u>--</u>	<u>72,041</u>	<u>(72,041)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	25,558	20,411	(5,147)
Fund balances, January 1	627,318	639,313	11,995
Fund balances, December 31	<u>\$ 652,876</u>	<u>\$ 659,724</u>	<u>\$ 6,848</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2011

	Grant Construction	2009 Certificate of Obligation	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS				
Cash and investments	\$ 122,306	\$ 735,015	\$ 2,154,146	\$ 3,011,467
Receivables (net of allowances for uncollectibles):				
Intergovernmental	161,485	--	--	161,485
Cash and investments - restricted	--	--	202,250	202,250
Total Assets	<u>\$ 283,791</u>	<u>\$ 735,015</u>	<u>\$ 2,356,396</u>	<u>\$ 3,375,202</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 443,774	\$ 130,477	\$ 36,304	\$ 610,555
Total Liabilities	<u>443,774</u>	<u>130,477</u>	<u>36,304</u>	<u>610,555</u>
FUND BALANCES				
Restricted	--	604,538	2,320,092	2,924,630
Committed	(159,983)	--	--	(159,983)
Total Fund Balances	<u>(159,983)</u>	<u>604,538</u>	<u>2,320,092</u>	<u>2,764,647</u>
Total Liabilities and Fund Balances	<u>\$ 283,791</u>	<u>\$ 735,015</u>	<u>\$ 2,356,396</u>	<u>\$ 3,375,202</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Grant Construction	2009 Certificate of Obligation	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
Intergovernmental	\$ 1,226,397	\$ --	\$ --	\$ 1,226,397
Investment earnings	--	701	368	1,069
Miscellaneous	180,191	--	--	180,191
Total revenues	<u>1,406,588</u>	<u>701</u>	<u>368</u>	<u>1,407,657</u>
Expenditures:				
Current:				
Elections	12,247	--	--	12,247
Public safety	578,502	--	--	578,502
Environmental protection	11,200	--	--	11,200
Culture and recreation	5,273	--	--	5,273
Capital outlay	650,938	1,170,179	336,677	2,157,794
Bond issuance costs	--	--	113,599	113,599
Total expenditures	<u>1,258,160</u>	<u>1,170,179</u>	<u>450,276</u>	<u>2,878,615</u>
Excess (deficiency) of revenues (under) expenditures	148,428	(1,169,478)	(449,908)	(1,470,958)
Other financing sources (uses):				
Proceeds from bonds	--	--	2,770,000	2,770,000
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>2,770,000</u>	<u>2,770,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	148,428	(1,169,478)	2,320,092	1,299,042
Fund balances, January 1	(308,411)	1,774,016	--	1,465,605
Fund balances, December 31	<u>\$ (159,983)</u>	<u>\$ 604,538</u>	<u>\$ 2,320,092</u>	<u>\$ 2,764,647</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Grant Construction	2009 Certificate of Obligation	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenue:				
Intergovernmental	\$ 1,226,397	\$ --	\$ --	\$ 1,226,397
Investment earnings	--	701	368	1,069
Miscellaneous	180,191	--	--	180,191
Total revenues	<u>1,406,588</u>	<u>701</u>	<u>368</u>	<u>1,407,657</u>
Expenditures:				
Current:				
Elections	12,247	--	--	12,247
Public safety	578,502	--	--	578,502
Environmental protection	11,200	--	--	11,200
Culture and recreation	5,273	--	--	5,273
Capital outlay	650,938	1,170,179	336,677	2,157,794
Bond issuance costs	--	--	113,599	113,599
Total expenditures	<u>1,258,160</u>	<u>1,170,179</u>	<u>450,276</u>	<u>2,878,615</u>
Excess (deficiency) of revenues (under) expenditures	148,428	(1,169,478)	(449,908)	(1,470,958)
Other financing sources (uses):				
Proceeds from bonds	--	--	2,770,000	2,770,000
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>2,770,000</u>	<u>2,770,000</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	148,428	(1,169,478)	2,320,092	1,299,042
Fund balances, January 1	(308,411)	1,774,016	--	1,465,605
Fund balances, December 31	<u>\$ (159,983)</u>	<u>\$ 604,538</u>	<u>\$ 2,320,092</u>	<u>\$ 2,764,647</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2011

	<u>Court Costs and Fees</u>	<u>Tax Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>
ASSETS				
Assets:				
Cash and investments	\$ 122,681	\$ 1,334,161	\$ 216,757	\$ 232,490
Total Assets	<u>\$ 122,681</u>	<u>\$ 1,334,161</u>	<u>\$ 216,757</u>	<u>\$ 232,490</u>
LIABILITIES AND EQUITY				
Liabilities:				
Due to others	\$ 122,681	\$ 1,334,161	\$ 216,757	\$ 232,490
Total Liabilities	<u>122,681</u>	<u>1,334,161</u>	<u>216,757</u>	<u>232,490</u>
Equity:				
Total equity	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Equity	<u>\$ 122,681</u>	<u>\$ 1,334,161</u>	<u>\$ 216,757</u>	<u>\$ 232,490</u>

Justice of the Peace	Escheat	Inmate Trust	Aransas County Navigation District No. 1	Total Agency Funds (See Exhibit A-10)
\$ 3,978	\$ 463	\$ 3,058	\$ 4,584,220	\$ 6,497,808
\$ 3,978	\$ 463	\$ 3,058	\$ 4,584,220	\$ 6,497,808
\$ 3,978	\$ 463	\$ 3,058	\$ 4,584,220	\$ 6,497,808
3,978	463	3,058	4,584,220	6,497,808
--	--	--	--	--
\$ 3,978	\$ 463	\$ 3,058	\$ 4,584,220	\$ 6,497,808

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Michael A. Arnold, PLLC

501 E. MARKET
P O BOX 1266
ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

PHONE (361) 729-3545

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Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

Members of the Commissioners' Court:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aransas County, Texas as of and for the year ended December 31, 2011, which collectively comprise the Aransas County, Texas's basic financial statements and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael A. Arnold, PLLC". The signature is written in a cursive, flowing style.

Michael A. Arnold, PLLC

June 22, 2012

Michael A. Arnold, PLLC

501 E. MARKET
P.O. BOX 1266
ROCKPORT, TEXAS 78381-1266

CERTIFIED PUBLIC ACCOUNTANT

PHONE (361) 729-3545
FAX (361) 790-9692

Independent Auditor's Report

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

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

Members of the Commissioners' Court:

Compliance

We have audited Aransas County, Texas's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Aransas County, Texas's major federal programs for the year ended December 31, 2011. Aransas County, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Aransas County, Texas's management. Our responsibility is to express an opinion on Aransas County, Texas's compliance based on our audit.

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

In our opinion, Aransas County, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael A. Arnold, PLLC". The signature is written in a cursive, flowing style.

Michael A. Arnold, PLLC

June 22, 2012

ARANSAS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Operation Stonegarden(OPSG)
15.426	Coastal Impact Assistance Program

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

Auditee qualified as low-risk auditee? Yes X No

B. Financial Statement Findings

NONE None

C. Federal Award Findings and Questioned Costs

NONE None

ARANSAS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
None		

ARANSAS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011

N/A

ARANSAS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. ELECTION ASSISTANCE COMMISSION			
Direct Program:			
Help America Vote Act	90.401	None	\$ 12,397
Total U.S. Election Assistance Commission			12,397
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Texas Department of Public Safety:			
State Homeland Security Program	97.073	08-GA-48007-02	90,000
Passed Through Texas Department of Emergency Management:			
Operation Stonegarden(OPSG)	97.036	10-SR-48007-02	582,855
Total U.S. Department of Homeland Security			672,855
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of Human Services and Bee County Community Action Agency:			
Community Services Block Grant	93.031	61100000840.2	42,548
Total U.S. Department of Health and Human Services			42,548
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through Texas Commission on Environmental Quality:			
Nonpoint Source Water Implementation Grant	66.460	582-12-10077	1,800
Nonpoint Source Water Implementation Grant	66.460	582-10-90462	5,100
Total Passed Through Texas Commission on Environmental Quality			6,900
Total U. S. Environmental Protection Agency			6,900
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation:			
Airport Improvement Program	20.106	1116ROCKP	43,962
Total U. S. Department of Transportation			43,962
U. S. DEPARTMENT OF THE INTERIOR			
Direct Programs:			
Coastal Impact Assistance Program	15.426	M10AF20116	182,863
Coastal Impact Assistance Program	15.426	M11AF00188	271,895
Total Direct Programs			454,758
Total U. S. Department of the Interior			454,758
U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Passed Through Texas Department of Rural Affairs:			
Community Development Block Grant *	14.218	728025	2,000
Community Development Block Grant *	14.218	728011	1,500
Community Development Block Grant *	14.218	710019	39,500
Community Development Block Grant *	14.218	710205	52,000
Total Passed Through Texas Department of Rural Affairs			95,000
Total U. S. Department of Housing & Urban Development			95,000

ARANSAS COUNTY, TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Texas Department of Human Services and Bee County Community Action Agency:			
Community Services Block Grant(CSBG) ARRA	93.091	11090000525.2	2,500
Total U. S. Department of Health and Human Services			<u>2,500</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Texas Department of Human Resources and Food Bank of Corpus Christi:			
Commodity Supplemental Food Program	10.565	None	\$ 153,902
Total U. S. Department of Agriculture			<u>\$ 153,902</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,484,822</u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

ARANSAS COUNTY, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Aransas County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

2. Subrecipients

Of the federal expenditures presented in the schedule, Aransas County, Texas provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Operation Stonegarden(OPSG)	97.067	\$ 293,315

ARANSAS COUNTY, TEXAS
 SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended December 31, 2011

EXHIBIT D-2

FEDERAL FINANCIAL ASSISTANCE
 GRANTOR: OFFICE OF RURAL AFFAIRS
 CONTRACT NUMBER 728011 - Sewer Facilities - N. Hood
 CONTRACT PERIOD: June 22, 2008 to December 21, 2010

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$300,000	\$294,865	\$1,500	\$ -	\$ -	\$296,365
Local	15,000	15,000	-	15,000	-	15,000
Total revenues	315,000	309,865	1,500	15,000	-	311,365
Expenditures:						
Federal:						
Sewer Facilities	175,549	175,549		-	-	175,549
Rehab. Private Prop	39,701	36,066		-	-	36,066
Engineering	52,500	52,500		-	-	52,500
Administration	32,250	30,750	1,500	-	-	32,250
Local:						
Sewer Facilities	-	-	-	7,500	-	7,500
Engineering	-	-	-	7,500	-	7,500
Total expenditures	300,000	294,865	1,500	15,000	-	311,365
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARANSAS COUNTY, TEXAS
 SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended December 31, 2011

EXHIBIT D-3

FEDERAL FINANCIAL ASSISTANCE
 GRANTOR: OFFICE OF RURAL AFFAIRS
 CONTRACT NUMBER 710019 - Sewer Facilities - Terry & Doughty
 CONTRACT PERIOD: September 15, 2010 to September 14, 2012

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$300,000	\$ -	\$39,500	\$ -	\$ -	\$39,500
Local	15,000	-	-	-	-	-
Total revenues	315,000	-	39,500	-	-	39,500
Expenditures:						
Federal:						
Sewer Facilities	183,500	-	-	-	-	0
Rehab. Single Unit	37,500	-	-	-	-	0
Engineering	48,000	-	24,000	-	-	24,000
Administration	31,000	-	15,500	-	-	15,500
Local:						
Sewer Facilities	15,000	-	-	-	-	-
Total expenditures	315,000	-	39,500	-	-	39,500
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARANSAS COUNTY, TEXAS
 SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended December 31, 2011

EXHIBIT D-4

FEDERAL FINANCIAL ASSISTANCE
 GRANTOR: OFFICE OF RURAL AFFAIRS
 CONTRACT NUMBER 710205 - Sewer Facilities
 CONTRACT PERIOD: October 22, 2010 to October 21, 2012

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$500,000	\$ -	\$52,000	\$ -	\$ -	\$52,000
Local	25,000	-	-	-	-	-
Total revenues	525,000	-	52,000	-	-	52,000
Expenditures:						
Federal:						
Sewer Facilities	261,000	-	-	-	-	-
Rehab. Single Unit	135,000	-	-	-	-	-
Engineering	59,000	-	29,500	-	-	29,500
Administration	45,000	-	22,500	-	-	22,500
Local:						
Sewer Facilities	10,000	-	-	-	-	-
Rehab. Single Unit	15,000	-	-	-	-	-
Total expenditures	525,000	-	52,000	-	-	52,000
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARANSAS COUNTY, TEXAS
 SCHEDULE OF GRANT REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 For the Year Ended December 31, 2011

EXHIBIT D-5

FEDERAL FINANCIAL ASSISTANCE
 GRANTOR: OFFICE OF RURAL COMMUNITY AFFAIRS
 CONTRACT NUMBER 728025 - Sewer Facilities N. Hood
 CONTRACT PERIOD: June 22, 2008 to December 21, 2010
 CFDA: 14.218

	Budget	State		Match		Total
		Prior Years	Current Year	Prior Years	Current Year	
Revenues:						
Federal	\$500,000	\$363,951	\$2,000	\$ -	\$ -	\$365,951
Local	25,000	-	-	25,000	-	25,000
Total revenues	525,000	363,951	2,000	25,000	-	390,951
Expenditures:						
Federal:						
Sewer Facilities	321,262	267,332	-	-	-	267,332
Rehab. Private Prop	69,738	69,419	-	-	-	69,419
Engineering	66,000	16,200	-	-	-	16,200
Administration	43,000	11,000	2,000	-	-	13,000
Local:						
Sewer Facilities	15,000	-	-	15,000	-	15,000
Engineering	10,000	-	-	10,000	-	10,000
Total expenditures	525,000	363,951	2,000	25,000	-	390,951
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL INFORMATION

ARANSAS COUNTY, TEXAS
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in Capital Assets,								
Net of Related Debt	\$ 7,641,649	\$ 8,438,953	\$ 7,237,796	\$ 5,493,231	\$ 8,240,280	\$ 5,391,176	\$ 7,135,009	\$ 8,700,419
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839
Unrestricted	5,754,819	5,428,050	7,239,112	8,256,952	8,255,996	8,185,130	9,908,364	3,875,867
Total Governmental								
Activities Net Assets	\$ 14,240,041	\$ 15,885,194	\$ 17,067,529	\$ 17,759,487	\$ 18,178,921	\$ 18,374,295	\$ 20,395,291	\$ 21,348,125
Business-type Activities								
Invested in Capital Assets,								
Net of Related Debt	\$ 4,063,473	\$ 3,838,200	\$ 5,697,213	\$ 6,282,722	\$ 7,577,282	\$ 9,808,462	\$ 9,697,930	\$ 9,240,346
Restricted	--	--	--	--	--	--	--	--
Unrestricted	11,268	99,665	(127,651)	425,883	708,388	1,001,718	715,394	735,352
Total Business-type								
Activities Net Assets	\$ 4,074,741	\$ 3,937,865	\$ 5,569,562	\$ 6,708,605	\$ 8,285,670	\$ 10,810,180	\$ 10,413,324	\$ 9,975,698
Primary Government								
Invested in Capital Assets,								
Net of Related Debt	\$ 11,705,122	\$ 12,277,153	\$ 12,935,009	\$ 11,775,953	\$ 15,817,562	\$ 15,199,638	\$ 16,832,939	\$ 17,940,765
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839
Unrestricted	5,766,087	5,527,715	7,111,461	8,682,835	8,964,384	9,186,848	10,623,758	4,611,219
Total Primary								
Government Net Assets	\$ 18,314,782	\$ 19,823,059	\$ 22,637,091	\$ 24,468,092	\$ 26,464,591	\$ 29,184,475	\$ 30,808,615	\$ 31,323,823

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

ARANSAS COUNTY, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

LAST EIGHT FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(UNAUDITED)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental Activities:								
General government	\$ 926,218	\$ 963,613	1,149,048	\$ 1,157,196	\$ 1,509,232	\$ 1,297,185	\$ 1,193,056	\$ 1,287,075
Judicial	859,663	892,437	1,049,066	1,144,928	1,209,863	1,347,353	1,325,709	1,348,882
Legal	445,277	447,869	443,201	498,377	493,739	547,730	552,067	577,008
Elections	60,614	55,328	74,904	76,440	87,656	78,160	87,415	97,032
Financial administration	643,653	738,865	814,511	827,452	931,388	1,008,414	1,006,588	1,015,339
Public facilities	419,744	404,801	528,935	532,849	608,949	605,145	493,412	525,684
Public safety	3,066,166	3,895,041	4,226,953	4,539,254	5,388,500	6,322,329	6,785,792	6,904,439
Environmental protection	517,720	599,972	649,443	543,533	766,771	598,758	591,681	613,945
Public transportation	1,720,487	1,950,355	2,389,403	2,293,716	2,318,482	2,491,334	2,366,571	2,521,181
Flood Control	--	--	--	--	12,101	109,868	218,225	210,974
Health and Welfare	1,355,509	1,205,129	1,358,738	1,394,376	1,425,240	1,787,683	1,875,452	1,722,701
Culture and recreation	230,842	253,923	290,310	305,313	377,451	381,643	358,062	718,408
Conservation	37,868	56,555	45,564	57,302	71,979	66,097	96,809	72,812
Contributions to other governments:								
Water and sewer systems	159,623	386,176	638,860	119,284	105,500	144,037	564,108	95,000
Coastal restoration	116,058	--	--	--	--	--	--	490,844
Interest and fiscal charges	469,725	459,360	449,599	543,018	601,284	618,057	649,725	755,641
Total Governmental Activities Expenses	11,029,167	12,309,424	14,108,535	14,033,038	15,908,135	17,403,793	18,164,672	18,958,965
Business-type Activities								
County airport	709,141	898,074	1,023,598	1,127,386	1,436,497	1,362,764	1,554,724	1,685,816
Inmate commissary	3,900	47,099	74,530	80,752	49,999	66,279	36,987	133,963
Total Business-type Activities Expenses	713,041	945,173	1,098,128	1,208,138	1,486,496	1,429,043	1,591,711	1,819,779
Total Primary Government Expenses	\$ 11,742,208	\$ 13,254,597	15,206,663	\$ 15,241,176	\$ 17,394,631	\$ 18,832,836	\$ 19,756,383	\$ 20,778,744
Program Revenues								
Governmental Activities:								
Charges for Services	\$ 2,976,068	\$ 3,870,580	4,837,003	\$ 4,224,749	\$ 5,347,126	\$ 5,306,772	\$ 5,544,840	\$ 5,358,566
Operating Grants and Contributions	667,117	655,944	415,259	329,757	509,747	613,638	1,166,394	977,774
Capital Grants and Contributions	275,681	517,624	665,353	399,002	409,301	197,841	1,039,124	549,758
Total Governmental Activities Program Revenues	3,918,866	5,044,148	5,917,615	4,953,508	6,266,174	6,118,251	7,750,358	6,886,098
Business-type Activities:								
Charges for Services:								
County airport	560,017	678,162	861,459	881,674	1,112,777	818,325	879,086	1,130,896
Inmate commissary	8,627	58,025	87,482	117,763	104,891	52,293	56,461	133,786
Operating Grants and Contributions	24,045	30,090	16,613	26,701	37,669	51,524	50,180	31,267
Capital Grants and Contributions	16,808	30,032	1,754,787	1,267,696	1,482,351	3,125,600	207,904	85,356
Total Business-type Activities Program Revenues	609,497	796,309	2,720,341	2,293,834	2,737,688	4,047,742	1,193,631	1,381,305
Total Primary Government Program Revenues	\$ 4,528,363	\$ 5,840,457	8,637,956	\$ 7,247,342	\$ 9,003,862	\$ 10,165,993	\$ 8,943,989	\$ 8,267,403
Net (Expense)/Revenue								
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	(8,190,920)	\$ (9,079,530)	\$ (9,641,961)	(11,285,542)	(10,414,314)	(12,070,867)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)
Total Primary Government Net Expense	\$ (7,213,845)	\$ (7,414,140)	(6,568,707)	\$ (7,993,834)	(8,390,769)	(8,666,843)	(10,812,394)	(12,509,341)

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

ARANSAS COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Land	Personal Property	Minerals	Total Taxable Assessed Value	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	\$ 1,589,834,481	\$ 40,407,001	\$ 77,030,725	\$ 1,707,272,207	\$ 1,707,272,207	\$ 100.00%
2003	1,791,097,019	41,873,917	95,702,090	1,928,673,026	1,928,673,026	100.00%
2004	1,924,729,499	45,098,637	136,414,380	2,106,242,516	2,106,242,516	100.00%
2005	2,112,812,529	53,382,346	120,835,530	2,287,030,405	2,287,030,405	100.00%
2006	2,143,550,620	56,007,822	103,163,510	2,302,721,952	2,302,721,952	100.00%
2007	2,502,792,053	56,471,618	138,541,806	2,697,805,477	2,697,805,477	100.00%
2008	3,105,763,236	56,190,007	181,887,950	3,343,841,193	3,343,841,193	100.00%
2009	3,193,468,529	57,481,518	181,636,850	3,432,586,897	3,432,586,897	100.00%
2010	3,118,071,600	54,332,616	126,429,070	3,298,833,286	3,298,833,286	100.00%
2011	3,128,848,664	53,416,235	84,354,390	3,266,619,289	3,266,619,289	100.00%

Source: Aransas County Appraisal District

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cabot Oil & Gas Corp	\$ 20,579,280	1	0.73%	\$ 8,456,620	2	0.61%
AEP Texas Central Co	14,631,240	2	0.52%	6,073,574	5	0.44%
H E Butt Grocery	10,027,827	3	0.35%			
Boardwalk at St Charles Bay	7,760,660	4	0.27%			
Oaks at Bentwater LP	7,663,740	5	0.27%			
Waterfront Land Inv. Fund I	7,495,380	6	0.26%			
Wal-Mart Real Estate Trust	7,132,010	7	0.25%			
Rockport Harbor Front LP	6,962,894	8	0.25%			
C H Marina and Drystack LP	6,688,885	9	0.24%			
Lokseve, Inc.	5,513,770	10	0.19%			
Southwestern Bell Tele.				8,588,760	1	0.62%
Walter Oil & Gas Corp				7,186,760	3	0.52%
Degussa Carbon Black				6,966,630	4	0.50%
Conoco Inc				4,549,090	6	0.33%
Bass, Perry R Inc				3,681,707	7	0.26%
Sherwin Alumina				3,391,990	8	0.24%
Forrest Oil Corp				2,785,980	9	0.20%
Exxon Mobil Corp				2,740,840	10	0.20%
Total	\$ 94,455,686		3.34%	\$ 54,421,951		3.92%

Source: Aransas County Appraisal District

ARANSAS COUNTY, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue								
Governmental Activities	\$ (7,110,301)	\$ (7,265,276)	\$ (8,190,920)	\$ (9,079,530)	\$ (9,641,961)	\$ (11,285,542)	\$ (10,414,314)	\$ (12,070,867)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)
Total Primary Government Net Expense	\$ (7,213,845)	\$ (7,414,140)	\$ (6,568,707)	\$ (7,993,834)	\$ (8,390,769)	\$ (8,666,843)	\$ (10,812,394)	\$ (12,509,341)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Taxes								
Property Taxes	\$ 5,595,679	\$ 6,211,289	\$ 6,328,484	\$ 6,530,358	\$ 7,016,997	\$ 8,606,599	\$ 9,701,695	\$ 9,596,760
Sales Taxes	1,761,862	2,032,956	2,212,387	2,284,388	2,306,607	2,131,130	2,077,489	2,238,415
Other Taxes	143,909	141,793	186,810	225,077	247,844	277,967	312,193	680,220
Investment Earnings	244,242	295,906	495,941	639,534	322,622	123,435	47,203	57,196
Miscellaneous	7,235	111,250	140,820	118,021	157,655	245,826	296,730	451,110
Gain on sale of capital assets	--	117,235	8,810	14,841	11,722	--	--	--
Total Governmental Activities	\$ 7,752,927	\$ 8,910,429	\$ 9,373,252	\$ 9,812,219	\$ 10,063,447	\$ 11,384,957	\$ 12,435,310	\$ 13,023,701
Business-type Activities:								
Investment Earnings	4,400	11,298	8,794	11,926	6,499	1,021	534	848
Miscellaneous	791	690	690	690	723	749	690	--
Gain on sale of capital assets	210,806	--	--	--	316,594	--	--	--
Total Business-type Activities	215,997	11,988	9,484	12,616	323,816	1,770	1,224	848
Total Primary Government	\$ 7,968,924	\$ 8,922,417	\$ 9,382,736	\$ 9,824,835	\$ 10,387,263	\$ 11,386,727	\$ 12,436,534	\$ 13,024,549
Change in Net Assets								
Governmental Activities	\$ 642,626	\$ 1,645,153	\$ 1,182,332	\$ 732,689	\$ 421,486	\$ 99,415	\$ 2,020,996	\$ 952,834
Business-type Activities	112,453	(136,876)	1,631,697	1,098,312	1,575,008	2,620,469	(396,856)	(437,626)
Total Primary Government	\$ 755,079	\$ 1,508,277	\$ 2,814,029	\$ 1,831,001	\$ 1,996,494	\$ 2,719,884	\$ 1,624,140	\$ 515,208

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

ARANSAS COUNTY, TEXAS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 UNAUDITED

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved/Nonspendable	\$ 480,000	\$ 441,426	\$ 467,406	\$ 509,872	\$ 508,247	\$ 496,292	\$ 17,984	\$ 17,984	\$ 17,985	\$ 17,985
Unassigned	759,672	1,121,879	1,450,273	2,303,471	2,846,088	3,042,325	2,992,202	2,992,202	3,954,511	4,543,247
Total General Fund	\$ 1,239,672	\$ 1,563,305	\$ 1,917,679	\$ 2,813,343	\$ 3,354,335	\$ 3,538,617	\$ 3,010,186	\$ 3,010,186	\$ 3,972,496	\$ 4,561,232
All Other Governmental Funds										
Nonspendable	\$ --	\$ --	\$ 67,682	\$ 62,267	\$ 62,267	\$ 41,512	\$ 41,512	\$ 41,512	\$ 41,512	\$ 41,512
Restricted/Committed										
Special Revenue Funds	2,848,875	2,587,979	2,525,934	2,576,851	2,697,698	3,220,274	3,559,819	3,559,819	3,149,850	4,537,561
Capital Projects Funds	20,642	9,246,905	792,547	399,360	284,361	2,189,725	35,338	35,338	2,432,075	8,264,816
Debt Service Funds	--	40,894	60,599	69,375	207,900	384,311	260,096	260,096	639,313	659,724
Total All Other Governmental Funds	\$ 2,869,517	\$ 11,875,778	\$ 3,446,762	\$ 3,107,853	\$ 3,252,226	\$ 5,835,822	\$ 3,896,765	\$ 3,896,765	\$ 6,262,750	\$ 13,503,613

ARANSAS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

UNAUDITED

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 5,754,465	\$ 6,362,870	\$ 7,535,864	\$ 8,408,211	\$ 8,719,695	\$ 9,052,441	\$ 9,546,432	\$ 10,936,630	\$ 12,097,215	\$ 12,504,443
Licenses, Fees and Permits	593,559	638,297	659,650	625,148	657,970	642,309	629,140	614,411	625,631	621,393
Intergovernmental	859,872	850,463	942,798	1,228,568	1,136,972	849,008	1,039,869	932,135	2,326,132	1,647,835
Charges for Services	1,245,093	1,322,037	1,489,202	2,153,939	3,072,454	2,805,737	3,275,298	3,808,008	3,911,143	3,978,628
Fines and Penalties	309,227	499,113	623,806	794,813	910,404	912,412	1,237,543	901,946	899,541	788,589
Investment Earnings	111,717	129,517	244,242	295,906	495,941	625,126	322,622	111,140	47,203	25,905
Other Revenues	48,817	36,102	7,235	240,485	161,463	118,021	157,655	245,826	296,730	451,110
Total Revenues	8,922,750	9,838,399	11,502,797	13,747,070	15,154,899	15,005,054	16,208,559	17,550,096	20,203,595	20,017,903
Expenditures										
General Government	703,742	771,256	820,889	864,274	1,036,788	1,104,241	1,451,854	1,261,273	1,125,124	1,236,618
Judicial	826,851	831,475	859,663	889,480	1,035,976	1,143,511	1,196,905	1,346,163	1,324,519	1,347,692
Legal	471,662	468,072	445,277	446,187	441,852	498,377	493,739	547,730	552,067	577,008
Elections	57,810	42,334	60,614	45,173	57,247	57,081	70,512	61,898	71,153	79,971
Financial Administration	583,779	601,292	630,934	695,264	746,674	778,705	881,308	968,677	976,973	989,346
Public Facilities	376,313	377,734	419,744	393,375	489,320	532,849	557,275	605,145	493,412	525,684
Public Safety	2,294,307	2,477,886	2,767,544	3,514,799	3,824,210	4,097,631	4,955,561	5,871,887	6,288,033	6,400,400
Environmental Protection	482,734	482,484	513,081	585,339	628,191	523,349	739,031	561,718	535,461	537,635
Public Transportation	1,553,940	1,543,857	1,659,133	1,692,280	2,158,841	2,009,868	2,039,414	2,189,711	2,045,634	2,203,954
Flood Control	--	--	--	--	--	--	12,101	105,544	208,402	195,677
Health and Welfare	1,174,364	1,491,223	1,344,930	1,186,536	1,350,620	1,387,693	1,408,423	1,782,069	1,864,663	1,711,912
Culture and Recreation	198,094	156,148	182,580	205,538	258,915	261,008	322,716	331,821	308,240	668,586
Conservation	34,226	37,442	37,868	46,852	45,564	57,302	71,979	66,097	95,067	71,070
Capital Outlay	433,068	2,478,785	9,293,425	1,766,414	1,517,701	1,214,829	3,388,586	1,823,472	2,817,867	2,470,287
Debt Service										
Interest and bond costs	848	--	626,194	463,804	423,479	434,369	449,754	621,973	536,687	885,743
Principal	122,572	--	--	395,000	454,155	506,612	646,559	518,467	737,520	715,500
Total Expenditures	9,314,310	11,759,988	19,661,876	13,190,315	14,469,533	14,607,425	18,685,717	18,663,645	19,980,822	20,617,083
Excess of Revenues										
Over (Under) Expenditures	(391,560)	(1,921,589)	(8,159,079)	556,755	685,366	397,629	(2,477,158)	(1,113,549)	222,773	(599,180)
Other Financing Sources (Uses)										
Bonds Proceeds	--	11,246,104	--	--	--	2,396,139	--	4,070,000	--	8,250,000
Other Proceeds	--	--	--	--	--	14,841	11,722	53,112	--	178,779
Transfers In	1,259,809	1,524,588	1,422,082	1,610,024	1,586,698	1,703,503	1,849,331	2,000,376	1,776,372	1,830,337
Transfers Out	(1,259,809)	(1,524,588)	(1,422,082)	(1,610,024)	(1,586,698)	(1,744,234)	(1,851,388)	(1,904,417)	(1,776,372)	(1,830,337)
Total Other Financing										
Sources (Uses)	--	11,246,104	--	--	--	2,370,249	9,665	4,219,071	--	8,428,779
Prior period adjustments	--	5,379	--	--	--	--	--	--	--	--
Net Change in Fund Balances	\$ (391,560)	\$ 9,329,894	\$ (8,159,079)	\$ 556,755	\$ 685,366	\$ 2,767,878	\$ (2,467,493)	\$ 3,105,522	\$ 222,773	\$ 7,829,599
Debt Service As A Percentage										
Of Noncapital Expenditures	1.4%	--	6.0%	7.5%	6.8%	7.0%	7.2%	6.8%	7.4%	8.8%

ARANSAS COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
GAR Roll
UNAUDITED

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 4,433,324	\$ 3,922,012	88.47%	\$ 490,137	\$ 4,412,149	99.52%
2003	4,721,790	4,504,200	95.39%	189,236	4,693,436	99.40%
2004	5,148,009	4,934,915	95.86%	180,597	5,115,512	99.37%
2005	5,375,639	5,229,778	97.29%	109,870	5,339,648	99.33%
2006	5,401,809	5,273,741	97.63%	91,857	5,365,598	99.33%
2007	5,693,032	5,550,730	97.50%	100,335	5,651,065	99.26%
2008	6,582,987	6,434,381	97.74%	27,373	6,461,754	98.16%
2009	7,915,385	7,738,901	97.77%	63,381	7,802,282	98.57%
2010	8,008,996	7,755,431	96.83%	96,936	7,852,367	98.04%
2011	8,140,287	3,339,091	41.02%			

* Current collections on the 2011 roll continue to July 1, 2012