

ARANSAS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

Aransas County, Texas
 Comprehensive Annual Financial Report
 For The Year Ended December 31, 2013

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STATISTICAL SECTION

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Introductory Section

ARANSAS COUNTY

Lezlie M. Kirk
County Auditor
lkirk@aransascounty.org

301 N. Live Oak
Rockport, Texas 78382
Phone (361) 790-0124
Fax (361) 790-0125

June 19, 2014

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, 2013. 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 2013.

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, 2013, vary with Treasury bill rates and the period of time the money is invested.

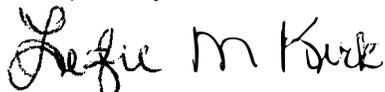
INDEPENDENT AUDIT

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 2013 and the independent auditor's report has been included in this report.

GENERAL REVIEW AND OUTLOOK

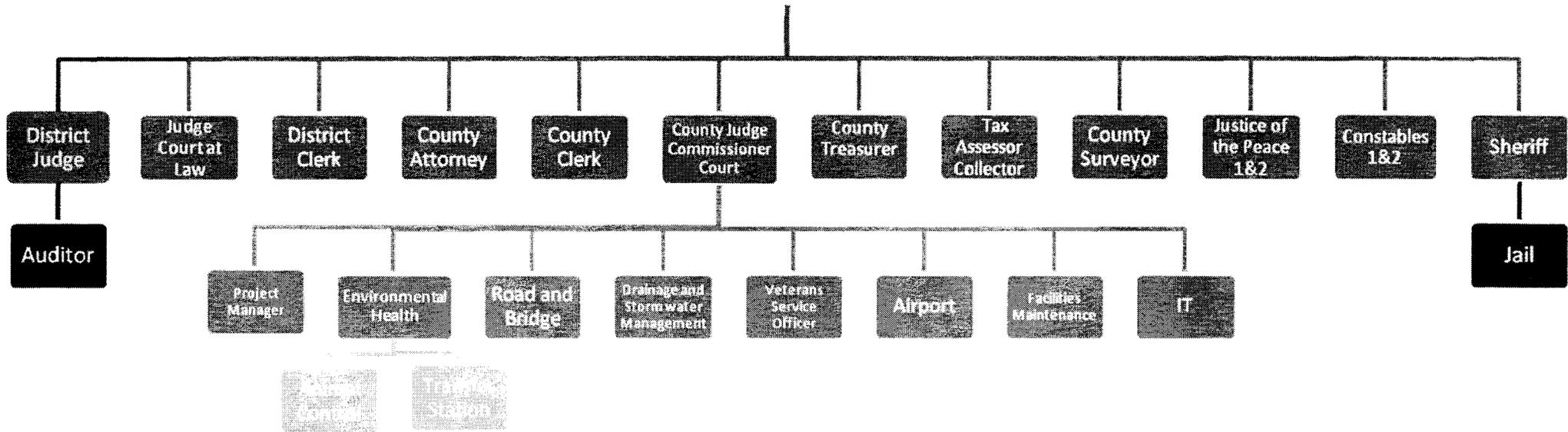
The County is in a sound financial condition as of December 31, 2013. The significant progress that Aransas County has made in keeping county facilities and operations in step with the economic development and growth of the County, in updating its financial records and record keeping, in the preparation 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,



Lezlie M. Kirk
County Auditor

Aransas County Organizational Chart



ARANSAS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2013

Elected Officials

<u>Name</u>	<u>Office</u>
<u>District Courts</u>	
Starr Bauer	Judge, 36th Judicial District
Joel B. Johnson	Judge, 156th Judicial District
Janna Whatley	Judge, 343rd, Judicial District
Michael Welborn	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
Betty Stiles	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
Charles Phillips, Jr.	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	Environmental Health
David J. Reid	Drainage Engineer
Justin Cook	IT Director

Financial Section

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 Auditors' Report

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

Report on the Financial Statements

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 ("the County") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aransas County, Texas as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A to the financial statements, in 2013, Aransas County, Texas adopted new accounting guidance, Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

As described in Note A to the financial statements, in 2013, Aransas County, Texas adopted new accounting guidance, Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aransas County, Texas's basic financial statements. not required parts of the basic financial statements. The 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical information has 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014 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* in considering Aransas County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,

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

Michael A. Arnold, PLLC

Rockport, Texas
June 19, 2014

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, 2013. Please read it in conjunction with the transmittal letter on page i and the County's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

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

Total government-wide net assets increased \$2,491,817 as a result of this year's operations. Governmental activities contributed \$3,039,663 with a decrease of \$547,846 resulting from business-type activities.

General Fund Performance

As a result of this year's operations, the General fund reported a \$761,333 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 13 and 14) 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 43. 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 4. 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 43. The fund financial statements are presented on pages 43 through 85. 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	
	2013	2012	2013	2012	2013	2012
Current and other assets	33.6	34.6	0.9	0.9	34.5	35.5
Capital Assets	25.3	23.7	9.6	10.2	34.9	33.9
Total Assets	58.9	58.3	10.5	11.1	69.4	69.4
Long-term debt outstanding	23.3	24.4	1.0	1.0	24.3	25.4
Other liabilities	10.4	10.8	.1	0.1	10.5	10.9
Total liabilities	33.7	35.2	1.1	1.1	34.8	36.3
Net assets:	25.2	23.1	9.4	10.0	34.6	33.1
Invested in capital assets,	9.8	9.5	8.6	9.2	18.4	18.7
Net of debt						
Restricted	13.5	9.9	-	-	13.5	9.9
Unrestricted (deficit)	2.1	3.7	.8	0.8	2.9	4.5
Total net assets	25.4	23.1	9.4	10.0	34.8	33.1

Net assets of the County's governmental activities increased \$3,039,663. 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 \$547,846.

Table 2
Changes in Net Assets
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	5.2	5.1	1.3	1.2	6.5	6.3
Grants	1.9	3.4	-	0.6	1.9	4.0
General revenues:						
Property taxes	10.5	10.2			10.5	10.2
Sales tax	2.6	2.4			2.6	2.4
Other taxes	0.9	0.7			0.9	0.7
Investment income	-	0.1			-	0.1
Other general revenues	0.2	0.2			0.2	0.2
Total revenues	21.3	22.1	1.3	1.8	22.6	23.9
Program expenses						
General government	1.4	1.7			1.4	1.7
Judicial	1.4	1.4			1.4	1.4
Legal	0.5	0.5			0.5	0.5
Elections	0.1	0.1			0.1	0.1
Financial admin.	1.0	1.0			1.0	1.0
Public facilities	0.5	0.5			0.5	0.5
Public safety	6.5	7.2			6.5	7.2
Environmental	0.7	1.0			0.7	1.0
Public Transportation	2.4	2.5			2.4	2.5
Flood Control	0.2	0.2			0.2	0.2
Health & Welfare	1.5	1.7			1.5	1.7
Culture and recreation	0.6	0.5			0.6	0.5
Conservation	0.3	0.1			0.3	0.1
Contributions	0.4	1.2			0.4	1.2
Interest on long-term debt	0.7	0.8			0.7	0.8
County Airport			1.6	1.6	1.6	1.6
Inmate Commissary			0.2	0.1	0.2	0.1
Total expenses	18.2	20.4	1.8	1.7	20.0	22.1
Excess (deficiency)						
Before special items						
And transfers	3.1	1.7	(0.5)	0.1	2.6	1.8
Transfers	-	-	-	-	-	-
Increase (decrease)						
In net assets	3.1	1.7	(0.5)	0.1	2.6	1.8

Total revenues generated from both governmental and business-type activities this year amounted to \$22.6 million.

Governmental Activities

Total revenues generated from governmental activities this year amounted to \$21.3 million. Expenses came in at \$18.2 million.

The cost of all governmental activities this year was \$18.2 million. However, as shown on the Statement of Activities on pages 14 and 15, the amount that our taxpayers ultimately financed for these activities through taxes and other general revenues was \$14.2 million \$5.2 million to finance these programs was paid by those who directly benefited from them, \$1.9 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	
	2013	2012	2013	2012
Public Safety	6.5	7.2	3.6	3.6
General Government	1.4	1.7	1.0	1.4
Public Transportation	2.4	2.5	1.2	1.0
Health and Welfare	1.5	1.7	1.2	1.4
Total	11.8	13.1	7.0	7.4

Business-type Activities

Total revenues generated from business-type activities this year amounted to \$1.3 million. Expenses came in at \$1.8 million, leaving a \$0.5 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 \$20.5 million, an increase of \$0.3 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, 2013 and 2012.

Table 4
Revenues

Revenues and Transfers- In	2013 Amount	% of Total	2012 Amount	Amount of Increase (Decrease)	% Increase (Decrease)
Taxes	13,955,869	65.5	13,377,123	578,746	4.3
Licenses & Permits	134,291	0.6	105,365	28,926	27.5
Intergovernmental	2,023,654	9.5	3,513,238	(1,489,584)	(42.4)
Charges for services	4,247,243	19.9	4,109,936	137,307	3.3
Fines and Forfeitures	714,801	3.4	730,050	(15,249)	(2.1)
Investment Income	43,042	0.2	62,305	(19,263)	(30.9)
Miscellaneous	199,318	0.9	192,345	6,973	3.6
Total	21,318,218		22,090,362	(772,144)	(3.5)

Taxes

The tax rate for fiscal year ending December 31, 2013 was .37528 compared to .38107 for 2012. Income from the 2013 tax roll will be recognized in 2014.

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, 2013 and 2012.

**Table 5
Expenditures and Transfers-Out**

Expenditures and Transfers- Out	2013 Amount	Percent of Total	2012 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
General government	1,267,724	6.0	\$1,710,745	(443,021)	(25.9)
Judicial	1,440,973	6.9	1,442,283	(1,310)	(0.1)
Legal	461,887	2.2	539,433	(77,546)	(14.4)
Elections	91,949	0.5	98,537	(6,588)	(6.7)
Financial Adm.	1,037,950	4.9	1,028,042	9,908	1.0
Public Facilities	539,275	2.6	507,037	32,238	6.4
Public safety	5,929,030	28.3	7,231,075	(1,302,045)	(18.0)
Environmental	650,424	3.1	957,202	(306,778)	(32.0)
Public transportation	2,052,255	9.8	2,455,428	(403,173)	(16.4)
Flood Control	152,743	0.8	159,160	(6,417)	(4.0)
Health and welfare	1,493,338	7.1	1,747,570	(254,232)	14.5
Culture and recreation	445,846	2.2	460,458	(14,612)	(3.2)
Conservation	95,258	0.5	96,648	(1,390)	(1.4)
Contributions	-	-	1,221,757	(1,221,757)	(100)
Capital Outlay	3,344,202	15.9	-	3,344,202	100
Debt Service	1,937,751	9.2	846,128	1,091,623	129.0
Total	21,009,805		20,501,503	508,302	2.5

Government Fund Expenditures

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

General Fund

Revenues and transfers-in generated \$12,714,503 and 597,360, respectively, aggregating \$13,311,863. Expenditures and transfers-out amounted to \$12,254,881 and 295,649, respectively, aggregating \$12,550,530. The resulting effect on fund balance represented an increase of \$761,333.

PROPRIETARY FUNDS

Enterprise Funds

The County's enterprise operations consist of the County Airport and the Inmate Commissary. Net operating loss for the Enterprise Funds was \$547,846 compared to a gain of \$40,258 in 2012. The \$547,846 loss includes depreciation expense of \$622,472.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the County had \$34,910,320 in capital assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	2,103,725	2,103,725	125,710	125,710	2,229,435	2,229,435
Construction in progress	985,577	1,032,507	-	-	985,577	1,032,507
Buildings and improvements	12,440,450	12,251,455	9,386,526	9,405,859	21,826,976	21,657,314
Equipment	3,183,745	2,831,024	95,281	95,186	3,279,026	2,926,210
Infrastructure	6,589,306	5,512,363	-	-	6,589,306	5,512,363
Totals	25,302,803	23,731,074	9,607,517	9,626,755	34,910,320	33,357,829

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.

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 \$24,291,137 in bonds outstanding.

At December 31, 2013 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 2013-14 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

ARANSAS COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 24,145,019	\$ 785,615	\$ 24,930,634
Receivables (net of allowances for uncollectibles):			
Property taxes	5,420,777	--	5,420,777
Interest	7,975	--	7,975
Intergovernmental	907,379	--	907,379
Accounts	--	54,096	54,096
Sundry	582	--	582
Leases	1,037,000	--	1,037,000
Fines and fees	1,772,253	--	1,772,253
Internal balances	--	--	--
Inventories	61,657	61,177	122,834
Cash and investments - restricted	203,012	--	203,012
Capital assets, net of accumulated depreciation			
Land	2,103,725	125,710	2,229,435
Buildings, facilities and improvements	12,440,449	9,365,359	21,805,808
Machinery and equipment	3,183,745	116,449	3,300,194
Infrastructure	6,589,306	--	6,589,306
Construction in progress	985,577	--	985,577
Total Assets	58,858,456	10,508,406	69,366,862
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges - Refunding	147,934	--	147,934
Total Deferred Outflows of Resources	147,934	--	147,934
LIABILITIES			
Accounts payable	494,198	79,678	573,876
Due to others	--	10,576	10,576
Accrued wages payable	182,856	--	182,856
Accrued interest payable	272,468	15,462	287,930
Unearned revenue	5,146,784	--	5,146,784
Advance tax collections	4,108,331	--	4,108,331
Long-term liabilities:			
Due within one year	1,709,290	44,166	1,753,456
Due in more than one year	21,624,841	912,838	22,537,679
Total Liabilities	33,538,768	1,062,720	34,601,488
DEFERRED INFLOW OF RESOURCES			
NET POSITION			
Net Investment in Capital Assets	9,842,351	8,633,275	18,475,626
Restricted For:			
Legislative	6,060,918	--	6,060,918
Debt Service	3,761,366	--	3,761,366
Capital Projects	2,578,836	--	2,578,836
Health Care	199,681	--	199,681
Public Safety	--	--	--
Tourism	862,379	--	862,379
Public Safety	68,772	--	68,772
Unrestricted	2,093,319	812,411	2,905,730
Total Net Position	\$ 25,467,622	\$ 9,445,686	\$ 34,913,308

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,444,603	\$ 306,437	\$ 101,849	\$ --
Judicial	1,442,313	782,331	--	--
Legal	461,887	34,654	35,000	--
Elections	111,167	--	34,624	--
Financial administration	1,044,274	123,159	--	--
Public facilities	539,275	--	--	--
Public safety	6,482,172	2,603,030	214,476	73,220
Environmental protection	704,915	471,630	--	93,237
Public Transportation	2,396,631	652,568	577,351	--
Flood Control	189,316	--	--	--
Health and welfare	1,499,662	136,691	178,919	--
Culture and recreation	571,167	7,688	--	--
Conservation	116,199	--	--	--
Contributions to other governments:				
Water and sewer system	361,598	--	--	381,548
Coastal restoration	142,034	--	--	227,928
Capital outlay	--	21	--	--
Interest and fiscal charges	680,872	32,502	--	--
Total expenditures	<u>18,188,085</u>	<u>5,150,711</u>	<u>1,142,219</u>	<u>775,933</u>
Business-type Activities:				
County Airport	1,600,157	1,048,547	32,681	--
Inmate Commissary	238,498	208,397	--	--
Total Business-type Activities	<u>1,838,655</u>	<u>1,256,944</u>	<u>32,681</u>	<u>--</u>
Total Primary Government	<u>\$ 20,026,740</u>	<u>\$ 6,407,655</u>	<u>\$ 1,174,900</u>	<u>\$ 775,933</u>

General Revenues:

Property taxes
Sales taxes
Occupancy taxes
Other taxes
Investment earnings
Other income

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning

Prior Period Adjustment

Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,036,317)		\$ (1,036,317)
(659,982)		(659,982)
(392,233)		(392,233)
(76,543)		(76,543)
(921,115)		(921,115)
(539,275)		(539,275)
(3,591,446)		(3,591,446)
(140,048)		(140,048)
(1,166,712)		(1,166,712)
(189,316)		(189,316)
(1,184,052)		(1,184,052)
(563,479)		(563,479)
(116,199)		(116,199)
19,950		19,950
85,894		85,894
21		21
(648,370)		(648,370)
<u>(11,119,222)</u>		<u>(11,119,222)</u>
--	\$ (518,929)	(518,929)
--	(30,101)	(30,101)
<u>--</u>	<u>(549,030)</u>	<u>(549,030)</u>
<u>(11,119,222)</u>	<u>(549,030)</u>	<u>(11,668,252)</u>
10,461,280	--	10,461,280
2,554,069	--	2,554,069
807,384	--	807,384
93,792	--	93,792
43,042	1,184	44,226
199,318	--	199,318
--	--	--
<u>14,158,885</u>	<u>1,184</u>	<u>14,160,069</u>
<u>3,039,663</u>	<u>(547,846)</u>	<u>2,491,817</u>
<u>23,013,462</u>	<u>10,015,956</u>	<u>33,029,418</u>
<u>(585,503)</u>	<u>(22,424)</u>	<u>(607,927)</u>
<u>\$ 25,467,622</u>	<u>\$ 9,445,686</u>	<u>\$ 34,913,308</u>

ARANSAS COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General Fund	Road and Bridge
ASSETS		
Cash and investments	\$ 8,183,965	\$ 1,932,899
Receivables (net of allowances for uncollectibles):		
Property taxes	3,393,313	656,531
Interest	7,975	--
Intergovernmental	721,998	--
Sundry	582	--
Leases	--	--
Due from other funds	139,565	--
Inventories	13,069	32,093
Cash and investments - restricted	--	--
Total Assets	<u>\$ 12,460,467</u>	<u>\$ 2,621,523</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 364,354	\$ 23,047
Accrued wages payable	167,365	15,491
Due to other funds	--	--
Unearned revenues	3,212,968	626,317
Advance tax collections	2,699,155	493,784
Total Liabilities	<u>6,443,842</u>	<u>1,158,639</u>
Deferred Inflows of Resources		
Unavailable revenues	180,345	30,214
Total Deferred inflows of Resources	<u>180,345</u>	<u>30,214</u>
FUND BALANCES		
Nonspendable	13,069	32,093
Restricted	--	1,400,577
Committed	--	--
Assigned	--	--
Unassigned	5,823,211	--
Total Fund Balances	<u>5,836,280</u>	<u>1,432,670</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 12,460,467</u>	<u>\$ 2,621,523</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
\$ 2,151,867	\$ 4,147,344	\$ 7,728,944	\$ 24,145,019
1,204,356	--	166,577	5,420,777
--	--	--	7,975
--	--	185,381	907,379
--	--	--	582
1,037,000	--	--	1,037,000
--	--	--	139,565
--	--	16,495	61,657
--	--	203,012	203,012
<u>\$ 4,393,223</u>	<u>\$ 4,147,344</u>	<u>\$ 8,300,409</u>	<u>\$ 31,922,966</u>
\$ --	\$ --	\$ 106,797	\$ 494,198
--	--	--	182,856
--	--	139,565	139,565
1,136,666	--	170,833	5,146,784
752,070	--	163,322	4,108,331
<u>1,888,736</u>	<u>--</u>	<u>580,517</u>	<u>10,071,734</u>
1,104,690	--	12,239	1,327,488
<u>1,104,690</u>	<u>--</u>	<u>12,239</u>	<u>1,327,488</u>
--	--	--	45,162
1,399,797	4,147,344	7,708,538	14,656,256
--	--	101,691	101,691
--	--	12	12
--	--	(102,588)	5,720,623
<u>1,399,797</u>	<u>4,147,344</u>	<u>7,707,653</u>	<u>20,523,744</u>
<u>\$ 4,393,223</u>	<u>\$ 4,147,344</u>	<u>\$ 8,300,409</u>	<u>\$ 31,922,966</u>

ARANSAS COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total fund balances - governmental funds balance sheet	\$ 20,523,744
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	25,302,802
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	290,488
Payables for bond principal which are not due in the current period are not reported in the funds.	(23,167,347)
Payables for bond interest which are not due in the current period are not reported in the funds.	(166,784)
Payables for compensated absences which are not due in the current period are not reported in the funds.	147,934
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	1,772,253
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,037,000
Lease receivables unavailable to pay for current period expenditures are not accrued in the funds.	<u>1,037,000</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 25,467,622</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Road and Bridge
Revenue:		
Taxes	\$ 8,181,771	\$ 1,249,994
Licenses and permits	134,291	--
Intergovernmental	149,094	577,351
Charges for services	3,569,995	456,702
Fines and forfeitures	468,598	190,088
Investment earnings	18,619	3,829
Miscellaneous	192,135	--
Total revenues	<u>12,714,503</u>	<u>2,477,964</u>
Expenditures:		
Current:		
General government	1,219,095	--
Judicial	1,391,951	--
Legal	424,323	--
Elections	91,949	--
Financial administration	1,037,950	--
Public facilities	539,275	--
Public safety	5,561,944	--
Environmental protection	477,834	--
Public Transportation	419,859	1,632,396
Flood Control	--	--
Health and welfare	535,774	--
Culture and recreation	51,444	--
Conservation	95,258	--
Capital outlay	408,225	353,762
Debt service:		
Principal	--	--
Interest and fiscal charges	--	--
Total expenditures	<u>12,254,881</u>	<u>1,986,158</u>
Excess (deficiency) of revenues (under) expenditures	459,622	491,806
Other financing sources (uses):		
Transfers in	597,360	--
Transfers out	(295,649)	(541,784)
Total other financing sources (uses)	<u>301,711</u>	<u>(541,784)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	761,333	(49,978)
Fund balances, January 1	5,074,947	1,482,648
Fund balances, December 31	<u>\$ 5,836,280</u>	<u>\$ 1,432,670</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Debt Service Fund	2011 Flood Control C.O.	Other Governmental Funds	Total Governmental Funds
\$ 1,913,308	\$ --	\$ 2,610,796	\$ 13,955,869
--	--	--	134,291
105,502	--	1,191,707	2,023,654
--	--	220,546	4,247,243
--	--	56,115	714,801
1,610	12,268	6,716	43,042
--	--	7,183	199,318
<u>2,020,420</u>	<u>12,268</u>	<u>4,093,063</u>	<u>21,318,218</u>
--	--	48,629	1,267,724
--	--	49,022	1,440,973
--	--	37,564	461,887
--	--	--	91,949
--	--	--	1,037,950
--	--	--	539,275
--	--	367,086	5,929,030
--	--	172,590	650,424
--	--	--	2,052,255
--	--	152,743	152,743
--	--	957,564	1,493,338
--	--	463,602	515,046
--	--	--	95,258
--	1,133,487	1,448,728	3,344,202
1,193,167	--	--	1,193,167
744,584	--	--	744,584
<u>1,937,751</u>	<u>1,133,487</u>	<u>3,697,528</u>	<u>21,009,805</u>
82,669	(1,121,219)	395,535	308,413
200,600	--	1,307,096	2,105,056
--	--	(1,266,085)	(2,103,518)
<u>200,600</u>	<u>--</u>	<u>39,473</u>	<u>--</u>
283,269	(1,121,219)	435,008	308,413
1,116,528	5,268,563	7,272,645	20,215,331
<u>\$ 1,399,797</u>	<u>\$ 4,147,344</u>	<u>\$ 7,707,653</u>	<u>\$ 20,523,744</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, 2013

Net change in fund balances - total governmental funds	\$ 308,413
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,840,570
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,268,842)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(39,344)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,193,167
(Increase) decrease in accrued interest from beginning of period to end of period.	5,204
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(6,887)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	21,874
Amortization of bond premiums are reported in the SOA, but not in the the funds.	73,301
Amortization of deferred loss on refunding reported in the SOA, but not in the funds.	(14,793)
Amounts collected on lease receivables are not reported in the SOA, but are reported in the funds.	<u>(73,000)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 3,039,663</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

DECEMBER 31, 2013

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 673,334	\$ 112,281	\$ 785,615
Receivables (net of allowances for uncollectibles):			
Accounts	54,096	--	54,096
Inventories	61,177	--	61,177
Total Current Assets	<u>788,607</u>	<u>112,281</u>	<u>900,888</u>
Noncurrent Assets:			
Capital assets, net of accumulated depreciation			
Land	125,710	--	125,710
Buildings, facilities and improvements	9,365,359	--	9,365,359
Machinery and equipment	93,601	22,848	116,449
Total Capital Assets	<u>9,584,670</u>	<u>22,848</u>	<u>9,607,518</u>
Total Assets	<u>\$ 10,373,277</u>	<u>\$ 135,129</u>	<u>\$ 10,508,406</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$ 79,678	\$ --	\$ 79,678
Due to others	--	10,576	10,576
Accrued interest payable	15,462	--	15,462
Current portion of long-term debt	44,166	--	44,166
Total Current Liabilities	<u>139,306</u>	<u>10,576</u>	<u>149,882</u>
Noncurrent Liabilities:			
Compensated absences payable	5,609	--	5,609
Bonds payable	907,229	--	907,229
Total Noncurrent Liabilities	<u>912,838</u>	<u>--</u>	<u>912,838</u>
Total Liabilities	<u>1,052,144</u>	<u>10,576</u>	<u>1,062,720</u>
NET ASSETS			
Invested in Capital Assets	8,637,702	--	8,637,702
Unrestricted	683,431	124,553	807,984
Total Net Assets	<u>9,321,133</u>	<u>124,553</u>	<u>9,445,686</u>
Total Liabilities and Net Assets	<u>\$ 10,373,277</u>	<u>\$ 135,129</u>	<u>\$ 10,508,406</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXASSTATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	County Airport	Inmate Commissary	
OPERATING REVENUES:			
Charges for services	\$ 1,048,547	\$ 208,397	\$ 1,256,944
Total Operating Revenues	<u>1,048,547</u>	<u>208,397</u>	<u>1,256,944</u>
OPERATING EXPENSES:			
Cost of services	475,510	--	475,510
Personal services	226,917	--	226,917
Contractual services	101,974	--	101,974
Supplies	2,120	237,296	239,416
Repairs and maintenance	131,966	--	131,966
Depreciation and amortization	621,270	1,202	622,472
Total Operating Expenses	<u>1,559,757</u>	<u>238,498</u>	<u>1,798,255</u>
Operating Income (Loss)	<u>(511,210)</u>	<u>(30,101)</u>	<u>(541,311)</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	32,681	--	32,681
Interest revenue	1,184	--	1,184
Interest expense	(40,400)	--	(40,400)
Total Non-operating Revenues (Expenses)	<u>(6,535)</u>	<u>--</u>	<u>(6,535)</u>
Income (Loss) before Capital Contributions and Transfers	<u>(517,745)</u>	<u>(30,101)</u>	<u>(547,846)</u>
TRANSFERS:			
Transfers in	--	--	--
Transfers out	--	--	--
Change in Net Assets	<u>(517,745)</u>	<u>(30,101)</u>	<u>(547,846)</u>
Net Assets, beginning of year	9,861,302	154,654	10,015,956
Prior Period Adjustment	(22,424)	--	(22,424)
Net Assets, end of year	<u>\$ 9,321,133</u>	<u>\$ 124,553</u>	<u>\$ 9,445,686</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, 2013

	Enterprise Funds		
	County Airport	Inmate Commissary	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 1,049,608	\$ 208,397	\$ 1,258,005
Cash Payments to Employees for Services	(225,850)	--	(225,850)
Cash Payments to Other Suppliers for Goods and Services	(673,889)	(235,623)	(909,512)
Net Cash Provided (Used) by Operating Activities	<u>149,869</u>	<u>(27,226)</u>	<u>122,643</u>
Cash Flows from Non-capital Financing Activities:			
Repayment of loans from other funds	--	--	--
Deposits from others	--	--	--
Transfers to other funds	--	--	--
Operating Grants Received	32,681	--	32,681
Net Cash Provided (Used) by Non-capital Financing Activities	<u>32,681</u>	<u>--</u>	<u>32,681</u>
Cash Flows from Capital and Related Financing Activities:			
Debt service payments	(84,674)	--	(84,674)
Acquisition or Construction of Capital Assets	(15,992)	(24,050)	(40,042)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(100,666)</u>	<u>(24,050)</u>	<u>(124,716)</u>
Cash Flows from Investing Activities:			
Oil and gas royalties	--	--	--
Interest and Dividends on Investments	1,184	--	1,184
Net Cash Provided (Used) for Investing Activities	<u>1,184</u>	<u>--</u>	<u>1,184</u>
Net Increase (Decrease) in Cash and Cash Equivalents	83,068	(51,276)	31,792
Cash and Cash Equivalents at Beginning of Year	590,266	163,557	753,823
Cash and Cash Equivalents at End of Year	<u>\$ 673,334</u>	<u>\$ 112,281</u>	<u>\$ 785,615</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (511,210)	\$ (30,101)	\$ (541,311)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	621,270	1,202	622,472
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	1,061	--	1,061
Decrease (Increase) in Inventories	(12,729)	--	(12,729)
Increase (Decrease) in Accounts Payable	50,411	--	50,411
Increase (Decrease) in Due to Others	--	1,673	
Increase (Decrease) in Wages Payable	1,066	--	1,066
Total Adjustments	<u>661,079</u>	<u>2,875</u>	<u>663,954</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 149,869</u>	<u>\$ (27,226)</u>	<u>\$ 122,643</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2013

	<u>Agency Funds</u>
ASSETS	
Assets:	
Cash and investments	\$ 6,061,445
Total Assets	<u>\$ 6,061,445</u>
LIABILITIES AND EQUITY	
Liabilities:	
Due to others	\$ 6,061,445
Total Liabilities	<u>6,061,445</u>
Equity:	
Total equity	<u>--</u>
Total Liabilities and Equity	<u>\$ 6,061,445</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, 2013

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, 2013

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.

c. Implementation of New Standards

In fiscal year 2013, the County evaluated and implemented the following new standards: GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements", codifies into GASB accounting and financial reporting standards, the "legacy" standards from the private sector. The County follows GASB 62 on proprietary fund accounting.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. The County has identified and reported those financial statement elements following the implementation of GASB 63 in fiscal year 2013.

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. According to GASB 65, certain debt issuance costs should be recognized as an expense in the period incurred rather than recorded as a deferred charge and amortized over the life of the debt. As a result, the beginning net position of the County at January 1, 2013 has been restated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net Position, Beginning of Year	\$ 23,013,462	\$ 10,015,956
Adjustment	<u>(585,503)</u>	<u>(22,424)</u>
Net Position, Beginning of Year, as Restated	<u>\$ 22,427,959</u>	<u>\$ 9,993,532</u>

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County's unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court-assessed fines and costs and advance tax collections.

g. 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.

h. 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

Fund balances are 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).

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

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>
Grant Construction Fund	\$ <u>(102,558)</u>	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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, the carrying amount of the County's deposits in its depository bank was \$8,593,098 and the bank balance was \$7,321,497. The County's cash deposits at December 31, 2013 and during the year ended December 31, 2013, 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. The certificates of deposit are shown below as investments and are fully covered by FDIC insurance.

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 funds.

The County's investments at December 31, 2013 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average To Maturity (Days)</u>	<u>Fair Value</u>
Investment Pools:		
TexPool	34	\$ 2,496,357
Funds Management Group	40	8,997,127
TexStar	49	2,606,801
Texas Class	40	5,517,708
		<u>19,617,993</u>
Certificates of Deposit	480	2,984,000
Total Investments		<u>\$ 22,601,993</u>

ARANSAS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, 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:

<u>Investment</u>	<u>Rating</u>	<u>Agency</u>
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.

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

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

The lease receivable of \$1,037,000 has been recorded in the Debt Service Fund.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 75,000	\$ 45,222	\$ 120,222
2015	78,000	42,162	120,162
2016	82,000	38,911	120,911
2017	85,000	35,414	120,414
2018	89,000	31,661	120,661
2019-2023	510,000	93,285	603,285
2024	118,000	3,024	121,024
Totals	<u>\$ 1,037,000</u>	<u>\$ 289,679</u>	<u>\$ 1,326,679</u>

The effective interest rate on the lease is 4.394%.

E. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,103,725	\$ --	\$ --	\$ 2,103,725
Construction in progress	1,032,507	264,689	311,619	985,577
Total capital assets not being depreciated	<u>3,136,232</u>	<u>264,689</u>	<u>311,619</u>	<u>3,089,302</u>

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Capital assets being depreciated:

Infrastructure	9,446,449	1,268,246	--	10,714,695
Buildings, improvements and facilities	16,817,636	648,451	--	17,466,087
Machinery and equipment	8,057,441	970,804	125,030	8,903,215
Total capital assets being depreciated	<u>34,321,526</u>	<u>2,887,501</u>	<u>125,030</u>	<u>37,083,997</u>
Less accumulated depreciation for:				
Infrastructure	(3,934,086)	(191,303)	--	(4,125,389)
Buildings, improvements and facilities	(4,566,181)	(459,456)	--	(5,025,637)
Machinery and equipment	(5,226,417)	(618,083)	(125,030)	(5,719,470)
Total accumulated depreciation	<u>(13,726,684)</u>	<u>(1,268,842)</u>	<u>(125,030)</u>	<u>(14,870,496)</u>
Total capital assets being depreciated, net	<u>20,594,842</u>	<u>1,618,659</u>	<u>--</u>	<u>22,213,501</u>
Governmental activities capital assets, net	<u>\$ 23,731,074</u>	<u>\$ 1,883,348</u>	<u>\$ 311,619</u>	<u>\$ 25,302,803</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 125,710	\$ --	\$ --	\$ 125,710
Construction in progress	584,359	--	584,359	--
Total capital assets not being depreciated	<u>710,069</u>	<u>--</u>	<u>584,359</u>	<u>125,710</u>

Capital assets being depreciated:				
Buildings, improvements and facilities	14,844,008	584,359	--	15,428,367
Machinery and equipment	544,181	18,875	--	563,056
Total capital assets being depreciated	<u>15,388,189</u>	<u>603,234</u>	<u>--</u>	<u>15,991,423</u>
Less accumulated depreciation for:				
Buildings, improvements and facilities	(5,438,149)	(603,692)		(6,041,841)
Machinery and equipment	(448,995)	(18,780)		(467,775)
Total accumulated depreciation	<u>(5,887,144)</u>	<u>(622,472)</u>	<u>--</u>	<u>(6,509,616)</u>
Total capital assets being depreciated, net	<u>9,501,045</u>	<u>(19,238)</u>	<u>--</u>	<u>9,481,807</u>
Business-type activities capital assets, net	<u>\$ 10,211,114</u>	<u>\$ (19,238)</u>	<u>\$ 584,359</u>	<u>\$ 9,607,517</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General Government	\$ 175,638
Judicial	1,340
Elections	19,218
Financial administration	7,565
Public safety	546,255
Flood control	36,573
Environmental protection	54,491
Public transportation	344,376
Health and welfare	6,324
Culture and recreation	56,121
Conservation	20,941
	<u>\$ 1,268,842</u>

Business-type activities:	
Airport	\$ 621,270
Inmate Commissary	1,202
	<u>\$ 622,472</u>

F. Interfund Balances and Activity

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. Due To and From Other Funds

At December 31, 2013, the Grant Construction fund owed the General Fund \$139,565 for a short-term loan.

2. Transfers To and From Other Funds

Transfers to and from other funds at December 31, 2013, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 295,649	Supplement other funds sources
Road and Bridge Fund	General Fund	541,784	Supplement other funds sources
Other Governmental Funds	General Fund	55,576	Supplement other funds sources
	Total	\$ <u>893,009</u>	

G. Short-Term Debt Activity

There was no short-term debt activity for the year ended December 31, 2013.

H. Long-Term Obligations

1. Long-Term Obligation

Long-term debt consisted of the following at December 31, 2013:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>General Long-Term Debt</u>	<u>Enterprise Fund Debt</u>
Certificates of Obligation, Series 2003	\$ 11,400,000	3.00-5.125%	\$ 30,000	\$ --
Certificates of Obligation, Series 2007	\$ 2,995,000	4.10-5.00%	1,863,005	566,995
Certificates of Obligation, Series 2009	\$ 4,475,000	2.50-5.00%	3,600,000	360,000
Certificates of Obligation, Series 2011	\$ 5,480,000	2.00-4.00%	5,070,000	--
Venue Project Revenue Bonds, Series 2011	\$ 2,770,000	2.00-4.00%	2,555,000	--
Limited Tax Refunding Bonds, Series 2012	\$ 7,255,000	2.00-3.00%	7,210,000	--
Certificates of Obligation, Series 2012	\$ 2,205,000	2.00-3.00%	2,135,000	--
Total Bonded Debt			22,463,005	926,995
Unamortized bond premium			704,344	24,400
Compensated absences			166,784	5,609
Total Long-Term Debt			\$ <u>23,334,133</u>	\$ <u>957,004</u>

Changes in long-term obligations for the year ended December 31, 2013, are as follows:

Amounts

ARANSAS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 20,996,172	\$ --	\$ 1,088,167	\$ 19,908,005	1,095,834
Revenue Bonds	2,660,000	--	105,000	2,555,000	110,000
Bond Premium	777,645	--	73,301	704,344	73,301
Compensated absences *	159,897	6,887	--	166,784	6,000
Total governmental activities	\$ 24,593,714	\$ 6,887	\$ 1,266,468	\$ 23,334,133	\$ 1,285,135
Business activities					
Certificates of Obligation	\$ 968,828	\$ --	\$ 41,833	\$ 926,995	\$ 41,232
Bond Premium	26,163	--	1,763	24,400	1,965
Compensated absences *	4,543	1,066	--	5,609	969
Total business activities	\$ 999,534	\$ 1,066	\$ 43,596	\$ 957,004	\$ 44,166

* 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, 2013, are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 1,205,834	\$ 726,583	\$ 1,932,417
2015	1,234,667	697,271	1,931,938
2016	1,268,500	665,955	1,934,455
2017	1,301,167	632,101	1,933,268
2018	1,335,000	596,697	1,931,697
2019-2023	7,309,669	2,364,321	9,673,990
2024-2028	6,483,168	1,102,061	7,585,229
2029-2031	2,325,000	130,975	2,455,975
Totals	\$ 22,463,005	\$ 6,915,964	\$ 29,378,969

Year Ending December 31,	Business Activities		
	Principal	Interest	Total
2014	\$ 44,166	\$ 41,232	\$ 85,398
2015	45,333	39,294	84,627
2016	51,500	37,173	88,673
2017	53,833	34,840	88,673
2018	55,000	32,394	87,394
2019-2023	310,331	120,741	431,072
2024-2028	336,832	42,176	379,008
2029	30,000	750	30,750
Totals	\$ 926,995	\$ 348,600	\$ 1,275,595

3 Advance Refunding

At December 31, 2013, the County had no legally defeased debt outstanding.

4 Continuing Disclosure

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

I. Fund Balances

Fund Balances at December 31, 2013 consisted of the following:

Nonspendable:

General Fund	\$ 13,069
Road and Bridge Fund	32,093
	<u>45,162</u>

Restricted:

Legislative:

Road and Bridge	1,432,670
County Attorney Hot Check	3,653
Mosquito Control	45,619
Special Contingency	93,889
Records Management County Clerk	102,621
Law Library	46,192
Courthouse Security	17,758
Records Management - Countywide	184,251
Justice of the Peace Technology	102,571
Title IV-D Child Support	10,511
Out of County Juvenile Detention	349
Road and Bridge I&S	110
Court Reporter Service Fee	77,206
TECLOSE Training	15,811
Flood Control	1,145,919
Records Management-District Clerk	24,368
Records Archive	148,461
Appellate Judicial System	3,382
Child Abuse Prevention	729
County & District Court Technology	3,436
Court Records Preservation	22,366
District Court Technology	3,793
Pretrial Intervention	20,828
Juvenile Case Management	23,259
	<u>3,529,752</u>

Public Safety

County Forfeiture	9,417
Local Border Security	
Sheriff's Forfeiture	3,687
DEA Forfeiture	64,525
	<u>77,629</u>

Health:

Indigent Health	44,219
Health Care Sales Tax	446,354
	<u>490,573</u>

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Tourism	
Hotel/Motel Occupancy Tax Fund	457,461
Waterway Restoration	130,512
Venue Tax	558,069
	<u>1,146,042</u>
Capital Outlay:	
2011 Flood Control C.O.	4,147,344
2009 C.O. Fund	52,364
2012 Capital Projects C.O.	2,253,528
Venue Projects Fund	137,782
2011 C.O. Venue Capital Projects	1,453,550
	<u>8,044,568</u>
Debt Service:	
Debt Service Fund	<u>1,399,797</u>
Total Restricted	<u>14,688,361</u>
Committed:	
County Library	47,491
Aransas County Assistance Department	54,200
	<u>101,691</u>
Unassigned:	
Grant Construction Fund	(102,588)
General Fund	5,836,280
	<u>5,733,692</u>
Total Fund Balances	<u>\$ 20,523,744</u>

J. Commitments Under Noncapitalized Leases

The County has no material commitments under noncapitalized leases at December 31, 2013.

K. 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 2013, the County

L. 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 TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 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

ARANSAS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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 8.03 for calendar year 2012. 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, 2013, the annual pension cost for the TCDRS Plan for its employees was \$582,314, and the actual contributions were \$582,317.

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, 2012, the basis for determining the contribution rate for calendar year 2013. The December 31, 2012 actuarial valuation is the most recent valuation.

Actuarial Information

	12/31/10	12/31/11	12/31/12
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 smoothed value ESF: Fund Val.	SAF: 10yr smoothed value ESF: Fund Val.	SAF: 10yr smoothed value ESF: Fund Val.
Actuarial Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases*	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	--	--	--

*Includes inflation at the stated rate

Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 523,044	100%	\$-0-
12/31/11	\$ 568,023	100%	\$-0-

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

12/31/12 \$ 585,001 100% \$-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 Assessts (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)
12/31/10	12,281,947	\$ 13,753,468	\$ 1,471,521	89.30%	\$ 7,066,358	20.82%
12/31/11	12,934,040	14,490,433	1,556,393	89.26%	6,819,354	22.82%
12/31/12	14,195,057	16,126,262	1,931,205	88.02%	7,073,767	27.30%

M. 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, 2013, 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.

N. 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.

ARANSAS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Litigation

The County was involved in various matters of litigation at December 31, 2013. 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, 2013.

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, 2013

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 8,014,678	\$ 8,014,678	\$ 8,181,771	\$ 167,093
Licenses and permits	75,419	78,970	134,291	55,321
Intergovernmental	109,801	109,801	149,094	39,293
Charges for services	3,654,704	3,654,704	3,569,995	(84,709)
Fines and forfeitures	641,026	641,026	468,598	(172,428)
Investment earnings	22,000	22,000	18,619	(3,381)
Miscellaneous	120,000	120,000	192,135	72,135
Total revenues	<u>12,637,628</u>	<u>12,641,179</u>	<u>12,714,503</u>	<u>73,324</u>
Expenditures:				
Current:				
General government	1,375,354	1,335,729	1,219,095	116,634
Judicial	1,463,207	1,487,040	1,391,951	95,089
Legal	462,358	462,906	424,323	38,583
Elections	131,994	131,994	91,949	40,045
Financial administration	1,067,727	1,069,125	1,037,950	31,175
Public facilities	573,849	575,386	539,275	36,111
Public safety	6,049,476	6,042,067	5,561,944	480,123
Environmental protection	471,515	479,132	477,834	1,298
Public Transportation	506,228	507,751	419,859	87,892
Health and welfare	643,780	642,112	535,774	106,338
Culture and recreation	54,600	54,600	51,444	3,156
Conservation	92,114	95,665	95,258	407
Capital outlay	448,700	455,993	408,225	47,768
Total expenditures	<u>13,340,902</u>	<u>13,339,500</u>	<u>12,254,881</u>	<u>1,084,619</u>
Excess (deficiency) of revenues (under) expenditures	(703,274)	(698,321)	459,622	1,157,943
Other financing sources (uses):				
Transfers in	626,893	626,893	597,360	(29,533)
Transfers out	(295,649)	(295,649)	(295,649)	--
Total other financing sources (uses)	<u>331,244</u>	<u>331,244</u>	<u>301,711</u>	<u>29,533</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(372,030)	(367,077)	761,333	1,128,410
Fund balances, January 1	5,074,947	5,074,947	5,074,947	--
Fund balances, December 31	<u>\$ 4,702,917</u>	<u>\$ 4,707,870</u>	<u>\$ 5,836,280</u>	<u>\$ 1,128,410</u>

ARANSAS COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 1,296,701	\$ 1,296,701	\$ 1,249,994	\$ (46,707)
Intergovernmental	556,000	556,000	577,351	21,351
Charges for services	261,000	261,000	456,702	195,702
Fines and forfeitures	220,000	220,000	190,088	(29,912)
Investment earnings	7,000	7,000	3,829	(3,171)
Total revenues	<u>2,340,701</u>	<u>2,340,701</u>	<u>2,477,964</u>	<u>137,263</u>
Expenditures:				
Current:				
Public Transportation	1,778,499	1,787,244	1,632,396	154,848
Capital outlay	193,600	400,318	353,762	46,556
Total expenditures	<u>1,972,099</u>	<u>2,187,562</u>	<u>1,986,158</u>	<u>201,404</u>
Excess (deficiency) of revenues (under) expenditures	368,602	153,139	491,806	338,667
Other financing sources (uses):				
Transfers out	(571,721)	(571,721)	(541,784)	(29,937)
Total other financing sources (uses)	<u>(571,721)</u>	<u>(571,721)</u>	<u>(541,784)</u>	<u>(29,937)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(203,119)	(418,582)	(49,978)	368,604
Fund balances, January 1	1,482,648	1,482,648	1,482,648	--
Fund balances, December 31	<u>\$ 1,279,529</u>	<u>\$ 1,064,066</u>	<u>\$ 1,432,670</u>	<u>\$ 368,604</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, 2013

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and investments	\$ 4,169,392	\$ 3,559,552	\$ 7,728,944
Receivables (net of allowances for uncollectibles):			
Property taxes	166,577	--	166,577
Intergovernmental	97,805	87,576	185,381
Inventories	16,495	--	16,495
Cash and investments - restricted	--	203,012	203,012
Total Assets	<u>\$ 4,450,269</u>	<u>\$ 3,850,140</u>	<u>\$ 8,300,409</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 53,076	\$ 53,721	\$ 106,797
Due to other funds	--	139,565	139,565
Unearned revenues	170,833	--	170,833
Advance tax collections	163,322	--	163,322
Total Liabilities	<u>387,231</u>	<u>193,286</u>	<u>580,517</u>
Deferred Inflows of Resources			
Unavailable revenues	12,239	--	12,239
Total Deferred inflows of Resources	<u>12,239</u>	<u>--</u>	<u>12,239</u>
FUND BALANCES			
Restricted	3,949,096	3,759,442	7,708,538
Committed	101,691	--	101,691
Assigned	12	--	12
Unassigned	--	(102,588)	(102,588)
Total Fund Balances	<u>4,050,799</u>	<u>3,656,854</u>	<u>7,707,653</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 4,450,269</u>	<u>\$ 3,850,140</u>	<u>\$ 8,300,409</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:			
Taxes	\$ 2,610,796	\$ --	\$ 2,610,796
Intergovernmental	178,919	1,012,788	1,191,707
Charges for services	220,546	--	220,546
Fines and forfeitures	56,115	--	56,115
Investment earnings	1,169	5,547	6,716
Miscellaneous	7,183	--	7,183
Total revenues	<u>3,074,728</u>	<u>1,018,335</u>	<u>4,093,063</u>
Expenditures:			
Current:			
General government	48,450	179	48,629
Judicial	49,022	--	49,022
Legal	37,564	--	37,564
Public safety	168,192	198,894	367,086
Environmental protection	98,811	73,779	172,590
Flood Control	152,743	--	152,743
Health and welfare	957,564	--	957,564
Culture and recreation	463,602	--	463,602
Capital outlay	184,486	1,264,242	1,448,728
Total expenditures	<u>2,160,434</u>	<u>1,537,094</u>	<u>3,697,528</u>
Excess (deficiency) of revenues (under) expenditures	914,294	(518,759)	395,535
Other financing sources (uses):			
Transfers in	1,307,096	--	1,307,096
Transfers out	(1,266,085)	--	(1,266,085)
Total other financing sources (uses)	<u>39,473</u>	<u>--</u>	<u>39,473</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	953,767	(518,759)	435,008
Fund balances, January 1	3,097,032	4,175,613	7,272,645
Fund balances, December 31	<u>\$ 4,050,799</u>	<u>\$ 3,656,854</u>	<u>\$ 7,707,653</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
ASSETS				
Cash and investments	\$ 461,107	\$ 4,362	\$ 64,465	\$ 55,331
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	15,268	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ 461,107</u>	<u>\$ 4,362</u>	<u>\$ 79,733</u>	<u>\$ 55,331</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,646	\$ 709	\$ 6,833	\$ 7,840
Unearned revenues	--	--	12,337	--
Advance tax collections	--	--	12,013	--
Total Liabilities	<u>3,646</u>	<u>709</u>	<u>31,183</u>	<u>7,840</u>
Deferred Inflows of Resources				
Unavailable revenues	--	--	2,931	--
Total Deferred inflows of Resources	<u>--</u>	<u>--</u>	<u>2,931</u>	<u>--</u>
FUND BALANCES				
Restricted	457,461	3,653	45,619	--
Committed	--	--	--	47,491
Assigned	--	--	--	--
Total Fund Balances	<u>457,461</u>	<u>3,653</u>	<u>45,619</u>	<u>47,491</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 461,107</u>	<u>\$ 4,362</u>	<u>\$ 79,733</u>	<u>\$ 55,331</u>

Local Border Security	Special Contingency	Records Management - County Clerk	Law Library	Courthouse Security
\$ --	\$ 93,889	\$ 103,472	\$ 47,261	\$ 17,758
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 93,889</u>	<u>\$ 103,472</u>	<u>\$ 47,261</u>	<u>\$ 17,758</u>
\$ --	\$ --	\$ 851	\$ 1,069	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>851</u>	<u>1,069</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	93,889	102,621	46,192	17,758
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>93,889</u>	<u>102,621</u>	<u>46,192</u>	<u>17,758</u>
<u>\$ --</u>	<u>\$ 93,889</u>	<u>\$ 103,472</u>	<u>\$ 47,261</u>	<u>\$ 17,758</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

	Records Managment - Countywide	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax
ASSETS				
Cash and investments	\$ 184,251	\$ 69,246	\$ 54,997	\$ 351,614
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	2,568	95,237
Inventories	--	--	16,495	--
Total Assets	<u>\$ 184,251</u>	<u>\$ 69,246</u>	<u>\$ 74,060</u>	<u>\$ 446,851</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ 25,027	\$ 3,365	\$ 497
Unearned revenues	--	--	16,495	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>--</u>	<u>25,027</u>	<u>19,860</u>	<u>497</u>
Deferred Inflows of Resources				
Unavailable revenues	--	--	--	--
Total Deferred inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Restricted	184,251	44,219	--	446,354
Committed	--	--	54,200	--
Assigned	--	--	--	--
Total Fund Balances	<u>184,251</u>	<u>44,219</u>	<u>54,200</u>	<u>446,354</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 184,251</u>	<u>\$ 69,246</u>	<u>\$ 74,060</u>	<u>\$ 446,851</u>

Justice of the Peace Technology	Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee
\$ 102,571	\$ 10,511	\$ 349	\$ 110	\$ 77,206
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 102,571</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 110</u>	<u>\$ 77,206</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
102,571	10,511	349	98	77,206
--	--	--	--	--
--	--	--	12	--
<u>102,571</u>	<u>10,511</u>	<u>349</u>	<u>110</u>	<u>77,206</u>
<u>\$ 102,571</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 110</u>	<u>\$ 77,206</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

	Fire Department Project	County Forfeiture	TECLOSE Training	Sheriffs Forfeiture
ASSETS				
Cash and investments	\$ --	\$ 9,417	\$ 15,811	\$ 3,687
Receivables (net of allowances for uncollectibles):				
Property taxes	--	--	--	--
Intergovernmental	--	--	--	--
Inventories	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 9,417</u>	<u>\$ 15,811</u>	<u>\$ 3,687</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Unearned revenues	--	--	--	--
Advance tax collections	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources				
Unavailable revenues	--	--	--	--
Total Deferred inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Restricted	--	9,417	15,811	3,687
Committed	--	--	--	--
Assigned	--	--	--	--
Total Fund Balances	<u>--</u>	<u>9,417</u>	<u>15,811</u>	<u>3,687</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 9,417</u>	<u>\$ 15,811</u>	<u>\$ 3,687</u>

Waterway Restoration Fund	Flood Control	Records Management - District Clerk	Records Archive	DEA Forfeiture
\$ 130,512	\$ 1,298,873	\$ 24,368	\$ 148,461	\$ 64,525
--	151,309	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 130,512</u>	<u>\$ 1,450,182</u>	<u>\$ 24,368</u>	<u>\$ 148,461</u>	<u>\$ 64,525</u>
\$ --	\$ 1,645	\$ --	\$ --	\$ --
--	142,001	--	--	--
--	151,309	--	--	--
<u>--</u>	<u>294,955</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	9,308	--	--	--
<u>--</u>	<u>9,308</u>	<u>--</u>	<u>--</u>	<u>--</u>
130,512	1,145,919	24,368	148,461	64,525
--	--	--	--	--
--	--	--	--	--
<u>130,512</u>	<u>1,145,919</u>	<u>24,368</u>	<u>148,461</u>	<u>64,525</u>
<u>\$ 130,512</u>	<u>\$ 1,450,182</u>	<u>\$ 24,368</u>	<u>\$ 148,461</u>	<u>\$ 64,525</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

	Appellate Judicial System	Venue Tax	Child Abuse Prevention
ASSETS			
Cash and investments	\$ 3,382	\$ 558,069	\$ 729
Receivables (net of allowances for uncollectibles):			
Property taxes	--	--	--
Intergovernmental	--	--	--
Inventories	--	--	--
 Total Assets	 <u>\$ 3,382</u>	 <u>\$ 558,069</u>	 <u>\$ 729</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ --	\$ --	\$ --
Unearned revenues	--	--	--
Advance tax collections	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
 Deferred Inflows of Resources			
Unavailable revenues	--	--	--
Total Deferred inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
 FUND BALANCES			
Restricted	3,382	558,069	729
Committed	--	--	--
Assigned	--	--	--
Total Fund Balances	<u>3,382</u>	<u>558,069</u>	<u>729</u>
 Total Liabilities, Deferred Inflow of Resources and Fund Balances	 <u>\$ 3,382</u>	 <u>\$ 558,069</u>	 <u>\$ 729</u>

County & District Court Technology	Court Records Preservation	District Court Technology	Venue Projects Fund	Pretrial Intervention
\$ 3,436	\$ 22,366	\$ 3,793	\$ 138,193	\$ 20,946
--	--	--	--	--
--	--	--	--	--
<u>3,436</u>	<u>22,366</u>	<u>3,793</u>	<u>138,193</u>	<u>20,946</u>
\$ --	\$ --	\$ --	\$ 411	\$ 118
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>411</u>	<u>118</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3,436	22,366	3,793	137,782	20,828
--	--	--	--	--
--	--	--	--	--
<u>3,436</u>	<u>22,366</u>	<u>3,793</u>	<u>137,782</u>	<u>20,828</u>
<u>\$ 3,436</u>	<u>\$ 22,366</u>	<u>\$ 3,793</u>	<u>\$ 138,193</u>	<u>\$ 20,946</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

	Voter Registration	Juvenile Case Management	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
Cash and investments	\$ --	\$ 24,324	\$ 4,169,392
Receivables (net of allowances for uncollectibles):			
Property taxes	--	--	166,577
Intergovernmental	--	--	97,805
Inventories	--	--	16,495
Total Assets	<u>\$ --</u>	<u>\$ 24,324</u>	<u>\$ 4,450,269</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ --	\$ 1,065	\$ 53,076
Unearned revenues	--	--	170,833
Advance tax collections	--	--	163,322
Total Liabilities	<u>--</u>	<u>1,065</u>	<u>387,231</u>
Deferred Inflows of Resources			
Unavailable revenues	--	--	12,239
Total Deferred inflows of Resources	<u>--</u>	<u>--</u>	<u>12,239</u>
FUND BALANCES			
Restricted	--	23,259	3,949,096
Committed	--	--	101,691
Assigned	--	--	12
Total Fund Balances	<u>--</u>	<u>23,259</u>	<u>4,050,799</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 24,324</u>	<u>\$ 4,450,269</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Hotel/Motel Occupancy Tax Fund	County Attorney Hot Check	Mosquito Control	County Library
Revenue:				
Taxes	\$ 396,713	\$ --	\$ 42,876	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	22,124	--	2,098
Fines and forfeitures	--	--	--	5,590
Investment earnings	3	--	18	18
Miscellaneous	--	--	1,976	147
Total revenues	<u>396,716</u>	<u>22,124</u>	<u>44,870</u>	<u>7,853</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	25,080	--	--
Public safety	--	--	--	--
Environmental protection	--	--	98,811	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	216,298	--	--	178,104
Capital outlay	--	--	23,939	--
Total expenditures	<u>216,298</u>	<u>25,080</u>	<u>122,750</u>	<u>178,104</u>
Excess (deficiency) of revenues (under) expenditures	180,418	(2,956)	(77,880)	(170,251)
Other financing sources (uses):				
Transfers in	--	--	151,359	175,820
Transfers out	(100,000)	--	(35,172)	--
Total other financing sources (uses)	<u>(100,000)</u>	<u>--</u>	<u>116,187</u>	<u>175,820</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	80,418	(2,956)	38,307	5,569
Fund balances, January 1	377,043	6,609	7,312	41,922
Fund balances, December 31	<u>\$ 457,461</u>	<u>\$ 3,653</u>	<u>\$ 45,619</u>	<u>\$ 47,491</u>

Local Border Security	Special Contingency	Records Management - County Clerk	Law Library	Courthouse Security
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	2,926	37,045	12,530	23,534
--	--	--	--	--
11	--	--	--	--
--	--	--	--	--
<u>11</u>	<u>2,926</u>	<u>37,045</u>	<u>12,530</u>	<u>23,534</u>
--	--	44,815	--	--
--	--	--	--	--
--	--	--	12,484	--
20,014	--	--	--	3,965
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>20,014</u>	<u>--</u>	<u>44,815</u>	<u>12,484</u>	<u>3,965</u>
(20,003)	2,926	(7,770)	46	19,569
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,538)</u>
(20,003)	2,926	(7,770)	46	18,031
20,003	90,963	110,391	46,146	(273)
<u>\$ --</u>	<u>\$ 93,889</u>	<u>\$ 102,621</u>	<u>\$ 46,192</u>	<u>\$ 17,758</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Records Managment - Countywide	Indigent Health Care	Aransas County Assistance Department	Health Care Sales Tax
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ 1,274,731
Intergovernmental	--	--	178,919	--
Charges for services	9,835	--	--	2,400
Fines and forfeitures	--	--	--	--
Investment earnings	--	--	--	--
Miscellaneous	--	--	2,846	--
Total revenues	<u>9,835</u>	<u>--</u>	<u>181,765</u>	<u>1,277,131</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	--	--	--	--
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	430,512	307,973	219,079
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>--</u>	<u>430,512</u>	<u>307,973</u>	<u>219,079</u>
Excess (deficiency) of revenues (under) expenditures	9,835	(430,512)	(126,208)	1,058,052
Other financing sources (uses):				
Transfers in	--	630,193	129,895	--
Transfers out	--	--	--	(911,447)
Total other financing sources (uses)	<u>--</u>	<u>630,193</u>	<u>129,895</u>	<u>(911,447)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	9,835	199,681	3,687	146,605
Fund balances, January 1	174,416	(155,462)	50,513	299,749
Fund balances, December 31	<u>\$ 184,251</u>	<u>\$ 44,219</u>	<u>\$ 54,200</u>	<u>\$ 446,354</u>

Justice of the Peace Technology	Title IV-D Child Support	Out-of-County Juvenile Detention	Road Bond Interest & Sinking	Court Reporter Service Fee
\$ --	\$ --	\$ --	\$ 12	\$ --
--	--	--	--	--
12,593	--	--	--	7,613
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>12,593</u>	<u>--</u>	<u>--</u>	<u>12</u>	<u>7,613</u>
--	--	--	--	--
191	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>191</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
12,402	--	--	12	7,613
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
12,402	--	--	12	7,613
90,169	10,511	349	98	69,593
<u>\$ 102,571</u>	<u>\$ 10,511</u>	<u>\$ 349</u>	<u>\$ 110</u>	<u>\$ 77,206</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Fire Department Project	County Forfeiture	TECLOSE Training	Sheriff's Forfeiture
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeitures	--	11,702	--	5,121
Investment earnings	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>--</u>	<u>11,702</u>	<u>--</u>	<u>5,121</u>
Expenditures:				
Current:				
General government	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public safety	119,829	8,422	2,983	9,979
Environmental protection	--	--	--	--
Flood Control	--	--	--	--
Health and welfare	--	--	--	--
Culture and recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>119,829</u>	<u>8,422</u>	<u>2,983</u>	<u>9,979</u>
Excess (deficiency) of revenues (under) expenditures	(119,829)	3,280	(2,983)	(4,858)
Other financing sources (uses):				
Transfers in	119,829	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>119,829</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	3,280	(2,983)	(4,858)
Fund balances, January 1	--	6,137	18,794	8,545
Fund balances, December 31	<u>\$ --</u>	<u>\$ 9,417</u>	<u>\$ 15,811</u>	<u>\$ 3,687</u>

Waterway Restoration Fund	Flood Control	Records Management - District Clerk	Records Archive	DEA Forfeiture
\$ --	\$ 485,793	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	2,124	36,013	--
--	--	--	--	--
89	485	--	151	--
250	1,300	--	--	--
<u>339</u>	<u>487,578</u>	<u>2,124</u>	<u>36,164</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	3,000
--	--	--	--	--
--	152,743	--	--	--
--	--	--	--	--
--	--	--	--	--
67,570	92,977	--	--	--
<u>67,570</u>	<u>245,720</u>	<u>--</u>	<u>--</u>	<u>3,000</u>
(67,231)	241,858	2,124	36,164	(3,000)
100,000	--	--	--	--
--	--	--	--	--
<u>100,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
32,769	241,858	2,124	36,164	(3,000)
97,743	904,061	22,244	112,297	67,525
<u>\$ 130,512</u>	<u>\$ 1,145,919</u>	<u>\$ 24,368</u>	<u>\$ 148,461</u>	<u>\$ 64,525</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Appellate Judicial System	Venue Tax	Child Abuse Prevention
Revenue:			
Taxes	\$ --	\$ 410,671	\$ --
Intergovernmental	--	--	--
Charges for services	--	--	--
Fines and forfeitures	2,476	--	21
Investment earnings	--	248	--
Miscellaneous	--	664	--
Total revenues	<u>2,476</u>	<u>411,583</u>	<u>21</u>
Expenditures:			
Current:			
General government	--	--	--
Judicial	1,405	--	--
Legal	--	--	--
Public safety	--	--	--
Environmental protection	--	--	--
Flood Control	--	--	--
Health and welfare	--	--	--
Culture and recreation	--	--	--
Capital outlay	--	--	--
Total expenditures	<u>1,405</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	1,071	411,583	21
Other financing sources (uses):			
Transfers in	--	--	--
Transfers out	--	(200,600)	--
Total other financing sources (uses)	<u>--</u>	<u>(200,600)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,071	210,983	21
Fund balances, January 1	2,311	347,086	708
Fund balances, December 31	<u>\$ 3,382</u>	<u>\$ 558,069</u>	<u>\$ 729</u>

County & District Court Technology	Court Records Preservation	District Court Technology	Venue Projects Fund	Pretrial Intervention
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
1,008	5,643	904	--	23,650
--	--	--	146	--
--	--	--	--	--
<u>1,008</u>	<u>5,643</u>	<u>904</u>	<u>146</u>	<u>23,650</u>
--	--	--	--	--
--	--	--	--	2,822
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	69,200	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>69,200</u>	<u>2,822</u>
1,008	5,643	904	(69,054)	20,828
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(18,866)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(18,866)</u>
1,008	5,643	904	(69,054)	1,962
2,428	16,723	2,889	206,836	18,866
<u>\$ 3,436</u>	<u>\$ 22,366</u>	<u>\$ 3,793</u>	<u>\$ 137,782</u>	<u>\$ 20,828</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Voter Registration	Juvenile Case Management	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:			
Taxes	\$ --	\$ --	\$ 2,610,796
Intergovernmental	--	--	178,919
Charges for services	3,635	46,076	220,546
Fines and forfeitures	--	--	56,115
Investment earnings	--	--	1,169
Miscellaneous	--	--	7,183
Total revenues	<u>3,635</u>	<u>46,076</u>	<u>3,074,728</u>
Expenditures:			
Current:			
General government	3,635	--	48,450
Judicial	--	44,604	49,022
Legal	--	--	37,564
Public safety	--	--	168,192
Environmental protection	--	--	98,811
Flood Control	--	--	152,743
Health and welfare	--	--	957,564
Culture and recreation	--	--	463,602
Capital outlay	--	--	184,486
Total expenditures	<u>3,635</u>	<u>44,604</u>	<u>2,160,434</u>
Excess (deficiency) of revenues (under) expenditures	--	1,472	914,294
Other financing sources (uses):			
Transfers in	--	--	1,307,096
Transfers out	--	--	(1,266,085)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>39,473</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	1,472	953,767
Fund balances, January 1	--	21,787	3,097,032
Fund balances, December 31	<u>\$ --</u>	<u>\$ 23,259</u>	<u>\$ 4,050,799</u>

ARANSAS COUNTY, TEXAS
HOTEL/MOTEL OCCUPANCY TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Taxes	\$ 365,924	\$ 396,713	\$ 30,789
Investment earnings	500	3	(497)
Total revenues	<u>366,424</u>	<u>396,716</u>	<u>30,292</u>
Expenditures:			
Current:			
Culture and recreation	270,624	216,298	54,326
Total expenditures	<u>270,624</u>	<u>216,298</u>	<u>54,326</u>
Excess (deficiency) of revenues (under) expenditures	95,800	180,418	84,618
Other financing sources (uses):			
Transfers out	(100,000)	(100,000)	--
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,200)	80,418	84,618
Fund balances, January 1	377,043	377,043	--
Fund balances, December 31	<u>\$ 372,843</u>	<u>\$ 457,461</u>	<u>\$ 84,618</u>

ARANSAS COUNTY, TEXAS
MOSQUITO CONTROL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 24,437	\$ 42,876	\$ 18,439
Investment earnings	--	18	18
Miscellaneous	--	1,976	1,976
Total revenues	<u>24,437</u>	<u>44,870</u>	<u>20,433</u>
Expenditures:			
Current:			
Environmental protection	129,764	98,811	30,953
Capital outlay	33,264	23,939	9,325
Total expenditures	<u>163,028</u>	<u>122,750</u>	<u>40,278</u>
Excess (deficiency) of revenues (under) expenditures	(138,591)	(77,880)	60,711
Other financing sources (uses):			
Transfers in	173,758	151,359	(22,399)
Transfers out	(35,172)	(35,172)	--
Total other financing sources (uses)	<u>138,586</u>	<u>116,187</u>	<u>22,399</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(5)	38,307	38,312
Fund balances, January 1	7,312	7,312	--
Fund balances, December 31	<u>\$ 7,307</u>	<u>\$ 45,619</u>	<u>\$ 38,312</u>

ARANSAS COUNTY, TEXAS
COUNTY LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-7

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,500	\$ 2,098	\$ (402)
Fines and forfeitures	6,700	5,590	(1,110)
Investment earnings	--	18	18
Miscellaneous	4,000	147	(3,853)
Total revenues	<u>13,200</u>	<u>7,853</u>	<u>(5,347)</u>
Expenditures:			
Current:			
Culture and recreation	189,101	178,104	10,997
Total expenditures	<u>189,101</u>	<u>178,104</u>	<u>10,997</u>
Excess (deficiency) of revenues (under) expenditures	(175,901)	(170,251)	5,650
Other financing sources (uses):			
Transfers in	175,820	175,820	--
Total other financing sources (uses)	<u>175,820</u>	<u>175,820</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(81)	5,569	5,650
Fund balances, January 1	41,922	41,922	--
Fund balances, December 31	<u>\$ 41,841</u>	<u>\$ 47,491</u>	<u>\$ 5,650</u>

ARANSAS COUNTY, TEXAS
 SPECIAL CONTINGENCY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 2,800	\$ 2,926	\$ 126
Total revenues	<u>2,800</u>	<u>2,926</u>	<u>126</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,800	2,926	126
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	2,926	126
Fund balances, January 1	90,963	90,963	--
Fund balances, December 31	<u>\$ 93,763</u>	<u>\$ 93,889</u>	<u>\$ 126</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTY CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 36,000	\$ 37,045	\$ 1,045
Total revenues	<u>36,000</u>	<u>37,045</u>	<u>1,045</u>
Expenditures:			
General government	45,572	44,815	757
Total expenditures	<u>45,572</u>	<u>44,815</u>	<u>757</u>
Excess (deficiency) of revenues (under) expenditures	(9,572)	(7,770)	1,802
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	(9,572)	(7,770)	1,802
Fund balances, January 1	110,391	110,391	--
Fund balances, December 31	<u>\$ 100,819</u>	<u>\$ 102,621</u>	<u>\$ 1,802</u>

ARANSAS COUNTY, TEXAS
 LAW LIBRARY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for services	\$ 12,484	\$ 12,530	\$ 46
Total revenues	<u>12,484</u>	<u>12,530</u>	<u>46</u>
Expenditures:			
Current:			
Legal	<u>12,484</u>	<u>12,484</u>	<u>--</u>
Total expenditures	<u>12,484</u>	<u>12,484</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	--	46	46
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	--	46	46
Fund balances, January 1	46,146	46,146	--
Fund balances, December 31	<u>\$ 46,146</u>	<u>\$ 46,192</u>	<u>\$ 46</u>

ARANSAS COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 21,425	\$ 23,534	\$ 2,109
Total revenues	<u>21,425</u>	<u>23,534</u>	<u>2,109</u>
Expenditures:			
Current:			
Public safety	4,501	3,965	536
Total expenditures	<u>4,501</u>	<u>3,965</u>	<u>536</u>
Excess (deficiency) of revenues (under) expenditures	16,924	19,569	2,645
Other financing sources (uses):			
Total other financing sources (uses)	<u>(1,538)</u>	<u>(1,538)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	15,386	18,031	2,645
Fund balances, January 1	(273)	(273)	--
Fund balances, December 31	<u>\$ 15,113</u>	<u>\$ 17,758</u>	<u>\$ 2,645</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - COUNTYWIDE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-12

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 9,126	\$ 9,835	\$ 709
Total revenues	<u>9,126</u>	<u>9,835</u>	<u>709</u>
Expenditures:			
General government	9,126	--	9,126
Total expenditures	<u>9,126</u>	<u>--</u>	<u>9,126</u>
Excess (deficiency) of revenues (under) expenditures	--	9,835	9,835
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	--	9,835	9,835
Fund balances, January 1	174,416	174,416	--
Fund balances, December 31	<u>\$ 174,416</u>	<u>\$ 184,251</u>	<u>\$ 9,835</u>

ARANSAS COUNTY, TEXAS
INDIGENT HEALTH CARE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-13

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Total revenues	\$ --	\$ --	\$ --
Expenditures:			
Current:			
Health and welfare	630,193	430,512	199,681
Total expenditures	<u>630,193</u>	<u>430,512</u>	<u>199,681</u>
Excess (deficiency) of revenues (under) expenditures	(630,193)	(430,512)	199,681
Other financing sources (uses):			
Transfers in	630,193	630,193	--
Total other financing sources (uses)	<u>630,193</u>	<u>630,193</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	199,681	199,681
Fund balances, January 1	(155,462)	(155,462)	--
Fund balances, December 31	<u>\$ (155,462)</u>	<u>\$ 44,219</u>	<u>\$ 199,681</u>

ARANSAS COUNTY, TEXAS

ARANSAS COUNTY ASSISTANCE DEPARTMENT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 41,805	\$ 36,428	\$ (5,377)
Miscellaneous	3,500	2,846	(654)
Total revenues	<u>45,305</u>	<u>39,274</u>	<u>(6,031)</u>
Expenditures:			
Current:			
Health and welfare	174,448	165,482	8,966
Total expenditures	<u>174,448</u>	<u>165,482</u>	<u>8,966</u>
Excess (deficiency) of revenues (under) expenditures	(129,143)	(126,208)	2,935
Other financing sources (uses):			
Transfers in	129,895	129,895	--
Total other financing sources (uses)	<u>129,895</u>	<u>129,895</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	752	3,687	2,935
Fund balances, January 1	50,513	50,513	--
Fund balances, December 31	<u>\$ 51,265</u>	<u>\$ 54,200</u>	<u>\$ 2,935</u>

ARANSAS COUNTY, TEXAS
 HEALTH CARE SALES TAX
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes	\$ 1,139,500	\$ 1,274,731	\$ 135,231
Charges for services	--	2,400	2,400
Total revenues	<u>1,139,500</u>	<u>1,277,131</u>	<u>137,631</u>
Expenditures:			
Current:			
Health and welfare	229,358	219,079	10,279
Total expenditures	<u>229,358</u>	<u>219,079</u>	<u>10,279</u>
Excess (deficiency) of revenues (under) expenditures	910,142	1,058,052	147,910
Other financing sources (uses):			
Transfers out	(933,846)	(911,447)	(22,399)
Total other financing sources (uses)	<u>(933,846)</u>	<u>(911,447)</u>	<u>(22,399)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(23,704)	146,605	170,309
Fund balances, January 1	299,749	299,749	--
Fund balances, December 31	<u>\$ 276,045</u>	<u>\$ 446,354</u>	<u>\$ 170,309</u>

ARANSAS COUNTY, TEXAS
 COURT REPORTER SERVICE FEE
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-16

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 6,680	\$ 7,613	\$ 933
Total revenues	<u>6,680</u>	<u>7,613</u>	<u>933</u>
Expenditures:			
Current:			
Judicial	6,680	--	6,680
Total expenditures	<u>6,680</u>	<u>--</u>	<u>6,680</u>
Excess (deficiency) of revenues (under) expenditures	--	7,613	7,613
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	--	7,613	7,613
Fund balances, January 1	69,593	69,593	--
Fund balances, December 31	<u>\$ 69,593</u>	<u>\$ 77,206</u>	<u>\$ 7,613</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT - DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-17

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Charges for services	\$ 2,500	\$ 2,124	\$ (376)
Total revenues	<u>2,500</u>	<u>2,124</u>	<u>(376)</u>
Expenditures:			
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues (under) expenditures	2,500	2,124	(376)
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	2,124	(376)
Fund balances, January 1	22,244	22,244	--
Fund balances, December 31	<u>\$ 24,744</u>	<u>\$ 24,368</u>	<u>\$ (376)</u>

ARANSAS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT C-18

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Taxes	\$ 1,432,119	\$ 1,913,308	\$ 481,189
Intergovernmental	121,136	105,502	(15,634)
Investment earnings	850	1,610	760
Total revenues	<u>1,554,105</u>	<u>2,020,420</u>	<u>466,315</u>
Expenditures:			
Debt service:			
Principal	759,334	1,193,167	(433,833)
Interest and fiscal charges	595,625	744,584	(148,959)
Total expenditures	<u>1,354,959</u>	<u>1,937,751</u>	<u>(582,792)</u>
Excess (deficiency) of revenues (under) expenditures	199,146	82,669	(116,477)
Other financing sources (uses):			
Transfers in	--	200,600	200,600
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>200,600</u>	<u>(200,600)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	199,146	283,269	84,123
Fund balances, January 1	764,729	1,116,528	351,799
Fund balances, December 31	<u>\$ 963,875</u>	<u>\$ 1,399,797</u>	<u>\$ 435,922</u>

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2013

	<u>Grant Construction</u>	<u>2009 Certificate of Obligation</u>
ASSETS		
Cash and investments	\$ --	\$ 52,364
Receivables (net of allowances for uncollectibles):		
Intergovernmental	87,576	--
Cash and investments - restricted	--	--
Total Assets	<u>\$ 87,576</u>	<u>\$ 52,364</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 50,599	\$ --
Due to other funds	139,565	--
Total Liabilities	<u>190,164</u>	<u>--</u>
FUND BALANCES		
Restricted	--	52,364
Unassigned	(102,588)	--
Total Fund Balances	<u>(102,588)</u>	<u>52,364</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 87,576</u>	<u>\$ 52,364</u>

EXHIBIT C-19

2012 Capital Projects C.O. Fund	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 2,253,528	\$ 1,253,660	\$ 3,559,552
--	--	87,576
--	203,012	203,012
<u>\$ 2,253,528</u>	<u>\$ 1,456,672</u>	<u>\$ 3,850,140</u>
\$ --	\$ 3,122	\$ 53,721
--	--	139,565
<u>--</u>	<u>3,122</u>	<u>193,286</u>
2,253,528	1,453,550	3,759,442
--	--	(102,588)
<u>2,253,528</u>	<u>1,453,550</u>	<u>3,656,854</u>
<u>\$ 2,253,528</u>	<u>\$ 1,456,672</u>	<u>\$ 3,850,140</u>

ARANSAS COUNTY, TEXASCOMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Grant Construction	2009 Certificate of Obligation
Revenue:		
Intergovernmental	\$ 1,012,788	\$ --
Investment earnings	--	50
Total revenues	<u>1,012,788</u>	<u>50</u>
Expenditures:		
Current:		
General government	--	--
Public safety	198,894	--
Environmental protection	73,779	--
Capital outlay	576,852	153,440
Total expenditures	<u>849,525</u>	<u>153,440</u>
Excess (deficiency) of revenues (under) expenditures	163,263	(153,390)
Other financing sources (uses):		
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	163,263	(153,390)
Fund balances, January 1	(265,851)	205,754
Fund balances, December 31	<u>\$ (102,588)</u>	<u>\$ 52,364</u>

2012 Capital Projects C.O. Fund	2011 C.O. Venue Capital Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ 1,012,788
3,238	2,259	5,547
<u>3,238</u>	<u>2,259</u>	<u>1,018,335</u>
179	--	179
--	--	198,894
--	--	73,779
--	533,950	1,264,242
<u>179</u>	<u>533,950</u>	<u>1,537,094</u>
3,059	(531,691)	(518,759)
<u>--</u>	<u>--</u>	<u>--</u>
3,059	(531,691)	(518,759)
2,250,469	1,985,241	4,175,613
<u>\$ 2,253,528</u>	<u>\$ 1,453,550</u>	<u>\$ 3,656,854</u>

ARANSAS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2013

	<u>Court Costs and Fees</u>	<u>Tax Collector</u>	<u>County Clerk</u>
ASSETS			
Assets:			
Cash and investments	\$ 86,561	\$ 3,133,050	\$ 86,233
Total Assets	<u>\$ 86,561</u>	<u>\$ 3,133,050</u>	<u>\$ 86,233</u>
LIABILITIES AND EQUITY			
Liabilities:			
Due to others	\$ 86,561	\$ 3,133,050	\$ 86,233
Total Liabilities	<u>86,561</u>	<u>3,133,050</u>	<u>86,233</u>
Equity:			
Total equity	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Equity	<u>\$ 86,561</u>	<u>\$ 3,133,050</u>	<u>\$ 86,233</u>

District Clerk	Justice of the Peace	Aransas County Navigation District No. 1	Total Agency Funds (See Exhibit A-10)
\$ 62,616	\$ 3,358	\$ 2,689,627	\$ 6,061,445
<u>\$ 62,616</u>	<u>\$ 3,358</u>	<u>\$ 2,689,627</u>	<u>\$ 6,061,445</u>
\$ 62,616	\$ 3,358	\$ 2,689,627	\$ 6,061,445
<u>62,616</u>	<u>3,358</u>	<u>2,689,627</u>	<u>6,061,445</u>
--	--	--	--
<u>\$ 62,616</u>	<u>\$ 3,358</u>	<u>\$ 2,689,627</u>	<u>\$ 6,061,445</u>

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 78382

CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditors' 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise Aransas County, Texas's basic financial statements, and have issued our report thereon dated June 19, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Aransas County, Texas's financial statements are free from 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*.

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "MA Arnold PLLC". The signature is written in a cursive, stylized font.

Michael A. Arnold, PLLC

Rockport, Texas
June 19, 2014

Michael A. Arnold, PLLC

501 E. Market
P.O. Box 1266
Rockport, Texas 78382

CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

Members of the Commissioners' Court:

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Aransas County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Aransas County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Aransas County, Texas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



Michael A. Arnold, PLLC

Rockport, Texas
June 19, 2014

ARANSAS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

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: Unmodified

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>
14.228	Community Development Block Grant

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

ARANSAS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
NONE		

ARANSAS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013

N/A

ARANSAS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT D-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed Through Texas Division of Emergency Management:			
Operation Stonegarden(OPSG)	97.067	2011-SS-TO-0008	\$ 16,492
Operation Stonegarden (OPSG)	97.067	2012-SS-TO-0012	76,942
Operation Stonegarden (OPSG)	97.067	2010-SS-TO-0008	142,017
Total Passed Through Texas Division of Emergency Management			<u>235,451</u>
Total U.S. Department of Homeland Security			<u>235,451</u>
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Passed Through Texas Commission on Environmental Quality:			
Nonpoint Source Water Implementation Grant	66.460	582-12-10077	26,577
Nonpoint Source Water Implementation Grant	66.460	582-13-30050	20,900
Nonpoint Source Water Implementation Grant	66.460	582-10-90462	45,365
Total Passed Through Texas Commission on Environmental Quality			<u>92,842</u>
Total U. S. Environmental Protection Agency			<u>92,842</u>
<u>U. S. DEPARTMENT OF THE INTERIOR</u>			
Direct Programs:			
Coastal Impact Assistance Program	15.668	F12AF00932	162,428
Coastal Impact Assistance Program	15.668	M10AF20116	20,889
Coastal Impact Assistance Program	15.668	F12AF70246	25,440
Coastal Impact Assistance Program	15.668	F12AF00504	12,660
Coastal Impact Assistance Program	15.668	M11AF00181	9,236
Total Direct Programs			<u>230,653</u>
Total U. S. Department of the Interior			<u>230,653</u>
<u>U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Passed Through Texas Department of Agriculture:			
Community Development Block Grant *	14.228	711215	361,598
Total U. S. Department of Housing & Urban Development			<u>361,598</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Texas Department of Human Services and Bee Community Action Agency:			
Community Services Block Grant	93.569	631130001565-A	36,428
Total U. S. Department of Health and Human Services			<u>36,428</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(Non-Cash) *	10.565	None	142,491
Total U. S. Department of Agriculture			<u>142,491</u>
<u>US ELECTION COMMISSION</u>			
Passed Through Texas Secretary of State:			
Help America Vote Act	90.401	None	32,892
Total US Election Commission			<u>32,892</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,132,355</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, 2013**

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	\$ 52,692

STATISTICAL SECTION

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	\$ 9,472,338	\$ 9,842,351
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839	9,880,363	13,531,952
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	3,660,761	2,093,319
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	\$ 23,013,462	\$ 25,467,622
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	\$ 9,194,958	\$ 8,633,275
Restricted	--	--	--	--	--	--	--	--	--	--
Unrestricted	11,268	99,665	(127,651)	425,883	708,388	1,001,718	715,394	735,352	820,998	812,411
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	\$ 10,015,956	\$ 9,445,686
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	\$ 18,667,296	\$ 18,475,626
Restricted	843,573	2,018,191	2,590,621	4,009,304	1,682,645	4,797,989	3,351,918	8,771,839	9,880,363	13,531,952
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	4,481,759	2,905,730
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	\$ 33,029,418	\$ 34,913,308

ARANSAS COUNTY, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	\$ 1,710,745	\$ 1,444,603
Judicial	859,663	892,437	1,049,066	1,144,928	1,209,863	1,347,353	1,325,709	1,348,882	1,442,283	1,442,313
Legal	445,277	447,869	443,201	498,377	493,739	547,730	552,067	577,008	539,433	461,887
Elections	60,614	55,328	74,904	76,440	87,656	78,160	87,415	97,032	98,537	111,167
Financial administration	643,653	738,865	814,511	827,452	931,388	1,008,414	1,006,588	1,015,339	1,028,042	1,044,274
Public facilities	419,744	404,801	528,935	532,849	608,949	605,145	493,412	525,684	507,037	539,275
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	7,231,475	6,482,172
Environmental protection	517,720	599,972	649,443	543,533	766,771	598,758	591,681	613,945	957,202	704,915
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	2,455,428	2,396,631
Flood Control	--	--	--	--	12,101	109,868	218,225	210,974	159,160	189,316
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	1,747,570	1,499,662
Culture and recreation	230,842	253,923	290,310	305,313	377,451	381,643	358,062	718,408	460,458	571,167
Conservation	37,868	56,555	45,564	57,302	71,979	66,097	96,809	72,812	96,648	116,199
Contributions to other governments:										
Water and sewer systems	159,623	386,176	638,860	119,284	105,500	144,037	564,108	95,000	717,668	361,598
Coastal restoration	116,058	--	--	--	--	--	--	490,844	504,089	142,034
Interest and fiscal charges	469,725	459,360	449,599	543,018	601,284	618,057	649,725	755,641	846,128	680,872
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	18,956,965	20,501,903	18,188,085
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	1,624,888	1,600,157
Inmate commissary	3,900	47,099	74,530	80,752	49,999	66,279	36,987	133,963	119,117	238,498
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	1,744,005	1,838,655
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	\$ 20,776,744	\$ 22,245,908	\$ 20,026,740
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	\$ 5,122,334	\$ 5,150,711
Operating Grants and Contributions	667,117	655,944	415,259	329,757	509,747	613,638	1,166,394	977,774	2,041,321	1,142,219
Capital Grants and Contributions	275,681	517,624	665,353	399,002	409,301	197,841	1,039,124	549,758	1,351,097	775,933
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	8,514,752	7,068,863
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	1,057,253	1,048,547
Inmate commissary	8,627	58,025	87,482	117,763	104,891	52,293	56,461	133,786	120,697	208,397
Operating Grants and Contributions	24,045	30,090	16,613	26,701	37,669	51,524	50,180	31,267	21,377	32,681
Capital Grants and Contributions	16,808	30,032	1,754,787	1,267,696	1,482,351	3,125,600	207,904	85,356	584,359	--
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	1,783,686	1,289,625
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	\$ 10,298,438	\$ 8,358,488
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)	\$ (11,987,151)	\$ (11,119,222)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)	39,681	(549,030)
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)	(11,947,470)	(11,668,252)

ARANSAS COUNTY, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	\$ (11,987,151)	\$ (11,119,222)
Business-type Activities	(103,544)	(148,864)	1,622,213	1,085,696	1,251,192	2,618,699	(398,080)	(438,474)	39,681	(549,030)
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)	\$ (11,947,470)	\$ (11,668,252)
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	\$ 10,192,514	\$ 10,461,280
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	2,439,776	2,554,069
Other Taxes	143,909	141,793	186,810	225,077	247,844	277,967	312,193	680,220	747,349	901,176
Investment Earnings	244,242	295,906	495,941	639,534	322,622	123,435	47,203	57,196	80,503	43,042
Miscellaneous	7,235	111,250	140,820	118,021	157,655	245,826	296,730	451,110	192,345	199,318
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	\$ 13,652,487	\$ 14,158,885
Business-type Activities:										
Investment Earnings	4,400	11,298	8,794	11,926	6,499	1,021	534	848	577	1,184
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	577	1,184
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	\$ 13,653,064	\$ 14,160,069
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	\$ 1,665,336	\$ 3,039,663
Business-type Activities	112,453	(136,876)	1,631,697	1,098,312	1,575,008	2,620,469	(396,856)	(437,626)	40,258	(547,846)
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	\$ 1,705,594	\$ 2,491,817

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ 467,406	\$ 509,872	\$ 508,247	\$ 496,292	\$ 17,984	\$ 17,984	\$ 17,985	\$ 17,985	\$ 17,985	\$ 13,069
Restricted										
Committed	759,672	759,672	759,672	759,672	759,672	759,672	759,672			
Assigned										
Unassigned	690,601	1,543,799	2,086,416	2,282,653	2,232,530	2,005,195	3,194,839	4,543,247	5,056,962	5,823,211
Total General Fund	\$ 1,917,679	\$ 2,813,343	\$ 3,354,335	\$ 3,538,617	\$ 3,010,186	\$ 2,782,851	\$ 3,972,496	\$ 4,561,232	\$ 5,074,947	\$ 5,836,280
All Other Governmental Funds										
Nonspendable	\$ 67,682	\$ 62,267	\$ 62,267	\$ 67,682	\$ 67,682	\$ 67,682	\$ 67,682	\$ 41,512	\$ 32,093	\$ 32,093
Restricted	2,412,610	2,079,116	2,697,698	4,801,770	6,448,602	6,757,866	5,228,598	12,802,379	15,281,707	14,656,256
Committed	966,470	966,470	966,470	966,470	966,470	966,470	966,470	659,724		101,691
Assigned	--	--	--	--	--	--	--	--	--	12
Unassigned	--	--	--	--	--	--	--	--	(173,416)	(102,588)
Total All Other Governmental Funds	\$ 3,446,762	\$ 3,107,853	\$ 3,726,435	\$ 5,835,922	\$ 7,482,754	\$ 7,792,018	\$ 6,262,750	\$ 13,503,615	\$ 15,140,384	\$ 14,687,464

TABLE E-5

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 7,535,864	\$ 8,408,211	\$ 8,719,695	\$ 9,052,441	\$ 9,546,432	\$ 10,936,630	\$ 12,097,215	\$ 12,504,443	\$ 13,377,123	\$ 13,955,869
Licenses, Fees and Permits	659,650	625,148	657,970	642,309	629,140	614,411	625,631	621,393	105,365	134,291
Intergovernmental	942,798	1,228,568	1,136,972	849,008	1,039,869	932,135	2,326,132	1,647,835	3,513,238	2,023,654
Charges for Services	1,489,202	2,153,939	3,072,454	2,805,737	3,275,298	3,808,008	3,911,143	3,978,628	4,109,936	4,247,243
Fines and Penalties	623,806	794,813	910,404	912,412	1,237,543	901,946	899,541	788,589	730,050	714,801
Investment Earnings	244,242	295,906	495,941	625,126	322,622	111,140	47,203	25,905	62,305	43,042
Other Revenues	7,235	240,485	161,463	118,021	157,655	245,826	296,730	451,110	192,345	199,318
Total Revenues	11,502,797	13,747,070	15,154,899	15,005,054	16,208,559	17,550,096	20,203,595	20,017,903	22,090,362	21,318,218
Expenditures										
General Government	820,889	864,274	1,036,788	1,104,241	1,451,854	1,261,273	1,125,124	1,236,618	1,556,767	1,267,724
Judicial	859,663	889,480	1,035,976	1,143,511	1,196,905	1,346,163	1,324,519	1,347,692	1,441,093	1,440,973
Legal	445,277	446,187	441,852	498,377	493,739	547,730	552,067	577,008	539,433	461,887
Elections	60,614	45,173	57,247	57,081	70,512	61,898	71,153	79,971	81,476	91,949
Financial Administration	630,934	695,264	746,674	778,705	881,308	968,677	976,973	989,346	1,021,326	1,037,950
Public Facilities	419,744	393,375	489,320	532,849	557,275	605,145	493,412	525,684	507,037	539,275
Public Safety	2,767,544	3,514,799	3,824,210	4,097,631	4,955,561	5,871,887	6,288,033	6,400,400	6,746,529	5,929,030
Environmental Protection	513,081	585,339	628,191	523,349	739,031	561,718	535,461	537,635	908,827	650,424
Public Transportation	1,659,133	1,692,280	2,158,841	2,009,868	2,039,414	2,189,711	2,045,634	2,203,954	2,137,970	2,052,255
Flood Control	--	--	--	--	12,101	105,544	208,402	195,677	139,527	152,743
Health and Welfare	1,344,930	1,186,536	1,350,620	1,387,693	1,408,423	1,782,069	1,864,663	1,711,912	1,741,956	1,493,338
Culture and Recreation	182,580	205,538	258,915	261,008	322,716	331,821	308,240	668,586	410,636	515,046
Conservation	37,868	46,852	45,564	57,302	71,979	66,097	95,067	71,070	78,057	95,258
Capital Outlay	9,293,425	1,766,414	1,517,701	1,214,829	3,388,586	1,823,472	2,817,867	2,470,287	2,953,210	3,344,202
Debt Service										
Interest and bond costs	626,194	463,804	423,479	434,369	449,754	621,973	536,687	885,743	1,134,421	1,193,167
Principal	--	395,000	454,155	506,612	646,559	518,467	737,520	715,500	1,044,334	744,584
Total Expenditures	19,661,876	13,190,315	14,469,533	14,607,425	18,685,717	18,663,645	19,980,822	20,617,083	22,442,599	21,009,805
Excess of Revenues Over (Under) Expenditures	(8,159,079)	556,755	685,366	397,629	(2,477,158)	(1,113,549)	222,773	(599,180)	(352,237)	308,413
Other Financing Sources (Uses)										
Bonds Proceeds	--	--	--	2,396,139	--	4,070,000	--	8,250,000	9,460,000	--
Other Proceeds	--	--	--	14,841	11,722	53,112	--	178,779	535,449	--
Payment to refunding escrow ag	--	--	--	--	--	--	--	--	(7,492,727)	--
Transfers In	1,422,082	1,610,024	1,586,698	1,703,503	1,849,331	2,000,376	1,776,372	1,830,337	2,023,789	2,105,056
Transfers Out	(1,422,082)	(1,610,024)	(1,586,698)	(1,744,234)	(1,851,388)	(1,904,417)	(1,776,372)	(1,830,337)	(2,023,789)	(2,105,056)
Total Other Financing Sources (Uses)	--	--	--	2,370,249	9,665	4,219,071	--	8,428,779	2,502,722	--
Prior period adjustments	--	--	--	--	--	--	--	--	--	--
Net Change in Fund Balances	\$ (8,159,079)\$	556,755 \$	685,366 \$	2,767,878 \$	(2,467,493)\$	3,105,522	\$ 222,773 \$	7,829,599 \$	2,502,722 \$	308,413
Debt Service As A Percentage Of Noncapital Expenditures	6.0%	7.5%	6.8%	7.0%	7.2%	6.8%	7.4%	8.8%	11.2%	11.0%

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
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%
2012	3,145,237,788	56,899,777	88,852,510	3,290,990,075	3,290,990,075	100.00%

Source: Aransas County Appraisal District

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

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AEP Texas Central Co	\$ 18,995,680	1	0.66%	\$ 12,199,380	4	0.70%
Hill Corp Energy Co	15,198,570	2	0.53%			
Cabot Oil & Gas	11,003,640	3	0.38%			
H E Butt Grocery	10,096,482	4	0.35%	11,265,342	5	0.65%
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	6,954,274	8	0.24%	4,974,642	8	0.29%
C H Marina and Drystack LP	6,596,165	9	0.23%			
Lokseva Inc	5,513,770	10	0.19%			
Walter Oil & Gas Corp				22,618,720	1	1.30%
LLOG Exploration TX LP				16,512,800	2	0.95%
Gryphon Exploration Co.				16,038,090	3	0.92%
Degussa Carbon Black				8,191,970	6	0.47%
Southwestern Bell Tele.				7,103,340	7	0.41%
Sherwin Alumina				5,321,910	9	0.31%
Heritage Hotels Rockport LP				3,329,770	10	0.19%
Total	\$ 96,649,711		3.36%	\$ 107,555,964		6.16%

Source: Aransas County Appraisal District

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
2004	\$ 5,148,009	\$ 4,934,915	95.86%	\$ 186,266	\$ 5,121,181	99.48%
2005	5,375,639	5,229,778	97.29%	116,924	5,346,702	99.46%
2006	5,401,809	5,273,741	97.63%	97,957	5,371,698	99.44%
2007	5,693,032	5,550,730	97.50%	107,967	5,658,697	99.40%
2008	6,582,987	6,434,381	97.74%	100,180	6,534,561	99.26%
2009	7,915,385	7,738,901	97.77%	109,537	7,848,438	99.15%
2010	8,008,996	7,755,431	96.83%	172,083	7,852,367	98.04%
2011	8,140,287	7,913,227	97.21%	120,087	8,033,314	98.69%
2012	8,194,317	7,991,110	97.52%	55,411	8,046,521	98.20%
2013	8,268,218	3,290,751	39.80%			

* Current collections on the 2013 roll continue to July 1, 2014

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