

ARANSAS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
December 31, 2015

ISSUED BY
COUNTY AUDITOR'S OFFICE

LEZLIE KIRK
COUNTY AUDITOR

Aransas County, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2015

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INTRODUCTORY SECTION

Aransas County

Lezlie M. Kirk

County Auditor

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

June 25, 2016

The Honorable District Judge
Janna Whatley, 343rd Judicial District

The Honorable District Judge
Patrick Flanigan, 156th Judicial District

The Honorable District Judge
Starr Bauer, 36th Judicial District

The Honorable Commissioners' Court, Aransas County, Texas

C.H. "Burt" Mills, Jr. County Judge

Jack Chaney	County Commissioner Precinct No. 1
Leslie Casterline	County Commissioner Precinct No. 2
Charles Smith	County Commissioner Precinct No. 3
Betty Stiles	County Commissioner Precinct No. 4

The Citizens of Aransas County,

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Pursuant to that requirement, the comprehensive annual financial report of Aransas County for the fiscal year ended December 31, 2015 is hereby issued.

This report consists of management's representations concerning the finances of Aransas County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Aransas County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Aransas County's financial statements in conformity with GAAP. The cost of internal control should not outweigh the benefit; therefore, Aransas County's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As financial management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Aransas County's financial statements were audited by Wayne R. Beyer, CPA, licensed certified public accountant. The goal of the independent audit was to provide reasonable assurance that the financial statements of Aransas County for the fiscal year ended December 31, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Aransas County's financial statements for the fiscal year ended December 31, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Aransas County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

On September 18, 1871 the County of Aransas was formed when the legislature voted to divide Refugio County and designated much of the coastal area as a new county named Aransas. The County is located on the Gulf of Mexico northeast of Corpus Christi and offers the relaxed, laid back quality of life of a coastal community. Local business includes environmentally friendly industries of seafood, oil production, tourism, sport hunting and fishing, boating and water sports, fine art and sculptures, and bird watching. Aransas County covers 276 square miles and the United States Census estimates the population to be 24,972 in 2014.

Aransas County is a political subdivision of the State of Texas with no legislative powers and very restrictive judicial and administrative powers. The governing body of the county is the Commissioners' Court which consists of five members. The County Judge is the chairman of the Court and the Commissioner from each of the four precincts are also members. The County has only such powers as are conferred upon it by the Constitution, Statutes, or by necessary implication there from. Aransas County provides many varied services for its citizens including judicial, detention facilities, public safety, county roads, health and limited social services, public improvements, library, transfer station, environmental health and general administrative services.

In counties with a population less than 225,000 the County Judge serves as the budget officer assisted by the County Auditor. The County Judge may also solicit from each department whatever data may be required to prepare an accurate budget. The budget is presented on a line-item basis and adopted on a line-item basis. The budget must be itemized to make possible a comparison of the proposed expenditures with the prior year expenditures. The budget must show as accurately as possible the purpose of each expenditure and the amount of money appropriated.

Upon completion of the proposed budget, the County Judge files a copy with the County Clerk and places same on the official website. The Commissioners' Court holds a public hearing on the proposed budget. All taxpayers of the County are encouraged to attend and participate in the hearing.

At the conclusion of the public hearing, the Commissioners' Court takes action on the proposed budget. The Commissioners' Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers. The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the County Judge shall file a copy with the County Clerk and place same on the official County website, spending county funds only in strict compliance with the budget, except in an emergency.

The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners' Court, by order, may amend the budget to transfer an amount budgeted for one item to another budgeted item within the same fund without authorizing an emergency expenditure.

State law requires counties to adopt a budget before adopting a tax rate. The Commissioners' Court may levy taxes only in accordance with the budget. Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in setting tax rates. This law has two purposes:

- to make the taxpayers more knowledgeable about tax rate proposals;
- to allow taxpayers to roll back or limit a tax increase in certain cases.

Factors Affecting Financial Condition

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

Local economy. The Aransas County economy depends largely on tourism and marine activities, ranking in the top 25% of counties in Texas in tourism impact. Tourism is the largest industry in Aransas County, employing 1,450 people. Visitors spent \$100.3 million in Aransas County last year; visitor spending has increased 5.9% per year since 1990, when tourism spending was \$26.9 million. Tourism contributes \$2.09 million in local taxes and \$5.9 million in state taxes. Source: State of Texas Economic Development & Tourism Office

Since 2008, with the Commissioners Court leadership, political leaders of the four local government entities (Aransas County, the City of Rockport, the City of Fulton, and the Aransas County Navigation District), interested citizens, representatives from neighborhood associations, and nonprofit environmental organizations and the Aransas First Land Trust have worked in collaboration to address their shared interest of increasing the county's economic, environmental, and social resiliency.

These entities have built partnerships, which have included aggressive educational and outreach efforts, to address their shared interests and concerns based on a sense of community, culture and environmental values, and on the basis of biological or geological boundaries, rather than on purely political boundaries. Their efforts are aimed at promoting ecosystem conservation for a healthy, prosperous and sustainable future for Aransas County.

Two recent projects exemplify the way Aransas County has invested in the well being of our coastal resources for present and future generations of Texans.

Cedar Bayou Restoration

Cedar Bayou is a natural tidal inlet, approximately 3 miles in length, separating Matagorda and San Jose Islands. While the inlet has been periodically open due to hurricanes and dredging, flow through the Bayou has been intermittent and either restricted or closed since 1979, when the state of Texas mechanically plugged the opening with sand in order to prevent oil from the Ixtoc I oil spill in the Bay of Campeche, Mexico, from damaging critical estuary ecology and to protect the birds and marine life at the Aransas National Wildlife Refuge which borders Cedar Bayou. When it is open, Cedar Bayou serves as a migratory route for a wide range of species between the Gulf of Mexico and Mesquite Bay, which in turn connects to San Antonio Bay and Aransas Bay through shallows and small connections, and from there to several other bays in the Aransas-Mesquite-San Antonio Estuary system.

Aransas County led efforts to raise the necessary funding to accomplish both the initial dredging, in October of 2013, and subsequent maintenance of Cedar Bayou. Successfully restoring the historical hydrologic connection between the Gulf of Mexico and the Aransas/Mesquite bay system has provided tremendous benefits to the ecology in Mesquite Bay and the entire Aransas Bay complex. It has enhanced tidal flow to 28,000-plus acres of wetlands and to the wildlife that depend on them. An important goal of the project was to increase population of whooping crane, one of the most endangered species in North America.

Blue crab is one of many species that depend on gulf passes for survival during its life cycle. Aransas National Wildlife Refuge, is the primary wintering ground for whooping cranes.

Little Bay Restoration

Little Bay, designated as the Connie Hagar Wildlife Sanctuary in 1943, is a shallow lagoon with approximately 320 acres of surface area. Leaders of the four government entities have identified rectifying declining water quality in Little Bay as the primary conservation issue in the county.

Working in partnership with the Aransas County Navigation District, the county last fall completed construction of 28 oyster reefs along Little Bay's western shoreline. The reefs stabilize the shoreline, protect surrounding riparian and intertidal environment, improve water quality via filtration of upland runoff, and create habitat for aquatic and terrestrial species.

With partial funding from three Clean Water Act grants from the U.S. Environmental Protection Agency, Aransas County completed a major project intended to prevent pollution from entering and contaminating Little Bay, and subsequently, Aransas Bay, from the 3,000-acre Tule Creek Watershed, which discharges into Little Bay. The initiative provided water quality benefits and reduced pollution by restoring woodland and riparian wetland habitat in the Tule Watershed in order to absorb nutrients from upstream sources, as well as filter sediments moving down Tule Creek.

Long-term financial planning. Fitch Ratings affirmed Aransas County, Texas rating of AA- on the existing \$10.4 million certificates of obligations series 2007, 2009 and 2011 with a stable outlook.

Cash management policies and practices. In accordance with Section 116.112, Local Government Code, the County Treasurer with the approval of the Commissioners' Court is authorized to invest any County funds deposited in a County depository not immediately required to pay obligations of the County. The Treasurer may invest those funds as allowed by statute. Interest rates on the deposits are governed by the County depository contract which is currently awarded to Prosperity Bank.

Risk management. The County provides for the management of risks through a combination of self-insurance and traditional insurance. Property and casualty coverage has continued to be obtainable at reasonable premium rates on building and improvements. Comprehensive general liability and public officials' liability coverage has also continued to be obtainable at reasonable premium rates. Workers Compensation coverage with Texas Association of Counties is partially self-funded.

The County of Aransas provides group medical benefits to its employees on a partially self-funded basis as allowed by statute.

Pension and other post-employment benefits. The County of Aransas continues to provide 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 plan provisions are adopted by the Commissioners' Court within the options available in the Texas State Statutes governing TCDRS. Members are vested after ten years of service but must leave their accumulated contributions in the plan to receive any employer contributions. The employee members' contribution rate as adopted by the Court is 7% of gross compensation. The Court's 2015 employer contribution rate is 8.50%. The County provides an option to employees to participate in COBRA benefits as required by law.

Awards and Acknowledgements

The County of Aransas will be submitting the comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015 to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program. This is the first year that Aransas County will be applying for this award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements.

The preparation of this report is a direct result of the efficient and dedicated services of Wayne Beyer, CPA & Co. Additionally each Aransas County Elected and Appointed Official along with their respective support staff should be highly commended for their cooperation and courtesy supporting the independent audit effort.

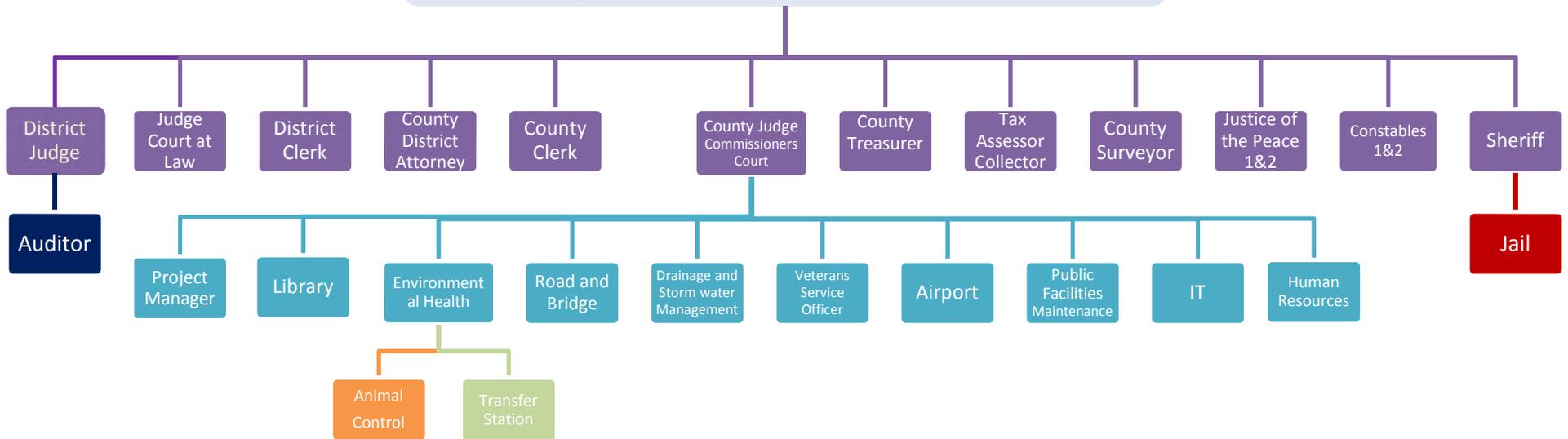
Sincere appreciation is extended to the Aransas County Judge, the Aransas County Commissioners and the 36th, 156th, 343rd Judicial District Judges for their continued support and progressive attitude in maintaining the highest standards while overseeing the operation of this County government.

Respectfully submitted by:

A handwritten signature in cursive script that reads "Leslie M. Kirk".

Leslie M. Kirk
County Auditor

Aransas County Organizational Chart



**ARANSAS COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2015**

COMMISSIONERS COURT

C. H. (Burt) Mills
Jack Chaney
Leslie (Bubba) Casterline
Charles Smith
Betty Stiles

County Judge
Commissioner Precinct No. 1
Commissioner Precinct No. 2
Commissioner Precinct No. 3
Commissioner Precinct No. 4

DISTRICT COURT

Starr Bauer
Patrick Flanigan
Janna Whatley
Michael Welborn
Pam Heard

District Judge, 36th Judicial District
District Judge, 156th Judicial District
District Judge, 343rd Judicial District
District Attorney
District Clerk

OTHER COUNTY OFFICIALS

Richard Blanchi
William Mills
Alma Cartwright
Valerie Amason
Jeri Cox
Kristen Barnebey
Jerald L. Brundrett
Lezlie Kirk
David Vyoral
Michael Geer
James Jackson
David J. Reid
Collin Jackson

Judge, County Court at Law
County Sheriff
County Treasurer
County Clerk
Tax Assessor-Collector
County Attorney
County Surveyor
County Auditor
County Road Administrator
Airport Manager
Environmental Health
Drainage Engineer
IT Director

JUSTICES OF THE PEACE

Diane Dupnik
Diana McGinnis

Precinct No. 1
Precinct No. 2

CONSTABLES

Harry (Doc) Thomas
Charles Phillips, Jr.

Precinct No. 1
Precinct No. 2

FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court
Aransas County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, the budgetary comparison schedules for the general fund, road and bridge fund, the Flood Control Fund, the Flood Capital Projects Fund, and the Health Care Sales Tax Fund, and the aggregate remaining fund information of Aransas County, Texas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Aransas County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, business-type activities, each major fund, the budgetary comparison schedules for the general fund, road and bridge fund, the Flood Control Fund, the Flood Capital Projects Fund, and the Health Care Sales Tax Fund, and the aggregate remaining fund information of Aransas County, Texas, as of December 31, 2015, 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.

Change in Accounting Principle

As discussed in Note F to the financial statements, in 2015 the County adopted new accounting guidance, *GASB Statement No. 68 Accounting and Financial Reporting for Pensions*. 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 the schedules of funding progress for the Retirement System Information pages 4–15 and 72-75 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 Aransas County, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the statistical section, and the budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the budgetary comparison information, 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, the budgetary comparison information, 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 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2016, on our consideration of Aransas County, Texas' 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' internal control over financial reporting and compliance.

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
June 25, 2016

Management's Discussion and Analysis

As management of Aransas County, Texas, we offer readers of Aransas County, Texas' financial statements this narrative overview and analysis of the financial activities of Aransas County, Texas for the fiscal year ended December 31, 2015.

Financial Highlights

- . The assets of Aransas County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$41,406,272 (Net Position). Of this amount, \$14,845,357 (unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total Net Position increased by \$362,141. This increase is attributable to an increase in property taxes of \$171,293 and sales taxes of \$229,604. Total non-grant revenues increased by \$659,334 while non-grant expenses increased by \$939,592. The increase in ad valorem taxes resulted from an increase in land values. The increase in sales taxes were brought about by more tourist activity in the area; which resulted in increases in both hotel/motel taxes of \$42,478 and venue taxes of \$33,777. The increase in non-grant expenses was a result of steady growth in the services provided by the County.
- . As of the close of the current fiscal year, Aransas County, Texas' governmental funds reported combined ending fund balances of \$16,011,043, a decrease of \$939,423 in comparison with the prior year. Approximately 30% of this total amount, \$4,761,116, is available for spending at the government's discretion (unassigned fund balance). The fund balance decrease was a result of various capital expenditures during the year for drainage improvements, a Mesquite bypass project, and other projects.
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,999,050 or 36 percent of total general fund expenditures, the total fund balance for the road and bridge fund was \$2,996,704 and was restricted and was 1.39 percent of total road and bridge fund expenditures, the total fund balance for the flood capital project fund was \$1,449,797 and was restricted and was 84 percent of flood capital project expenditures, the total fund balance for the capital projects fund was a negative \$208,759 and was restricted and was 0 percent of total capital projects fund expenditures, and the total fund balance for the health care sales tax fund was \$476,947 and was 195 percent of total health care sales tax fund expenditures.
- . Aransas County, Texas' total short-term and long-term debt decreased by \$1,248,772 (5 percent) during the current fiscal year. The key factor in this decrease was the payment of debt principal on bonds of \$1,280,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Aransas County, Texas' basic financial statements. Aransas County, Texas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Aransas County, Texas' finances, in a manner similar to a private-sector business.

The statement of Net Position presents information on all of Aransas County, Texas' assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of Aransas County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Aransas County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Aransas County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, culture and recreation, and employee insurance fund.

The government-wide financial statements include only Aransas County, Texas itself (known as the primary government),

The government-wide financial statements can be found on pages 16-17 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Aransas County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

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

Aransas County, Texas maintains forty-nine (49) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, the flood capital project fund, and the health care sales tax fund which are considered to be major funds. There was no budget for the major capital projects fund. Data from the other forty-six (46) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Aransas County, Texas adopts an annual appropriated budget for its general fund, the road and bridge fund, the flood control fund, the flood capital project fund, and the health care sales tax fund. There was no budget for the major capital projects fund. There were appropriated budgets for all other special revenue, debt service and capital project funds except for the appellate judicial system fund, chapter 19 voter registration, child abuse prevention, county and district court technology, county attorney hot check, court records preservation, escheat/unclaimed funds, district court records technology, election service contract, forfeiture fund, title IV D child support, out of County juvenile detention, sheriff forfeiture, special forfeiture, justice of the peace technical, TECLOSE training, and road bond interest and sinking.

The basic governmental fund financial statements can be found on pages 18-26 of this report.

Proprietary funds: Aransas County, Texas maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Aransas County, Texas uses enterprise funds to account for its airport and jail commissary operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the local airport and the jail commissary, both of which are considered to be major funds of Aransas County, Texas.

The basic proprietary fund financial statements can be found on pages 27-31 of this report.

Aransas County, Texas also has one agency fund which is a fiduciary fund type. The Fiduciary Net Position is found on page 32.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-71 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Aransas County, Texas' progress in funding its obligation to provide pension plan information and budgetary information for the major flood capital projects fund. Required supplementary information can be found on pages 72-76 of this report.

The combining statements referred to earlier in connection with the road and bridge and nonmajor governmental funds are presented immediately following the required supplementary information on pensions and capital budgets. Combining and individual fund statements and schedules can be found on pages 77-84 of this report. The budget comparison schedules in connection with the nonmajor governmental funds can be found on pages 85-113 of this report.

The Single Audit Information can be found on pages 114-122.

The Statistical Section can be found on pages 123-143.

Government-wide Financial Analysis

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of Aransas County, Texas, assets exceeded liabilities by \$41,406,272 at the close of the most recent fiscal year.

A portion of Aransas County, Texas' Net Position (37 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that are still outstanding. Aransas County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Aransas County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**ARANSAS COUNTY, TEXAS
NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$27,471,942	\$28,773,968	\$882,627	\$828,959	\$28,354,569	\$29,602,927
Restricted Assets:	2,362,814	3,366,487			2,362,814	3,366,487
Capital Assets	27,865,007	26,994,843	8,391,358	8,990,908	36,256,365	35,985,751
Total Assets	57,699,763	59,135,298	9,273,985	9,819,867	66,973,748	68,955,165
Total Deferred Outflows of Resources	1,431,560	1,292,874	42,300	34,210	1,473,860	1,327,084
Long-Term Liabilities	21,322,950	22,531,847	884,346	919,654	22,207,296	23,451,501
Other Liabilities	1,053,781	1,283,602	70,103	79,459	1,123,884	1,363,061
Total Liabilities	22,376,731	23,815,449	954,449	999,113	23,331,180	24,814,562
Total Deferred Inflows of Resources	3,707,617	4,423,556	2,539		3,710,156	4,423,556
Net Assets						
Invested in Capital Assets, Net of Related Debt	7,842,503	8,182,291	7,528,758	8,085,645	15,371,261	16,267,936
Restricted	11,189,654	13,208,310			11,189,654	13,208,310
Unrestricted	14,014,818	10,798,566	830,539	769,319	14,845,357	11,567,885
Total Net Assets	\$33,046,975	\$32,189,167	\$8,359,297	\$8,854,964	\$41,406,272	\$41,044,131

An additional portion of Aransas County, Texas' Net Position (27 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted Net Position (\$14,845,357) may be used to meet the government on going obligations to citizens and creditors. At the end of the current fiscal year, Aransas County, Texas reported a positive balance in the governmental activities and business-type activities. For the prior fiscal year, Aransas County, Texas reported positive balances in Net Position, both for the government as a whole, as well as for its separate governmental activities and business-type activities.

The government's total Net Position increased by \$362,141. This increase is attributable to an increase in property taxes of \$171,293 and sales taxes of \$229,604. Total non-grant revenues increased by \$659,334 while non-grant expenses increased by \$939,592. The increase in ad valorem taxes resulted from an increase in land values. The increase in sales taxes were brought about by more tourist activity in the area; which resulted in increases in both hotel/motel taxes of \$42,478 and venue taxes of \$33,777. The increase in non-grant expenses was a result of steady growth in the services provided by the County.

Governmental activities: Governmental activities increased Aransas County, Texas' Net Position by \$857,808, thereby accounting for 100 percent of the total increase in the Net Position of Aransas County, Texas.

**ARANSAS COUNTY, TEXAS
CHANGE IN NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$4,851,612	\$4,828,550	\$1,334,875	\$1,160,141	\$6,186,487	\$5,988,691
Operating Grants and Contributions	1,125,998	1,867,777	0	0	1,125,998	1,867,777
Capital Grants and Contributions	2,003,434	6,302,749	92,428	80,533	2,095,862	6,383,282
General Revenues						
Taxes						
Property Taxes	10,882,044	10,710,751			10,882,044	10,710,751
Sales	2,908,666	2,679,062			2,908,666	2,679,062
Hotel/Motel	405,514	363,036			405,514	363,036
Venue	488,501	454,724			488,501	454,724
Unrestricted Investment Earnings	102,058	26,947	2,206	1,310	104,264	28,257
Miscellaneous	357,672	273,663			357,672	273,663
Total Revenue	23,125,499	27,507,259	1,429,509	1,241,984	24,555,008	28,749,243
Expenses:						
General Administration	2,048,737	1,930,278			2,048,737	1,930,278
Legal	548,590	446,137			548,590	446,137
Judicial	1,167,819	1,522,212			1,167,819	1,522,212
Financial Administration	1,998,834	1,144,743			1,998,834	1,144,743
Public Facilities	4,023,529	9,002,310			4,023,529	9,002,310
Public Safety	7,472,180	7,205,904	291,908	171,625	7,764,088	7,377,529
Public Transportation	2,169,438	2,754,884			2,169,438	2,754,884
Environmental Protection	601,260	1,012,205			601,260	1,012,205
Culture and Recreation	334,464	685,936	1,633,268	1,639,668	1,967,732	2,325,604
Health and Welfare	1,184,897	1,853,021			1,184,897	1,853,021
Conservation - Agriculture	115,564	114,578			115,564	114,578
Interest and Fiscal Charges	602,379	678,157			602,379	678,157
Total Expenses	22,267,691	28,350,365	1,925,176	1,811,293	24,192,867	30,161,658
Increase in Net Assets Before Transfers and Special Items	857,808	(843,106)	(495,667)	(569,309)	362,141	(1,412,415)
Transfers	0	0	0	(41,232)	0	(41,232)
Increase in Net Assets	857,808	(843,106)	(495,667)	(610,541)	362,141	(1,453,647)
Net Assets at 12/31/2014 - Restated	32,189,167	33,032,273	8,854,964	9,465,505	41,044,131	42,497,778
Net Assets at 12/31/2015	\$33,046,975	\$32,189,167	\$8,359,297	\$8,854,964	\$41,406,272	\$41,044,131

The governmental activities Net Position increased by \$857,808. This increase is attributable to an increase in property taxes of \$171,293 and sales taxes of \$229,604. Total non-grant revenues increased by \$659,334 while non-grant expenses decreased by \$1,041,580. The increase in ad valorem taxes resulted from an increase in land values. The increase in sales taxes were brought about by more tourist activity in the area; which resulted in increases in both hotel/motel taxes of \$42,478 and venue taxes of \$33,777. The increase in non-grant expenses was a result of steady growth in the services provided by the County.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$2,048,737	\$430,714	\$0	\$0
Judicial	548,590	9,895		
Legal	1,167,819	408,095	99,976	
Financial Administration	1,998,834	192,123		
Public Facilities	4,023,529			2,003,434
Public Safety	7,472,180	2,294,087	471,426	
Public Transportation	2,169,438	926,046	529,046	
Environmental Protections	601,260	584,918		
Culture and Recreation	334,464	4,514		
Health and Welfare	1,184,897	1,220	25,550	
Conservation - Agriculture	115,564			
Interest and Fiscal Charges	602,379			
Total Government Activities	\$22,267,691	\$4,851,612	\$1,125,998	\$2,003,434

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$4,851,612	20.98%
Operating Grants and Contributions	1,125,998	4.87%
Capital Grants and Contributions	2,003,434	8.66%
Maintenance and Operations Taxes	10,882,044	47.06%
Sales Tax	2,908,666	12.58%
Hotel/Motel	405,514	1.75%
Venue	488,501	2.11%
Unrestricted Investment Earnings	102,058	0.44%
Miscellaneous	357,672	1.55%
	<u>\$23,125,499</u>	<u>100.00%</u>

For the most part expense increases/decreases were fairly ratable throughout the different departments.

Business-type activities: Business-type activities decreased Aransas County, Texas' Net Position by \$495,667, accounting for 0 percent of the total growth in the government's Net Position. Key elements of this decrease are as follows: This decrease is mainly attributable depreciation expense of \$677,250 in airport operations. The total overall charges for serviced increased by \$174,734 with the largest increase in the commissary fund. Total operating expenses increased by \$120,411 with the largest increase in the commissary fund.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government Business-Type Activities:				
Airport	\$1,633,268	\$1,039,459	\$0	\$92,428
Jail Commissary	291,908	295,416		
Total Business-Type Activities:	<u>\$1,925,176</u>	<u>\$1,334,875</u>	<u>\$0</u>	<u>\$92,428</u>

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$1,334,875	93.38%
Capital Grants and Contributions	92,428	6.47%
Unrestricted Investment Earnings	2,206	0.15%
	<u>\$1,429,509</u>	<u>100.00%</u>

Financial Analysis of the Government's Funds

As noted earlier, Aransas County, Texas' uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

As of the end of the current fiscal year, Aransas County, Texas' governmental funds reported combined ending fund balances of \$16,011,043, a decrease of \$939,423 in comparison with the prior year. Approximately 30 percent of this total amount (\$4,761,116) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Aransas County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,999,050, while total fund balance reached \$5,023,003. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance

represents 36 percent of total general fund expenditures, while total fund balance represents 36 percent of that same amount.

The fund balance of Aransas County, Texas' general fund decreased by \$92,753 during the current fiscal year. The reason for this decrease was an increase in sales taxes of \$229,604 and an increase in ad valorem taxes of \$936,198. The increase in ad valorem taxes resulted from an increase in land values and the increase in sales tax revenues was due to more tourist activity in the area. The expenditures increased by \$645,130.

The road and bridge fund had an unassigned fund balance of \$-0- while total fund balance reached \$2,996,704. As a measure of the road and bridge fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0 percent of total road and bridge fund expenditures, while total fund balance represents 139 percent of that same amount.

The fund balance of the road and bridge fund increased by \$290,383 during the current year. The reason for this increase were the overall revenues increased by \$328,958 while expenditures increased by \$96,984.

The flood capital project fund had an unassigned fund balance of \$-0- while total fund balance reached \$1,449,797. As a measure of the hotel/motel fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 00 percent of total hotel/motel fund expenditures, while total fund balance represents 84 percent of that same amount.

The fund balance of flood capital project fund decreased by \$1,712,309 during the current year. The reason for this decrease was major capital construction.

The capital projects fund had an unassigned fund balance of \$-0- while total fund balance reached a negative of \$208,759. As a measure of the capital projects fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 00 percent of capital projects fund expenditures, while total fund balance represents 0 percent of that same amount.

The fund balance of the capital projects fund increased by \$4,183 during the current year. The reason for this increase was grant income being greater than grant expenditures. The fund is used to administer the County's grants. Analysis is difficult because grants vary greatly from year to year.

The health care sales tax fund had an unassigned fund balance of \$-0- while total fund balance was \$476,947. As a measure of the health care sales tax fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0 percent of total health care sales tax fund expenditures, while total fund balance represents 195 percent of that same amount.

The fund balance of the health care sales tax fund increased by \$35,114 during the current year. The primary reason for the increase was an increase in sales taxes of \$87,872.

Proprietary funds: Aransas County, Texas' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted Net Position of the Airport fund at the end of the year amounted to \$727,341. The total decrease in Net Position for the Airport Fund was \$499,175. Key factors in this overall decline are as follows:

1. This decrease is mainly attributable to depreciation expense of \$677,250.

Unrestricted Net Position of the Commissary fund at the end of the year amounted to \$103,198. The total increase in Net Position for the Commissary Fund was \$3,508. Key factors in this overall increase are as follows:

1. This increase is mainly attributable to the increase in charges for services outpacing the increase in expenses by \$10,329.

Other factors concerning the finances of these funds have already been addressed in the discussion of Aransas County, Texas' business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$294,101. This increase was mainly from an increase in budgetary expenditures of \$166,003 in public facilities and \$111,591 in non departmental. The increase in the public facilities department was a result of an increase in land and buildings of \$189,463. The increase in non departmental was due to an increase in attorney fees of \$146,228. The total general fund expenditures of \$13,962,467 were less than the budgeted expenditures of \$14,307,059 by \$344,592.

Capital Asset and Debt Administration

Capital assets:

Aransas County, Texas' investment in capital assets for its governmental activities and Business-type activities as of December 31, 2015, amounts to \$36,256,365 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and infrastructure items such as roads, and bridges. The total increase in Aransas County's investment in capital assets for the current fiscal year was .75 percent (a 3.22 percent increase for governmental activities and a 6.67 percent decrease for business-type activities).

The county had several major capital expenditures during the year. These include drainage and a Mesquite bypass project.

Additional information on Aransas County, Texas' capital assets can be found in note IV C on pages 50-51 of this report.

ARANSAS COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$2,648,888	\$2,575,239	\$125,710	\$125,710	\$2,774,598	\$2,700,949
Construction in Progress	740,903	1,414,372	0	0	740,903	1,414,372
Intangible	192,600	262,217	0	0	192,600	262,217
Building and Improvements	11,780,489	11,972,350	946,739	1,014,898	12,727,228	12,987,248
Machinery, Equipment and Vehicles	3,176,691	3,424,586	180,586	133,370	3,357,277	3,557,956
Infrastructure	9,325,436	7,346,093	7,138,323	7,716,930	16,463,759	15,063,023
Total	\$27,865,007	\$26,994,857	\$8,391,358	\$8,990,908	\$36,256,365	\$35,985,765

Long-term debt:

At the end of the current fiscal year, Aransas County, Texas had total bonded debt outstanding of \$20,860,000. Of this amount, \$18,525,000 comprises debt backed by the full faith and credit of Aransas County, Texas.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
Certificates of Obligation	\$18,812,171		\$1,124,667	\$17,687,504	\$1,153,500	\$16,534,004
Revenue Bonds	2,445,000		110,000	2,335,000	115,000	2,220,000
Total Bonds Payable	<u>21,257,171</u>	<u>0</u>	<u>1,234,667</u>	<u>20,022,504</u>	<u>1,268,500</u>	<u>18,754,004</u>
<u>Business-Type Activities:</u>						
Certificates of Obligation	882,829		45,333	837,496	51,500	785,996
Total Bonds Payable	<u>882,829</u>	<u>0</u>	<u>45,333</u>	<u>837,496</u>	<u>51,500</u>	<u>785,996</u>
Grand Total	<u>\$22,140,000</u>	<u>\$0</u>	<u>\$1,280,000</u>	<u>\$20,860,000</u>	<u>\$1,320,000</u>	<u>\$19,540,000</u>

Aransas County, Texas' bonded short-term and long-term debt decreased by \$1,280,000 (5.78 percent) during the current fiscal year. The key factor in this decrease was the payment of debt principal of \$1,280,000. Additional information on Aransas County, Texas' Long-term debt can be found in note IV F on pages 53-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's elected and appointed officials considered many factors when setting the fiscal-year 2015 budget and tax rates. One of those factors is the economy. The economy has remained steady.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Aransas County, Texas, 301 N. Live Oak St. Rockport, TX 78382.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ARANSAS COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$16,955,099	\$749,660	\$17,704,759
Receivables (net of allowance for uncollectibles)	10,456,570	83,377	10,539,947
Prepaid Items	12,804	3,339	16,143
Inventory	47,469	46,251	93,720
Restricted Assets:			
Cash and Cash Equivalents	2,362,814		2,362,814
Capital assets not being depreciated:			
Land	2,648,888	125,710	2,774,598
Construction in Progress	740,903		740,903
Total Capital assets being depreciated, net			
Intangible	192,600		192,600
Building and Improvements	11,780,489	946,739	12,727,228
Machinery, Equipment and Vehicles	3,176,691	180,586	3,357,277
Infrastructure	9,325,436	7,138,323	16,463,759
Total Assets	\$57,699,763	\$9,273,985	\$66,973,748
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources-Contributions (after 12/31/14)	1,191,627	35,210	1,226,837
Deferred Outflow-Investment Experience	239,933	7,090	247,023
Total Deferred Inflows of Resources	1,431,560	42,300	1,473,860
LIABILITIES:			
Accounts Payable	\$685,820	\$57,009	\$742,829
Accrued Wages	282,771	8,310	291,081
Accrued Interest Payable	85,190	4,784	89,974
Noncurrent Liabilities:			
Due within one year	1,328,531	57,691	1,386,222
Due in more than one year	19,994,419	826,655	20,821,074
Total Liabilities	22,376,731	954,449	23,331,180
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - advanced tax collections	3,621,676		3,621,676
Deferred Inflow-Actual Experience vs. Assumption	85,941	2,539	88,480
Total Deferred Inflows of Resources	3,707,617	2,539	3,710,156
NET POSITION			
Net Investment in Capital Assets	7,842,503	7,528,758	15,371,261
Restricted			
Construction	1,774,586		1,774,586
Culture and Recreation	45,654		45,654
Debt Service	1,988,519		1,988,519
Future Projects	1,242,676		1,242,676
General Administration	874		874
Health	1,225,210		1,225,210
Judicial	404,198		404,198
Legal	485		485
Public Safety	231,926		231,926
Public Transportation	2,962,384		2,962,384
Records Management	405,719		405,719
Tourism and Education	907,423		907,423
Unrestricted	14,014,818	830,539	14,845,357
Total Net Position	\$33,046,975	\$8,359,297	\$41,406,272

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government							
Government Activities:							
General Administration	\$2,048,737	\$430,714	\$0	\$0	(\$1,618,023)		(\$1,618,023)
Legal	548,590	9,895			(538,695)		(538,695)
Judicial	1,167,819	408,095	99,976		(659,748)		(659,748)
Financial Administration	1,998,834	192,123			(1,806,711)		(1,806,711)
Public Facilities	4,023,529			2,003,434	(2,020,095)		(2,020,095)
Public Safety	7,472,180	2,294,087	471,426		(4,706,667)		(4,706,667)
Public Transportation	2,169,438	926,046	529,046		(714,346)		(714,346)
Environmental Protection	601,260	584,918			(16,342)		(16,342)
Culture and Recreation	334,464	4,514			(329,950)		(329,950)
Health and Welfare	1,184,897	1,220	25,550		(1,158,127)		(1,158,127)
Conservation - Agriculture	115,564				(115,564)		(115,564)
Interest and Fiscal Charges	602,379				(602,379)		(602,379)
Total Government Activities	22,267,691	4,851,612	1,125,998	2,003,434	(14,286,647)	0	(12,668,624)
Business-Type Activities:							
Airport	1,633,268	1,039,459		92,428		(501,381)	(501,381)
Jail Commissary	291,908	295,416				3,508	3,508
Total Business-Type Activities:	1,925,176	1,334,875	0	92,428	0	(497,873)	(497,873)
Total Primary Government	\$24,192,867	\$6,186,487	\$1,125,998	\$2,095,862	(14,286,647)	(497,873)	(13,166,497)
General Revenues							
Taxes							
Property Taxes					10,882,044		10,882,044
Sales					2,908,666		2,908,666
Hotel/Motel					405,514		405,514
Venue					488,501		488,501
Unrestricted Investment Earnings					102,058	2,206	104,264
Miscellaneous					357,672		357,672
Total General Revenues and Transfers					15,144,455	2,206	15,146,661
Change in Net Position					857,808	(495,667)	362,141
Net Position - Beginning - Restated					32,189,167	8,854,964	41,044,131
Net Position - Ending					\$33,046,975	\$8,359,297	\$41,406,272

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ARANSAS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Road and Bridge	Flood Capital Project	Capital Projects Fund	Health Care Sales Tax	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$7,739,070	\$3,051,156	\$0	\$0	\$373,594	\$6,042,318	\$17,206,138
Receivables (net of allowance for uncollectibles)	5,920,647	1,733,716			104,284	31,960	7,790,607
PrePaid Items	10,577	2,227					12,804
Inventory	15,376	32,093					47,469
Restricted Assets:							
Cash and Cash Equivalents			1,449,797	96,993		816,024	2,362,814
Total Assets	\$13,685,670	\$4,819,192	\$1,449,797	\$96,993	\$477,878	\$6,890,302	\$27,419,832
LIABILITIES							
Liabilities							
Accounts Payable	\$511,815	\$31,162		\$83,888	\$931	\$58,024	\$685,820
Accrued Wages	241,657	28,916				12,198	282,771
Bank Overdraft				221,864		29,175	251,039
Unearned Revenue	5,333,128	1,234,355					6,567,483
Total Liabilities	6,086,600	1,294,433	0	305,752	931	99,397	7,787,113
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - advanced tax collections	2,574,067	528,055				519,554	3,621,676
Total deferred inflows of resources	2,574,067	528,055	0	0	0	519,554	3,621,676
FUND BALANCES:							
Fund Balances:							
Non-Spendable							
Prepaid Items	10,577	2,227					12,804
Inventory	15,376	32,093					47,469
Restricted							
Construction			1,449,797			324,789	1,774,586
Culture and Recreation						45,654	45,654
Debt Service						1,988,519	1,988,519
Future Projects						1,242,676	1,242,676
General Administration						874	874
Health					476,947	748,263	1,225,210
Judicial						404,198	404,198
Legal						485	485
Public Safety						231,926	231,926
Public Transportation		2,962,384					2,962,384
Records Management						405,719	405,719
Tourism and Education						907,423	907,423
Unassigned	4,999,050			(208,759)		(29,175)	4,761,116
Total Fund Balance	5,025,003	2,996,704	1,449,797	(208,759)	476,947	6,271,351	16,011,043
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$13,685,670	\$4,819,192	\$1,449,797	\$96,993	\$477,878	\$6,890,302	\$27,419,832

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2015

Total Fund Balances - governmental funds balance sheet	\$16,011,043
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	27,865,007
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,127,582
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	6,567,483
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(21,408,140)
Lease receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>884,000</u>
Net Position of governmental activities - statement of Net Position	<u><u>\$33,046,975</u></u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Road and Bridge	Flood Capital Project	Capital Projects Fund	Health Care Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	\$7,808,234	\$1,725,032				\$1,795,857	\$11,329,123
Sales	1,480,418				1,428,248		2,908,666
Hotel/Motel						405,514	405,514
Venue		0				488,501	488,501
Other	103,695						103,695
Intergovernmental	125,526	529,046		2,474,860			3,129,432
Licenses and Permits		552,795					552,795
Charges for Services	3,606,749	1,755				270,180	3,878,684
Fines and Forfeitures	252,226	153,689					405,915
Interest	45,070	15,388	6,190			9,715	76,363
Miscellaneous	132,767	30,358				194,533	357,658
Total Revenues	13,554,685	3,008,063	6,190	2,474,860	1,428,248	3,164,300	23,636,346
EXPENDITURES							
Current:							
General Administration	1,646,836					384,605	2,031,441
Legal	534,190					19,677	553,867
Judicial	995,942					183,932	1,179,874
Financial Administration	1,917,031						1,917,031
Public Facilities	782,960						782,960
Public Safety	6,370,905			471,426		328,545	7,170,876
Public Transportation	496,345	2,160,527					2,656,872
Environmental Protection	584,364						584,364
Culture and Recreation	59,989			5,997		199,833	265,819
Health and Welfare	475,669				244,841	433,556	1,154,066
Conservation - Agriculture	98,236						98,236
Capital Projects -							
Capital Outlay and Other			1,718,499	1,993,254		535,163	4,246,916
Debt Service							
Principal Retirement						1,234,667	1,234,667
Interest Retirement						698,780	698,780
Total Expenditures	13,962,467	2,160,527	1,718,499	2,470,677	244,841	4,018,758	24,575,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	(407,782)	847,536	(1,712,309)	4,183	1,183,407	(854,458)	(939,423)
OTHER FINANCING SOURCES (USES):							
Transfers In	711,350					2,116,986	2,828,336
Transfers Out	(396,321)	(557,153)			(1,148,293)	(726,569)	(2,828,336)
Total Other Financing Sources (Uses)	315,029	(557,153)	0	0	(1,148,293)	1,390,417	0
Net Changes in Fund Balances	(92,753)	290,383	(1,712,309)	4,183	35,114	535,959	(939,423)
Fund Balances - Beginning	5,117,756	2,706,321	3,162,106	(212,942)	441,833	5,735,392	16,950,466
Fund Balances - Ending	\$5,025,003	\$2,996,704	\$1,449,797	(\$208,759)	\$476,947	\$6,271,351	\$16,011,043

The accompanying notes are an integral part of this statement.

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, 2015

Net Changes in Fund Balances - total governmental funds (\$939,423)

Amounts reported for governmental activities in the statement of Net Position
 ("SNA") are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	870,164
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	33,839
Deferred Outflow-Investment Experience. This is the change in these amounts this year.	239,933
Deferred Outflow-Actual Experience vs. Assumption. This is the change in these amounts this year.	(85,941)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	14,218
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(135,086)
Bond premiums are reported in the funds but not in the SOA.	55,201
(Increase) decrease in compensated absences from beginning of period to end of period.	(41,592)
(Increase) decrease in accrued interest from beginning of period to end of period.	176,286
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(447,079)
Lease receivable revenues are deferred in the funds. This is the change in these amounts this year.	(78,000)
(Increase) decrease in Net Pension Liability from beginning of period to end of period.	(39,379)
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	<u>1,234,667</u>
Change in Net Position of governmental activities - statement of activities	<u><u>\$857,808</u></u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$7,480,692	\$7,502,892	\$7,808,234	\$305,342
Sales	1,338,740	1,338,740	1,480,418	141,678
Other	106,200	106,200	103,695	(2,505)
Intergovernmental	138,000	159,500	125,526	(33,974)
Charges for Services	3,732,663	3,937,093	3,606,749	(330,344)
Fines and Forfeitures	338,815	338,815	252,226	(86,589)
Interest	25,000	45,000	45,070	70
Miscellaneous	144,000	150,200	132,767	(17,433)
Total Revenues	13,304,110	13,578,440	13,554,685	(23,755)

EXPENDITURES

Current:

General Administration				
Commissioner's Court	337,675	287,122	275,496	11,626
County Clerk	261,151	265,207	262,605	2,602
County Surveyor	300	300	261	39
Elections	149,344	149,344	149,522	(178)
Judicial County Court	391,820	470,229	461,459	8,770
Non-Departmental	367,818	479,409	474,004	5,405
Veteran's Service	23,465	23,468	23,489	(21)
Legal				
County Attorney	478,576	528,947	534,190	(5,243)
Judicial				
District Clerk	381,539	385,265	385,158	107
District Court	301,850	279,866	236,915	42,951
Justice's of the Peace No. 1	188,970	208,442	206,930	1,512
Justice's of the Peace No. 2	172,598	172,683	166,939	5,744
Financial Administration				
Collections	56,844	57,330	46,699	10,631
County Auditor	315,284	315,384	316,104	(720)
County Treasurer	178,313	170,303	166,337	3,966
Human Resources	80,248	72,429	71,040	1,389
Information Technology	904,993	720,842	709,206	11,636
Tax Appraisal Office	180,000	180,000	178,269	1,731
Tax Assessor-Collector	457,454	434,277	429,376	4,901
Public Facilities				
Public Facilities	616,418	782,421	782,960	(539)
Public Safety				
Alcohol Breath Testing	10,765	10,765	10,765	0
Animal Control	107,267	250,962	238,946	12,016
Constable No. 1	69,250	68,800	66,854	1,946
Constable No. 2	59,393	58,994	55,595	3,399
Corrections	221,379	201,502	200,996	506
D.P.S.	49,370	49,390	47,053	2,337
Dispatchers	269,272	321,761	320,248	1,513
Emergency Management	9,519	9,494	7,533	1,961
Fire Protection	100,928	100,953	100,942	11
Jail	3,478,026	3,457,086	3,377,777	79,309
License & Weight	111,474	103,538	88,184	15,354
Sheriff	2,029,651	1,883,024	1,856,012	27,012

(continued)

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Transportation				
Fleet Operation & Maintenance	\$543,041	\$543,297	\$496,345	\$46,952
Environmental Protection				
Sanitation	508,008	583,132	584,364	(1,232)
Culture and Recreation				
Historical Commission	8,000	8,000	4,586	3,414
Parks	59,000	59,000	55,403	3,597
Health and Welfare				
Health & Sanitation Inspection	321,268	304,194	277,306	26,888
Health & Welfare	1,200	1,200	1,200	0
Welfare Department	100,000	197,163	197,163	0
Conservation - Agriculture				
Agriculture Extension Service	111,487	111,536	98,236	13,300
Total Expenditures	<u>14,012,958</u>	<u>14,307,059</u>	<u>13,962,467</u>	<u>344,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(708,848)</u>	<u>(728,619)</u>	<u>(407,782)</u>	<u>320,837</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	786,723	786,723	711,350	(75,373)
Transfers Out	<u>(406,541)</u>	<u>(406,861)</u>	<u>(396,321)</u>	<u>10,540</u>
Total Other Financing Sources (Uses)	<u>380,182</u>	<u>379,862</u>	<u>315,029</u>	<u>(64,833)</u>
Net Changes in Fund Balances	<u>(328,666)</u>	<u>(348,757)</u>	<u>(92,753)</u>	<u>256,004</u>
Fund Balances - Beginning	5,117,756	5,117,756	5,117,756	
Fund Balances - Ending	<u>\$4,789,090</u>	<u>\$4,768,999</u>	<u>\$5,025,003</u>	<u>\$256,004</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$1,380,288	\$1,380,288	\$1,426,833	\$46,545
Intergovernmental	300,000	446,106	529,046	82,940
Licenses and Permits	565,000	565,000	552,795	(12,205)
Fines and Forfeitures	208,000	208,000	153,689	(54,311)
Interest	4,000	4,000	12,330	8,330
Miscellaneous	500	6,394	30,358	23,964
Total Revenues	<u>2,457,788</u>	<u>2,609,788</u>	<u>2,705,051</u>	<u>95,263</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	2,007,688	2,159,688	1,921,429	238,259
Total Expenditures	<u>2,007,688</u>	<u>2,159,688</u>	<u>1,921,429</u>	<u>238,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	450,100	450,100	783,622	333,522
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Lease Transfers Out	(615,526)	(615,526)	(557,153)	58,373
Total Other Financing Sources (Uses)	<u>(615,526)</u>	<u>(615,526)</u>	<u>(557,153)</u>	<u>58,373</u>
Net Changes in Fund Balances	(165,426)	(165,426)	226,469	391,895
Fund Balances - Beginning	1,562,015	1,562,015	1,562,015	
Fund Balances - Ending	<u>\$1,396,589</u>	<u>\$1,396,589</u>	<u>\$1,788,484</u>	<u>\$391,895</u>

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

ARANSAS COUNTY, TEXAS
 FLOOD CONTROL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$291,007	\$291,007	\$298,199	\$7,192
Charges for Services	0	0	1,755	1,755
Interest	400	400	3,058	2,658
Total Revenues	<u>291,407</u>	<u>291,407</u>	<u>303,012</u>	<u>11,605</u>
EXPENDITURES				
Current				
Public Transportation				
Road and Bridge	322,861	322,861	239,098	83,763
Total Expenditures	<u>322,861</u>	<u>322,861</u>	<u>239,098</u>	<u>83,763</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(31,454)	(31,454)	63,914	95,368
OTHER FINANCING SOURCES (USES):				
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(31,454)	(31,454)	63,914	95,368
Fund Balances - Beginning	1,144,306	1,144,306	1,144,306	
Fund Balances - Ending	<u>\$1,112,852</u>	<u>\$1,112,852</u>	<u>\$1,208,220</u>	<u>\$95,368</u>

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

ARANSAS COUNTY, TEXAS
HEALTH CARE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Sales	\$1,351,375	\$1,407,646	\$1,428,248	\$20,602
Total Revenues	<u>1,351,375</u>	<u>1,407,646</u>	<u>1,428,248</u>	<u>20,602</u>
EXPENDITURES				
Current:				
Health and Welfare				
Health	192,450	248,721	244,841	3,880
Total Expenditures	<u>192,450</u>	<u>248,721</u>	<u>244,841</u>	<u>3,880</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,158,925</u>	<u>1,158,925</u>	<u>1,183,407</u>	<u>24,482</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(1,201,612)	(1,201,612)	(1,148,293)	53,319
Total Other Financing Sources (Uses)	<u>(1,201,612)</u>	<u>(1,201,612)</u>	<u>(1,148,293)</u>	<u>53,319</u>
Net Changes in Fund Balances	(42,687)	(42,687)	35,114	77,801
Fund Balances - Beginning	441,833	441,833	441,833	
Fund Balances - Ending	<u>\$399,146</u>	<u>\$399,146</u>	<u>\$476,947</u>	<u>\$77,801</u>

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

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2015

	Airport Fund Current Year	Airport Fund Prior Year	Commissary Fund Current Year	Commissary Fund Prior Year	Total Proprietary Funds Current Year
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$626,651	\$623,958	\$123,009	\$105,840	\$749,660
Receivables (net of allowance for uncollectibles)	83,377	52,910			83,377
Prepaid Items	3,339	0	0	0	3,339
Inventory	46,251	46,251	0	0	46,251
Total Current Assets	759,618	723,119	123,009	105,840	882,627
Noncurrent Assets					
Capital Assets					
Land	125,710	125,710			125,710
Buildings and Improvements	2,387,900	2,387,900			2,387,900
Machinery and Equipment	864,319	784,214	40,894	40,894	905,213
Infrastructure	13,019,297	13,019,297			13,019,297
Total Capital Assets	16,397,226	16,317,121	40,894	40,894	16,438,120
Less Accumulated Depreciation					
Total Capital Assets (net of accumulated depreciation)	(8,023,910)	(7,346,660)	(22,852)	(20,447)	(8,046,762)
Total Noncurrent Assets	8,373,316	8,970,461	18,042	20,447	8,391,358
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflow of Resources-Contributions (after 12/31/13)		34,210			0
Deferred Outflow of Resources-Contributions (after 12/31/14)	35,210				35,210
Deferred Outflow-Investment Experience	7,090				7,090
Total Deferred Outflow of Resources	42,300	34,210	0	0	42,300
TOTAL ASSETS	\$9,175,234	\$9,727,790	\$141,051	\$126,287	\$9,316,285

(continued)

(continued)

LIABILITIES, FUND EQUITY
AND OTHER CREDITS

Liabilities

Current Liabilities(Payable from Current Assets)

Accounts Payable	\$37,198	\$51,605	\$19,811	\$8,555	\$57,009
Accrued Wages Payable	8,310	0			8,310
Compensated Absences	6,191	4,564			6,191
Accrued Interest Payable	4,784	14,735			4,784
Bonds Payable - Current	51,500	48,298			51,500
Total Current Liabilities	<u>107,983</u>	<u>119,202</u>	<u>19,811</u>	<u>8,555</u>	<u>127,794</u>

Noncurrent Liabilities

Bonds Payable (net of bond
bond premium)

811,100	856,965			811,100
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Net Pension Liability

15,555	14,391			15,555
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Total Noncurrent Liabilities

<u>826,655</u>	<u>871,356</u>	<u>0</u>	<u>0</u>	<u>826,655</u>
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TOTAL LIABILITIES

<u>934,638</u>	<u>990,558</u>	<u>19,811</u>	<u>8,555</u>	<u>954,449</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflow-Actual Experience vs. Assumption

2,539				2,539
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Total Deferred Inflow of Resources

<u>2,539</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,539</u>
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Invested in Capital Assets, Net of Related Debt

7,510,716	8,065,198	18,042	20,447	7,528,758
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Unrestricted

727,341	672,034	103,198	97,285	830,539
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TOTAL NET POSITION

<u>\$8,238,057</u>	<u>\$8,737,232</u>	<u>\$121,240</u>	<u>\$117,732</u>	<u>\$8,359,297</u>
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The notes to the financial statements are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Airport Fund Current Year	Airport Fund Prior Year	Commissary Fund Current Year	Commissary Fund Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$1,020,084	\$995,337	\$295,416	\$164,804	\$1,315,500
Miscellaneous	19,375	0			19,375
TOTAL OPERATING REVENUES	1,039,459	995,337	295,416	164,804	1,334,875
OPERATING EXPENSES					
Personal Services	314,941	259,321			314,941
Supplies	372,393	488,024	289,503	169,220	661,896
Other Services and Charges	236,672	198,606			236,672
Depreciation	677,250	655,177	2,405	2,405	679,655
TOTAL OPERATING EXPENSES	1,601,256	1,601,128	291,908	171,625	1,893,164
OPERATING INCOME (LOSS)	(561,797)	(605,791)	3,508	(6,821)	(558,289)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	2,206	1,310			2,206
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,206	1,310	0	0	2,206
Income Before Transfers	(559,591)	(604,481)	3,508	(6,821)	(556,083)
Interest and Fiscal Charges	(32,012)	(38,540)			(32,012)
Intergovernmental and Contributions	92,428	80,533			92,428
Transfers In		(41,232)	0	0	0
Change in Net Position	(499,175)	(603,720)	3,508	(6,821)	(495,667)
Total Net Position - Beginning - Restated	8,737,232	9,340,952	117,732	124,553	8,854,964
Total Net Position - Ending	\$8,238,057	\$8,737,232	\$121,240	\$117,732	\$8,359,297

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

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Airport Fund Current Year	Airport Fund Prior Year	Commissary Fund Current Year	Commissary Fund Prior Year	Total Proprietary Funds Current Year
Cash flows from Operating Activities					
Receipts from Customers and Users	\$1,008,992	\$996,523	\$295,416	\$164,804	\$1,304,408
Payments to Suppliers	(636,762)	(699,777)	(278,247)	(171,245)	(915,009)
Payments to Employees	(309,391)	(260,366)	0	0	(309,391)
Net Cash Provided(Used) By Operating Activities:	62,839	36,380	17,169	(6,441)	80,008
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	0	(41,232)	0	0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	(41,232)	0	0	0
Cash Flows from Capital and Related Financing Activities					
Intergovernmental and Contributions	92,428	80,533	0	0	92,428
Net Cash Provided(Used) By Capital and Related Financing Activities	92,428	80,533	0	0	92,428
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(80,105)	(40,969)	0	0	(80,105)
Principal Payment on Revenue Bonds	(42,663)	(85,398)			(42,663)
Interest and Fiscal Charges	(32,012)				(32,012)
Net Cash Provided (Used) By Capital and Related Financing Activities	(154,780)	(126,367)	0	0	(154,780)
Cash Flows from Investing Activities					
Interest Received	2,206	1,310	0	0	2,206
Net Cash Provided(Used) By Investing Activities	2,206	1,310	0	0	2,206
Net Increase (Decrease) in Cash Equivalents	2,693	(49,376)	17,169	(6,441)	19,862
Cash and Cash Equivalents at Beginning of Year	623,958	673,334	105,840	112,281	729,798
Cash and Cash Equivalents at End of Year	\$626,651	\$623,958	\$123,009	\$105,840	\$749,660

(continued)

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	(\$561,797)	(\$605,791)	\$3,508	(\$6,821)	(\$558,289)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	677,250	655,177	2,405	2,405	679,655
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	(30,467)	1,186	0	0	(30,467)
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Decrease(Increase) in Prepaid Insurance	(3,339)		0	0	(3,339)
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Decrease(Increase) in Inventories	0	14,926	0	0	0
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Decrease (Increase) Deferred Outflow of Resources-Contributions	(1,000)		0		(1,000)
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Decrease (Increase) Deferred Outflow-Investment Experience	(7,090)		0		(7,090)
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Decrease (Increase) Deferred Outflow-Actual Exp. vs. Assumption	2,539		0		2,539
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Increase (Decrease) in Net pension Liability	1,164		0		1,164
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Increase(Decrease) in Accounts Payable	(14,407)	(28,073)	11,256	(2,025)	(3,151)
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Increase(Decrease) in Accrued Interest Payable	(9,951)			0	(9,951)
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Increase(Decrease) in Accrued Wages Payable	8,310	(1,045)	0	0	8,310
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Increase(Decrease) in Compensated Absences Payable	1,627	0	0	0	1,627
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Net Cash Provided(Used) by Operating

	<u>\$62,839</u>	<u>\$36,380</u>	<u>\$17,169</u>	<u>(\$6,441)</u>	<u>\$80,008</u>
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Activities

Noncash Investing, Capital and Financing Activities:

Intergovernmental and Contributions

	<u>\$92,428</u>	<u>\$80,533</u>	<u>\$0</u>	<u>\$0</u>	<u>\$92,428</u>
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Note: The above funds are all Enterprise Funds

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

ARANSAS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

ASSETS

Cash and Cash Equivalents	\$11,954,531
Receivables (net of allowance for uncollectibles)	0
Total Assets	<u>\$11,954,531</u>

LIABILITIES:

Accounts Payable	\$0
Due to Others	11,954,531
Total Liabilities	<u>\$11,954,531</u>

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

ARANSAS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

I. Summary of Significant Accounting Policies

A. Reporting entity

Aransas County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Aransas County, Texas, (the County) conform to generally accepted accounting principles. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting policies of Aransas County, Texas, (the County) conform to generally accepted accounting principles generally accepted in the United States of America. The County also applies all relevant Government Accounting Standards Board (GASB) pronouncements.

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the Net Position and changes in Net Position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The County’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property and sales taxes and various type of charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

The *general fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The road and bridge fund administers property tax and motor vehicle license monies for the maintenance of the county’s roads and bridges.

The flood control fund is used for various flood projects.

The flood capital project fund is used for various flood projects.

The capital project fund is used for various capital project grants.

The health care sales tax fund is used to finance various health projects and court appointed attorneys.

C. Proprietary fund financial statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The government reports the following major proprietary funds:

The airport fund is used to provide airport services to the Aransas County area.

The commissary fund is used to provide sundry supplies and services to the County’s inmates.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "either due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 1 percent of the current outstanding property taxes at December 31, 2015 and 10 percent of the delinquent outstanding property taxes at December 31, 2015.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

The restricted assets at December 31, 2015 consisted of \$2,362,814 for future construction.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

The county had several major capital expenditures during the year. These include drainage and a Mesquite bypass project.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public Domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	5

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund Balances – Governmental Funds

As of December 31, 2015, fund balances of the governmental funds are classified as follows:

Nonspendable --- amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

Unassigned — all other spendable amounts.

As of December 31, 2015, fund balances are composed of the following:

FUND BALANCES:	
Fund Balances:	
Non-Spendable	
Prepaid Items	\$12,804
Inventory	47,469
Restricted	
Construction	1,774,586
Culture and Recreation	45,654
Debt Service	1,988,519
Future Projects	1,242,676
General Administration	874
Health	1,225,210
Judicial	404,198
Legal	485
Public Safety	231,926
Public Transportation	2,962,384
Records Management	405,719
Tourism and Education	907,423
Unassigned	4,761,116
Total Fund Balance	<u>16,011,043</u>

When expenditure is incurred for purposes 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, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2015, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be at least equal to a percentage of the subsequent year's budgeted General Fund expenditures.

9. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

11. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$21,408,140 difference are as follows:

Bonds Payable	\$20,022,504
Bond Premium	593,940
Accrued Interest Payable	85,190
Compensated Absences	180,091
Net Pension Liability	526,415
	<u>\$21,408,140</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$27,865,007 difference are as follows:

Capital Assets Not Being Depreciated	\$3,389,791
Capital Assets Being Depreciated	43,255,108
Depreciation Expense	(18,779,892)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$27,865,007</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of Net Position. (continued)

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles)." The details of this \$6,567,483 difference are as follows:

Property Taxes Receivable	\$6,712,813
Allowance for Doubtful Accounts	<u>(145,330)</u>
Net	<u>\$6,567,483</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and Net Position - governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$3,127,582 difference are as follows:

Fines Receivable	\$7,624,887
Allowance for Doubtful Accounts	(5,842,924)
Deferred Outflow of Resources-Contributions (after 12/31/14)	1,191,627
Deferred Outflow-Investment Experience	239,933
Deferred Outflow-Actual Experience vs. Assumption	<u>(85,941)</u>
Net	<u>\$3,127,582</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in Net Position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$870,164 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$814,552
Capital Outlay - Additions - Being Depreciated	1,743,404
Capital Outlay - Deletions	(29,374)
Depreciation Expense	(1,658,418)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$870,164</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year.

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. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. 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 County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

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. The level of control for each legally adopted annual operating budget is the fund.

Budgets for all budgeted General, Special Revenue, Debt Service, and Capital Project Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2015 fiscal year were adopted for the general fund, the road and bridge fund, the flood control fund, the flood capital project fund, the capital projects fund, and the health care sales tax fund. There was no budget for the major capital projects fund. There were appropriated budgets for all the non-major special revenue, debt service and capital project funds except for the appellate judicial system fund, chapter 19 voter registration, child abuse prevention, county and district court technology, county attorney hot check, court records preservation, escheat/unclaimed funds, district court records technology, election service contract, forfeiture fund, title IV D child support, out of County juvenile detention, sheriff forfeiture, special forfeiture, justice of the peace technical, TECLOSE training, and road bond interest and sinking.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2015, expenditures did not exceed appropriations in any function nor in any fund except for the library fund whereby expenditures of \$199,833 exceeded the budgeted amount of \$196,559 by \$3,274, the limited tax refunding bonds, series 2012 whereby expenditures of \$96,927 exceeded the budgeted amount of \$96,850 by \$77, and the flood capital projects fund whereby expenditures of \$1,718,499 exceeded the budgeted amount of \$1,137,041 by \$581,458.

C. Deficit fund equity

The county had no deficit fund balances as of December 31, 2015 except for the following: the capital projects fund - \$208,759 and the election service contract fund - \$29,175. These deficits are expected to be liquidated by future resources of the funds.

IV. Detailed Notes on All Funds

A. Deposits and investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (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, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments:

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of December 31, 2015, the government's bank balance of \$27,551,817 was not exposed to custodial credit risk because it was fully insured and collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$29,988,317 and the FDIC coverage is \$524,237.

Interest rate risk: In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government’s policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2015 the local investment pool - Texpool (2.91% of portfolio) was rated AAAM by Standard and Poor’s, Funds Management Group (2.24% of portfolio) was rated AAAM by Standard and Poor’s, Texas Star (1.56% of portfolio) was rated AAAM by Standard and Poor’s, Coastal Securities (62.83% of portfolio) was rated AAAM by Standard and Poor’s, Wells Fargo Securities (9.63% of portfolio) was rated AAAM by Standard and Poor’s, and Texas Class (20.83% of portfolio) was rated AAAM by Standard and Poor’s.

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Texpool (2.91% of portfolio), Funds Management Group (2.24% of portfolio), Texas Star (1.56% of portfolio), Coastal Securities (62.83% of portfolio), Wells Fargo Securities (9.63% of portfolio), and Texas Class (20.83% of portfolio).

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2015, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$ 148,662	Less than 1 year	Less than 1 year
Funds Management Group	\$ 114,366	Less than 1 year	Less than 1 year
Texas Star	\$ 79,886	Less than 1 year	Less than 1 year
Coastal Securities	\$3,214,448	Less than 1 year	Less than 1 year
Wells Fargo Securities	\$ 492,924	Less than 1 year	Less than 1 year
Texas Class	\$1,065,492	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools: TexPool, Texas Star, and Texas Class. The County invests in TexPool, Texas Star, and Texas Class to provide its liquidity needs. It is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool and Texas Class are a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. The County considers the holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool, Texas Star, and Texas Class funds are within the Governmental Activities and Business-type activities..

B. Receivables

Receivables as of year end for the government's individual major funds and non-major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Business-type Activities		Total
	General Fund	Road and Bridge	Health Care Sales Tax	Other Governmental Funds	Airport Fund	
<u>Receivables</u>						
Ad Valorem Taxes	5,450,850	\$1,261,963				\$6,712,813
Sales Tax	103,958		104,284			208,242
Fines	7,624,886					7,624,886
Accounts					83,377	83,377
Capital Lease Receivable	884,000					884,000
Charges for Services	298,414	489,164				787,578
Other	185,148	10,197		31,960		227,305
Gross Receivables	14,547,256	1,761,324	104,284	31,960	83,377	16,528,201
Less: Allowance for Uncollectibles	5,960,646	27,608				5,988,254
Net Total Receivables	\$8,586,610	\$1,733,716	\$104,284	\$31,960	\$83,377	\$10,539,947

C. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	2,575,239	73,649		2,648,888
Construction in Progress	1,414,372	740,903	1,414,372	740,903
Total capital assets not being depreciated:	3,989,611	814,552	1,414,372	3,389,791

Capital assets being depreciated:				
Intangible	579,202			579,202
Building and Improvements	17,466,087	286,209		17,752,296
Machinery, Equipment and Vehicles	10,572,692	640,336	187,021	11,026,007
Infrastructure	11,666,372	2,231,231		13,897,603
Total capital assets being depreciated:	40,284,353	3,157,776	187,021	43,255,108

Less: Accumulated Depreciation for:				
Intangible	316,985	69,617		386,602
Building and Improvements	5,493,737	478,070		5,971,807
Machinery, Equipment and Vehicles	7,148,106	858,843	157,633	7,849,316
Infrastructure	4,320,279	251,888		4,572,167
Total Accumulated Depreciation	17,279,107	1,658,418	157,633	18,779,892
Total Capital Assets Depreciated, Net	23,005,246	1,499,358	29,388	24,475,216
Governmental Activities capital assets, Net	26,994,857	2,313,910	1,443,760	27,865,007

Business-type activities:	Beginning			Ending
Capital assets not being depreciated:	Balances	Increases	Decreases	Balances
Land	\$125,710	\$0	\$0	\$125,710
Total capital assets not being depreciated:	125,710	0	0	125,710

Capital assets being depreciated:				
Building and Improvements	2,387,900	0	0	2,387,900
Machinery, Equipment and Vehicles	825,108	80,105	0	905,213
Infrastructure	13,019,297	0	0	13,019,297
Total capital assets being depreciated:	16,232,305	80,105	0	16,312,410

Less: Accumulated Depreciation for:				
Building and Improvements	1,373,002	68,159	0	1,441,161
Machinery, Equipment and Vehicles	691,738	32,889	0	724,627
Infrastructure	5,302,367	578,607	0	5,880,974
Total Accumulated Depreciation	7,367,107	679,655	0	8,046,762
Total Capital Assets Depreciated, Net	8,865,198	(599,550)	0	8,265,648
Business-type activities capital assets, Net	\$8,990,908	(\$599,550)	\$0	\$8,391,358

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Administration	\$190,842
Judicial	1,190
Financial Administration	91,867
Public Facilities	33,423
Public Safety	572,669
Public Transportation	590,673
Environmental Protection	19,449
Culture and Recreation	70,656
Health and Welfare	69,058
Conservation - Agriculture	18,591
Total Depreciation Expense – Governmental Activities	<u>\$1,658,418</u>
Business-Type Activities	
Airport	\$677,250
Jail Commissary	\$2,405
Total Depreciation Expense – Business-Type Activities	<u>\$679,655</u>

Construction commitments

The county had several major capital expenditures during the year. These include drainage and a Mesquite bypass project.

D. Interfund Receivables, Payables, and Transfers

There was no Due to/from other funds at December 31, 2015.

There were no advances at December 31, 2015.

The interfund transfers are as follows:

	TRANSFER IN		TOTAL
	General Fund	Other Governmental Funds	
TRANSFER OUT			
General Fund		\$396,321	\$396,321
Road and Bridge Fund	557,153		557,153
Health Care Sales Tax Fund	116,078	1,032,215	1,148,293
Other Governmental Funds	38,119	688,450	726,569
TOTALS	<u>\$711,350</u>	<u>\$2,116,986</u>	<u>\$2,828,336</u>

The general fund transferred \$396,321 to the library, fire department capital project, and training academy funds for operating capital. The general fund received operating capital of \$557,153 from the road and bridge fund, \$116,078 from the health care sales tax fund, and \$38,119 from the mosquito control fund. The health care sales tax fund transferred operating capital to the mosquito control, indigent health care, and A.C. assistance program funds.

There were several transfers between non-major funds. These included hotel/motel tax fund transfer of \$265,000 to the waterway restoration fund for operating capital and from the venue tax fund to the venue projects fund of \$222,150 for operating capital and to the venue CO's I&S fund of \$201,300 for operating capital.

All of the above transfers are non-recurring.

E. Operating Leases

There were no operating leases.

F. Long-Term Debt

Certificates of Obligation, Venue Project Revenue, and Limited Tax Refunding Bonds

The government issues Certificates of Obligation, Venue Project Revenue, and Limited Tax Refunding Bonds which is to provide funds for various construction projects. The Certificates of Obligation are serviced by airport fund, the flood control I&S fund, venue CO's I&S fund, the LTD Tax Refunding bonds, the 2012 Bond I&S fund, the 2007 CO's I&S fund, and the 2009 CO's I&S fund.

<u>Purpose</u>	<u>Rates</u>	<u>Original Amount</u>	<u>Balance</u>
Certificates of Obligation, Series 2007	4.10 – 5.00%	\$2,995,000	\$ 507,496
Certificates of Obligation, Series 2009	2.50 – 5.00%	\$4,475,000	\$ 330,000
Certificates of Obligation, Series 2011	2.00 – 4.00%	\$5,480,000	\$4,640,000
Venue Project Revenue Bonds, Series 2011	2.00 – 4.00%	\$2,770,000	\$2,335,000
Limited Tax Refunding Bonds, Series 2012	2.00 – 3.00%	\$7,255,000	\$6,025,000
Certificates of Obligation, Series 2012	2.00 – 3.00%	\$2,205,000	\$2,090,000

Annual debt service requirements to maturity for the Certificates of Obligation are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$1,268,500	\$665,955	\$51,500	\$37,173
2017	1,301,168	632,100	53,832	34,840
2018	1,335,000	596,698	55,000	32,394
2019	1,372,668	558,917	57,332	29,811
2020	1,411,500	519,513	58,500	27,115
2021-2025	7,328,670	1,875,303	341,330	90,363
2026-2030	5,429,998	627,352	220,002	16,281
2031-2035	575,000	16,375	0	0
TOTALS	\$20,022,504	\$5,492,213	\$837,496	\$267,977

Changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<u>Governmental Activities:</u>						
Certificates of Obligation	\$18,812,171		\$1,124,667	\$17,687,504	\$1,153,500	\$16,534,004
Revenue Bonds	2,445,000		110,000	2,335,000	115,000	2,220,000
Add: Bond Premium	649,143		55,203	593,940		593,940
Total Bonds Payable	<u>21,906,314</u>	<u>0</u>	<u>1,289,870</u>	<u>20,616,444</u>	<u>1,268,500</u>	<u>19,347,944</u>
Net Pension Payable	487,036	39,379		526,415		526,415
Compensated Absences	138,499	180,091	138,499	180,091	60,031	120,060
	<u>22,531,849</u>	<u>219,470</u>	<u>1,428,369</u>	<u>21,322,950</u>	<u>1,328,531</u>	<u>19,994,419</u>
<u>Business-Type Activities:</u>						
Certificates of Obligation	882,829		45,333	837,496	51,500	785,996
Add: Bond Premium	22,435	2,669		25,104		25,104
Total Bonds Payable	<u>905,264</u>	<u>2,669</u>	<u>45,333</u>	<u>862,600</u>	<u>51,500</u>	<u>811,100</u>
Net Pension Payable	14,391	1,164		15,555		15,555
Compensated Absences	4,564	6,191	4,564	6,191	6,191	0
	<u>924,219</u>	<u>10,024</u>	<u>49,897</u>	<u>884,346</u>	<u>57,691</u>	<u>826,655</u>
Grand Total	<u>\$23,456,068</u>	<u>\$229,494</u>	<u>\$1,478,266</u>	<u>\$22,207,296</u>	<u>\$1,386,222</u>	<u>\$20,821,074</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2015 -16 year is 36% or \$66,222.

The government-wide statement of activities includes \$1,386,222 as "noncurrent liabilities, due within one year".

V. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any of the three previous years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

	Year ended <u>12/31/15</u>	Year ended <u>12/31/14</u>
Unpaid Claims, Beginning of Fiscal Year	\$ -0-	\$ -0-
Incurred Claims (including IBNRs)		
Claim Payments	<u>-0-</u>	<u>-0-</u>
Unpaid Claims, End of Fiscal Year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County pays for auto vehicle insurance coverage. The agreement with Texas Association of Counties will be self-sustaining through member premiums and will reinsure through commercial companies for claims of combined single limits for each insurance event. The County anticipates no contingent losses.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties.

4. Group Health and Life Insurance

The County maintains a health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction

Most transactions are of the "arm's-length" variety. That is, it is assumed that both parties to the transaction are acting solely on basis of their self-interest. Occasionally, however, in the public and the private sectors, parties enter into transactions that an informed observer might reasonably believe reflect considerations other than self-interest. GAAP use the phrase *related party transactions* to describe such arrangements. While there is nothing inherently undesirable about related party transactions, they raise potential concerns regarding 1) the reasonability of the terms of the arrangement, and 2) the eventual collectibility of related receivables.

There were no related party transactions during the year.

C. Subsequent Events

There were no subsequent events requiring disclosure.

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in the following lawsuits:

Litigation

R Ayala and R LaCroix. It arises out of the arrest of Ayala. Defendants filed a Motion for Summary Judgment; and the County intends to vigorously contest and defend the case. Likelihood of an unfavorable is less than 25% and range of potential loss is less than \$50,000. The County has contractual indemnity from TAC.

J and E Robles. It arises out of the arrest of Robles. Defendants filed a Motion to Dismiss. The County intends to vigorously contest and defend the case. Likelihood of an unfavorable is less than 25% and range of potential loss is less than \$50,000. The County has contractual indemnity from TAC.

E. Other post employment benefits

None

F. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

The County had a prior period adjustment whereby both governmental activities and business-type activities Net Assets were increased by \$670,752 and \$19,819, respectively. The restatement was a result of the County implementing GASB 68.

The County also had a prior period adjustment whereby governmental activities Net Assets were increased by \$6,621,171. The restatement was a result of taxes receivable not being reserved in the entity wide statements.

The County also had a prior period adjustment whereby governmental activities Net Assets were increased by \$272,727. The restatement was a result of capital assets purchased in the past not being capitalized.

These restatements had a corresponding effect on the beginning net assets.

	Net Assets, as Previously Reported	GASB 68 Restatement	Property Tax Restatement	Capital Asset Restatement	Net Assets As Restated
Governmental Activities:					
Net Assets	\$24,624,517	\$670,752	\$6,621,171	\$272,727	\$32,189,167
Total Governmental Activities	\$24,624,517	\$670,752	\$6,621,171	\$272,727	\$32,189,167

	Net Assets, as Previously Reported	GASB 68 Restatement	Bond Deposit Restatement	Net Assets As Restated
Business-Type Activities:				
Net Assets	\$8,835,145	\$19,819		\$8,854,964
Total Business-Type Activities	\$8,835,145	\$19,819	\$0	\$8,854,964

G. Summary of TCDRS Funding Policy

Introduction

The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

This policy documents the current funding policies in effect for the Dec. 31, 2014 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

TCDRS funding overview

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Methodology for determining employer contribution rates

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
- Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
- Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions. The employer rate for the 2015 year is 8.5%.

Actuarial cost method

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

Amortization policy

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30-year open amortization period.

Asset valuation method

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smooths each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

Actuarial assumptions

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

Oversight

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied.

Review of actuarial assumptions

TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results.

Review of employer contribution rates

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation.

Review and modification of funding policy

The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2013	December 31, 2014
Total pension liability	\$21,480,019	\$23,165,512
Fiduciary net position	20,978,592	22,623,542
Net pension liability / (asset)	501,427	541,970
Fiduciary net position as a % of total pension liability	97.67%	97.66%
Pensionable covered payroll	\$7,041,263	\$7,568,267
Net pension liability as a % of covered payroll	7.12%	7.16%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exist above or in other tables in this report.

Payroll is calculated based on contributions as reported to TCDRS.

Discount Rate

Discount rate	8.10%	8.10%
Long-term expected rate of return, net of investment expense	8.10%	8.10%
Municipal bond rate	Does not apply	Does not apply

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68.

See Appendix A of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total pension liability and other GASB 68 metrics.

See Appendix B (Actuarial Methods and Assumptions Used for Funding Valuation) of this report for a full description of the actuarial assumptions used in the funding valuation.

Valuation date	Dec. 31, 2013	Dec. 31, 2014
Measurement date	Dec. 31, 2013	Dec. 31, 2014
Reporting date	Employer Beg. Fiscal Year	Employer FYE

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternative methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in Net Pension Liability / (Asset)

Liability / (Asset)	Liability (a)	Net Position (b)	Liability / (Asset) (a) – (b)
Balances as of December 31, 2013	\$21,480,019	\$20,978,592	\$501,427
Changes for the year:			
Service cost	949,858		949,858
Interest on total pension liability	1,742,310		1,742,310
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(117,973)		(117,973)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(157,458)	(157,458)	0
Benefit payments	(731,244)	(731,244)	0
Administrative expenses		(16,801)	16,801
Member contributions		529,779	(529,779)
Net investment income		1,416,366	(1,416,366)
Employer contributions		662,219	(662,219)
Other	0	(57,911)	57,911
Balances as of December 31, 2014	\$23,165,512	\$22,623,542	\$541,970

Sensitivity Analysis

The following presents the net pension liability of the county/district, calculated using the discount rate of 8.10%, as well as what the Aransas County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

1% Decrease	Current Discount Rate	1% Increase
7.10%	8.10%	9.10%

Total pension liability	\$26,021,744	\$23,165,512	\$20,801,155
Fiduciary net position	22,623,542	22,623,542	22,623,542
Net pension liability / (asset)	\$3,398,202	\$541,970	(\$1,822,387)

Pension Expense / (Income)

Pension Expense / (Income)	<u>January 1, 2014 to December 31, 2014</u>
Service cost	\$949,858
Interest on total pension liability	1,742,310
Effect of plan changes	0
Administrative expenses	16,801
Member contributions	(529,779)
Expected investment return net of investment expenses	(1,725,144)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(29,493)
Recognition of assumption changes or inputs	0
Recognition of investment gains or losses	61,756
Other	57,911
Pension expense / (income)	\$544,219

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$88,480	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings	0	247,023
Contributions made subsequent to measurement date	N/A	Employer determined

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2015	\$32,263
2016	32,263
2017	32,263
2018	61,756
2019	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/2014 Expense	Balance of Deferred Inflows 12/31/2014	Balance of Deferred Outflows 12/31/2014
Investment (gains) or losses	\$308,778	12/31/2014	5.0	\$61,756	\$0	\$247,023
Economic/ demographic (gains) or losses	(117,973)	12/31/2014	4.0	(29,493)	(88,480)	0
Assumption changes or inputs	0	12/31/2014	4.0	0	0	0
Employer contributions made subsequent to meas- urement date	Employer Determined					

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
USEquities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities -Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USO (net) Index	11.00%	5.35%
International Equities -Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USO (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

Employees covered by benefit terms.

Actuarial Valuation and Measurement Date, December 31,	2013	2014
Membership		
Number of		
- Inactive employees or beneficiaries currently receiving benefits	109	109
- Inactive employees entitled to but not yet receiving benefits	42	42
- Active employees	<u>128</u>	<u>128</u>
- Total	279	279

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service cost	\$949,858	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,742,310	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(117,973)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(888,701)</u>	<u>N/A</u>	N/A							
Net change in total pension liability	1,685,494	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	21,480,019	<u>N/A</u>	N/A							
Total pension liability, ending (a)	<u>23,165,512</u>	<u>N/A</u>	N/A							
Fiduciary Net Position										
Employer contributions	\$662,219	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	529,779	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	1,416,366	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(888,701)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(16,801)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(57,911)</u>	<u>N/A</u>	N/A							
Net change in fiduciary net position	1,644,950	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	20,978,592	<u>N/A</u>	N/A							
Fiduciary net position, ending (b)	<u>22,623,542</u>	<u>N/A</u>	N/A							
Net pension liability / (asset), ending = (a) - (b)	<u>\$541,910</u>	<u>N/A</u>	N/A							
Fiduciary net position as a % of total pension liability	97.66%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$7,568,267	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	7.16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67168, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$276,545	\$276,545	0	\$4,695,154	5.9%
2007	364,076	364,076	0	5,049,596	7.2%
2008	377,612	377,612	0	5,909,423	6.4%
2009	449,583	449,583	0	6,822,207	6.6%
2010	554,002	554,002	0	7,066,358	7.8%
2011	523,043	523,043	0	6,819,354	7.7%
2012	568,023	568,023	0	7,073,767	8.0%
2013	582,317	582,317	0	7,041,263	8.3%
2014	662,219	662,219	0	7,568,267	8.7%

Payroll is calculated based on contributions as reported to TCDRS.

Appendix A - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASS analysis were the same as those used in the December 31, 2014 funding valuation (see Appendix B, following, for details), except as noted below and throughout this report. Please see the employer summary actuarial valuation report as of December 31, 2014 for further details.

Following are the key assumptions and methods used in this GASS analysis.

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix B
Salary Increases	Same as funding valuation: See Appendix B
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Aransas County are not considered to be substantively automatic under GASS 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASS calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix B
Turnover	Same as funding valuation: See Appendix B
Mortality	Same as funding valuation: See Appendix B

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Appendix B-Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2014 financial reporting metrics are the same as those used in the December 31, 2014 actuarial valuation analysis for Aransas County.

Following is a description of the assumptions used in the December 31, 2014 actuarial valuation analysis for Aransas County. This information may also be found in the Aransas County December 31, 2014 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9%
Employees Saving Fund	7%
Current Service Annuity Reserve Fund	7%

Assuming interest will be credited at these nominal annual rates to the various funds, we have then assumed the following:

An annual rate of 9% for calculating the actuarial accrued liability and normal cost contributions rate for the retirement plan of each participating employer.

An annual rate of 7% required under the TCDRS Act for: (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.0%
Payroll growth	3.5%

The payroll growth assumption is for the aggregate covered payroll of an employer.

ARANSAS COUNTY, TEXAS
 FLOOD CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$6,190	\$6,190
Total Revenues	0	0	6,190	6,190
EXPENDITURES				
Capital Projects -				
Capital Outlay and Other	1,137,041	1,137,041	1,718,499	(581,458)
Total Expenditures	1,137,041	1,137,041	1,718,499	(581,458)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,137,041)	(1,137,041)	(1,712,309)	(575,268)
OTHER FINANCING SOURCES (USES):				
Transfers Out	0			0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(1,137,041)	(1,137,041)	(1,712,309)	(575,268)
Fund Balances - Beginning	3,162,106	3,162,106	3,162,106	
Fund Balances - Ending	\$2,025,065	\$2,025,065	\$1,449,797	(\$575,268)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-major Governmental Funds

Special Revenue Funds

The Special Revenue Funds for Aransas County, Texas, consist of the Judicial, Legal, and Forfeiture Funds and Other Special Revenue Funds that have revenues earmarked for the financing of particular functions and activities of government as shown in the various expenditure schedules.

JUDICIAL, LEGAL, AND FORFEITURE SPECIAL REVENUE FUNDS

The Judicial, Legal, and Forfeiture Funds account for funds that are used for Judicial and Legal purposes and confiscated funds seized during crimes that are awarded to the County for legal and law enforcement purposes.

The Forfeiture, Sheriff Forfeiture, and Special Forfeiture Funds account for monies forfeited to the Sheriff, to be used solely for the investigation of any alleged violations of the criminal laws of the State.

The Appellate Judicial System Fund account for District attorney fees and other funds used for operations of the District Attorney's Office.

OTHER SPECIAL REVENUE FUNDS

The Other Special Revenue Funds consist of other funds that account for particular functions and activities. The Other Special Revenue Funds consist of the following funds:

The Court Records Preservation, Records Management and Preservation Fund, County Records Management, District Clerks Record Management, Records Archive Fund, and the District Court Records Technology accounts for fees and other funds used for records management purposes.

The County and District Court Technology fund accounts for fees and other funds used for keeping the offices abreast of the latest technology.

The Courthouse Security Fund accounts for funds used for courthouse security purposes.

The Chapter 19 Voter Registration and the Election Service Contract Fund accounts for funds used to administer county elections.

The J.P. Technical Fund accounts for funds used for Justice of the Peace equipment.

The County Attorney Hot Check Collection Fund accounts for fees collected by the County Attorney that are used for operations of the County Attorney's office.

The Law Library Fund provides for the establishment and maintenance of a library for the use of members of the Texas Bar Association. It is stocked with several thousand books. Revenues are derived from fees which are assessed against each civil case filed in County and District Courts.

The Court Reporter Service Fee Fund accounts for fees that are collected and used for court costs.

SPECIAL REVENUE FUNDS

(continued)

The A. C. Assistance Program accounts for Jury fees that are collected and used for jury costs.

The Child Abuse Prevention Fund administers fees for the prevention of child abuse.

The Escheat/Unclaimed Funds accounts for unclaimed monies from the counties' payees.

The Fire Department Capital Project Fund is used for various projects for the area's fire departments.

The Hotel/Motel Tax Fund is used to support various local cultural activities as well as providing monies for certain capital projects.

The Indigent Health Care Fund is use to help defray the cost of local medical care.

The Title IV D Child Support Fund is used to help administer local child-support payments.

The Juvenile Case Management Fund is used to help administer the local juvenile case docket.

The Library Fund is used to help support local libraries.

The Mosquito Control Fund is used to help control the local mosquito nuisance.

The Out of County Juvenile Detention Fund is used to pay for local juveniles confined in out of County juvenile facilities.

The Pretrial Intervention Program is used to help administer the cost of educating and rehabilitating.

The Special Contingency Fund is used to help pay for various sundry contingencies that may arise in the area.

The TECLOSE Training Fund and the training academy fund are used to help with the licensing and education of law enforcement officers.

The Venue Tax Fund is used to collect property taxes to reuse for bond servicing and other various capital projects.

Debt Service Funds

The Road Bond I&S, Flood Control, Venue CO's, Limited Refunding Bonds Series 2012, 2012 Bond I&S, CO's 2007 and 2009 Interest and Sinking Funds are used to service the bonded debt.

Capital Projects Funds

The Waterway Restoration, Venue Projects Fund, Venue Capital Projects Fund are used to fund local and various capital projects.

ARANSAS COUNTY, TEXAS
 BALANCE SHEET - ROAD AND BRIDGE FUND
 DECEMBER 31, 2015

	Road and Bridge General	Flood Control Fund	Total Road and Bridge
ASSETS			
Cash and Cash Equivalents	\$1,755,649	\$1,295,507	\$3,051,156
Receivables (net of allowance for uncollectibles)	1,723,519	10,197	1,733,716
Prepaid Insurance	2,227		2,227
Inventory	32,093		32,093
Total Assets	<u>\$3,513,488</u>	<u>\$1,305,704</u>	<u>4,819,192</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$26,369	\$4,793	\$31,162
Accrued Wages	25,455	3,461	28,916
Unearned Revenues	1,234,355		1,234,355
Total Liabilities	<u>1,286,179</u>	<u>8,254</u>	<u>1,294,433</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - advanced tax collections	438,825	89,230	528,055
Total Deferred Inflows of Resources	<u>438,825</u>	<u>89,230</u>	<u>528,055</u>
Fund Balances:			
Non-Spendable			
Prepaid Insurance	2,227		2,227
Inventory	32,093		32,093
Restricted			
Public Transportation	1,754,164	1,208,220	2,962,384
Total Fund Balance	<u>1,788,484</u>	<u>1,208,220</u>	<u>2,996,704</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$3,513,488</u>	<u>\$1,305,704</u>	<u>\$4,819,192</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED DECEMBER 31, 2015

	Road and Bridge General	Flood Control Fund	Total Road and Bridge
<i>REVENUES</i>			
Taxes			
Property	\$1,426,833	\$298,199	\$1,725,032
Intergovernmental	529,046		529,046
Licenses and Permits	552,795		552,795
Charges for Services		1,755	1,755
Fines and Forfeitures	153,689		153,689
Interest	12,330	3,058	15,388
Miscellaneous	30,358		30,358
Total Revenues	<u>2,705,051</u>	<u>303,012</u>	<u>3,008,063</u>
<i>EXPENDITURES</i>			
Current:			
Public Transportation			
Road and Bridge	1,921,429	239,098	2,160,527
Total Expenditures	<u>1,921,429</u>	<u>239,098</u>	<u>2,160,527</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>783,622</u>	<u>63,914</u>	<u>847,536</u>
<i>OTHER FINANCING SOURCES (USES):</i>			
Operating Transfers In			0
Operating Transfers Out	(557,153)		(557,153)
Total Other Financing Sources (Uses)	<u>(557,153)</u>	<u>0</u>	<u>(557,153)</u>
Net Changes in Fund Balances	226,469	63,914	290,383
Fund Balances - Beginning	1,562,015	1,144,306	2,706,321
Fund Balances - Ending	<u>\$1,788,484</u>	<u>\$1,208,220</u>	<u>\$2,996,704</u>

The accompanying notes are an integral part of this statement.

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2015

	SPECIAL REVENUE																	
	A.C. ASSIST-ANCE PROGRAM	APPELLATE JUDICIAL SYSTEM FUND	CHAPTER 19 VOTER REGISTR-ATION	CHILD ABUSE PREVEN-TION	CNTY & DIST. COURT TECH-NOLOGY	CO. ATTY HOT CHECK FUND	COUNTY RECORDS MGMT FUND	COURT RECORDS PRESERV-ATION	ESCHEAT/ UNCLAIMED FUNDS	COURT REPORTER SERVICE FEE FUND	COURT- HOUSE SECURITY FUND	DISTRICT CLERK'S RECORDS MANAGEMENT	DISTRICT COURT RECORDS TECH.	ELECTION SERVICE CON-TRACT	FIRE DEPT CAPITAL PROJECT	HOTEL/ MOTEL TAX FUND	INDIGENT HEALTH CARE	
ASSETS																		
Cash and Cash Equivalents	\$80,469	\$2,518	\$0	\$1,250	\$4,960	\$485	\$100,067	\$33,014	\$874	\$81,933	\$40,874	\$28,404	\$7,898		\$0	\$12,920	\$419,350	\$684,990
Receivables (net of allowance for uncollectibles)																	22,235	
Restricted Assets:																		
Cash and Cash Equivalents																		
Total Assets	\$80,469	\$2,518	\$0	\$1,250	\$4,960	\$485	\$100,067	\$33,014	\$874	\$81,933	\$40,874	\$28,404	\$7,898	\$0	\$0	\$12,920	\$441,585	\$684,990
LIABILITIES																		
Liabilities																		
Accounts Payable	\$2,918										\$369					\$214	\$10,333	\$19,208
Accrued Wages	3,828																	
Bank Overdraft													29,175					
Total Liabilities	6,746	0	0	0	0	0	0	0	0	0	369	0	0	29,175	0	214	10,333	19,208
DEFERRED INFLOWS OF RESOURCES																		
Unavailable revenue - advanced tax collections																		
Total deferred inflows of resources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCES																		
Fund Balances:																		
Restricted																		
Construction																		
Culture and Recreation																		
Debt Service																		
Future Projects																		
General Administration									874									
Health																		665,782
Judicial	73,723	2,518			4,960			33,014		81,933			7,898					
Legal						485												
Public Safety				1,250							40,505				0	12,706		
Records Management							100,067					28,404						
Tourism and Education																	431,252	
Unassigned														(29,175)				
Total Fund Balances	73,723	2,518	0	1,250	4,960	485	100,067	33,014	874	81,933	40,505	28,404	7,898	(29,175)	0	12,706	431,252	665,782
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$80,469	\$2,518	\$0	\$1,250	\$4,960	\$485	\$100,067	\$33,014	\$874	\$81,933	\$40,874	\$28,404	\$7,898	\$0	\$0	\$12,920	\$441,585	\$684,990

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

(continued)

SPECIAL
REVENUE

TITLE	JUVENILE				OUT OF	PRETRIAL	RECORDS					J.P.				
IV D	CASE			MOSQUITO	COUNTY	INTERVEN-	MGMT &	SHERIFF	SPECIAL	SPECIAL	J.P.	TECLOSE	TRAINING	VENUE		
CHILD	MANAGEMENT	LAW	LIBRARY	CONTROL	JUVENILE	TION	ACR HIVE	FORFEITURE	CONTINGENCY	FORFEITURE	TECH-	TRAINING	ACADEMY	TAX		
SUPPORT	FUND	LIBRARY	FUND	FUND	DETEN	PROGRAM	FEE	FUND	FUND	FUND	NICAL	FUND	FUND	FUND	FUND	FUND
\$10,511	\$18,481	\$41,645	\$55,518	\$85,857 9,532	\$349	\$39,597	\$165,316	\$112,828	\$13,160	\$99,419	\$20,911	\$111,757	\$20,520	\$11,406	\$476,317	
\$10,511	\$18,481	\$41,645	\$55,518	\$95,389	\$349	\$39,597	\$165,316	\$112,828	\$13,160	\$99,419	\$20,911	\$111,757	\$20,520	\$11,406	\$476,317	
	\$272		\$5,294	\$4,034				\$896				\$3,358	\$2,003	\$1,029	\$146	
	1,227		4,570	323										2,250		
0	1,499	0	9,864	4,357	0	0	0	896	0	0	0	3,358	2,003	3,279	146	
0	0	0	0	8,551	0	0	0	0	0	0	0	0	0	0	0	0
			45,654													
10,511	41,645		82,481			39,597					108,399					
	16,982				349			13,160	99,419	20,911		18,517	8,127			
							165,316	111,932								476,171
10,511	16,982	41,645	45,654	82,481	349	39,597	165,316	111,932	13,160	99,419	20,911	108,399	18,517	8,127	476,171	
\$10,511	\$18,481	\$41,645	\$55,518	\$95,389	\$349	\$39,597	\$165,316	\$112,828	\$13,160	\$99,419	\$20,911	\$111,757	\$20,520	\$11,406	\$476,317	

ARANSAS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2015
 (continued)

	DEBT SERVICE											
	ROAD			LTD TAX			CO'S		VENUE			TOTAL
	BOND	FLOOD	VENUE	BOND	REFUNDING	2007	2009	WATERWAY	VENUE	CAPITAL	NON-MAJOR	
	INT & SINKING	CONTROL I&S	CO'S I&S	2012 I&S	BONDS, SER. 2012	INT & SINKING	INT & SINKING	RESTOR- ATION	PROJECTS FUND	PROJECTS FUND	GOVERN- MENTAL	
ASSETS												
Cash and Cash Equivalents	\$117	\$358,708	\$9,337	\$156,551	\$1,076,597	\$404,460	\$493,559			\$759,391	\$6,042,318	
Receivables (net of allowance for uncollectibles)		184		2	7						31,960	
Restricted Assets:												
Cash and Cash Equivalents								324,789	491,235		816,024	
Total Assets	\$117	\$358,892	\$9,337	\$156,553	\$1,076,604	\$404,460	\$493,559	\$324,789	\$491,235	\$759,391	\$6,890,302	
LIABILITIES												
Liabilities												
Accounts Payable										\$7,950	\$58,024	
Accrued Wages											12,198	
Bank Overdraft											29,175	
Total Liabilities	0	0	0	0	0	0	0	0	0	7,950	99,397	
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - advanced tax collections		149,756				15,064	122,537					
Total deferred inflows of resources	0	149,756	0	29,731	193,915	15,064	122,537	0	0	0	519,554	
FUND BALANCES												
Fund Balances:												
Restricted												
Construction								324,789			324,789	
Culture and Recreation											45,654	
Debt Service	117	209,136	9,337	126,822	882,689	389,396	371,022				1,988,519	
Future Projects									491,235	751,441	1,242,676	
General Administration											874	
Health											748,263	
Judicial											404,198	
Legal											485	
Public Safety											231,926	
Records Management											405,719	
Tourism and Education											907,423	
Unassigned											(29,175)	
Total Fund Balances	117	209,136	9,337	126,822	882,689	389,396	371,022	324,789	491,235	751,441	6,271,351	
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$117	\$358,892	\$9,337	\$156,553	\$1,076,604	\$404,460	\$493,559	\$324,789	\$491,235	\$759,391	\$6,890,302	

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

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	SPECIAL REVENUE																				
	A.C. ASSIST-ANCE PROGRAM	APPELLATE JUDICIAL SYSTEM FUND	CHAPTER 19 VOTER REGISTR-ATION	CHILD ABUSE PREVEN-TION	CNTY & DIST. COURT TECH-NOLOGY	CO. ATTY HOT CHECK FUND	COUNTY RECORDS MGMT FUND	COURT RECORDS PRESERV-ATION	ESCHEAT/ UNCLAIMED FUNDS	COURT REPORTER SERVICE FEE FUND	COURT- HOUSE SECURITY FUND	DISTRICT CLERK'S RECORDS MANAGEMENT	DISTRICT COURT RECORDS TECH.	ELECTION SERVICE CON-TRACT	FIRE DEPT CAPITAL PROJECT FUND	HOTEL/ MOTEL TAX FUND	INDIGENT HEALTH CARE				
REVENUES																					
Taxes																					
Property																					
Hotel/Motel																					
Venue																					
Charges for Services	4,456	2,518		321	710	6,427	7,627	5,554		7,615	18,226	2,001	2,315								
Interest																					
Miscellaneous																					
Total Revenues	4,456	2,518	5,485	321	710	6,427	7,627	5,554	874	7,615	18,226	2,001	2,315	7,095	0	113	405,514	0			
EXPENDITURES																					
Current:																					
General Administration																					
Non-Departmental Elections																					
Records Management																					
Legal																					
Check Collection																					
Law Library																					
Judicial																					
Judicial	144,759	4,187								7,505											
Public Safety																					
Sheriff																					
Public Safety																					
Emergency Operations																					
Culture and Recreation																					
Library																					
Health and Welfare																					
Health																					
Capital Projects -																					
Capital Outlay and Other																					
Debt Service																					
Principal Retirement																					
Interest Retirement																					
Total Expenditures	144,759	4,187	5,235	0	0	5,548	102,019	0	0	7,505	10,211	0	0	39,243	127,019	45,057	104,665	329,666			
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,303)	(1,669)	250	321	710	879	(94,392)	5,554	874	110	8,015	2,001	2,315	(32,148)	(127,019)	(44,944)	300,849	(329,666)			
OTHER FINANCING SOURCES (USES):																					
Transfers In	158,006																	127,019			765,621
Transfers Out																					
Total Other Financing Sources (Uses)	158,006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	127,019	0	(265,000)	765,621		
Net Changes in Fund Balances	17,703	(1,669)	250	321	710	879	(94,392)	5,554	874	110	8,015	2,001	2,315	(32,148)	0	(44,944)	35,849	435,955			
Fund Balances - Beginning	56,020	4,187	(250)	929	4,250	(394)	194,459	27,460	0	81,823	32,490	26,403	5,583	2,973	0	57,650	395,403	229,827			
Fund Balances - Ending	\$73,723	\$2,518	\$0	\$1,250	\$4,960	\$485	\$100,067	\$33,014	\$874	\$81,933	\$40,505	\$28,404	\$7,898	(\$29,175)	\$0	\$12,706	\$431,252	\$665,782			

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

(continued)

SPECIAL
REVENUE

TITLE	JUVENILE			OUT OF	PRETRIAL	RECORDS					J.P.					
IV D	CASE			MOSQUITO	COUNTY	INTERVEN-	RECORDS	MGMT &	SHERIFF	SPECIAL	SPECIAL	TECH-	TECLOSE	TRAINING	VENUE	
CHILD	MANAGEMENT	LAW	LIBRARY	CONTROL	JUVENILE	TION	ACRHIVE	PRES.	FORFEITURE	CONTINGENCY	FORFEITURE	NICAL	TRAINING	ACADEMY	TAX	
SUPPORT	FUND	LIBRARY	FUND	FUND	DETEN	PROGRAM	FEE	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	
																\$27,084
	42,732	12,666	4,514			26,652	49,539	57,195		2,819		7,611	6,802	1,880		488,501
			102	330			377									994
			3,242						22,193		36,860					
0	42,732	12,666	7,858	27,414	0	26,652	49,916	57,195	22,193	2,819	36,860	7,611	6,802	1,880		489,495
																40,257
							40,580	52,606								
		14,129														
						533					23,374	3,574				
	45,939								14,387							
													8,986	76,946		
			199,833													
				103,890												
0	45,939	14,129	199,833	103,890	0	533	40,580	52,606	14,387	0	23,374	3,574	8,986	76,946		40,257
0	(3,207)	(1,463)	(191,975)	(76,476)	0	26,119	9,336	4,589	7,806	2,819	13,486	4,037	(2,184)	(75,066)		449,238
			186,109	108,588												83,193
				(38,119)												(423,450)
0	0	0	186,109	70,469	0	0	0	0	0	0	0	0	0	0	83,193	(423,450)
0	(3,207)	(1,463)	(5,866)	(6,007)	0	26,119	9,336	4,589	7,806	2,819	13,486	4,037	(2,184)	8,127	25,788	
10,511	20,189	43,108	51,520	88,488	349	13,478	155,980	107,343	5,354	96,600	7,425	104,362	20,701	0	450,383	
\$10,511	\$16,982	\$41,645	\$45,654	\$82,481	\$349	\$39,597	\$165,316	\$111,932	\$13,160	\$99,419	\$20,911	\$108,399	\$18,517	\$8,127	\$476,171	

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015
 (continued)

	DEBT SERVICE										
	ROAD			LTD TAX			VENUE			TOTAL	
	BOND	FLOOD	VENUE	BOND	REFUNDING	CO'S	CO'S	WATERWAY	VENUE		CAPITAL
	INT & SINKING	CONTROL I & S	CO'S I & S	2012 I & S	BONDS, SER. 2012	INT & SINKING	INT & SINKING	RESTOR- ATION	PROJECTS FUND	PROJECTS FUND	GOVERN- MENTAL
REVENUES											
Taxes											
Property		\$453,146		\$60,735	\$650,061	\$175,688	\$429,143				\$1,795,857
Hotel/Motel											405,514
Venue											488,501
Charges for Services											270,180
Interest		620	134	390	2,057	996	1,018	42	901	1,641	9,715
Miscellaneous					105,475			20	13,289		194,533
Total Revenues	0	453,766	134	61,125	757,593	176,684	430,161	62	14,190	1,641	3,164,300
EXPENDITURES											
Current:											
General Administration											
Non-Departmental											144,922
Elections											44,478
Records Management											195,205
Legal											
Check Collection											5,548
Law Library											14,129
Judicial											
Judicial											183,932
Public Safety											
Sheriff											105,383
Public Safety											85,932
Emergency Operations											137,230
Culture and Recreation											
Library											199,833
Health and Welfare											
Health											433,556
Capital Projects -											
Capital Outlay and Other								202,811	222,473	109,879	535,163
Debt Service											
Principal Retirement		220,000	110,000	35,000	600,000	99,667	170,000				1,234,667
Interest Retirement		167,850	91,677	61,927	148,050	80,449	148,827				698,780
Total Expenditures	0	387,850	201,677	96,927	748,050	180,116	318,827	202,811	222,473	109,879	4,018,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	65,916	(201,543)	(35,802)	9,543	(3,432)	111,334	(202,749)	(208,283)	(108,238)	(854,458)
OTHER FINANCING SOURCES (USES):											
Transfers In			201,300					265,000	222,150		2,116,986
Transfers Out											(726,569)
Total Other Financing Sources (Uses)	0	0	201,300	0	0	0	0	265,000	222,150	0	1,390,417
Net Changes in Fund Balances	0	65,916	(243)	(35,802)	9,543	(3,432)	111,334	62,251	13,867	(108,238)	535,959
Fund Balances - Beginning	117	143,220	9,580	162,624	873,146	392,828	259,688	262,538	477,368	859,679	5,735,392
Fund Balances - Ending	\$117	\$209,136	\$9,337	\$126,822	\$882,689	\$389,396	\$371,022	\$324,789	\$491,235	\$751,441	\$6,271,351

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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL

ARANSAS COUNTY, TEXAS
A.C. ASSISTANCE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,500	\$1,500	\$4,456	\$2,956
Miscellaneous	3,800	3,800	0	(3,800)
Total Revenues	<u>5,300</u>	<u>5,300</u>	<u>4,456</u>	<u>(844)</u>
EXPENDITURES				
Current:				
Judicial				
District Court	194,907	194,907	144,759	50,148
Total Expenditures	<u>194,907</u>	<u>194,907</u>	<u>144,759</u>	<u>50,148</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(189,607)</u>	<u>(189,607)</u>	<u>(140,303)</u>	<u>49,304</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	189,607	189,607	158,006	(31,601)
Total Other Financing Sources (Uses)	<u>189,607</u>	<u>189,607</u>	<u>158,006</u>	<u>(31,601)</u>
Net Changes in Fund Balances	0	0	17,703	17,703
Fund Balances - Beginning	56,020	56,020	56,020	
Fund Balances - Ending	<u>\$56,020</u>	<u>\$56,020</u>	<u>\$73,723</u>	<u>\$17,703</u>

ARANSAS COUNTY, TEXAS
COUNTY RECORDS MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$9,500	\$9,500	7,627	(\$1,873)
Total Revenues	9,500	9,500	7,627	(1,873)
EXPENDITURES				
Current:				
General Administration				
Records Management	103,000	103,000	102,019	981
Total Expenditures	103,000	103,000	102,019	981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(93,500)	(93,500)	(94,392)	(892)
OTHER FINANCING SOURCES (USES):				
Other Financing Sources - Capital Lease				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(93,500)	(93,500)	(94,392)	(892)
Fund Balances - Beginning	194,459	194,459	194,459	
Fund Balances - Ending	\$100,959	\$100,959	\$100,067	(\$892)

ARANSAS COUNTY, TEXAS
 COURT REPORTER SERVICE FEE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$6,800	\$8,800	\$7,615	(\$1,185)
Total Revenues	6,800	8,800	7,615	(1,185)
EXPENDITURES				
Current:				
Judicial				
Judicial	6,800	8,800	7,505	1,295
Total Expenditures	6,800	8,800	7,505	1,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	110	110
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	110	110
Fund Balances - Beginning	81,823	81,823	81,823	
Fund Balances - Ending	\$81,823	\$81,823	\$81,933	\$110

ARANSAS COUNTY, TEXAS
 COURTHOUSE SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$20,500	\$20,704	\$18,226	(\$2,478)
Total Revenues	20,500	20,704	18,226	(2,478)
EXPENDITURES				
Current:				
Public Safety				
Emergency Operations	20,500	20,704	10,211	10,493
Total Expenditures	20,500	20,704	10,211	10,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	8,015	8,015
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	8,015	8,015
Fund Balances - Beginning	32,490	32,490	32,490	
Fund Balances - Ending	\$32,490	\$32,490	\$40,505	\$8,015

ARANSAS COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,100	\$2,100	\$2,001	(\$99)
Total Revenues	2,100	2,100	2,001	(99)
EXPENDITURES				
Current:				
General Administration				
Records Management	2,100	2,100	0	2,100
Total Expenditures	2,100	2,100	0	2,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	2,001	2,001
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	2,001	2,001
Fund Balances - Beginning	26,403	26,403	26,403	
Fund Balances - Ending	\$26,403	\$26,403	\$28,404	\$2,001

ARANSAS COUNTY, TEXAS
 FIRE DEPT CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Public Safety				
Emergency Operations	127,019	127,019	127,019	0
Total Expenditures	127,019	127,019	127,019	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,019)	(127,019)	(127,019)	0
OTHER FINANCING SOURCES (USES):				
Transfers In	127,019	127,019	127,019	0
Total Other Financing Sources (Uses)	127,019	127,019	127,019	0
Net Changes in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	
Fund Balances - Ending	\$0	\$0	\$0	\$0

ARANSAS COUNTY, TEXAS
HOTEL MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Hotel/Motel	\$379,300	\$383,545	\$405,514	\$21,969
Total Revenues	379,300	383,545	405,514	21,969
EXPENDITURES				
General Administration				
Non-Departmental	100,420	104,665	104,665	0
Total Expenditures	100,420	104,665	104,665	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,880	278,880	300,849	21,969
OTHER FINANCING SOURCES (USES):				
Transfers Out	(265,000)	(265,000)	(265,000)	0
Total Other Financing Sources (Uses)	(265,000)	(265,000)	(265,000)	0
Net Changes in Fund Balances	13,880	13,880	35,849	21,969
Fund Balances - Beginning	395,403	395,403	395,403	
Fund Balances - Ending	\$409,283	\$409,283	\$431,252	\$21,969

ARANSAS COUNTY, TEXAS
INDIGENT HEALTH CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
Health and Welfare				
Health	765,621	765,621	329,666	435,955
Total Expenditures	765,621	765,621	329,666	435,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	(765,621)	(765,621)	(329,666)	435,955
OTHER FINANCING SOURCES (USES):				
Transfers In	765,621	765,621	765,621	0
Transfers Out				0
Total Other Financing Sources (Uses)	765,621	765,621	765,621	0
Net Changes in Fund Balances	0	0	435,955	435,955
Fund Balances - Beginning	229,827	229,827	229,827	
Fund Balances - Ending	\$229,827	\$229,827	\$665,782	\$435,955

ARANSAS COUNTY, TEXAS
 JUVENILE CASE MANAGEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$49,138	\$49,138	\$42,732	(\$6,406)
Total Revenues	49,138	49,138	42,732	(6,406)
EXPENDITURES				
Current:				
Public Safety				
Emergency Operations	49,138	49,138	45,939	3,199
Total Expenditures	49,138	49,138	45,939	3,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(3,207)	(3,207)
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	(3,207)	(3,207)
Fund Balances - Beginning	20,189	20,189	20,189	
Fund Balances - Ending	\$20,189	\$20,189	\$16,982	(\$3,207)

ARANSAS COUNTY, TEXAS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$15,000	\$15,000	\$12,666	(\$2,334)
Total Revenues	15,000	15,000	12,666	(2,334)
EXPENDITURES				
Current:				
General Administration				
Records Management	15,000	15,000	14,129	871
Total Expenditures	15,000	15,000	14,129	871
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,463)	(1,463)
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	(1,463)	(1,463)
Fund Balances - Beginning	43,108	43,108	43,108	
Fund Balances - Ending	\$43,108	\$43,108	\$41,645	(\$1,463)

ARANSAS COUNTY, TEXAS
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$6,700	\$6,700	\$4,514	(\$2,186)
Interest	0	0	102	102
Miscellaneous	3,750	3,750	3,242	(508)
Total Revenues	10,450	10,450	7,858	(2,592)
EXPENDITURES				
Current:				
Culture and Recreation				
Library	196,559	196,559	199,833	(3,274)
Total Expenditures	196,559	196,559	199,833	(3,274)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,109)	(186,109)	(191,975)	(5,866)
OTHER FINANCING SOURCES (USES):				
Transfers In	186,109	186,109	186,109	0
Total Other Financing Sources (Uses)	186,109	186,109	186,109	0
Net Changes in Fund Balances	0	0	(5,866)	(5,866)
Fund Balances - Beginning	51,520	51,520	51,520	
Fund Balances - Ending	\$51,520	\$51,520	\$45,654	(\$5,866)

ARANSAS COUNTY, TEXAS
MOSQUITO CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$26,862	\$26,862	\$27,084	\$222
Interest	0	0	330	330
Total Revenues	<u>26,862</u>	<u>26,862</u>	<u>27,414</u>	<u>552</u>
EXPENDITURES				
Health and Welfare				
Health	119,049	119,049	103,890	15,159
Total Expenditures	<u>119,049</u>	<u>119,049</u>	<u>103,890</u>	<u>15,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(92,187)</u>	<u>(92,187)</u>	<u>(76,476)</u>	<u>15,711</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	130,306	130,306	108,588	(21,718)
Transfers Out	(38,119)	(38,119)	(38,119)	0
Total Other Financing Sources (Uses)	<u>92,187</u>	<u>92,187</u>	<u>70,469</u>	<u>(21,718)</u>
Net Changes in Fund Balances	0	0	(6,007)	(6,007)
Fund Balances - Beginning	<u>88,488</u>	<u>88,488</u>	<u>88,488</u>	
Fund Balances - Ending	<u>\$88,488</u>	<u>\$88,488</u>	<u>\$82,481</u>	<u>(\$6,007)</u>

ARANSAS COUNTY, TEXAS
 PRETRIAL INTERVENTION PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$20,000	\$20,000	\$26,652	\$6,652
Total Revenues	20,000	20,000	26,652	6,652
EXPENDITURES				
Current:				
Judicial				
District Clerk	3,000	3,000	533	2,467
Total Expenditures	3,000	3,000	533	2,467
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,000	17,000	26,119	9,119
OTHER FINANCING SOURCES (USES):				
Transfers In	(17,000)	(17,000)	0	17,000
Total Other Financing Sources (Uses)	(17,000)	(17,000)	0	17,000
Net Changes in Fund Balances	0	0	26,119	26,119
Fund Balances - Beginning	13,478	13,478	13,478	
Fund Balances - Ending	\$13,478	\$13,478	\$39,597	\$26,119

ARANSAS COUNTY, TEXAS
 RECORDS ARCHIVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$37,000	\$40,580	\$49,539	\$8,959
Interest	0	0	377	377
Total Revenues	<u>37,000</u>	<u>40,580</u>	<u>49,916</u>	<u>9,336</u>
EXPENDITURES				
Current:				
General Administration				
Records Management	37,000	40,580	40,580	0
Total Expenditures	<u>37,000</u>	<u>40,580</u>	<u>40,580</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>9,336</u>	<u>9,336</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	0	0	9,336	9,336
Fund Balances - Beginning	155,980	155,980	155,980	
Fund Balances - Ending	<u>\$155,980</u>	<u>\$155,980</u>	<u>\$165,316</u>	<u>\$9,336</u>

ARANSAS COUNTY, TEXAS
 RECORDS MANAGEMENT AND PRESERVATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$48,903	\$52,623	\$57,195	\$4,572
Total Revenues	48,903	52,623	57,195	4,572
EXPENDITURES				
Current:				
General Administration				
Records Management	48,903	52,943	52,606	337
Total Expenditures	48,903	52,943	52,606	337
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(320)	4,589	4,909
OTHER FINANCING SOURCES (USES):				
Transfers In	10,220	10,540		(10,540)
Total Other Financing Sources (Uses)	10,220	10,540	0	(10,540)
Net Changes in Fund Balances	10,220	10,220	4,589	(5,631)
Fund Balances - Beginning	107,343	107,343	107,343	
Fund Balances - Ending	\$117,563	\$117,563	\$111,932	(\$5,631)

ARANSAS COUNTY, TEXAS
SPECIAL CONTINGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,800	\$2,800	\$2,819	\$19
Interest				0
Miscellaneous				0
Total Revenues	2,800	2,800	2,819	19
EXPENDITURES				
Current:				
Public Safety				
Contingencies	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,800	2,800	2,819	19
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	2,800	2,800	2,819	19
Fund Balances - Beginning	96,600	96,600	96,600	
Fund Balances - Ending	\$99,400	\$99,400	\$99,419	\$19

ARANSAS COUNTY, TEXAS
 TRAINING ACADEMY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$1,000	\$1,000	\$1,880	\$880
Total Revenues	1,000	1,000	1,880	880
EXPENDITURES				
Public Safety				
Public Safety	80,635	80,635	76,946	3,689
Total Expenditures	80,635	80,635	76,946	3,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,635)	(79,635)	(75,066)	4,569
OTHER FINANCING SOURCES (USES):				
Transfers In	83,193	83,193	83,193	0
Total Other Financing Sources (Uses)	83,193	83,193	83,193	0
Net Changes in Fund Balances	3,558	3,558	8,127	4,569
Fund Balances - Beginning	0	0	0	
Fund Balances - Ending	\$3,558	\$3,558	\$8,127	\$4,569

ARANSAS COUNTY, TEXAS
 VENUE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Venue	\$423,500	\$463,500	\$488,501	\$25,001
Interest	250	250	994	744
Total Revenues	423,750	463,750	489,495	25,745
EXPENDITURES				
General Administration				
Non-Departmental	300	40,300	40,257	43
Total Expenditures	300	40,300	40,257	43
Excess (Deficiency) of Revenues Over (Under) Expenditures	423,450	423,450	449,238	25,788
OTHER FINANCING SOURCES (USES):				
Transfers Out	(423,450)	(423,450)	(423,450)	0
Total Other Financing Sources (Uses)	(423,450)	(423,450)	(423,450)	0
Net Changes in Fund Balances	0	0	25,788	25,788
Fund Balances - Beginning	450,383	450,383	450,383	
Fund Balances - Ending	\$450,383	\$450,383	\$476,171	\$25,788

ARANSAS COUNTY, TEXAS
 FLOOD CO'S I&S
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$444,348	\$444,648	\$453,146	\$8,498
Interest	0	0	620	620
Total Revenues	444,348	444,648	453,766	9,118
EXPENDITURES				
Debt Service				
Principal Retirement	220,000	220,000	220,000	0
Interest Retirement	168,150	168,150	167,850	300
Total Expenditures	388,150	388,150	387,850	300
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,198	56,498	65,916	9,418
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	56,198	56,498	65,916	9,418
Fund Balances - Beginning	143,220	143,220	143,220	
Fund Balances - Ending	\$199,418	\$199,718	\$209,136	\$9,418

ARANSAS COUNTY, TEXAS
 CO'S 2007 INT & SINKING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$211,943	\$211,943	\$175,688	(\$36,255)
Interest	0	0	996	996
Total Revenues	<u>211,943</u>	<u>211,943</u>	<u>176,684</u>	<u>(35,259)</u>
EXPENDITURES				
Debt Service				
Principal Retirement	99,667	99,667	99,667	0
Interest Retirement	135,073	135,073	80,449	54,624
Total Expenditures	<u>234,740</u>	<u>234,740</u>	<u>180,116</u>	<u>54,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,797)</u>	<u>(22,797)</u>	<u>(3,432)</u>	<u>19,365</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	54,702	54,702		(54,702)
Transfers Out				0
Total Other Financing Sources (Uses)	<u>54,702</u>	<u>54,702</u>	<u>0</u>	<u>(54,702)</u>
Net Changes in Fund Balances	31,905	31,905	(3,432)	(35,337)
Fund Balances - Beginning	392,828	392,828	392,828	
Fund Balances - Ending	<u>\$424,733</u>	<u>\$424,733</u>	<u>\$389,396</u>	<u>(\$35,337)</u>

ARANSAS COUNTY, TEXAS
 CO'S 2009 INT & SINKING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$375,212	\$375,212	\$429,143	\$53,931
Interest	0	0	1,018	1,018
Total Revenues	<u>375,212</u>	<u>375,212</u>	<u>430,161</u>	<u>54,949</u>
EXPENDITURES				
Debt Service				
Principal Retirement	170,000	170,000	170,000	0
Interest Retirement	178,675	178,675	148,827	29,848
Total Expenditures	<u>348,675</u>	<u>348,675</u>	<u>318,827</u>	<u>29,848</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,537</u>	<u>26,537</u>	<u>111,334</u>	<u>84,797</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	29,925	29,925		(29,925)
Transfers Out				0
Total Other Financing Sources (Uses)	<u>29,925</u>	<u>29,925</u>	<u>0</u>	<u>(29,925)</u>
Net Changes in Fund Balances	56,462	56,462	111,334	54,872
Fund Balances - Beginning	259,688	259,688	259,688	
Fund Balances - Ending	<u>\$316,150</u>	<u>\$316,150</u>	<u>\$371,022</u>	<u>\$54,872</u>

ARANSAS COUNTY, TEXAS
 LIMITED TAX REFUNDING BONDS, SERIES 2012
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$752,551	\$752,551	\$650,061	(\$102,490)
Interest	0	0	2,057	2,057
Miscellaneous	105,475	105,475	105,475	0
Total Revenues	<u>858,026</u>	<u>858,026</u>	<u>757,593</u>	<u>(100,433)</u>
EXPENDITURES				
Debt Service				
Principal Retirement	600,000	600,000	600,000	0
Interest Retirement	148,350	148,350	148,050	300
Total Expenditures	<u>748,350</u>	<u>748,350</u>	<u>748,050</u>	<u>300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>109,676</u>	<u>109,676</u>	<u>9,543</u>	<u>(100,133)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	109,676	109,676	9,543	(100,133)
Fund Balances - Beginning	873,146	873,146	873,146	
Fund Balances - Ending	<u>\$982,822</u>	<u>\$982,822</u>	<u>\$882,689</u>	<u>(\$100,133)</u>

ARANSAS COUNTY, TEXAS
 BOND 2012 INTEREST AND SINKING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes				
Property	\$113,169	\$113,169	\$60,735	(\$52,434)
Interest	0	0	390	390
Total Revenues	<u>113,169</u>	<u>113,169</u>	<u>61,125</u>	<u>(52,044)</u>
EXPENDITURES				
Debt Service				
Principal Retirement	35,000	35,000	35,000	0
Interest Retirement	61,850	61,850	61,927	(77)
Total Expenditures	<u>96,850</u>	<u>96,850</u>	<u>96,927</u>	<u>(77)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,319</u>	<u>16,319</u>	<u>(35,802)</u>	<u>(52,121)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	16,319	16,319	(35,802)	(52,121)
Fund Balances - Beginning	162,624	162,624	162,624	
Fund Balances - Ending	<u>\$178,943</u>	<u>\$178,943</u>	<u>\$126,822</u>	<u>(\$52,121)</u>

ARANSAS COUNTY, TEXAS
 VENUE CO'S I&S
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$134	\$134
Total Revenues	0	0	134	134
EXPENDITURES				
Debt Service				
Principal Retirement	110,000	110,000	110,000	0
Interest Retirement	91,800	91,800	91,677	123
Total Expenditures	201,800	201,800	201,677	123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,800)	(201,800)	(201,543)	257
OTHER FINANCING SOURCES (USES):				
Transfers In	201,300	201,300	201,300	0
Transfers Out				0
Total Other Financing Sources (Uses)	201,300	201,300	201,300	0
Net Changes in Fund Balances	(500)	(500)	(243)	257
Fund Balances - Beginning	9,580	9,580	9,580	
Fund Balances - Ending	\$9,080	\$9,080	\$9,337	\$257

ARANSAS COUNTY, TEXAS
 WATERWAY RESTORATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$42	\$42
Miscellaneous	0		20	20
Total Revenues	0	0	62	62
EXPENDITURES				
Capital Projects - Capital Outlay and Other	265,000	265,000	202,811	62,189
Total Expenditures	265,000	265,000	202,811	62,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,000)	(265,000)	(202,749)	62,251
OTHER FINANCING SOURCES (USES):				
Transfers In	265,000	265,000	265,000	0
Total Other Financing Sources (Uses)	265,000	265,000	265,000	0
Net Changes in Fund Balances	0	0	62,251	62,251
Fund Balances - Beginning	262,538	262,538	262,538	
Fund Balances - Ending	\$262,538	\$262,538	\$324,789	\$62,251

ARANSAS COUNTY, TEXAS
 VENUE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$1,641	\$1,641
Total Revenues	0	0	1,641	1,641
EXPENDITURES				
Capital Projects - Capital Outlay and Other	173,175	173,175	109,879	63,296
Total Expenditures	173,175	173,175	109,879	63,296
Excess (Deficiency) of Revenues Over (Under) Expenditures	(173,175)	(173,175)	(108,238)	64,937
OTHER FINANCING SOURCES (USES):				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(173,175)	(173,175)	(108,238)	64,937
Fund Balances - Beginning	859,679	859,679	859,679	
Fund Balances - Ending	\$686,504	\$686,504	\$751,441	\$64,937

ARANSAS COUNTY, TEXAS
 VENUE PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$0	\$0	\$901	\$901
Miscellaneous	0	0	13,289	13,289
Total Revenues	0	0	14,190	14,190
EXPENDITURES				
Capital Projects - Capital Outlay and Other	248,985	257,985	222,473	35,512
Total Expenditures	248,985	257,985	222,473	35,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248,985)	(257,985)	(208,283)	49,702
OTHER FINANCING SOURCES (USES):				
Transfers In	222,150	222,150	222,150	0
Total Other Financing Sources (Uses)	222,150	222,150	222,150	0
Net Changes in Fund Balances	(26,835)	(35,835)	13,867	49,702
Fund Balances - Beginning	477,368	477,368	477,368	
Fund Balances - Ending	\$450,533	\$441,533	\$491,235	\$49,702

AGENCY FUNDS

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2015

	Agency Funds	
	County Officer	
	Accounts	Total
ASSETS		
Cash and Cash Equivalents	\$11,954,531	\$11,954,531
Receivables (net of allowance for uncollectibles)		0
Total Assets	<u>\$11,954,531</u>	<u>\$11,954,531</u>
LIABILITIES:		
Accounts Payable		\$0
Due to Others	11,954,531	11,954,531
Total Liabilities	<u>\$11,954,531</u>	<u>\$11,954,531</u>

ARANSAS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

<u>COUNTY OFFICER ACCOUNTS</u>		BALANCE 12/31/2014	ADDITIONS	DEDUCTIONS	BALANCE 12/31/2015
ASSETS					
Cash and Cash Equivalents		\$3,350,091	\$8,604,440	\$0	\$11,954,531
Receivables (net of allowance for uncollectibles)					0
Total Assets		<u>\$3,350,091</u>	<u>\$8,604,440</u>	<u>\$0</u>	<u>\$11,954,531</u>
LIABILITIES:					
Accounts Payable					0
Due to Others		3,350,091	8,604,440	0	11,954,531
Total Liabilities		<u>\$3,350,091</u>	<u>\$8,604,440</u>	<u>\$0</u>	<u>\$11,954,531</u>
<u>TOTAL</u>		BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
ASSETS					
Cash and Cash Equivalents		\$3,350,091	\$8,604,440	\$0	\$11,954,531
Receivables (net of allowance for uncollectibles)		0	0	0	0
Total Assets		<u>\$3,350,091</u>	<u>\$8,604,440</u>	<u>\$0</u>	<u>\$11,954,531</u>
LIABILITIES:					
Accounts Payable		\$0	\$0	\$0	\$0
Due to Others		3,350,091	8,604,440	0	11,954,531
Total Liabilities		<u>\$3,350,091</u>	<u>\$8,604,440</u>	<u>\$0</u>	<u>\$11,954,531</u>

SINGLE AUDIT SECTION

ARANSAS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through			
<i>Texas Division of Emergency Management</i>			
Operation Stonegarden (OPSG) (M)	97.067	EMW-2013-SS-00045	\$132,963
Operation Stonegarden (OPSG) (M)	97.067	EMW-2014-SS-00029	269,334
Total Texas Division of Emergency Management			<u>402,297</u>
Total U.S. Department of Homeland Security			<u>402,297</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through			
<i>Texas Commission on Environmental Quality</i>			
Nonpoint Source Water Implementation Grant (NM)	66.460	583-13-30050	47,898
Total U.S. Environmental Protection Agency			<u>47,898</u>
U.S. DEPARTMENT OF THE INTERIOR			
Direct Programs			
Coastal Impact Assistance Program (M)	15.426	F12AF70246	<u>389,130</u>
Passed Through			
Texas General Land Office			
GoMESA (NM)	15.435	14-170-000-8149	<u>112,475</u>
Total U.S. Department of the Interior			<u>501,605</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Passed Through			
Texas Department of Agriculture			
Community Development Block Grant (M)	14.228		
Colonia		7214009	43,895
Ramp		713055	175,952
Total Community Development Block Grant			<u>219,847</u>
Total U.S. Department of Housing & Urban Development			<u>219,847</u>
U.S. DEPARTMENT OF COMMERCE			
Passed Through Texas General Land Office:			
Coastal Zone Management Administration Awards (NM)	11.419	14-093-000-7961	<u>53,877</u>
Total U.S. Department of Commerce			<u>53,877</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$1,225,524</u></u>

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER
M=MAJOR PROGRAM
NM=NONMAJOR PROGRAM

ARANSAS COUNTY, TEXAS
 BUDGET COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Agriculture
 CFDA Number: 14.228
 Project Number: 7214009
 Contract Period: 10/15/2014 to 10/14/2016

	BUDGET	FEDERAL		LOCAL MATCH		VARIANCE
		PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
REVENUE						
Federal	\$300,000		\$43,895			\$256,105
Local	18,500					18,500
TOTAL REVENUE:	318,500	0	43,895	0	0	274,605
EXPENSES						
Federal						
Sewer Improvements - Construction	171,035					171,035
Sewer Improvements - Engineering	35,000		29,592			5,408
Rehab Single - Unit -Sewer	57,912					57,912
Rehab Single - Unit -Sewer	3,053		2,753			300
General Administration	33,000		11,550			21,450
State	18,500					18,500
TOTAL EXPENSES	318,500	0	43,895	0	0	274,605
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

ARANSAS COUNTY, TEXAS
 BUDGET COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor: U.S. Department of Housing and Urban Development
 Pass Through Grantor: Texas Department of Agriculture
 CFDA Number: 14.228
 Project Number: 713055
 Contract Period: 1/23/2014 to 7/22/2016

	BUDGET	FEDERAL		LOCAL MATCH		VARIANCE
		PRIOR YEAR	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	
REVENUE						
Federal	\$500,000	\$21,000	\$175,952			\$303,048
Local	18,500				25,000	(6,500)
TOTAL REVENUE:	518,500	21,000	175,952	0	25,000	296,548
EXPENSES						
Federal						
Sewer Improvements - Construction	317,768		119,052			198,716
Sewer Improvements - Engineering	54,000	7,000	38,900			8,100
Rehab Single - Unit -Sewer	88,232					88,232
General Administration	40,000	14,000	18,000			8,000
State	18,500				25,000	(6,500)
TOTAL EXPENSES	518,500	21,000	175,952	0	25,000	296,548
Excess Revenue over Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

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

To the Commissioner's Court
Aransas County, Texas

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, business-type activities, each major fund, the budgetary comparison schedules for the general fund, road and bridge fund, the Flood Control Fund, the Flood Capital Projects Fund, and the Health Care Sales Tax Fund, and the aggregate remaining fund information of Aransas County, Texas, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Aransas County, Texas' basic financial statements and have issued our report thereon dated June 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aransas County, Texas' 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' internal control. Accordingly, we do not express an opinion on the effectiveness of Aransas County, Texas' 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' 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.

A handwritten signature in black ink that reads "Wayne R. Beyer". The signature is written in a cursive style with a large, prominent 'W' and 'B'.

BEYER & COMPANY
Certified Public Accountants
June 25, 2016

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Commissioner's Court
Aransas County, Texas

Report on Compliance for Each Major Federal Program

We have audited Aransas County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Aransas County, Texas' major federal programs for the year ended December 31, 2015. Aransas County, Texas' 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' 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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' 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' 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 for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

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' 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 the Uniform Guidance, 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' internal control over compliance.

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

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

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



BEYER & COMPANY
Certified Public Accountants
June 25, 2016

ARANSAS COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

General

The accompanying Schedule of Expenditure of Federal Awards presents the activity of all Aransas County, Texas's Federal grants for the year ended December 31, 2015. This report is intended for the information of Aransas County, Texas, and Federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

The Schedule of Expenditure of Federal Awards is presented using the modified accrual basis of accounting.

Non Cash Grants

Aransas County received no non-cash grants for the year ended December 31, 2015.

Reconciliation of Schedule of Federal Assistance to Audit Report

AMOUNT PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$1,225,524
ACND/NRDA GRANT	1,125,265
LOCAL BORDER SECURITY PROGRAM	69,129
LIBRARY GRANT	5,998
TP&W ST CHARLES BOAT LAUNCH	44,761
AMOUNT PER AUDIT REPORT	<u>\$2,470,677</u>

ARANSAS COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal

There were no prior audit findings for Federal Awards.

ARANSAS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses a unmodified opinion on the financial statements of the Aransas County, Texas.
2. There was no significant deficiency disclosed during the audit. There was no material weakness disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Aransas County, Texas, which would be required to be reported in accordance with Government Auditing Standards.
4. There was no significant deficiency over major Federal award programs disclosed during the audit. There was no material weakness over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for Aransas County, Texas expresses an unqualified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR 200.516 (a) of the Uniform Guidance.
7. The programs tested as major programs: Operation Stonegarden Grant Program – CFDA 97.067, Coastal Impact Assistance Program – CFDA 15.426, and Community Development Block Grant – CFDA 14.228.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Aransas County did not qualify as a low-risk auditee.

STATISTICAL SECTION

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

Contents	Page
Financial Trends	123
. <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	126
. <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	134
. <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	138
. <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	141
. <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

ARANSAS COUNTY, TEXAS
 Net Position by Component
 2015 Fiscal Year
 (accrual basis of accounting)
 (UNAUDITED)

	<u>2015</u>
Governmental activities	
Investment in Capital Assets	\$7,842,503
Restricted	11,189,654
Unrestricted	<u>14,014,818</u>
Total governmental activities Net Position	<u>\$33,046,975</u>
Business-type activities	
Investment in Capital Assets	\$7,528,758
Restricted	0
Unrestricted	<u>830,539</u>
Total business-type activities Net Position	<u>\$8,359,297</u>
Primary government	
Investment in Capital Assets	\$15,371,261
Restricted	11,189,654
Unrestricted	<u>14,845,357</u>
Total primary government Net Position	<u>\$41,406,272</u>

Notes:

(1) The information is derived from the Annual Financial Reports.

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 Changes in Net Position
 2015 Fiscal Year
 (accrual basis of accounting)
 (UNAUDITED)

	<u>2015</u>
Expenses	
Governmental activities:	
General Administration	\$2,048,737
Legal	548,590
Judicial	1,167,819
Financial Administration	1,998,834
Public Facilities	4,023,529
Public Safety	7,472,180
Public Transportation	2,169,438
Environmental Protection	601,260
Culture and Recreation	334,464
Health and Welfare	1,184,897
Conservation - Agriculture	115,564
Interest and Fiscal Charges	<u>602,379</u>
Total governmental activities expenses	<u>22,267,691</u>
Business-type Activities	
County airport	1,633,268
Inmate commissary	<u>291,908</u>
Total Business-type Activities Expenses	<u>1,925,176</u>
Total Primary Government Expenses	<u><u>\$24,192,867</u></u>
Program Revenues	
Governmental activities:	
Charges for services:	
General Administration	\$430,714
Legal	9,895
Judicial	408,095
Financial Administration	192,123
Public Facilities	0
Public Safety	2,294,087
Public Transportation	926,046
Environmental Protection	584,918
Culture and Recreation	4,514
Health and Welfare	1,220
Conservation - Agriculture	0
Operating grants and contributions	1,125,998
Capital grants and contributions	<u>2,003,434</u>
Total governmental activities program revenues	<u>7,981,044</u>
Business type Activities:	
Charges for Services:	
County Airport	\$1,039,459
Inmate commissary	295,416
Operating Grants and Contributions	0
Capital Grants and Contributions	<u>92,428</u>
Total Business type Activities Program Revenues	<u>1,427,303</u>
Total primary government program revenues	<u><u>\$ 9,408,347</u></u>

(continued)

(continued)

Net (expense)/revenue	
Governmental activities	\$14,286,647
Business type Activities:	<u>\$497,873</u>
Total primary government net expense	<u>\$14,784,520</u>

General Revenues and Other Changes in
Net Position

Governmental activities:

Taxes	
Property Taxes	10,882,044
Sales	2,908,666
Hotel/Motel	405,514
Venue	488,501
Unrestricted Investment Earnings	102,058
Miscellaneous	<u>357,672</u>
Total governmental activities	<u>15,144,455</u>

Business type Activities:

Investment Earnings	<u>2,206</u>
Total Business type Activities	<u>2,206</u>
Total Primary Government	<u>15,146,661</u>

Change in Net Position

Governmental activities	\$857,808
Business type Activities	<u>(495,667)</u>
Total primary government	<u>\$362,141</u>

Notes:

(1) The information is derived from the Annual Financial Reports

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 2015 FISCAL YEAR
 (UNAUDITED)

FISCAL YEAR ENDED	PROPERTY TAXES	SALES	HOTEL/ MOTEL	VENUE	TOTAL
2015	\$10,882,044	\$2,908,666	\$405,514	\$488,501	\$14,684,725

(1) The information is derived from the Annual Financial Reports.

ARANSAS COUNTY, TEXAS
Fund Balances of Governmental Funds
2015 Fiscal Year
(modified accrual basis of accounting)
(UNAUDITED)

	<u>2015</u>
General fund	
Non-spendable	\$25,953
Unassigned	<u>4,999,050</u>
Total general fund	<u><u>\$5,025,003</u></u>

All other governmental funds	
Non-spendable	\$34,320
Restricted	11,189,654
Unassigned	<u>(237,934)</u>
Total all other governmental funds	<u><u>\$10,986,040</u></u>

(1) The information is derived from the Annual Financial Reports.

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 Changes in Fund Balances of Governmental Funds
 2015 Fiscal Year
 (modified accrual basis of accounting)
 (UNAUDITED)

	<u>2015</u>
Revenues	
Taxes	
Property	\$11,329,123
Sales	2,908,666
Hotel/Motel	405,514
Venue	488,501
Other	103,695
Intergovernmental	3,129,432
Licenses and Permits	552,795
Charges for Services	3,878,684
Fines and Forfeitures	405,915
Interest	76,363
Miscellaneous	357,658
Total revenues	<u>23,636,346</u>
Expenditures	
Current:	
General Administration	2,031,441
Legal	553,867
Judicial	1,179,874
Financial Administration	1,917,031
Public Facilities	782,960
Public Safety	7,170,876
Public Transportation	2,656,872
Environmental Protection	584,364
Culture and Recreation	265,819
Health and Welfare	1,154,066
Conservation - Agriculture	98,236
Capital outlay	4,246,916
Debt service	
Principal	1,234,667
Interest	698,780
Total expenditures	<u>24,575,769</u>
Excess of revenues over (under) expenditures	(939,423)
Other financing sources (uses)	
Transfers In	2,828,336
Transfers Out	(2,828,336)
Total other financing sources (uses)	<u>0</u>
Net change in fund balances	<u>\$ (939,423)</u>
Debt service as a percentage of noncapital expenditures	8.78%

(1) The information is derived from the Annual Financial Reports

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 2015 FISCAL YEAR
 (UNAUDITED)

FISCAL YEAR ENDED	PROPERTY TAXES	SALES	HOTEL/ MOTEL	VENUE	OTHER	TOTAL
2015	\$11,329,123	\$2,908,666	\$405,514	\$488,501	\$103,695	\$15,237,514

(1) The information is derived from the Annual Financial Reports.

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS

Assessed Value and Estimated Actual Value of Taxable Property

Last Five Years

(UNAUDITED)

Fiscal Year (1)	Land	Personal Property	Minerals	Total Taxable Assessed Value	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2011	3,128,848,664	53,416,235	84,354,390	3,266,619,289	2,674,733,072	81.9%
2012	3,145,237,788	56,899,777	88,852,510	3,290,990,075	2,684,897,876	81.6%
2013	3,201,483,133	56,737,135	102,777,680	3,360,997,948	2,751,237,532	81.9%
2014	3,323,942,964	99,961,694	66,840,700	3,490,745,358	2,844,513,683	81.5%
2015	3,402,901,320	106,001,760	88,220,380	3,597,123,460	2,957,583,964	82.2%

Source: Aransas County Appraisal District

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have reliable comparative data prior to 2011.

ARANSAS COUNTY, TEXAS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST FIVE YEARS
(UNAUDITED)

LEVY YEAR (1)	ARANSAS COUNTY	CITIES		NAVIGATION DISTRICT	SCHOOL DISTRICTS	
		ARANSAS PASS	ROCKPORT		ARANSAS PASS	ROCKPORT
2011	0.370250	0.322312	0.308890	0.055772	1.031380	1.132372
2012	0.381065	0.318344	0.325824	0.055790	1.031380	1.159381
2013	0.375276	0.318344	0.327728	0.055136	1.031380	1.160490
2014	0.384669	0.343648	0.335179	0.053611	1.031380	1.156092
2015	0.385462	0.343648	0.364858	0.052511	1.031380	1.156000

Source: Aransas County Appraisal District

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have reliable comparative data prior to 2011.

ARANSAS COUNTY, TEXAS
Principal Property Tax payers
Current Year and One Year Ago
(UNAUDITED)

Taxpayer	2015			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hillcorp Energy Company	57,172,570	1	1.64%	22,514,130	1	0.64%
AEP Texas Central Company	19,680,850	2	0.56%	20,140,510	2	0.58%
H.E.Butt Grocery	10,185,675	3	0.29%	10,146,700	3	0.29%
Southwest Texas Corporation	9,705,910	4	0.28%			
Oaks at Bentwater Owner, LLC	9,474,000	5	0.27%	9,558,460	4	0.27%
Global Blue Technologies-Cameron, LLC	8,089,420	6	0.23%			
Waterfront Land Investments Fund I LP	7,457,550	7	0.21%	7,495,380	5	0.21%
Wal-Mart Real Estate Business Trust	7,000,000	8	0.20%	7,000,000	6	0.20%
Lamar Oil & Gas, Inc.	6,867,640	9	0.20%			
Rockport Harborfront LP	6,806,910	10	0.20%	6,807,140	7	0.20%
C.H. Marina and Drystack LP				6,591,718	8	0.19%
Lokseva, Inc.				5,726,590	9	0.16%
Cabot Oil & Gas				5,665,960	10	0.16%
TOTAL	142,440,525		4.08%	101,646,588		2.90%

Source: Aransas County Appraisal District

(1) The 2014 year will be shown as the comparative year until the 2023 year.
The 2014 year is shown because data prior to it is not available.

ARANSAS COUNTY, TEXAS
 Property Tax Levies and Collections
 Last Five Years
 Tax Roll
 (UNAUDITED)

Fiscal Year (1)	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
2011	9,903,199	4,056,995	40.97%	5,776,194	9,833,189	99.29%
2012	10,231,206	4,400,247	43.01%	5,743,456	10,143,703	99.14%
2013	10,941,962	4,109,587	37.56%	6,712,743	10,822,330	98.91%
2014	10,941,962	4,423,353	40.43%	6,350,143	10,773,496	98.46%
2015	11,400,361	5,581,560	48.96%			

(1) Source: Aransas County Appraisal District

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have reliable comparative data prior to 2011.

ARANSAS COUNTY, TEXAS
 Ratios of Outstanding Debt by Type
 2015 Fiscal Year
 (UNAUDITED)

Fiscal Year	Governmental Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Bonded Debt			
2015	\$20,860,000	\$20,860,000	5%	\$900.77

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have reliable comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
 2015 FISCAL YEAR
 (UNAUDITED)

FISCAL YEAR ENDED (1)	ASSESSED VALUATIONS	POPULATION	(1) BONDED DEBT	LESS DEBT SERVICE FUNDS	TOTAL	RATIO NET GENERAL BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2015	\$3,597,123,460	23,158	\$20,860,000	\$1,988,519	\$18,871,481	0.52%	\$814.90

The figures above were obtained by the County Staff and from the Texas Almanac.

(1) Future years will be included until ten years are shown.
 Ten years are not shown because the County does not have reliable comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
ESTIMATED NET DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2015
(UNAUDITED)

TAXING BODY	NET DEBT	AS OF	(1) APPLICABLE	OVERLAPPING DEBT	DIRECT DEBT	TOTAL DIRECT AND OVERLAPPING DEBT
COUNTY OF ARANSAS	\$20,860,000	12/31/2015	100.00%	\$0	\$20,860,000	\$20,860,000
CITY OF ARANSAS PASS	27,520,000	12/31/2015	8.00%	2,201,600		2,201,600
CITY OF ROCKPORT	38,144,000	12/31/2015	100.00%	38,144,000		38,144,000
ARANSAS PASS ISD	1,525,000	12/31/2015	8.00%	122,000		122,000
ROCKPORT ISD	34,889,925	12/31/2015	100.00%	34,889,925		34,889,925
NAVAGATION DISTRICT	4,720,000	12/31/2015	100.00%	4,720,000		4,720,000
	<u>\$127,658,925</u>			<u>\$80,077,525</u>	<u>\$20,860,000</u>	<u>\$100,937,525</u>

The above information was obtained from the Texas Bond Review website.

Note: Above debt only includes general bonded debt.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the respective entity's taxable assessed value that is within the County's boundaries and dividing it by the entity's total taxable assessed value.

ARANSAS COUNTY, TEXAS
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2015
 2015 Fiscal Year

	<u>2015</u>
Assessed Value of Real Property	\$3,597,123,460
Debt Limit 25% of Assessed Value of Real Property (Article III, Section 52, Constitution of the State of Texas)	<u>899,280,865</u>
Total bonded debt	
Less: Revenue bonds	20,860,000
Amount available for payment of general obligation bonds	<u>(1,988,519)</u>
	<u>(18,871,481)</u>
 LEGAL DEBT MARGIN	 <u><u>\$880,409,384</u></u>

(1) Future years will be included until ten years are shown.
 Ten years are not shown because the County does not have reliable comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 2015 FISCAL YEAR
 (UNAUDITED)

Fiscal <u>Year</u>	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(1) Median Age	(4) Education Level in Years of Formal Schooling	(3) School Enrollment	(2) Unemployment Rate
2015	23,158	\$34,915	\$18,560	43		3,165	4.8%

Data sources

- (1) From Wikipedia, the free encyclopedia
- (2) From Sperlings
- (3) From PODUNK
- (4) Information not obtainable

- (1) Future years will be included until ten years are shown.
 Ten years are not shown because the County does not have reliable comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR
 (UNAUDITED)

Employer	2015		
	Employees	Rank	Percentage of Total County Employment
Aransas County ISD	496	1	4.31%
Wal-Mart	232	2	2.02%
H.E.B.	180	3	1.56%
Aransas County ISD	178	4	1.55%
City of Rockport	139	5	1.21%
State of Texas	107	6	0.93%
Rockport Coastal Care Center	80	7	0.69%
Gulf Point Plaza	73	8	0.63%
Oak Crest Nursing Center	70	9	0.61%
	<u>1,555</u>		<u>13.51%</u>

Source: Per US Labor Department

(1) The 2015 year will be shown in future years as the comparative year until the 2024 year.
 No year prior to the 2015 year is shown because the data prior to it is not available.

ARANSAS COUNTY, TEXAS
 FULL TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
 2015 FISCAL YEAR
 (UNAUDITED)

Function	<u>2015</u>
General Administration	15
Legal	12
Judicial	21
Financial Administration	
County Auditor	5
County Treasurer	3
Data Processing	3
Tax Assessor/Election Official	10
Public Facilities	8
Public Safety	
Jail	25
Sheriff	46
Other	11
Public Transportation	4
Environmental Protection	4
Sanitation	6
Culture and Recreation	
Libraries	5
Health and Welfare	6
Conservation - Agriculture	4
Total	<u><u>188</u></u>

Source: Various County Departments

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 OPERATING INDICATORS BY FUNCTION
 2015 FISCAL YEAR
 (UNAUDITED)

	<u>2015</u>
Function	
JUSTICE SYSTEM	
County Courts	
Civil Cases	
Filed	43
Disposed	63
Criminal Cases	
Filed	505
Appealed	12
Motions to Revoke	41
Disposed	390
Probate Cases	
Filed	149
Hearings	145
Mental Health Cases	
Filed	15
Hearings	11
District Courts	
Civil Cases	
New cases filed	237
Other cases reaching docket	0
Disposed	220
District Family Court	
Filed	205
Hearings	224
Criminal Cases	
Filed	160
Motions to revoke	75
Disposed	253
County Court at Law Cases	
Filed	174
Hearings	132
Juvenile Cases	
New petitions filed	9

	<u>2015</u>
Function (continued)	
JUSTICE SYSTEM (continued)	
Justice of the Peace Courts	
Civil Cases	
New cases filed	395
Appealed	0
Disposed	349
Criminal Cases	
Traffic cases filed	2,768
Non traffic cases filed	97
Appealed	0
Disposed	2,753
Public Safety	
Physical Arrests	783
Traffic Violations	1522
Corrections & Rehabilitations	
Inmates housed(average # per mo.)	184
Juvenile Referrals	79
Health and Human Services	
Public Health	
Immunizations	0
Patient Contacts	487
Environmental health	
Septic Tank permits	193
Septic Tank Inspections	131
Community & Economic Development	
Extension Service	
4-H youth participants	81

Source: Various County Departments

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

ARANSAS COUNTY, TEXAS
 CAPITAL ASSETS BY FUNCTION
 2015 FISCAL YEAR
 (UNAUDITED)

	<u>2015</u>
Function	
Public Safety	
Sheriff	
Jails	1
Patrol Units	34
Highways & Streets	166.37
Culture & Recreation	
Parks Acreage	0
Parks	0
Swimming Pools *	1
Baseball fields	1
Libraries	1
Transportation	
Caterpillars	12
Dump Trucks	7
Pickup Trucks	10
Automobiles	0
Buildings	8
Other County Departments	
Pickup Trucks	22
Automobiles	8
Buildings	33

Source: Various County Departments

(1) Future years will be included until ten years are shown.

Ten years are not shown because the County does not have comparative data prior to 2015.

* Community Pool funded by fees: Aransas County, City of Rockport, and the Town of Fulton