

San Patricio County, Texas

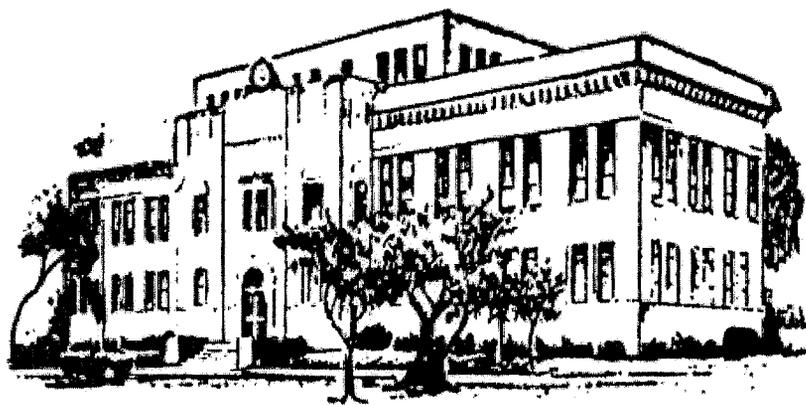
Comprehensive Annual Financial Report For the Year Ended December 31, 2012

Issued By:

County Auditor's Office

David W. Wendel

County Auditor



SAN PATRICIO COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012
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Introductory Section

SAN PATRICIO COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2012

DISTRICT COURT

Michael E. Welborn
Joel B. Johnson
Janna K. Whatley
Patrick Flanigan
Laura Miller

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

COMMISSIONERS COURT

Terry Simpson
Nina G. Trevino
Fred P. Nardini
Alma V. Moreno
Jim Price

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

OTHER COUNTY OFFICIALS

Richard Hatch, III
Leroy Moody
Gracie A. Gonzales
Dalia Sanchez
David Aken
Courtenay Dugat
David W. Wendel

County Court-at-Law Judge
Sheriff
County Clerk
Tax Assessor-Collector
County Attorney
County Treasurer
County Auditor

JUSTICES OF THE PEACE

Yolanda Guerrero
Daniel Garza
Karen Diaz
Amada V. Cardenas
Charlene Lewis
Roger Powell

Precinct No. 1
Precinct No. 2
Precinct No. 4
Precinct No. 5
Precinct No. 6
Precinct No. 8

CONSTABLES

Gonzalo Gonzales
Steve Garcia
Parnell Haynes
Juan C. Gonzales
Don Perkins
Teresa Gonzales

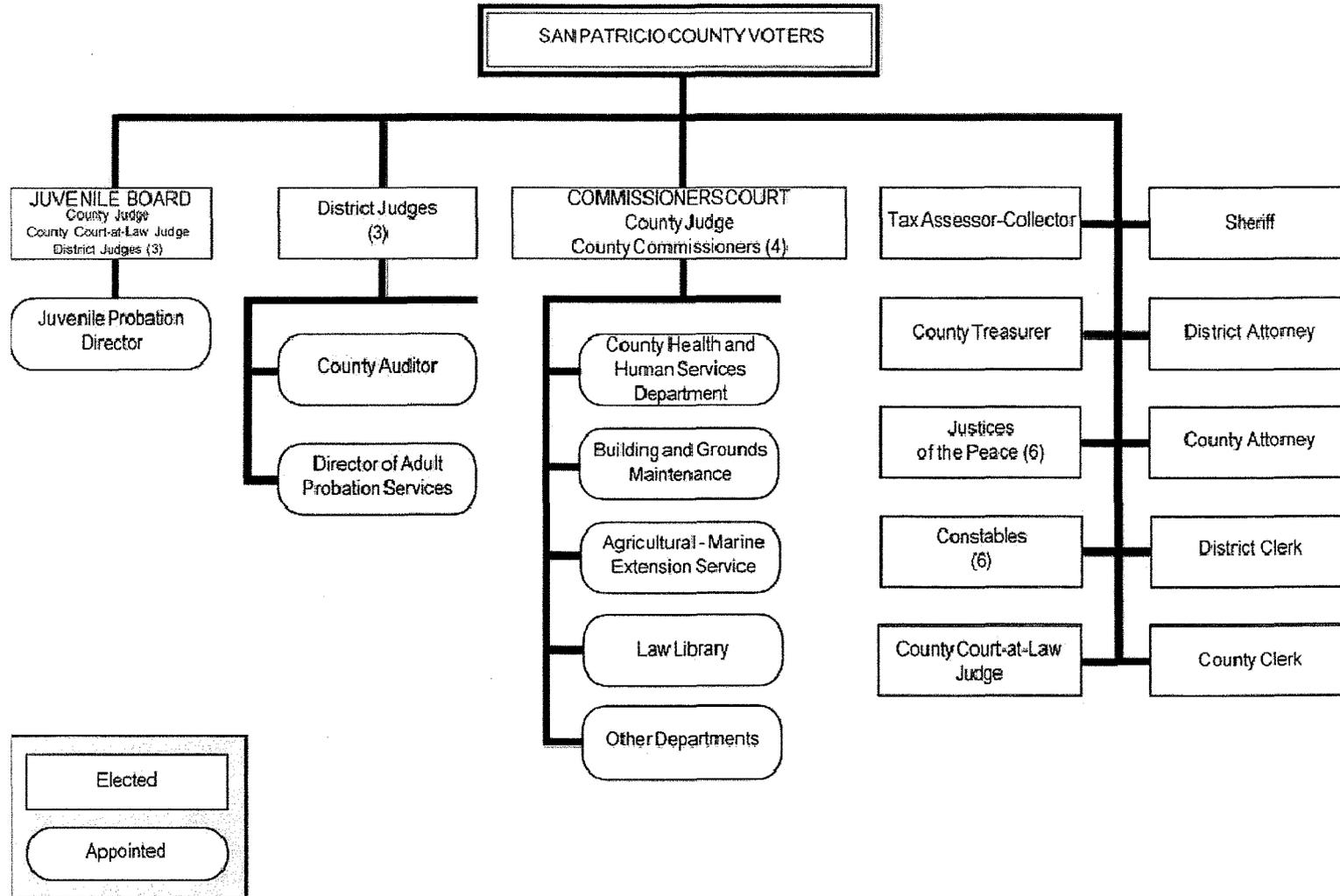
Precinct No. 1
Precinct No. 2
Precinct No. 4
Precinct No. 5
Precinct No. 6
Precinct No. 8

SAN PATRICIO COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2012
(continued)

OTHER

James A. Mobley, M.D.	County Health Officer
VACANT	County Health Department Administrator
Julius L. Petrus, Jr.	County Surveyor
Bobby McCool	County Extension Agent (AG)
Kathy Farrow	County Extension Agent (FCS)
Adrian Arredondo	County Extension Agent (FCS)
Clifford Charles Edge, III	County Librarian
John Doria	Building Superintendent
Edward Salazar	Director of Adult Probation Services
Marla Ruvalcaba	Juvenile Probation Director
Tina M. Garrett	Major Jailer
James Lill Dolores Hinojosa	Veteran's Service Officer
Raul A. Delgado, Jr.	Manager, Computer Dept.
Hugh Wayne	Director, Printing Dept.
Norma J. Rivera	Personnel Director
William Zagorski	Emergency Management Coordinator

SAN PATRICIO COUNTY ORGANIZATION CHART





Sinton, Texas
78387

DAVID W. WENDEL

County Auditor

Courthouse, Room B-50
400 West Sinton Street
361/364-9312 - Office
361/364-9412 - Fax

June 7, 2013

Honorable District Judges
Honorable County Judge
Honorable County Commissioners
Citizens of San Patricio County
San Patricio County
Sinton, TX 78387

FORMAL TRANSMITTAL OF THE COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Ladies and Gentlemen:

The Federal Single Audit Act requires us to issue a complete set of audited financial statements yearly. This report is published to fulfill that requirement for the fiscal year ended December 31, 2012.

The comprehensive annual financial report (CAFR) of San Patricio County, Texas (the County), for the year ended December 31, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and capital assets of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The responsibility is based on a framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurances that the financial statements are free from any material misstatement.

Lovvorn & Kieschnick, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on San Patricio County's financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this Letter of Transmittal and should be read in conjunction with it.

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PROFILE OF THE COUNTY

San Patricio County, Texas, was organized in 1837. The County operates under a County Judge-Commissioners Court type of government. The County, as a subdivision of the State of Texas, provides only those services allowed by statute. These include judicial, detention facilities, public safety, highways, flood control, health and limited social services, public improvements, and general administrative services.

The preparation of this CAFR conforms to the requirements of The Governmental Accounting Standards Board (GASB) statement No. 14 titled The Financial Reporting Entity. The accounting and reporting principles contained in statement No. 14 are based primarily on the fundamental concept that publicly elected officials are accountable to their constituents. Furthermore, statement No. 14 provides that the financial statements should emphasize the primary government (the County).

The financial reporting entity is the primary government (the County) because there are no component units applicable to the County. Also, the County is not a component unit of any other entity.

In governments, the budget is an integral part of its' accounting system and daily operations. The annual budget serves as the foundation of the County's financial planning and control. Annual Budgets are adopted for the General Fund and certain Special Revenue and Debt Service Funds. Appropriations are made for line items at the department level. All amendments and changes must be approved by the Commissioners' Court. The Level of Control (the level on which expenditures and transfers may not legally exceed appropriations) for each legally adopted annual budget is the fund.

ECONOMIC CONDITIONS

The County of San Patricio is experiencing many of the same problems and economic conditions as other Texas counties. The expenditure level has been curtailed due primarily to a purchase order system. Budgetary constraints and monitoring have played a key role in financial management. A combination of increased service requests and state and federal mandates all add up to the necessity of cutting costs where possible. It has been these efforts that have enabled San Patricio County to maintain sufficient fund balances in the County's operating funds. The County is very dependent upon the actions of the state and federal governments to finance special project operating and capital programs. All residents and taxpayers have to realize that new services or increased operation costs will have to be offset by new or increased sources of revenue.

The position of the County continued to be sound over the past year with actual operating results generally better than originally estimated. Some of the factors which enabled the County to maintain this constant level were:

1. Most departments and agencies operated within budget appropriations.
2. The budget was monitored on a regular basis.
3. Ad Valorem taxes were collected at a high percent.
4. Expenditures were carefully monitored in order to reduce and save costs.

Looking ahead, San Patricio County must continue to monitor all financial resources and carefully plan for future years. While increased growth in some areas of the County offers hope for the future, some areas of the County are not experiencing economic growth. In addition, such growth will demand more services in the future. Future budgets will present a challenge to maintain the County's record of financial stability and growth that has been routine for so long. County officials will have to work with a spirit of cooperation and expect change to meet future needs of governmental operations. Fortunately, they have done this so far and are expected to continue to work in order to keep the County in sound financial condition. The San Patricio County Economic Development Corporation was formed in 1992. This organization has been instrumental in generating interest in the local area. Also the Corpus Christi Regional Economic Development Corporation has been instrumental in generating interest in the local area.

In 2005, Naval Station Ingleside was put on the U.S. Navy's closure list which had a negative impact on the County. The closure was completed in 2010. The properties of the base have been sold to developers, which are expected to bring more industry and employment to the County.

In 2007, the Federal Government confirmed that it would build a \$20M Wind Turbine and Blade Testing Facility in San Patricio County. It was completed in 2009 and provided approximately 400 temporary construction jobs and eight to ten permanent jobs. More construction is expected in the future.

In late 2008 it was announced that the TPCO America Corporation will build a mini mill facility that will manufacture steel products from recycled scrap steel. This will be located in the eastern part of the County and construction is expected to begin in 2012 with operations beginning in 2013. Construction is expected to provide 400 to 600 jobs and when completed it is expected to provide 300 full time jobs. In 2009 the County approved a major ten year tax abatement to TCPO America Corporation. The Abatements will be as follow: first 5 years 100%, 6th year 85%, 7th year 70%, 8th year 55%, 9th year 40%, and 10th year 25%.

The U.S. Army Reserves 887th Quartermasters Company, military office has completed building a new \$9,600,000 army reserve facility in San Patricio County near Sinton, Texas. This new facility replaced an old facility and includes a training facility building, an OMS (Organizational Maintenance Shop) where they maintain military vehicles and equipment, unheated storage building, parking and land development.

In 2013, it was announced that Voestaline, a leading steel processing company based out of Linz, Austria, will be constructing and operating an iron producing plant in San Patricio County. This is an investment of approximately \$700,000,000 and is expected to employ about 150 workers. The plant is expected to be completed and operating by 2016.

In conclusion, County officials remain optimistic about the economic outlook of the County due to recent encouraging economic news, and San Patricio County continues to be an excellent place to live and work.

LONG TERM FINANCIAL PLANNING

Long term financial planning is in place which includes analyzing the economic environment and making projections, especially for capital project funds and debt service funds, to ensure that resources are in place to meet committed projects and ensure that there is adequate funding for projects prior to their approval and that adequate funding is in place for debt that has been or will be incurred, with an appropriate plan for repayment.

AWARDS AND ACKNOWLEDGMENTS

Certificate Of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Patricio County, Texas for its comprehensive annual financial report for the fiscal year ended December 31, 2011. This award was the thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

It is noted that the County has received this award thirty-three times for the years 1973, 1977, 1979, and the years 1982-2011.

Safety Award. The County received the County Safety Award from the Texas Association of Counties for 2012 in recognition of the County's ongoing record of safety in the workplace.

Acknowledgments. The preparation of this report could not have been accomplished without the effort of my staff, the cooperation of various County officials and their staffs, and the Commissioners' Court. I wish to thank them all. I wish to give special acknowledgment to William Telford, San Patricio County First Assistant County Auditor, for his invaluable assistance in helping present this report for the Certificate of Achievement Award. William, a Certified Public Accountant (CPA), MBA graduate and GFOA member, is on the Special Review Committee of the Government Finance Officers Association as a reviewer for the Certificate of Achievement for Excellence in Financial Reporting Program.

Respectfully Submitted,

DWW

David W. Wendel
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Patricio County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morrell

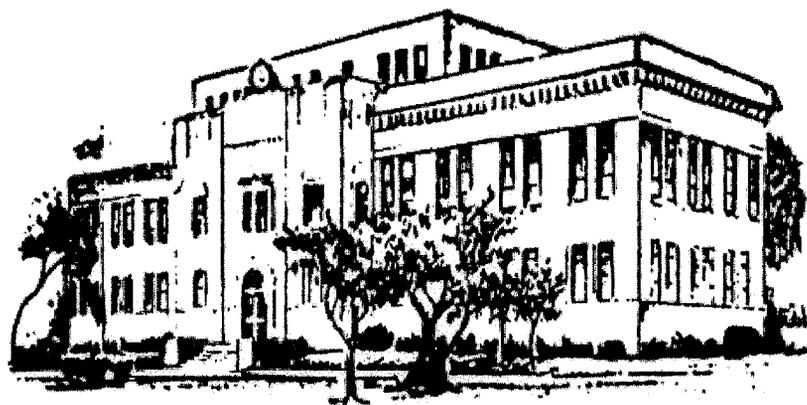
President

Jeffrey R. Emer

Executive Director



Financial Section





Lovvorn & Kieschnick
CERTIFIED PUBLIC ACCOUNTANTS

418 Peoples Street, Suite 308 tele 361-884-8897
Corpus Christi, TX 78401 fax 361-884-3457

INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge
and County Commissioners
San Patricio County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Patricio County as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, each major fund, and the aggregate remaining fund information of San Patricio County as of December 31, 2012, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and funding progress for the retirement plan and other post-employment benefits on pages 5-14 and 56-59 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 San Patricio County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules 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 7, 2013, on our consideration of San Patricio County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 San Patricio County's internal control over financial reporting and compliance.

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

June 7, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of San Patricio County, Texas (the County) provides this Management's Discussion and Analysis of the County's Comprehensive Annual Financial Report (CAFR), reflecting the financial performance, for the readers of the County's financial statements for the fiscal year ended December 31, 2012. Please read it in conjunction with the transmittal letter, which can be found beginning on page V of this report and with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Net Position The assets of San Patricio County exceeded its liabilities at December 31, 2012 by \$44,382,316 (presented as "net position"). Of this amount, \$11,811,681 was reported as "unrestricted net position". Unrestricted net position represent the amount available to be used to meet the County's ongoing obligations to citizens and creditors.

Changes in Net Position The County's total net position increased by \$2,858,217 (a 6.8% increase) in fiscal year 2012. The County only had governmental activities during the 2012 year. The increase in the net position is primarily attributable to increased property tax revenues and Special Items OPEBS revenues.

Fund Highlights: Governmental Funds - Fund Balances As of the close of the fiscal year 2012, the County's governmental funds reported a combined ending fund balance of \$15,945,135 which was an increase of \$2,062,105 in comparison with the prior year due mainly to property tax revenues. At the end of the year, unassigned fund balance for the general fund was \$3,936,911 equal to 19% of total general fund expenditures including transfers to other funds.

Long Term Debt The County's total long-term debt obligations decreased by \$395,000 due to principal payment. The County issued certificates of obligation in 2006 for fairgrounds construction and its balance at 12-31-2012 was \$17,505,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to San Patricio County's basic financial statements. San Patricio County's basic financial statements include three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) and other supplementary information (combining and individual fund statements and schedules) in addition to the basic financial statements themselves that explain some of the information in the financial statements and provide more detail.

Government-wide Financial Statements:

The government-wide financial statements provide a broad view of the County's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the County's financial position, which assists in assessing the County's economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This basically means they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

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

The *statement of activities* presents information showing how the County'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 not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the County.

Both of the above financial statements have one section for the County programs or activities which consist of:

Governmental Activities - The activities in this section are mostly supported by taxes and intergovernmental revenues (state and federal grants). Most of the services normally associated with County government fall into this category, including general government, health and social services, public safety and judicial, public works, community service and education. The County did not have any business type activities during the 2012 year.

The government-wide financial statements can be found on pages 19 and 21 of this report.

Fund Financial Statements:

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to maintain control over funding and spending resources that have been segregated for specific activities or objectives. San Patricio County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. All of the funds of the County can be divided into three categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three categories of funds are:

Governmental Funds -Most of the basic services provided by the County are financed through Governmental funds which focus on how money flows into and out of those funds and the balances left at year-end focus on the expendable resources available for future spending. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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. The governmental fund financial statements provide a short-term view of the County's general government operations and the basic services it provides that assist in determining whether there will be adequate financial resources available to meet the current needs of the County (near term inflow and outflow of spendable resources as well as on balances of spendable resources). This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. 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 the governmental activities.

San Patricio County maintains 38 governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and the Road and Bridge Fund they are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

San Patricio County adopts an annual budget for most of its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with local budget law.

The basic governmental fund financial statements are presented on pages 23 and 24 of this report.

The County had no business type activities during the 2012 year.

Proprietary Funds -The only proprietary fund that the County had was the Insurance Internal Service Fund. This fund is used to account for funds used to provide health care for the County's employees. Because this service predominantly benefits governmental rather than business-type functions, this financial activity is included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found right after the governmental fund financial statements.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs.

The County's fiduciary funds are the Agency Funds, which account for the assets held for distribution by the County as an agent for other governmental units, other organizations or individuals. The County had 21 Agency Funds at December 31, 2012.

The basic fiduciary fund financial statements can be found immediately following the proprietary fund financial statements.

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 beginning on page 31 of this report.

Required Supplementary Information:

The basic financial statements are followed by a section of required supplementary information that consists of budgetary comparison statements for the General Fund and the major special revenue funds as presented in the governmental fund financial statements. Also certain required pension information is presented as well as certain required post employment benefits information.

Other Supplementary Information:

Other supplementary information, including combining financial statements for nonmajor governmental and fiduciary funds and budgetary comparison schedules are presented following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position - As noted earlier, net position may serve over time as a useful indicator of a County government's financial position. San Patricio County's combined net position (government activities) totaled \$44,382,316 at the end of fiscal year 2012 compared to \$41,524,099 at the end of the previous year.

A large portion of the County's net position (59%) reflects its amount invested in capital assets such as land, buildings, major improvements, equipment, and infrastructure (road and bridges), less any related debt used to acquire those assets that is still outstanding. San Patricio County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The tables provided on the following pages show net position and changes in net position for fiscal years 2012 and 2011, which consist only of Governmental activities.

San Patricio County's Net Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 44,658,587	\$ 40,278,229
Capital Assets	<u>43,823,086</u>	<u>46,786,546</u>
Total Assets	<u>88,481,673</u>	<u>87,064,775</u>
Long Term Liabilities Outstanding	20,708,628	23,106,597
Other Liabilities	<u>23,390,729</u>	<u>22,434,079</u>
Total Liabilities	<u>44,099,357</u>	<u>45,540,676</u>
Net Position:		
Invested in capital assets, net of related debt	26,318,086	28,886,546
Restricted	6,252,549	4,468,840
Unrestricted	<u>11,811,681</u>	<u>8,168,713</u>
Total Net Position	<u>\$ 44,382,316</u>	<u>\$ 41,524,099</u>

The above figures are not net of related debt.

The main reason for the net increase of \$2,858,217 in total net position was due mainly to increased charges for services, tax revenues, and Special Item- OPEB revenue.

San Patricio County's Changes in Net Position
For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 7,676,713	\$ 5,676,123
Operating grants and contributions	2,082,007	2,321,793
Capital grants and contributions	545,913	576,224
General Revenues:		
Property taxes	21,641,361	19,938,817
Investment earnings	56,773	38,778
Other	<u>492,493</u>	<u>582,040</u>
 Total Revenues	 <u>\$ 32,495,260</u>	 <u>\$ 29,133,775</u>
 Expenses:		
General Administration	\$ 2,416,010	\$ 2,537,854
Judicial	3,246,614	3,566,865
Legal	664,737	1,035,809
Elections	394,269	338,124
Financial Administration	1,981,284	2,044,998
Public Facilities	3,040,902	4,016,462
Public Safety	9,824,659	10,260,748
Environmental	91,475	109,388
Public Transportation	6,067,055	6,288,960
Health and Welfare	2,114,111	2,387,453
Culture and Recreation	808,262	838,691
Conservation	190,098	216,313
Interest on Long-Term Debt	<u>814,339</u>	<u>831,348</u>
 Total Expenses	 <u>\$ 31,653,815</u>	 <u>\$ 34,473,013</u>
 Special Item - OPEB Revenue	 <u>2,016,772</u>	
 Change in Net Position	 2,858,217	 (5,339,238)
Net Position at Beginning of Year	41,524,099	44,852,167
Prior Period Adjustment	0	2,011,170
Net Position at End of Year	<u>\$ 44,382,316</u>	<u>\$ 41,524,099</u>

Revenues increased mainly due to increased other taxes, charges for services revenues, and Special Item- OPEB revenue. Expenses decreased due mainly to decreased General Administration and Legal Costs.

The County's net position increased by \$2,858,817 or 6.9%. Approximately 67% of the County's total revenue came from taxes, while 8% resulted from grants and contributions. User charges for various goods and services accounted for 19% of the total revenues. The largest components of expenditures were for public safety, public transportation, judicial, and public facilities. The main decrease in expenditures were for legal and public transportation costs . Also, lower interest rates resulted in lower investment revenues.

A large portion of the County's net position (59%) is reflected in capital assets (e.g. land, buildings, equipment, and infrastructure) to acquire or construct the assets. Restricted Net Position accounts for 14% of the County's Net Position. The remaining balance of unrestricted net position (27%) may be used to meet the County's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

At the end of the current fiscal year, the County reported positive balances in all categories of net position, for the government as a whole except for the Insurance Internal Service Fund which had a negative balance of \$692,218. This deficit is expected to be liquidated by future resources of the County.

Governmental Activities - Governmental activities increased the County's net position by \$2,858,817 or 6.9% of the total net assets decrease.

Because of the state of the current economy, the County's governmental activities are likely to remain at the current service level in the coming years as revenue for the County is projected to pace inflation.

FINANCIAL ANALYSIS OF COUNTY FUNDS

As mentioned earlier, San Patricio County uses fund accounting to record transactions to ensure and demonstrate compliance with state and federal statutes, GASB pronouncements and GFOA guidelines. The focus of the governmental fund is to provide the available near term resources and expenditures and balance of spendable resources. Such information is useful in assessing San Patricio County's financing requirements. In particular, unreserved fund balance generally provides a useful measure of the County's net resources available for expenditure purposes at the end of the fiscal year.

The governmental funds reported fund balances of \$15,945,135 at the end of the current fiscal year, which is an increase of \$2,062,165 and 8.7% from last fiscal year's fund balances of \$13,882,970. This increase was due mainly to decreased investment revenues and charges for services revenues.

The General Fund Balance at 12/31/12 was \$8,075,040 compared to \$6,351,127 at 12/31/11 which resulted in a net increase of \$1,723,913. The Road and Bridge Fund Balance at 12/31/13 was \$1,668,667 compared to \$1,136,542 at 12/31/11 which resulted in a net increase of \$532,125. The main reason for the increases was due to an increase in tax and charges for services revenues.

BUDGETARY HIGHLIGHTS

The County is heavily dependent on property taxes to fund General Fund discretionary spending. This funding source typically is not susceptible to rapid change and can differ substantially from the overall economy.

The main budget variance between the final budget and the actual expenditures occurred in the Indigent Health Care Fund in General Administration due mainly to Indigent Health Care costs being \$368,175 less than anticipated.

Modest revenue growth is expected for the General Fund in fiscal year 2013, since the revenues are currently exceeding expenditures. Texas law prohibits deficit financial position and the County is prepared to make the necessary adjustments to expenditure levels in future years to maintain a positive fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

The County's net assets invested in capital assets for its governmental activities as of December 31, 2012, amounted to \$101,108,299 less accumulated depreciation of \$57,285,213 with a net book value of \$43,823,086. This amount includes land, buildings, major improvements, equipment, infrastructure and construction in progress.

Major capital asset transactions for the 2012 year included purchases of vehicles and major equipment for the Sheriff's department and Road and Bridge department. Depreciation charges for the current year totaled \$3,462,452. Detailed information regarding the capital assets of the County can be found in the Notes to the Financial Statements at Note 5 starting on page 44 of this report.

Capital Assets (net of accumulated depreciation)
December 31, 2012 and 2011

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Land	\$ 3,186,652	\$ 3,180,673
Buildings, Major Improvements, and Equipment	26,679,763	28,349,614
Infrastructure	<u>13,888,671</u>	<u>15,188,259</u>
	43,755,086	46,718,546
Construction in Progress	<u>68,000</u>	<u>68,000</u>
Total	<u>\$ 43,823,086</u>	<u>\$ 46,786,546</u>

More detailed information regarding the County's Capital Assets is presented in the Notes to the Financial Statements at Note 5 starting on Page 44 of this report.

Debt Administration:

The County is empowered by law to authorize, issue, and sell debt obligations. General obligation bonds are backed by the full faith and credit of the County, including the County's power to levy taxes to ensure repayment of the debt. The San Patricio County Commissioner's Court approves the issuance of debt and the related costs associated with the issuance.

The County's bonded debt as of December 31, 2012 stands at \$17,505,000. The total bonded debt of the County was decreased by \$395,000, a 2% decrease compared to last year. The County's general obligations are rated Ba3 by Moody's Investor Service. This debt is the only long-term bonded debt of the County at 12-31-2012 and will be liquidated in 2036.

The County is also empowered by law to enter into long-term capital leases upon approval of the San Patricio County Commissioners' Court. This debt at 12-31-2012 stands at \$0 because the County currently does not have such debt.

The following table is a summary of the County's Outstanding Bonded Debt,

Outstanding Bonded and Capital Lease Debt
December 31, 2012 and 2011

Governmental Activities

	<u>2012</u>	<u>2011</u>
General Obligation Bonds	\$ 17,505,000	\$ 17,900,000
Capital Leases	<u>0</u>	<u>0</u>
 Total	 <u>\$ 17,505,000</u>	 <u>\$ 17,900,000</u>

The decrease was due to principal payments. The General Obligation Bonds are certificates of obligation and are insured by Ambac Assurance Corporation of New York, NY.

More detailed information regarding the County's long-term obligations is presented in the Notes to the Financial Statements at Note 4 starting on page 42 of this report.

ECONOMIC CONDITION AND OUTLOOK

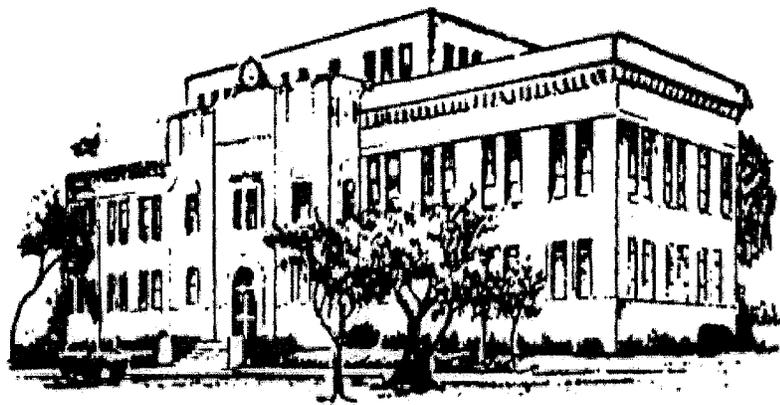
The downturns in the U.S. economy have had similar impacts on the County, and this trend is of much cause of concern to the County's management. However, some new industry is locating in the County which should have a positive economic impact. Hopefully the U.S. economy will have an upturn soon as recent trends seem to indicate.

In late 2009 it was announced that TPCO America Corporation will build a mini mill facility that will manufacture steel products from recycled scrap steel. In 2009 the County approved a major ten year tax abatement to TCPO America Corporation. The abatements will be as follows: first 5 years 100%, 6th year 85%, 7th year 70%, 8th year, 55%, 9th year 40%, and 10th year 25%. Construction is expected to be started in 2012.

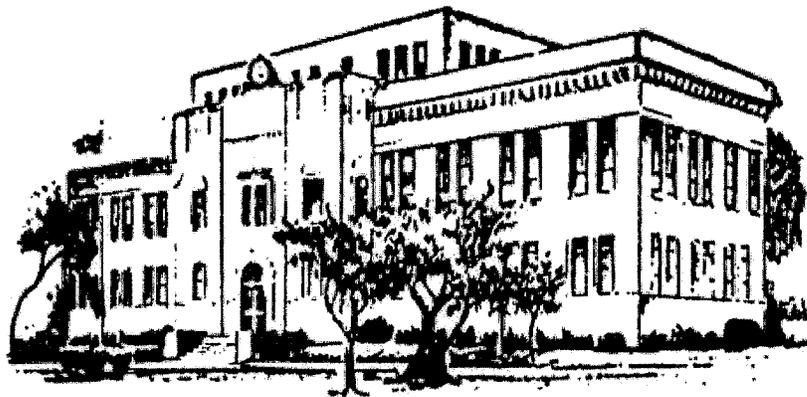
In 2013, it was announced that Voestaline, a leading steel processing company based out of Linz, Austria, will be constructing and operating an iron producing plant in San Patricio County. This is an investment of approximately \$700,000,000 and is expected to employ about 150 workers. The plant is expected to be completed and operating by 2016.

CONTACTING THE COUNTY'S OFFICE OF FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the San Patricio County Auditor's Office at (361) 364-9312, or write to: 400 West Sinton Street, Room B-50, Sinton, TX 78387.



Basic Financial Section



**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2012**

ASSETS

Cash and Cash Equivalents	\$ 24,104,420
Taxes Receivable, net	15,330,984
Intergovernmental Receivables	147,745
Other Receivables	218,995
Due from Other Governments	27,133
Fines Receivable	8,289,210
Less Allowance for Uncollectables	(3,701,784)
Capitalized Bond and Other Debt Issuance Costs	241,884
Capital Assets	
Land	3,186,652
Buildings	37,813,051
Improvements	1,419,029
Equipment	9,921,344
Infrastructure	48,700,223
Less Accumulated Depreciation	(57,285,213)
Construction in Progress	68,000
	<hr/>
TOTAL ASSETS	\$ 88,481,673

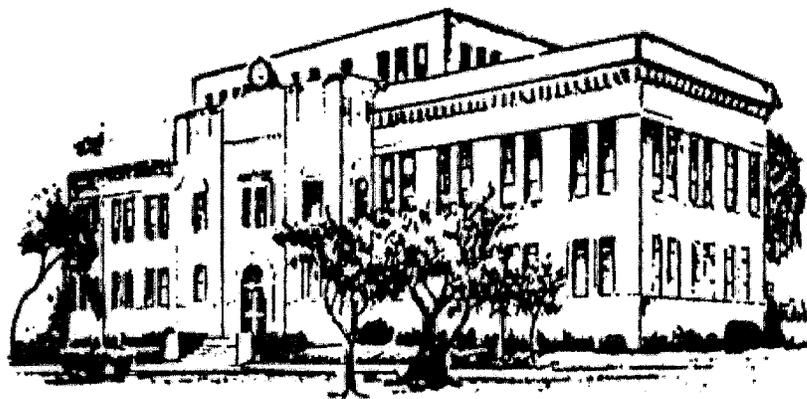
LIABILITIES

Liabilities	
Accounts Payable	\$ 777,665
Other Liabilities	238,526
Due To Other Governments	11,040
Interest Payable	202,462
Unearned Revenues	13,944,747
Advance Tax Collections	8,216,289
Noncurrent Liabilities	
Due within One Year	1,062,069
Due in More than One Year	19,646,559
	<hr/>
TOTAL LIABILITIES	\$ 44,099,357

NET POSITION

Invested in Capital Assets, net of related debt	\$ 26,318,086
Restricted	6,252,549
Unrestricted	11,811,681
	<hr/>
TOTAL NET POSITION	\$ 44,382,316

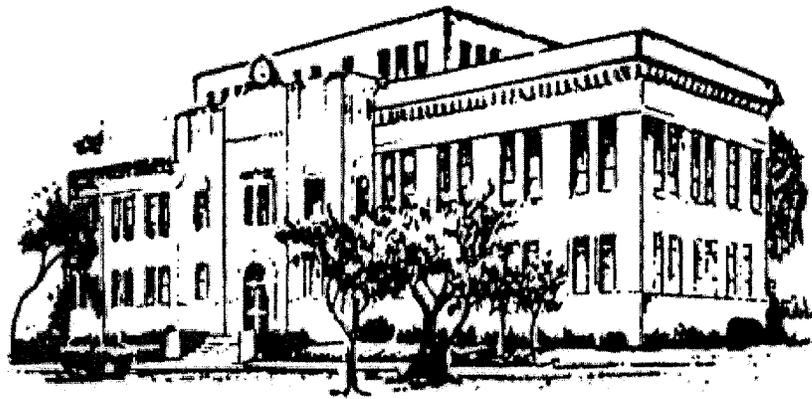
See Accompanying Notes to Financial Statements.



**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				Governmental Activities
General Administration	\$ 2,416,010	\$ 412,385	\$ 15,360	\$ (1,988,265)
Judicial	3,246,614	3,541,609	518,706	813,701
Legal	664,737	95,046	35,050	(534,641)
Elections	394,269	23,953	62,309	(308,007)
Financial Administration	1,981,284	636,175		(1,345,109)
Public Facilities	3,040,902	79,008		(2,512,576)
Public Safety	9,824,659	889,013	408,722	(8,526,924)
Environmental	91,475	55,775		(35,700)
Public Transportation	6,067,055	1,496,468	132,671	(4,341,321)
Health & Welfare	2,114,111	254,396	909,189	(950,526)
Culture & Recreation	808,262	192,885		(615,377)
Conservation	190,098			(190,098)
Interest on Long-Term Debt	814,339			(814,339)
Total Governmental Activities	\$ 31,653,815	\$ 7,676,713	\$ 2,082,007	\$ 545,913
General Revenues:				
Property Taxes				21,641,361
Investment Earnings				56,773
Other General Revenues				492,493
Total General Revenues				22,190,627
<i>Special Item</i> -OPEB revenue				2,016,772
Change in Net Position				2,858,217
Net Position-Beginning				41,524,099
Net Position-Ending				\$ 44,382,316

See Accompanying Notes to Financial Statements.



**SAN PATRICIO COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	GENERAL FUND	ROAD AND BRIDGE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 14,769,861	\$ 2,698,425	\$ 6,636,134	\$ 24,104,420
Taxes Receivable, net	12,589,297	1,915,845	825,842	15,330,984
Intergovernmental Receivables	22,824	0	124,921	147,745
Other Receivables	143,134	34,061	38,815	216,010
Due from Other Governments	27,133	0	0	27,133
Due from Other Funds	352,296	0	0	352,296
TOTAL ASSETS	\$ 27,904,545	\$ 4,648,331	\$ 7,625,712	\$ 40,178,588
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 297,268	\$ 35,306	\$ 51,709	\$ 384,283
Intergovernmental Payables	0	0	9,851	9,851
Other Liabilities	196,198	43	42,285	238,526
Due To Other Funds	0	0	52,330	52,330
Due to Other Governments	1,190	0	0	1,190
Deferred Revenue	12,589,297	1,915,845	825,842	15,330,984
Advance Tax Collections	6,745,552	1,028,470	442,267	8,216,289
Total Liabilities	19,829,505	2,979,664	1,424,284	24,233,453
Fund Balances -				
Restricted	0	1,668,667	4,500,283	6,168,950
Committed	0	0	904,895	904,895
Assigned	4,138,129	0	796,250	4,934,379
Unassigned	3,936,911	0	0	3,936,911
Total Fund Balances	8,075,040	1,668,667	6,201,428	15,945,135
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,904,545	\$ 4,648,331	\$ 7,625,712	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,823,086
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	5,975,519
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(20,911,090)
Bond issuance cost to be amortized over the life of the debt.	241,884
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Insurance Internal Service Fund are included in governmental activities in the statement of net position.	(692,218)
Net Position of Governmental Activities	\$ 44,382,316

See Accompanying Notes to Financial Statements.

SAN PATRICIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	GENERAL FUND	ROAD AND BRIDGE FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 17,657,561	\$ 2,691,778	\$ 1,270,638	\$ 21,619,977
Licenses and Permits	125,377	0	0	125,377
Intergovernmental	753,155	132,671	2,051,021	2,936,847
Charges for Services	2,100,622	1,088,146	638,112	3,826,880
Fines & Forfeitures	738,817	405,830	93,446	1,238,093
Investment Income	34,625	6,336	15,784	56,745
Miscellaneous Revenue	430,828	6,756	498,328	935,912
Total Revenues	21,840,985	4,331,517	4,567,329	30,739,831
EXPENDITURES				
Current				
General Administration	2,229,750	0	90,711	2,320,461
Judicial	1,907,373	0	1,286,658	3,194,031
Legal	645,814	0	10,304	656,118
Elections	325,981	0	36,051	362,032
Financial Administration	1,935,498	0	0	1,935,498
Public Facilities	1,372,859	0	604,290	1,977,149
Public Safety	9,228,328	0	325,554	9,553,882
Environmental	91,475	0	0	91,475
Public Transportation	0	3,674,392	667,592	4,341,984
Health & Welfare	776,943	0	1,286,832	2,063,775
Culture and Recreation	787,033	0	0	787,033
Conservation	180,692	0	0	180,692
Debt Service	0	0	1,213,536	1,213,536
Total Expenditures	19,481,746	3,674,392	5,521,528	28,677,666
Excess (Deficiency) of Revenues Over Expenditures	2,359,239	657,125	(954,199)	2,062,165
OTHER FINANCING SOURCES (USES)				
Transfers In	303,758	0	1,121,604	1,425,362
Transfers Out	(939,084)	(125,000)	(361,278)	(1,425,362)
Total Other Financing Sources (Uses)	(635,326)	(125,000)	760,326	0
Net Changes in Fund Balances	1,723,913	532,125	(193,873)	2,062,165
Fund Balances at Beginning of Year	6,351,127	1,136,542	6,395,301	13,882,970
Fund Balances at End of Year	\$ 8,075,040	\$ 1,668,667	\$ 6,201,428	\$ 15,945,135

See Accompanying Notes to Financial Statements.

**SAN PATRICIO 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, 2012**

Amounts reported for governmental activities in the Statement of Activities (p. 19) are different because:

Net changes in fund balances - total governmental funds (p. 22)	\$ 2,062,165
Governmental funds report capital outlay 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. See Note 5.	(2,963,460)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,755,744
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(20,010)
Proceeds from debt issues provide current financial resources, while repayment of principal consumes current financial resources and is treated as an expenditure in the governmental funds. This amount is the net effect of the treatment of long-term debt and related items.	395,000
Internal service funds are used by management to charge the costs of self insurance. The net expense of certain activities of the Insurance Internal Service Fund are reported with governmental activities.	(387,994)
<i>Special Item</i> -OPEB revenue. See Note 1.P.	2,016,772
Change in net position of governmental activities (p. 19)	\$ <u><u>2,858,217</u></u>

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012**

	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 0
Other Receivables	<u>1,129</u>
Total Assets	<u>1,129</u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	393,382
Due to Other Funds	<u>299,965</u>
Total Liabilities	<u>693,347</u>
 NET POSITION	
Unrestricted	<u>(692,218)</u>
Total Net Position	<u>\$ (692,218)</u>

Note: The Insurance Internal Service Fund is the only proprietary fund of the County. The accounts payable above consists of \$393,382 in medical claims and \$-0- in other payables. The entire amount of the \$393,382 is considered current because it is expected to be paid during the 2013 fiscal year. The deficit net position of \$692,218 at 12-31-12 is expected to be liquidated by future resources of the County. Usually the Net Position is restricted for insurance costs.

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
Operating Revenues:	
Contributions for Employee Insurance and Medical Expenses	\$ 3,009,058
Insurance Reimbursements and Refunds	<u>36,002</u>
Total Operating Revenues	<u>3,045,060</u>
Operating Expenses:	
Insurance and Administrative Expenses	539,749
Medical Claims Expense	<u>2,893,333</u>
Total Operating Expenses	<u>3,433,082</u>
Operating Income (Loss)	<u>(388,022)</u>
Non-Operating Revenues (Expenses):	
Investment Income	<u>28</u>
Total Non-Operating Revenues (Expenses)	<u>28</u>
Change in Net Position	(387,994)
Total Net Position at Beginning of Year	<u>(304,224)</u>
Total Net Position at End of Year	<u>\$ (692,218)</u>

Note: The Insurance Internal Service Fund is the only proprietary fund of the County. The deficit net position of \$692,218 at 12-31-12 is expected to be liquidated by future resources of the County.

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
Cash flows from Operating Activities:	
Cash received from premium contributions and other	\$ 3,043,931
Cash paid to insurance and medical expenses	<u>(3,043,959)</u>
Net cash flows from operating activities	<u>(28)</u>
Cash flows from investing activities:	
Investment Income received	<u>28</u>
Net cash flows from investing activities	<u>28</u>
Net change in cash and cash equivalents	0
Cash and Cash Equivalents, Beginning of Year	<u>0</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>0</u></u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (388,022)
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities:	
Changes in Assets and Liabilities not related to investing or financing activities:	
Other Receivables	(1,129)
Amounts Due to Other Funds	204,082
Claims Payable	<u>162,859</u>
Total Adjustments	<u>387,994</u>
Net Cash Flows From Operating Activities	\$ <u><u>(28)</u></u>

Non-cash investing, capital, and financing activities: none

Note: The Insurance Internal Service Fund is the only proprietary fund of the County.

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2012**

ASSETS

Cash and Cash Equivalents	\$ 8,989,494
Due From Others	19,179
Due From Other Governments	<u>10,366</u>
TOTAL ASSETS	\$ <u><u>9,019,039</u></u>

LIABILITIES

Due To Others	\$ 8,985,404
Due To Other Governments	<u>33,635</u>
Total Liabilities	\$ <u><u>9,019,039</u></u>

Note: The only fiduciary funds the County had were agency funds.

See Accompanying Notes to Financial Statements.

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SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Patricio County, Texas (the County), was organized in 1837. The 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 the County conform to generally accepted accounting principles as applicable to governments. The County also applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

A. The Reporting Entity

The financial statements include all the funds of the County. There are no component units applicable to the County. Therefore, the primary government (San Patricio County) is the same as the reporting entity. The County is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements:

Government-wide Financial Statements - The Statement of Net Assets and Statement of Activities report information on all of the non-fiduciary activities of the *Governmental activities*, which are primarily supported by intergovernmental revenues and taxes are reported separately from *business-type activities*, which rely primarily upon fees charged to external parties. Eliminations have been made to minimize the double-counting of internal activities. Direct expenses are not eliminated from the various functional categories. The County had no business type activities during the 2012 year.

The Statement of Activities demonstrates the extent to which direct expenses of a function (i.e., general government, health and social services, public safety and judicial, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and intergovernmental revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among specific program revenues are reported instead as *general revenues*.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Remaining governmental funds are aggregated and reported as non-major funds.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The County reports the following major governmental funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except for those requiring separate accounting in another fund.

Road and Bridge Fund - This fund accounts for restricted and other funds used for the purpose of constructing and maintaining roads and bridges. This major special revenue fund receives property taxes, intergovernmental and other funds.

The Non-Major governmental funds consist of the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The County does have one proprietary fund type and that is the Internal Service Fund. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The County's only Internal Service Fund is the Insurance Internal Service Fund, which is an established account for funds used for health insurance coverage for County personnel. Because this fund is a proprietary fund, it distinguishes operating revenues and expenses from non-operating items.

Additionally, the County reports Agency Fund types which are fiduciary funds and are used to account for monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities. Agency Funds are custodial in nature (assets = liabilities) and do not involve measurement of results of operation. The County's Agency Funds consist mainly of funds holding tax revenues, officials' fees and other funds, forfeited monies, and other pertinent funds for other entities or individuals.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

C. Measurement Focus and Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements -The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds report only assets and liabilities and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and entitlements. On an accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Government Fund Financial Statements – All governmental fund types are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collection within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year-end. Also considered susceptible to accrual are intergovernmental and fines receivables. Expenditures are recorded when the related fund liability is incurred. All transactions occurring in the governmental fund financial statements are recorded using the modified accrual basis of accounting, except for:

- Interfund transactions for goods and services which are recorded on the Accrual Basis
- Revenues from grants which are recorded as earned
- Principal and interest on general long-term debt which are recorded when due.

Proprietary Fund Financial Statements - The only proprietary fund that the County had was the Insurance Internal Service Fund. This fund is used to account for funds used to provide health care for the County's employees. Because this service predominantly benefits governmental rather than business-type functions, this financial activity is included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing health care for the County's employees. The main operating revenues are contributions for employee insurance and medical expenses, and the main operating expenses are medical claims. The only Non-operating Item for the 2012 year was Investment Income

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

(continued)

D. *Receivables*

The County levies, collects and distributes property taxes for all taxing jurisdictions within its boundaries. Uncollected property taxes receivable in the General Fund, Special Revenue and Debt Service Funds which are not considered available to finance current operations are shown in the governmental fund financial statements as assets and are offset by deferred revenue (advance tax collections). Accordingly, such receivables are not reflected as revenue until they become available to finance current operations.

Receivables for federal and state financial assistance are recorded as revenue, in all fund types, as earned.

E. *Inventories*

Inventories of supplies on hand have not been recorded; such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

F. *Capital Assets*

Capital Assets, which include land, buildings, improvements other than buildings, equipment, infrastructure (roads and bridges) and construction in progress are reported in the government- wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and major improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress are not depreciated.

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

Assets	Years	Yearly Depreciation Rates
Buildings	9-30	3.3% to 11.1%
Improvements Other than Buildings	16-25	4.0% to 6.2%
Equipment	3-20	5.0% to 33 1/3 %
Infrastructure		
Bridges	20-35	2.8% to 5.0%
Roads	20	5.0%

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

G. Cash and Cash Equivalents

Cash and Cash Equivalents at December 31, 2012, totals \$33,093,914, (\$24,104,420 in governmental funds \$0 in proprietary funds, and \$8,989,494 in agency funds) and consists of \$8,650 in petty cash and \$33,085,264 in bank and pool demand accounts. Nearly all of the demand accounts are interest earning accounts.

The County's total bank deposits of \$13,630,321 at December 31, 2012, were covered by federal depository insurance or by pledged collateral securities held by the Trust Department of the County's bank in the County's name. Such total collateralization and insurance coverage is required by state law. The County's deposits were properly insured and secured throughout the year. The amount of pledged collateral at December 31, 2012 was \$15,152,344.

State statute authorizes the County to invest in obligations of, or guaranteed by, governmental entities, certificates of deposits, bankers acceptances, commercial paper, no load money market mutual funds, repurchase agreements, and investment pools. Investments for the County are reported at fair value.

The Pooled Cash Accounts at December 31, 2012 consist of \$19,335,985 in Various External Pool Accounts. The Various Pool Accounts are not subject to credit risk classification. The pooled accounts at 12/31/12 consist of the Tex-Pool Account (\$855,936), LOGIC Pool Account (\$6,684,278), and MBIA Class Pool Account (\$11,795,771), for a total of \$19,335,985. The pool accounts are not SEC regulated but are governed by an independent board of directors and operate in accordance with state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares which are acquired at a cost of \$1 each.

In conclusion, at December 31, 2012:

Deposits - All of the County deposits were insured and collateralized.

Investments - The County does have a formal investment policy, but it had no investments at December 31, 2012. The County participates in pooled accounts as discussed above. The County prefers these accounts due to the decrease in risk and also the high liquidity benefit.

Interest rate risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The County feels that with pooled accounts, this risk is very low due to their high liquidity.

Credit risks - Standard and Poor's has issued credit ratings of AAAM to Tex Pool and AAA to MBIA Class, and to LOGIC.

It is the County's policy to limit its' investment to top ratings issued by nationally recognized statistical ratings organizations.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Custodial credit risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk but feels that its pooled accounts are low risk.

Concentration of credit risk - The County places no limit on the amount that the County may invest in any one issuer. The County is currently using the less risky pooled accounts and plans to continue to do so in the future.

H. Long Term Debt

All County long-term debt is included in the Government-wide Financial Statements. This consisted of Certificates of Obligation Series 2006, compensated absences, pollution remediation and OPEBs.

I. Compensated Absences

Accumulated vested compensated absences, which consist of vacation leave and compensatory time, are accrued in the government-wide financial statements. Sick pay, which does not vest, is recorded when leave is taken. The entire amount of \$218,633 has been accrued as payable within one year since the amount due after one year is not material. Nearly all of the compensated absences payable is liquidated by the General and Road and Bridge Funds in Personal Services accounts as budgeted. The following summary is presented for informational purposes and is an overall summary of the changes in compensated absences for the 2012 year:

Balance at Beginning of Year	\$ 202,413
Additions	218,633
Deductions	<u>(202,413)</u>
Balance at End of Year	\$ <u>218,633</u>

J. Fund Equity

Fund equity in the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

K. Comparative Data

Comparative data for prior year are not included in the financial statements.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

L. Cash and Cash Equivalents of Proprietary Fund Type Cash Flows Statement

For purposes of the statement of cash flows, the Internal Service Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. For the 2012 year, cash and cash equivalents consist of cash on deposit and cash in pooled accounts, as well as cash on hand.

M. OPEBs (Other Post Employment Benefits) and Pollution Remedial Expenses

OPEB's and Pollution Remedial Expenses are recorded in the government-wide financial statements. OPEB expenses are serviced in the appropriate General and Road and Bridge Fund personal services accounts as budgeted and the Pollution Remedial expenses are serviced in the Sinton Airport department of the Airport Fund in the appropriate other services and charges account. See Note 16 for more information on OPEBs and Note 13 for more information on Pollution Remedial expenses. The following summary is presented for informational purposes and is an overall summary of these costs for the 2012 year.

	OPEBS	POLLUTION REMEDIAL EXPENSES
Balances at Beginning of the Year	\$ 3,660,652	\$ 1,343,532
Additions	0	0
Deductions	(2,016,772)	(2,417)
Balance at the End of the Year	\$ 1,643,880	\$ 1,341,115

N. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) they are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash, or are not expected to be converted to cash within the next year. The County did not have any Nonspendable Fund balances at 12/31/12.

Restricted: This classification includes amounts for which the constraints that have been placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or by enabling legislation.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by order of the Commissioners Court, the County's highest level of decision making authority. The required formal action that must be taken by Commissioners' Court is done at a Commissioners' Court meeting and by a majority vote may establish, modify, or rescind a fund balance commitment. It is noted that this is the only action that constitutes the most binding constraint and should be a commitment for fund balance classification purposes. These amounts cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for the use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners Court.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditures are incurred for purpose for which both restricted and unrestricted fund balance is available. The County considers restricted funds to have been spent first. When expenditures are 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.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The Governmental Fund Balances at 12-31-12 are summarized as follows:

<u>Fund Balances at</u> <u>12-31-12</u>	<u>General</u> <u>Fund</u>	<u>Road & Bridge</u> <u>Fund</u>	<u>Non-Major</u> <u>Gvmt'l Funds</u>	<u>Total</u>
Nonspendable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Restricted				
For Road and Bridge		1,668,667	561,268	2,229,935
For Debt Service			86,717	86,717
For Public Safety			1,431,379	1,431,379
For Certain District and County Attorney Costs			643,320	643,320
For Records Management			802,172	802,172
For Airports			345,105	345,105
For Elections			191,239	191,239
For Clerk Contingency			161,979	161,979
For Other			277,104	277,104
Total	<u>0</u>	<u>1,668,667</u>	<u>4,500,283</u>	<u>6,168,950</u>
Committed				
For Health and Welfare			529,912	529,912
For Public Safety			284,384	284,384
For Other			90,599	90,599
Total	<u>0</u>	<u>0</u>	<u>904,895</u>	<u>904,895</u>
Assigned				
For Major Capital Outlay			143,501	143,501
For Right of Way			652,749	652,749
For Pollution Remediation	1,341,115			1,341,115
For Subsequent Year's Appropriation of Fund Balance	2,797,014			2,797,014
Total	<u>4,138,129</u>	<u>0</u>	<u>796,250</u>	<u>4,934,379</u>
Unassigned	<u>3,936,911</u>	<u>0</u>	<u>0</u>	<u>3,936,911</u>
Grand Total	<u>\$ 8,075,040</u>	<u>\$ 1,668,667</u>	<u>\$ 6,201,428</u>	<u>\$15,945,135</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

(continued)

O. Restricted Net Position

The following reconciles the total Governmental Restricted Fund Balances on the Balance Sheet-Governmental Funds to Restricted Net Position on the Statement of Net Position (Governmental-Wide Financial Statement) at 12/31/12:

Total Governmental Restricted Fund Balances at 12/31/12	\$6,168,950
Add Net Road and Bridge Delinquent Taxes Receivable	170,316
Add Net Debt Service Delinquent Taxes Receivable	75,184
Deduct Accrued Interest Payable	(202,462)
Add Reclassification of Deficit Restriction for Debt Service	<u>40,561*</u>
Total Restricted Net Position at 12/31/12	<u>\$6,252,549**</u>

*Restricted Debt Service Fund Balance	\$ 86,717
Add Deferred Tax Revenue	825,842
Less Accrued Interest Payable	(202,462)
Less Uncollected 2012 Tax Levy Deferred Revenue for Debt Service	<u>(750,658)</u>
Reclassification of Deficit Restriction for Debt Service	<u>(\$ 40,561)</u>

**Restricted Net Position at 12/31/12	
For Road and Bridge	\$2,400,251
For Public Safety	1,308,507
For Other	<u>2,543,791</u>
Total Restricted Net Position at 12/31/12	<u>\$6,252,549</u>

P. Special Items

The Government-Wide Financial Statement of Activities includes a special item for a change in amortization period from open amortization over 30 years to closed amortization over one year for the Other Post Employment Benefits (OPEBs) as recommended by the actuary. This change was made in order to more accurately and immediately recognize the change in OPEB liability resulting from substantial plan benefit participation, and contribution rate changes implemented by the County. This resulted in a decrease in the OPEB liabilities for the County's retirees (see Note 16.)

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(2) PROPERTY TAXES

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.

Taxes become delinquent February 1, of each year and are subject to simple interest and penalty of 7% in February; 9% in March; 11% in April; 13% in May; 15% in June; 2% in July, and 1% in months thereafter. Collections of the current year's levy are reported as current collections if received by June 30, (within 9 months of the October 1, due date). Collections received thereafter are reported as delinquent collections.

The County's taxes on real property are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older who files for a tax deferral. The County does make considerable effort to collect delinquent taxes before foreclosure proceedings. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes became delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid. The County's 2011 tax rate (for the period October 1, 2011 to September 30, 2012) was \$0.581771 per \$100 valuation. This roll year taxes were for the County's 2012 fiscal year operations. The 2012 tax roll is to be used for 2013 operations and its tax rate is \$0.55000 per \$100 valuation. It is noted that the County operates on a calendar year.

(3) GRANTS RECEIVABLE DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2012, consist of \$147,745 from various Federal and State Grants. Included in the above amount is \$55,111 of Texas Department of Health grants and \$69,810 from WIC Funds due from other governmental entities.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(4) LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt bond transactions for the year ended December 31, 2012:

	General Obligation	Total
Bonds Payable, 01/01/12	\$17,900,000	\$17,900,000
Bonds Issued	0	0
Bonds Retired	<u>(395,000)</u>	<u>(395,000)</u>
Bonds Payable 12/31/12	<u>\$17,505,000</u>	<u>\$17,505,000</u>

The annual requirements of the general long-term bonded debt requirements outstanding at December 31, 2012 are as follows:

YEAR ENDING <u>DECEMBER 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
2013	\$ 410,000	\$ 801,135	\$1,211,135
2014	430,000	783,285	1,213,285
2015	450,000	764,023	1,214,023
2016	470,000	743,323	1,213,323
2017	490,000	721,723	1,211,723
2018-2022	2,825,000	3,248,339	6,073,339
2023-2027	3,540,000	2,532,944	6,072,944
2028-2032	4,465,000	1,596,562	6,061,562
2033-2036	<u>4,425,000</u>	<u>432,348</u>	<u>4,857,348</u>
TOTAL	<u>\$17,505,000</u>	<u>\$11,623,682</u>	<u>\$29,128,682</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The above debt consists of the following:

Certificates of Obligation, Series 2006, dated August 1, 2006 Interest Range 4.25% to 4.75% issued for new showbarn facilities. Amount issued \$19,330,000.	<u>\$ 17,505,000</u>
Total Outstanding at December 31, 2012	<u>\$17,505,000</u>

The above debt is serviced by the Permanent Improvement Debt Service Fund.

During 2006, the County issued Certificates of Obligation in the amount of \$19,300,000 that are to be used for major fairgrounds construction which consisted of new animal exhibit buildings and other facilities. These certificates are insured by Ambac Assurance Corporation of New York, NY. that had an insurance rating of Ba3 at 12-31-12 by Moody's.

See Note 1, I for the discussion on compensated absences payable. Also See Note 1, M for discussion of other Post Employment Benefits (OPEBs) and Pollution Remediation Expenses.

The following is an overall summary of long-term liability activity for the year ended December 31, 2012:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$17,900,000	\$ 0	\$ 395,000	\$17,505,000	\$ 410,000
Compensated Absences Payable	202,413	218,633	202,413	218,633	218,633
OPEBs	3,660,652	0	2,016,772	1,643,880	
Pollution Remediation	<u>1,343,532</u>	<u>0</u>	<u>2,417</u>	<u>1,341,115</u>	<u>433,436</u>
Total	<u>\$23,106,597</u>	<u>\$ 218,633</u>	<u>\$ 2,616,602</u>	<u>\$20,708,628</u>	<u>\$ 1,062,069</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(5) CAPITAL ASSETS

Capital Assets governmental activity for year ended December 31, 2012 was as follows:

	Balance 12/31/2011	Increases	Decreases	Balance 12/31/2012
Capital Assets Not Being Depreciated:				
Land	\$ 3,180,673	\$ 5,927	\$ 0	\$ 3,186,652
Construction in Progress	<u>68,000</u>	<u>0</u>	<u>0</u>	<u>68,000</u>
Total Capital Assets Not Being Depreciated	<u>3,248,673</u>	<u>5,927</u>	<u>0</u>	<u>3,254,652</u>
Capital Assets Being Depreciated:				
Buildings	\$ 37,589,090	\$ 223,961	\$ 0	\$ 37,813,051
Improvements Other Than Buildings	1,419,029	0	0	1,419,029
Equipment	9,754,039	409,134	(241,829)	9,921,344
Infrastructure				
Roads	45,985,455	0	0	45,985,455
Bridges	<u>2,714,768</u>	<u>0</u>	<u>0</u>	<u>2,714,768</u>
Total Capital Assets Being Depreciated	<u>\$ 97,462,381</u>	<u>\$ 633,095</u>	<u>\$ (241,829)</u>	<u>\$ 97,853,647</u>
Less Accumulated Depreciation for:				
Buildings	\$ (12,662,080)	\$ (1,185,575)	\$ 0	\$(13,847,655)
Improvements Other Than Buildings	(818,366)	(38,095)	0	(856,461)
Equipment	(6,932,098)	(939,194)	101,747	(7,769,545)
Infrastructure				
Roads	(32,099,186)	(1,218,443)	0	(33,317,629)
Bridges	<u>(1,412,778)</u>	<u>(81,145)</u>	<u>0</u>	<u>(1,493,923)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ (53,924,508)</u>	<u>\$ (3,462,452)</u>	<u>\$ 101,747</u>	<u>\$(57,285,213)</u>
Total Governmental Activity Capital Assets, Net	<u>\$ 46,786,546</u>	<u>\$ (2,823,378)</u>	<u>\$ (140,082)</u>	<u>\$ 43,823,086</u>

The amounts above are not shown net of related debt.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The amount of capital assets net of related debt at 12/31/2012 is as follows:

Capital Assets, Net of Depreciation at 12/31/12	\$43,823,086
Less Related Debt	
Certificates of Obligation	17,505,000
Capital Leases	<u>0</u>
Capital Assets, Net of Related Debt at 12/31/12	<u>\$26,318,086</u>

The amount by which capital outlay exceeded depreciation in 2012 is as follows:

Increase in Capital Assets during 2012 year	\$ 639,074
Less Trade Ins (\$130,161) + Changes in Construction in Progress (\$0) + Loss on Disposal of Capital Assets (\$9,921)	(140,082)
Depreciation Expense for the year	<u>(3,462,452)</u>
Net amount by which capital outlay was under depreciation in 2012	<u>\$(2,963,460)</u>

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

Governmental Activities:	
General Admission	\$ 29,721
Judicial	3,571
Financial Administration	11,389
Legal	0
Elections	27,393
Public Facilities	1,261,273
Public Safety	344,396
Public Transportation	1,750,073
Health and Welfare	15,045
Culture and Recreation	12,819
Conservation	<u>6,772</u>
Total Depreciation Expense	<u>\$ 3,462,452</u>

It is noted that the 12/31/12 Construction in Progress (\$68,000) consisted of \$68,000 for a new radio tower for the Sheriff's Department to be located in Aransas Pass, Texas. No work was done on this tower in 2012. The tower is expected to be completed in 2013.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(6) RECEIVABLES

Receivables for the County's individual major funds and non-major funds are as follows:

	<u>Property Taxes</u>	<u>Intergovernmental</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 12,589,297	\$ 22,824	\$ 170,267	\$ 12,782,388
Road and Bridge	1,915,845		34,061	1,949,906
Non-Major Governmental Funds	<u>825,842</u>	<u>124,921</u>	<u>38,815</u>	<u>989,578</u>
Totals	<u>\$ 15,330,984</u>	<u>\$ 147,745</u>	<u>\$ 243,143</u>	<u>\$ 15,721,872</u>

(7) OTHER DISCLOSURES

A. Excess of expenditures over appropriations did not occur in any of the budgeted funds. Overall the County had a positive variance.

B. At December 31, 2012 the County did not have a deficit balance in any of the Governmental Funds.

It is also noted that at December 31, 2012 the County had a deficit Net Position balance of \$692,218 in the Insurance Internal Service Fund. This deficit is expected to be liquidated by future resources of the County.

C. The reconciliation of interfund transfers is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 303,758	\$ 939,084
Road and Bridge Fund		125,000
Non-Major Governmental Funds	<u>1,121,604</u>	<u>361,278</u>
Totals	<u>\$ 1,425,362</u>	<u>\$ 1,425,362</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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(continued)

The main transfers consisted of \$264,985 from the General Fund to the District Courts Fund for District Court Costs, \$350,265 from the General Fund to the District Operating Fund for District Attorney costs, \$300,000 from the CBCOG Grant Fund to the General Fund for undercover narcotics investigation and drug interdiction efforts, \$255,000 from the General Fund to the Capital Improvements Fund for capital assets costs and \$125,000 from the Road and Bridge Fund to the Capital Improvements Fund for capital assets costs.

D. The interfund receivable and payable balances at December 31, 2012, consisted of the following:

<u>FUNDS</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 352,296	\$ 0
Road and Bridge Fund	0	0
Non-Major Governmental Funds	0	52,330
Proprietary Funds	<u>0</u>	<u>299,966</u>
Totals	<u>\$ 352,296</u>	<u>\$ 352,296</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. It is expected that these balances will be liquidated within one year.

(8) PENSION PLAN

San Patricio County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 647 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive an employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy. The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 9.69% for calendar year 2012. The contribution rate payable by the employee members is the rate of 7.0% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost. For the employer's accounting year ending December 31, 2012, the annual pension cost for the TCDRS plan for its employees was \$2,623,949, and the actual contributions were \$2,623,949.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2001, the basis for determining the contribution rate for calendar year 2012. The December 31, 2012 actuarial valuation is the most recent valuation.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Actuarial Valuation Information

Actuarial Valuation Date	12/31/2010	12/31/11	12/31/12
Actuarial cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage of payroll, closed	Level Percentage of payroll, closed	Level Percentage of payroll, closed
Amortization Period	20.0	20.0	20.0
Asset Valuation Method	SAF: 10yr. Smoothed Value	SAF: 10yr. Smoothed Value	SAF: 10yr. Smoothed Value
Actuarial Assumptions:	ESF: Fund Value	ESF: Fund Value	ESF: Fund Value
Investment Return*			
Projected Salary Increases*	8.00%	8.00%	8.00%
Inflation	5.40%	5.40%	5.40%
Cost-of-Living Adjustment	3.50%	3.50%	3.50%
*Includes inflation at stated rate	0.00%	0.00%	0.00%

Trend Information for the Retirement Plan for the Employees of San Patricio County

<u>Accounting Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2010	\$2,736,803	100.00%	\$0
12/31/2011	2,647,295	100.00%	0
12/31/2012	2,623,949	100.00%	0

Schedule of Funding for the Retirement Plan for the Employees of San Patricio County

<u>Actuarial Valuation date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL)(b)</u>	<u>Unfunded AAL (UALL)(b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)*</u>	<u>UAAL as a Percentage of Payroll ((b-a)/c)</u>
12/31/2010	\$45,006,654	\$51,245,185	\$6,238,531	87.83%	\$16,570,488	37.65%
12/31/2011	46,557,164	53,435,161	6,877,997	87.13%	16,331,332	42.12%
12/31/2012	47,708,346	55,469,035	7,760,689	86.01%	15,721,693	49.36%

*The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(9) DEFERRED COMPENSATION PLAN

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

The funds in the plans are held by Nationwide Retirement Solutions, Inc. of Columbus, Ohio and VALIC Financial Advisors Inc., Houston, Texas as the plan administrators for the County. These plans qualify under the requirements of Internal Revenue Service Code Section 457, Subsection g. The funds are held in trust by the two plan administrators for the exclusive benefits of the employees and their beneficiaries who will receive these funds directly from these plan administrators. Since these funds are directly remitted to these plan administrators by the County, the County no longer owns the amounts deferred by employees or related income on these amounts. Therefore, since these plans do not qualify to be included with the County's fiduciary funds there are not any plan assets included in the County's financial statements.

(10) CONTINGENT LIABILITIES

The County is contingently liable with respect to law suits and other claims in the ordinary course of its operations. Should such contingencies become a real liability, funds would have to be appropriated in future budgets for settlement. The County does not feel that there are any law suits pending at December 31, 2012, that would have a material effect on the financial condition of the County.

In addition, the County also participates in several federal and state assisted grant programs, all of which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by any of the respective grantor agencies or should any other contingency become a reality, funds would have to be appropriated in future County budgets for settlement. However, the County feels that such future amounts, if any, would be immaterial.

(11) RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of and damages due to destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County has implemented a Safety Committee to assist in mitigation of risk and promote safety.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The County is partially self-insured against medical and hospital costs for its employees. The County pays the first \$1,000,000 per year for each employee and the insurance company pays the remaining costs up to \$5,000,000 lifetime maximum. The County's costs are accounted for in the Insurance Internal Service Fund. The San Patricio County Drainage District, San Patricio County Appraisal District, San Patricio County Navigation District and Juvenile Probation Department also participate in the plan, bearing their share of the cost.

Liabilities 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). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. There were no significant reductions in insurance coverage from coverage in the prior year. Also, the amount of settlements did not exceed insurance coverage for each of the past three years. Changes in the balances of claims liabilities during the past two years are as follows:

	2012	2011
Unpaid Claims at Beginning of Year	\$ 208,341	\$ 277,424
Incurred Claims (including IBNRs)	3,043,931	3,096,757
Claim Payments	<u>(2,858,890)</u>	<u>(3,165,840)</u>
Unpaid Claims at End of Year	<u>\$ 393,382</u>	<u>\$ 208,341</u>

The entire amount of the \$393,382 at 12/31/2012 is considered current because it is expected to be paid during the 2013 fiscal year.

(12) RECONCILIATION OF GOVERNMENT-WIDE 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 a reconciliation between fund balance total governmental funds and net position-governmental activities as reported on 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 \$20,911,090 differences are as follows:

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Bonds Payable	\$17,505,000
Compensated Absences Payable	218,633
Interest Payable	202,462
OPEB Liability	1,643,880
Pollution Liability	1,341,115
Other	<u>0</u>
Net Adjustments to Reduce fund balance total	
Governmental funds to arrive at net position	
Governmental Activities	<u>\$20,911,090</u>

Another element of that explanation explains that "long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds," The details of this \$5,975,519 differences are as follows:

Taxes Receivable Net of	
Allowances for Uncollectables	\$15,330,984
Fines Receivable Net of	
Allowances for Uncollectables	4,587,426
Other Receivables Net	1,856
Unearned Revenue	(13,944,747)
Unearned Revenues- Internal Service Fund	<u>0</u>
Net Adjustments for Other Long-Term	
Assets Not Available to Pay for Current-	
Period Expenditures and therefore	
Are Deferred in the Funds	<u>\$5,975,519</u>

(13) POLLUTION REMEDIATION

At December 31, 2012, the County was implementing pollution remediation's required by the State of Texas for surface and sub –surface chemical contamination due to crop dusting operations at the Sinton Airport. The County expects to pay approximately \$433,436 in 2013, \$258,686 in 2014, and \$294,936 in 2015, \$306,962 in 2016, \$31,397 in 2017 and \$15,698 in 2018 for a total estimated future cost of \$1,341,115. These estimates were furnished to the County by Arcadis, U.S. Inc. of Denver, Colorado who are doing sample studies for the County. It is not anticipated that the estimated liability will change by a material amount due to factors such as price increases, changes in technology, or changes in applicable laws or regulations. It is not anticipated that there will be any estimated recoveries in revenues reducing the pollution remediation's liabilities.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(14) COMMITMENTS

At December 31, 2012 the County had \$68,000 committed to finishing a radio tower for the Sheriff's Department.

(15) MISCELLANEOUS

In late 2008 it was announced that TPCO America Corporation will build a mini mill facility that will manufacture steel products from recycled scrap steel. In 2009 the County approved a major ten year tax abatement to TCPO America Corporation. The abatements will be as follows: first 5 years 100%, 6th year 85%, 7th year 70%, 8th year 55%, 9th year 40%, and 10th year 25%.

The 2006 Certificates of Obligation were insured by Ambac Assurance Corporation of New York, N.Y. that had an insurance rating of Baa1 by Moody's at 12-31-08. However, Moody's decreased this rating in April, 2009, to Ba3.

(16) OTHER POST EMPLOYEE BENEFITS (OPEBs)

The County provides post retirement medical, prescription drug, dental and life insurance benefits on behalf of its eligible retirees and their dependents. The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45 as its final accrual accounting standards for retiree healthcare and other postemployment benefits ("OPEBs"). GASB 45 requires public employers to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to advance fund these benefits.

The County selected Lewis & Ellis, Inc. of Richardson, Texas to perform an actuarial valuation of its postemployment healthcare plans with a valuation date of January 1, 2010, and this was done in 2011. The tables below set forth the key results of our valuation. This valuation is to be done every two years even though some updates will be done yearly the next one is to be done in 2013.

Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial valuations for OPEB plans involve the estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial calculations of the OPEB plan reflect a long-term prospective. The net OPEB obligation had a major decrease in 2012 due mainly to increased contributions, expected cost savings due to a direct contract with a hospital system and a change in amortization period from a 30 year open to a 1 year closed period (see Note 1,P.)

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Currently the County pays for and reports retiree benefits on a “pay-as-you-go” basis, which is the practice of paying for these benefits as they become due each year. Our estimates below are based on the assumption that the County will continue pay-as-you-go (“Paygo”) funding.

<u>As of January 1, 2012 (in thousands)</u>	<u>Paygo</u>
Net Present Value of County-funded Plan Costs	\$ 2,634
Actuarial Accrued Liability	1,591
Net OPEB Obligation	3,661
Discount Rate	3.50%

<u>As of December 31, 2012 (in thousands)</u>	
Annual Required Contribution	\$ 1,735
OPEB Cost	(1,797)
County Contribution	(220)
Net OPEB Obligation	1,644

The net present value of County-funded plan costs represents the single sum value of the County’s funding obligation with regard to post-employment benefits provided for the current employees and retirees. It equals the present value of benefits and expenses, minus the present value of retiree contributions. It is not a liability in the accounting sense, and need not be disclosed in the County’s financial report. These amounts are discounted for the time value of money.

The actuarial accrued liability (“AAL”) is the portion of the net present value of County-funded plan costs attributable to employee service prior to January 1, 2010. GASB 45 requires the disclosure of this number in the financial report. The attribution method is based on the Entry Age Normal Actuarial Cost Method, described in more detail later in this report.

The Net Present Value and Actuarial Accrued Liability decreased as compared to the prior valuation (e.g., \$16.2 million to \$26 million and \$10.8 million to \$1.6 million respectively). The decrease is due, in a large part, to contribution rate changes, plan benefit changes, participation changes, and amortization period change.

The net OPEB obligation is the liability for OPEB that GASB Statement 45 requires the County to include in its CAFR (Comprehensive Annual Financial Report) balance sheet.

The Net OPEB Obligation is the accumulated excess of the ARC (Annual Required Contribution) over the actual County OPEB funding. Therefore, to the extent that the County’s funding for OPEB during any fiscal year falls short of the ARC, an OPEB Obligation will exist as of the end of that year.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

The Annual Required Contribution is the County's funding target for the current fiscal year in accordance with the GASB 45 provisions.

The County's OPEB funding is based on actual claims and administrative expenses paid for retirees less the retirees' contributions. For the 2012 fiscal year, the County's contribution is significantly lower than the previous two years. Because the County has a small number of retirees covered under the medical plan, there are and will be random fluctuations in the claims. The retirees' claims during the year were lower than they have been in recent years and lower than we would expect in the future. The development of the County's contribution is shown below.

Total Claims/Premiums		
Medical Claims	\$	288,310
RX Claims		1,004
Dental Claims		8,575
Life Insurance (age-adjusted)		7,928
Expenses		
Stop-Loss Premiums (age-adjusted)		18,683
Administrative Expenses		7,301
Stop-Loss Reimbursements		0
Retiree Contribution		(115,796)
Interest on County Contribution		<u>3,747</u>
Total County Contribution to OPEB Plan	\$	<u>219,742</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective.

The assumption is that the inflation rate, investment return and the projected salary increases is a 3% average over time. The Medical Trend for healthcare cost rates are as follows: Projection years 1 to 8+ years for medical are 1.9%, 8.5%, 8.0%, 7.5%, 7.0%, 6.5% and 6.0% respectively. For dental for projection years 1 to 8+ years the rates are 5.0%, 4.5%, 4.0%, 3.5%, 3.0%, 3.0% and 3.0% respectively.

The actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph 25c.

- a) The actuarial cost method used is the entry-age normal method.
- b) As of this valuation date, there are no assets, hence no need to an actuarial value of assets.
- c) The amortization method is level percent of payroll. The amortization period is 1 year. The period is closed
- d) Disclosure of the significant actuarial assumption follows.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

OPEB Cost and Obligation	FYE 2010	FYE 2011	FYE 2012
Normal Cost	\$ 673,276	\$ 700,208	\$ 85,719
Minimum Amortization of UAL	361,540	376,002	1,591,092
Interest Adjustment to Year-end	41,393	43,049	58,688
Annual Required Contribution	1,076,209	1,119,259	1,735,499
ARC adjustment	(49,584)	(84,980)	(3,660,652)
Interest Adjustment to Net OPEB Obligation	59,501	101,976	128,123
OPEB Cost	1,086,126	1,136,255	(1,797,030)
Contributions Made	(24,261)	(24,998)	(219,742)
Increase in Net OPEB Obligation	1,061,865	1,111,257	(2,016,772)
Net OPEB Obligation - beginning of year	1,487,530	2,549,395	3,660,652
Net OPEB Obligation - end of year	\$ 2,549,395	\$ 3,660,652	\$ 1,643,880

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	1,086,127	2.2%	\$ 2,549,395
12/31/2011	1,136,255	2.2%	\$ 3,660,652
12/31/2012	(1,797,030)	-12.2%	\$ 1,643,880

Funded Status

Actuarial Valuation Date	1/1/2012
Actuarial Valuation of Assets	\$ 0
Actuarial Accrued Liability	\$ 1,591,092
Unfunded Actuarial Liability	\$ 1,591,092
Funded Ratio	0.0%
Annualized Covered Payroll	\$ 12,760,816
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	12.5%
Actuarial Cost Method	Entry Age Normal

Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/2008	\$ 0	\$ 16,203,782	\$ 16,203,782	0.00%	\$ 12,281,652	131.9%
1/1/2010	\$ 0	\$ 10,846,223	\$ 10,846,223	0.00%	\$ 14,400,638	75.3%
6/1/2012	\$ 0	\$ 1,591,092	\$ 1,591,092	0.00%	\$ 12,760,816	12.5%

It is noted that the actuarial valuation will be done every other year even though some information can be obtained yearly. The next actuarial valuation will be done in 2015.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012
(continued)

(17) RESTATEMENT OF NET POSITION-

Governmental activities during the year. Management determined that the bridge infrastructure capital assets for the year ended December 31, 2011 did not include the cost of five bridges replaced in prior years. Beginning net position for December 31, 2012 has been restated as follows:

	<u>Net Position</u>
Beginning Net Position, as previously reported	\$40,775,688
Restatement for Bridges, net of depreciation	<u>748,411</u>
Beginning net position, as restated	<u>\$41,524,099</u>

(18) SUBSEQUENT EVENTS

In 2013 the County entered into an agreement for tax abatements with Voestalpine Texas, LLC, a leading steel processing company out of Linz, Austria, who will be constructing and operating an iron producing plant in San Patricio County. The plant is expected to be completed and operating by 2016. The agreement is for the years of 2014 to 2033. The tax rebate percentages for the County range from 5% to 50% over this 20 year agreement. The following is a summary of the yearly estimated tax revenues and rebates per this agreement.

<u>Years</u>	<u>Gross Estimated County Tax Revenues</u>	<u>Estimated Tax Rebates</u>	<u>Net Estimated County Tax Revenues</u>
2014	\$ 519,037	\$ 419,037	\$ 100,000
2015	1,973,140	1,833,140	140,000
2016	3,296,986	3,096,986	200,000
2017	3,144,961	2,944,961	200,000
2018	2,858,838	2,658,838	200,000
2019-2023	10,467,876	8,935,715	1,532,161
2024-2028	6,361,492	3,874,355	2,487,137
2029-2033	<u>4,052,018</u>	<u>2,021,009</u>	<u>2,031,009</u>
Total	<u>\$ 32,674,348</u>	<u>\$ 25,784,041</u>	<u>\$ 6,890,307</u>

REQUIRED SUPPLEMENTARY INFORMATION

(Major General and Special Revenue Funds Budgetary Comparisons)

The following are the Major governmental funds of the County that had adopted 2012 budgets.

The General Fund is a constitutional fund and is utilized to account for all County revenues and expenditures except those which are required by law to be classified in other constitutional funds and such other funds that are presented separately to facilitate proper accountability.

The Road and Bridge Special Revenue Fund is used to account for costs associated with the construction and maintenance of roads and bridges in the County. Revenues are derived primarily from ad valorem taxes, vehicle registration charges, State Lateral Road Distribution funds, and interest.

(Pension Trend Data)

The Schedule of Funding Progress for the Retirement Plan for the Employees of San Patricio County discloses pension trend data for the 2010-2012 years.

(Other Post Employment Benefits)

The Schedule of Funding Progress for Other Post Employee Benefits discloses trend data.

The Notes to Required Supplementary Information provide information on the County's 2012 Budget.

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 17,079,895	\$ 17,079,895	\$ 17,657,561	\$ 577,666
Licenses and Permits	120,900	120,900	125,377	4,477
Intergovernmental	486,750	710,488	753,155	42,667
Charges for Services	2,042,500	2,042,500	2,100,622	58,122
Fines & Forfeitures	814,600	814,600	738,817	(75,783)
Investment Income	25,000	25,000	34,625	9,625
Miscellaneous Revenue	290,700	290,700	430,828	140,128
Total Revenues	20,860,345	21,084,083	21,840,985	756,902
EXPENDITURES				
General Administration	2,435,773	2,505,451	2,229,750	275,701
Judicial	2,246,067	2,246,067	1,907,373	338,694
Legal	687,541	700,541	645,814	54,727
Elections	341,850	341,850	325,981	15,869
Financial Administration	2,137,297	2,156,547	1,935,498	221,049
Public Facilities	1,526,926	1,526,926	1,372,859	154,067
Public Safety	9,284,671	9,642,590	9,228,328	414,262
Environmental	92,130	92,130	91,475	655
Health & Welfare	913,773	928,773	776,943	151,830
Culture and Recreation	823,202	828,652	787,033	41,619
Conservation	203,878	203,878	180,692	23,186
Total Expenditures	20,693,108	21,173,405	19,481,746	1,691,659
Excess (Deficiency) of Revenues Over Expenditures	167,237	(89,322)	2,359,239	2,448,561
OTHER FINANCING SOURCES (USES)				
Transfers In	300,000	300,000	303,758	3,758
Transfers Out	(1,659,738)	(1,403,179)	(939,084)	464,095
Total Other Financing Sources (Uses)	(1,359,738)	(1,103,179)	(635,326)	467,853
Net Changes in Fund Balances	(1,192,501)	(1,192,501)	1,723,913	2,916,414
Fund Balance at Beginning of Year	6,351,127	6,351,127	6,351,127	
Fund Balance at End of Year	\$ 5,158,626	\$ 5,158,626	\$ 8,075,040	\$ 2,916,414

See accompanying notes to required supplementary information.

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
ROAD AND BRIDGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 2,604,093	\$ 2,604,093	\$ 2,691,778	\$ 87,685
Intergovernmental	82,873	82,873	132,671	49,798
Charges for Services	1,010,800	1,010,800	1,088,146	77,346
Fines and Forfeitures	374,799	374,799	405,830	31,031
Investment Income	5,700	5,700	6,336	636
Miscellaneous	3,000	3,000	6,756	3,756
Total Revenues	4,081,265	4,081,265	4,331,517	250,252
EXPENDITURES				
Public Transportation	4,220,005	4,234,105	3,674,392	559,713
Debt Service	0	0	0	0
Total Expenditures	4,220,005	4,234,105	3,674,392	559,713
Excess (Deficiency) of Revenues Over Expenditures	(138,740)	(152,840)	657,125	809,965
OTHER FINANCING SOURCES (USES)				
Capital Leases	0	0	0	0
Transfers Out	(159,600)	(145,500)	(125,000)	20,500
Total Other Financing Sources (Uses)	(159,600)	(145,500)	(125,000)	20,500
Net Changes in Fund Balances	(298,340)	(298,340)	532,125	830,465
Fund Balance at Beginning of Year	1,136,542	1,136,542	1,136,542	
Fund Balance at End of Year	\$ 838,202	\$ 838,202	\$ 1,668,667	\$ 830,465

See accompanying notes to required supplementary information.

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN FOR THE
EMPLOYEES OF SAN PATRICIO COUNTY**

Actuarial Valuation date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)(b)	Unfunded AAL (UALL)(b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)*	UAAL as a Percentage of Payroll ((b-a)/c)
12/31/2010	\$45,006,654	\$51,245,185	\$6,238,531	87.83%	\$16,570,488	37.65%
12/31/2011	46,557,164	53,435,161	6,877,997	87.13%	16,331,332	42.12%
12/31/2012	47,708,346	55,469,035	7,760,689	86.01%	15,721,673	49.36%

*The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

Note: The San Patricio County Employees' Retirement Plan is administered by the Texas County and District Retirement System, Austin, TX.

**SCHEDULE OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS
FOR SAN PATRICIO COUNTY**

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded ALL (UALL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
1/1/2008	\$0	\$16,203,782	\$16,203,782	0.00%	\$12,281,652	131.9%
1/1/2010	\$0	\$10,846,233	\$10,846,233	0.00%	\$14,400,638	75.3%
1/1/2012	\$0	\$ 1,591,092	\$ 1,591,092	0.00%	\$12,760,816	12.5%

The above consists of post employment health care plans. An actuarial valuation will be done every two years. The next one will be in 2015.

See accompanying Notes to Required Supplemental Information

SAN PATRICIO COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012

1. BUDGETS AND BUDGETARY ACCOUNTING

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the special assistant designated by the County Judge to assist him and the Commissioner's Court on budgetary matters. The County Judge reviews budget requests, holds informal hearings when needed, and fills in columns in budget preparation forms, setting out his budget recommendations to the Commissioner's Court.

A public hearing is held on the budget by the Commissioner's Court. Department heads may attend. Before determining the final budget, the Commissioner's Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available resources. Appropriations lapse at year end.

When the budget has been adopted by the Commissioner's 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 Commissioner's Court advised of the conditions of the various funds and accounts. The Level of Control (the level on which expenditures and transfers out may not legally exceed appropriations) for each legally adopted annual operating budget is the fund. All budget amendment requests by management must be approved by Commissioner's Court.

There were several supplementary appropriations made during the year after the 2012 budget was adopted. The General Fund was amended mainly due to increased Public Safety costs. There were also changes between line items that offset.

Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a modified accrual basis of accounting. It is noted that not all special revenue funds adopted budgets in 2012. The basis of budgeting is the same as GAAP (General Accepted Accounting Principles). Budgets for the 2012 year were adopted for the following funds; General Fund, the Road and Bridge Fund, Indigent Health Care Fund, Sheriff's State Forfeiture Fund, Courthouse Security Fund, Records Management Fund, WIC (Women, Infants and Children) Fund, District Courts Operating Fund, District Attorney Operating Fund, Intoxilizer Program Fund, Justice Court Technology Fund, Court Reporter Service Fund, CB COG Grant Fund, Law Library Fund, District Attorney Forfeiture Fund, Communications System Fund, Airport Fund, Permanent Improvement Bonds Fund, and the Road Bonds Fund.

The County's major governmental funds with adopted budgets for the 2012 year were the General Fund and Road and Bridge Fund.

SAN PATRICIO COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2012
(continued)

It is noted that the District Attorney Forfeiture Fund and the Sheriff State Forfeiture Fund are under control of the District Attorney and County Sheriff, respectively. These officials adopt their own budgets and present them to the Commissioner's Court.

The Capital Projects Funds are not budgeted on an annual basis; these funds cover ongoing items (such as courthouse and jail construction and right-of-way acquisition) that last for more than one year. It is also noted that for these funds that sources of funding are typically General Fund transfers (which are budgeted) or grants which typically carry their own budgets from grant or agencies. Due to the nature of these funds, annual budgets are not considered meaningful for management control.

Combining and Individual Fund Statements and Schedules

These Statements present information on the individual fund types and serve to assure disclosure is sufficient to meet the County's reporting objectives. These statements also serve to present budgetary data.

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**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 4,728,663	\$ 528,414	\$ 1,379,057	\$ 6,636,134
Taxes Receivable		825,842		825,842
Intergovernmental Receivables	124,921		0	124,921
Other Receivables	38,245	570		38,815
TOTAL ASSETS	\$ 4,891,829	\$ 1,354,826	\$ 1,379,057	\$ 7,625,712
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 38,730	\$	\$ 12,979	\$ 51,709
Intergovernmental Payables	9,851			9,851
Other Liabilities	42,285		0	42,285
Due To Other Funds	52,330		0	52,330
Deferred Revenue		825,842		825,842
Advance Tax Collections		442,267		442,267
Total Liabilities	143,196	1,268,109	12,979	1,424,284
Fund Balances -				
Restricted	3,843,738	86,717	569,828	4,500,283
Committed	904,895		0	904,895
Assigned	0		796,250	796,250
Unassigned	0	0	0	0
Total Fund Balances	4,748,633	86,717	1,366,078	6,201,428
TOTAL LIABILITIES & FUND BALANCES	\$ 4,891,829	\$ 1,354,826	\$ 1,379,057	\$ 7,625,712

**SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$	\$ 1,270,638	\$	\$ 1,270,638
Intergovernmental	1,553,511		497,510	2,051,021
Charges for Services	638,112			638,112
Fines & Forfeitures	93,446			93,446
Investment Income	12,151	1,035	2,598	15,784
Miscellaneous Revenue	461,845		36,483	498,328
Total Revenues	2,759,065	1,271,673	536,591	4,567,329
EXPENDITURES				
Current				
General Administration	90,711			90,711
Judicial	1,286,658			1,286,658
Legal	10,304			10,304
Elections	36,051			36,051
Public Facilities			604,290	604,290
Public Safety	325,554			325,554
Public Transportation	605,043		62,549	667,592
Health & Welfare	1,286,832			1,286,832
Debt Service		1,213,536		1,213,536
Total Expenditures	3,641,153	1,213,536	666,839	5,521,528
Excess (Deficiency) of Revenues Over Expenditures	(882,088)	58,137	(130,248)	(954,199)
OTHER FINANCING SOURCES (USES)				
Transfers In	684,084	57,520	380,000	1,121,604
Transfers Out	(303,758)	(57,520)	0	(361,278)
Total Other Financing Sources (Uses)	380,326	0	380,000	760,326
Net Changes in Fund Balances	(501,762)	58,137	249,752	(193,873)
Fund Balances at Beginning of Year	5,250,395	28,580	1,116,326	6,395,301
Fund Balances at End of Year	\$ 4,748,633	\$ 86,717	\$ 1,366,078	\$ 6,201,428

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

NonMajor Special Revenue Governmental funds consist of the following:

1. The Indigent Health Care Fund accounts for certain revenues that are used in providing health care to indigent citizens.
2. The Sheriff's State Forfeiture Fund accounts for money received through seizures pursuant to state forfeiture laws.
3. The Courthouse Security Fund accounts for fees collected on criminal cases which can be used for the purpose of providing security services for buildings housing courts.
4. The Records Management Fund accounts for fees collected on civil cases which shall be used for the purpose of preserving and maintaining records of the County.
5. The Women, Infants, and Children (WIC) Fund accounts for WIC Program Funds received from the State and other revenues that are used for costs incurred in providing medical and other services to indigent families
6. The District Courts Operating Fund accounts for certain local intergovernmental and other revenues used for District Court expenditures.
7. The District Attorney Operating Fund accounts for State Grants, other local intergovernmental and other revenues used to fund District Attorney expenditures.
8. The Intoxilizer Program Fund accounts for monies provided by a local agreement between San Patricio, Aransas, and Nueces Counties which provide for the employment of intoxilizer staff.
9. The Justice Court Technology Fund accounts for fees and other funds used to enhance Justices of the Peace office technology.
10. The Court Reporter Service Fund accounts for fees and other revenues used for Court Reporter expenditures.
11. The CB COG Grant Fund accounts for grants and other monies used for emergency 911 costs.
12. The Law Library Fund provides for the establishment and maintenance of a library for the use by the members of the Texas Bar Association. It is stocked with several thousand books. Monies are derived from charges which are assessed against each civil case filed in County and District Courts.

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
(continued)

13. The Child Abuse Prevention Fund accounts for fees and other funds used to prevent child abuse.
14. The County Atty (Attorney) Pretrial Intervention accounts for fees and other monies used for County Attorney pretrial intervention purposes.
15. The District Attorney Forfeiture Fund accounts for forfeitures and other revenues that are used for District Attorney expenditures.
16. The Airport Fund accounts for funds used for airport maintenance.
17. The Sheriff's Forfeiture Fund accounts for money received through seizures pursuant to federal forfeiture laws.
18. The District Attorney Federal Forfeiture Fund accounts for federal forfeitures and other revenues that are used for District Attorney expenditures.
19. The Texas Department of Health Grant Fund accounts for Federal grant funds used for Tuberculosis Control, Maternal & Child Health Services, and Community & Rural Health Services.
20. The Help Americans Vote Act (HAVA) Grant Fund accounts for grants and other monies used to help Americans vote, which includes the purchase of voting equipment and voter education assistance.
21. The Voter Registration Fund accounts for State Voter Registration Grants.
22. The Victim Information & Notification Everyday Service (VINES) Program Fund accounts for grants and other funds that are to provide information services to crime victims and other concerned citizens.
23. The Election Services Fund accounts for funds used for election services.
24. The County Attorney Check Fee Fund is used to account for "hot check" charges received by the County Attorney.
25. The District Attorney Check Fee Fund is used to account for "hot check" charges received by the District Attorney.
26. The Jail Commissary Fund is used to account for jail commissary profits

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
(continued)

27. The Emergency Food and Shelter Program (EFSP) Fund accounts for Federal Grants used to provide emergency food and shelter to low income families.
28. The Clerk Contingency Fund accounts for certain County and District Clerk fees and other monies to be used for contingency costs.
29. The Communications System Fund accounts for radio maintenance fees received from other governmental entities

**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012**

	<u>INDIGENT HEALTH CARE FUND</u>	<u>SHERIFF STATE FORFEITURE FUND</u>	<u>COURTHOUSE SECURITY FUND</u>	<u>RECORDS MANAGEMENT FUND</u>
ASSETS				
Cash and Cash Equivalents	\$ 487,911	\$ 330,664	\$ 609,356	\$ 796,806
Receivables				
Intergovernmental Receivable				
Other Receivables			2,333	5,480
TOTAL ASSETS	\$ <u>487,911</u>	\$ <u>330,664</u>	\$ <u>611,689</u>	\$ <u>802,286</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$	\$	\$ 12	\$ 114
Intergovernmental Payable				
Other Liabilities	42,285			
Due to Other Funds				
Total Liabilities	<u>42,285</u>	<u>0</u>	<u>12</u>	<u>114</u>
Fund Balances - (Deficits)				
Restricted		330,664	611,677	802,172
Committed	445,626			
Assigned				
Unassigned				
Total Fund Balances	<u>445,626</u>	<u>330,664</u>	<u>611,677</u>	<u>802,172</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>487,911</u>	\$ <u>330,664</u>	\$ <u>611,689</u>	\$ <u>802,286</u>

(Continued)

<u>WIC</u>	<u>DISTRICT COURTS OPERATING FUND</u>	<u>DISTRICT ATTORNEY OPERATING FUND</u>	<u>INTOXILIZER PROGRAM</u>	<u>JUSTICE COURT TECHNOLOGY FUND</u>	<u>COURT REPORTER SERVICE FUND</u>	<u>CB COG GRANT FUND</u>
\$	\$ 63,256	\$ 40,085	\$ 7,147	\$ 150,586	\$ 82,006	\$ 85,443
69,810				1,915	468	
<u>\$ 69,810</u>	<u>\$ 63,256</u>	<u>\$ 40,085</u>	<u>\$ 7,147</u>	<u>\$ 152,501</u>	<u>\$ 82,474</u>	<u>\$ 85,443</u>
\$ 562	\$ 418 9,851	\$ 2,473	\$ 159	\$	\$	\$ 8
15,945						
<u>16,507</u>	<u>10,269</u>	<u>2,473</u>	<u>159</u>	<u>0</u>	<u>0</u>	<u>8</u>
53,303	52,987	37,612	6,988	152,501	82,474	85,435
<u>53,303</u>	<u>52,987</u>	<u>37,612</u>	<u>6,988</u>	<u>152,501</u>	<u>82,474</u>	<u>85,435</u>
<u>\$ 69,810</u>	<u>\$ 63,256</u>	<u>\$ 40,085</u>	<u>\$ 7,147</u>	<u>\$ 152,501</u>	<u>\$ 82,474</u>	<u>\$ 85,443</u>

**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012
(Continued)**

		<u>LAW LIBRARY</u>		<u>DISTRICT ATTORNEY FORFEITURE FUND</u>		<u>AIRPORT FUND</u>		<u>SHERIFF FORFEITURE FUND</u>
ASSETS								
Cash and Cash Equivalents	\$	15,984	\$	333,755	\$	357,884	\$	366,166
Receivables								
Intergovernmental Receivable								
Other Receivables		<u>1,903</u>				<u>11,533</u>		
TOTAL ASSETS	\$	<u>17,887</u>	\$	<u>333,755</u>	\$	<u>369,417</u>	\$	<u>366,166</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable	\$	811	\$	866	\$	24,312	\$	
Intergovernmental Payable								
Other Liabilities								
Due to Other Funds								
Total Liabilities		<u>811</u>		<u>866</u>		<u>24,312</u>		<u>0</u>
Fund Balances - (Deficits)								
Restricted		17,076		332,889		345,105		366,166
Committed								
Assigned								
Unassigned								
Total Fund Balances		<u>17,076</u>		<u>332,889</u>		<u>345,105</u>		<u>366,166</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>17,887</u>	\$	<u>333,755</u>	\$	<u>369,417</u>	\$	<u>366,166</u>

(Continued)

<u>TEXAS DEPT. OF HEALTH GRANTS</u>	<u>VINES PROGRAM</u>	<u>HAVA GRANT</u>	<u>VOTER REGISTRATION FUND</u>	<u>ELECTION SERVICES</u>	<u>COUNTY ATTORNEY CHECK FEE FUND</u>	<u>DISTRICT ATTORNEY CHECK FEE FUND</u>
\$	\$	\$	\$ 21,799	\$ 174,260	\$ 32,630	\$ 7,048
55,111 7,865	5,188				4	
<u>\$ 62,976</u>	<u>\$ 5,188</u>	<u>\$ 0</u>	<u>\$ 21,799</u>	<u>\$ 174,260</u>	<u>\$ 32,634</u>	<u>\$ 7,048</u>
\$ 796	\$	\$	\$	\$ 4,820	\$	\$
31,197	5,188					
<u>31,993</u>	<u>5,188</u>	<u>0</u>	<u>0</u>	<u>4,820</u>	<u>0</u>	<u>0</u>
30,983			21,799	169,440	32,634	7,048
<u>30,983</u>	<u>0</u>	<u>0</u>	<u>21,799</u>	<u>169,440</u>	<u>32,634</u>	<u>7,048</u>
<u>\$ 62,976</u>	<u>\$ 5,188</u>	<u>\$ 0</u>	<u>\$ 21,799</u>	<u>\$ 174,260</u>	<u>\$ 32,634</u>	<u>\$ 7,048</u>

**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012
(Continued)**

	<u>CHILD ABUSE PREVENTION FUND</u>	<u>COUNTY ATTY PRETRIAL INTERVENTION</u>	<u>JAIL COMMISSARY FUND</u>	<u>COMMUNI- CATIONS SYSTEM FUND</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,020	\$ 201,496	\$ 38,683	\$ 279,529
Receivables				
Intergovernmental Receivable				
Other Receivables		1,385		
TOTAL ASSETS	<u>\$ 2,020</u>	<u>\$ 202,881</u>	<u>\$ 38,683</u>	<u>\$ 279,529</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$	\$	\$ 1,246	\$ 2,133
Intergovernmental Payable				
Other Liabilities				
Due to Other Funds				
Total Liabilities	<u>0</u>	<u></u>	<u>1,246</u>	<u>2,133</u>
Fund Balances - (Deficits)				
Restricted	2,020	202,881	37,437	
Committed				277,396
Assigned				
Unassigned				
Total Fund Balances	<u>2,020</u>	<u>202,881</u>	<u>37,437</u>	<u>277,396</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,020</u>	<u>\$ 202,881</u>	<u>\$ 38,683</u>	<u>\$ 279,529</u>

<u>DISTRICT ATTORNEY FEDERAL FORFEITURE</u>	<u>EFSP GRANT</u>	<u>CLERKS CONTINGENCY FUND</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
\$ 65,848	\$ 16,493	\$ 161,808	\$ 4,728,663
		171	124,921
			38,245
<u>\$ 65,848</u>	<u>\$ 16,493</u>	<u>\$ 161,979</u>	<u>\$ 4,891,829</u>
\$	\$	\$	\$ 38,730
			9,851
			42,285
			52,330
<u>0</u>	<u>0</u>	<u>0</u>	<u>143,196</u>
65,848	16,493	161,979	3,843,738
			904,895
			0
			0
<u>65,848</u>	<u>16,493</u>	<u>161,979</u>	<u>4,748,633</u>
<u>\$ 65,848</u>	<u>\$ 16,493</u>	<u>\$ 161,979</u>	<u>\$ 4,891,829</u>

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>INDIGENT HEALTH CARE FUND</u>	<u>SHERIFF STATE FORFEITURE FUND</u>	<u>COURTHOUSE SECURITY FUND</u>	<u>RECORDS MANAGEMENT FUND</u>
REVENUES				
Intergovernmental	\$	\$ 20,448	\$	\$
Charges for Services			50,997	153,810
Fines & Forfeitures		70,133		
Investment Income	1,465	733	1,386	1,802
Miscellaneous		11,400		
Total Revenues	<u>1,465</u>	<u>102,714</u>	<u>52,383</u>	<u>155,612</u>
EXPENDITURES				
General Administration				90,711
Judicial				25,880
Legal				
Elections				
Public Facilities				
Public Safety		31,488	42,874	
Public Transportation				
Health & Welfare	<u>233,953</u>			
Total Expenditures	<u>233,953</u>	<u>31,488</u>	<u>42,874</u>	<u>116,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(232,488)</u>	<u>71,226</u>	<u>9,509</u>	<u>39,021</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	0			0
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(232,488)</u>	<u>71,226</u>	<u>9,509</u>	<u>39,021</u>
Fund Balances (Deficits) at Beginning of Year	<u>678,114</u>	<u>259,438</u>	<u>602,168</u>	<u>763,151</u>
Fund Balances (Deficits) at End of Year	<u>\$ 445,626</u>	<u>\$ 330,664</u>	<u>\$ 611,677</u>	<u>\$ 802,172</u>

(Continued)

<u>WIC</u>	<u>DISTRICT COURTS OPERATING FUND</u>	<u>DISTRICT ATTORNEY OPERATING FUND</u>	<u>INTOXILIZER PROGRAM</u>	<u>JUSTICE COURT TECHNOLOGY FUND</u>	<u>COURT REPORTER SERVICE FUND</u>	<u>CB COG GRANT FUND</u>
\$ 479,793	\$ 275,015	\$ 134,315	\$ 51,005	\$ 35,337	\$ 15,973	\$
0	426 460	170 4,594	19 0	308	178	849
<u>479,793</u>	<u>275,901</u>	<u>139,079</u>	<u>51,024</u>	<u>35,645</u>	<u>16,151</u>	<u>849</u>
	546,772	473,569		6,722	11,128	
<u>481,869</u>			91,929			16,312
<u>481,869</u>	<u>546,772</u>	<u>473,569</u>	<u>91,929</u>	<u>6,722</u>	<u>11,128</u>	<u>16,312</u>
<u>(2,076)</u>	<u>(270,871)</u>	<u>(334,490)</u>	<u>(40,905)</u>	<u>28,923</u>	<u>5,023</u>	<u>(15,463)</u>
	264,985	350,265	41,731			(300,000)
<u>0</u>	<u>264,985</u>	<u>350,265</u>	<u>41,731</u>	<u>0</u>	<u>0</u>	<u>(300,000)</u>
<u>(2,076)</u>	<u>(5,886)</u>	<u>15,775</u>	<u>826</u>	<u>28,923</u>	<u>5,023</u>	<u>(315,463)</u>
<u>55,379</u>	<u>58,873</u>	<u>21,837</u>	<u>6,162</u>	<u>123,578</u>	<u>77,451</u>	<u>400,898</u>
\$ <u>53,303</u>	\$ <u>52,987</u>	\$ <u>37,612</u>	\$ <u>6,988</u>	\$ <u>152,501</u>	\$ <u>82,474</u>	\$ <u>85,435</u>

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>LAW LIBRARY</u>	<u>DISTRICT ATTORNEY FORFEITURE FUND</u>	<u>AIRPORT FUND</u>	<u>SHERIFF FORFEITURE FUND</u>
REVENUES				
Intergovernmental	\$	\$	\$	\$
Charges for Services	64,779	1,580	48,403	
Fines & Forfeitures		23,313		
Investment Income	88	885	957	836
Miscellaneous		227	408,322	
	<u>64,867</u>	<u>26,005</u>	<u>457,682</u>	<u>836</u>
Total Revenues				
EXPENDITURES				
General Administration				
Judicial	85,688	120,810		
Legal				
Elections				
Public Facilities				
Public Safety				
Public Transportation			605,043	
Health & Welfare				
	<u>85,688</u>	<u>120,810</u>	<u>605,043</u>	<u>0</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,821)</u>	<u>(94,805)</u>	<u>(147,361)</u>	<u>836</u>
OTHER FINANCING SOURCES (USES):				
Transfers In			0	
Transfers Out		0		
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)				
Net Changes in Fund Balances	(20,821)	(94,805)	(147,361)	836
Fund Balances (Deficits) at Beginning of Year	<u>37,897</u>	<u>427,694</u>	<u>492,466</u>	<u>365,330</u>
Fund Balances (Deficits) at End of Year	<u>\$ 17,076</u>	<u>\$ 332,889</u>	<u>\$ 345,105</u>	<u>\$ 366,166</u>

(Continued)

<u>TEXAS DEPT. OF HEALTH GRANTS</u>	<u>VINES PROGRAM</u>	<u>HAVA GRANT</u>	<u>VOTER REGISTRATION FUND</u>	<u>ELECTION SERVICES</u>	<u>COUNTY ATTORNEY CHECK FEE FUND</u>	<u>DISTRICT ATTORNEY CHECK FEE FUND</u>
\$ 403,538 132,727	\$ 10,626	\$ 62,309	\$	\$ 15,960	\$ 10,550	\$ 525
			50	365 7,829		16
<u>536,265</u>	<u>10,626</u>	<u>62,309</u>	<u>50</u>	<u>24,154</u>	<u>10,550</u>	<u>541</u>
		23,349		12,702	10,304	
<u>571,010</u>	<u>5,241</u>					
<u>571,010</u>	<u>5,241</u>	<u>23,349</u>	<u>0</u>	<u>12,702</u>	<u>10,304</u>	<u>0</u>
<u>(34,745)</u>	<u>5,385</u>	<u>38,960</u>	<u>50</u>	<u>11,452</u>	<u>246</u>	<u>541</u>
<u>27,103</u>		<u>(3,758)</u>				
<u>27,103</u>	<u>0</u>	<u>(3,758)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(7,642)</u>	<u>5,385</u>	<u>35,202</u>	<u>50</u>	<u>11,452</u>	<u>246</u>	<u>541</u>
<u>38,625</u>	<u>(5,385)</u>	<u>(35,202)</u>	<u>21,749</u>	<u>157,988</u>	<u>32,388</u>	<u>6,507</u>
\$ <u><u>30,983</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>21,799</u></u>	\$ <u><u>169,440</u></u>	\$ <u><u>32,634</u></u>	\$ <u><u>7,048</u></u>

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	CHILD ABUSE PREVENTION FUND	COUNTY ATTY PRETRIAL INTERVENTION	JAIL COMMISSARY FUND	COMMUNI- CATIONS SYSTEM FUND
REVENUES				
Intergovernmental	\$	\$	\$	\$ 66,141
Charges for Services	752	65,212		85,500
Fines & Forfeitures				
Investment Income		376	71	504
Miscellaneous			29,013	
Total Revenues	752	65,588	29,084	152,145
EXPENDITURES				
General Administration				
Judicial				
Legal				
Elections				
Public Facilities				
Public Safety			15,074	82,999
Public Transportation				
Health & Welfare				
Total Expenditures	0	0	15,074	82,999
Excess (Deficiency) of Revenues Over Expenditures	752	65,588	14,010	69,146
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	752	65,588	14,010	69,146
Fund Balances (Deficits) at Beginning of Year	1,268	137,293	23,427	208,250
Fund Balances (Deficits) at End of Year	\$ 2,020	\$ 202,881	\$ 37,437	\$ 277,396

<u>DISTRICT ATTORNEY FEDERAL FORFEITURE</u>	<u>EFSP GRANT</u>	<u>CLERKS CONTINGENCY FUND</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
\$	\$ 338	\$	\$
		5,990	1,553,511
			638,112
268	37	362	93,446
			12,151
			461,845
<u>268</u>	<u>375</u>	<u>6,352</u>	<u>2,759,065</u>
			90,711
16,089			1,286,658
			10,304
			36,051
			0
39,637			325,554
			605,043
			1,286,832
<u>55,726</u>	<u>0</u>	<u>0</u>	<u>3,641,153</u>
<u>(55,458)</u>	<u>375</u>	<u>6,352</u>	<u>(882,088)</u>
			684,084
			(303,758)
<u>0</u>	<u>0</u>	<u>0</u>	<u>380,326</u>
(55,458)	375	6,352	(501,762)
<u>121,306</u>	<u>16,118</u>	<u>155,627</u>	<u>5,250,395</u>
\$ <u>65,848</u>	\$ <u>16,493</u>	\$ <u>161,979</u>	\$ <u>4,748,633</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
INDIGENT HEALTH CARE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Investment Income	\$ 900	\$ 900	\$ 1,465	\$ 565
Total Revenues	900	900	1,465	565
EXPENDITURES				
Health & Welfare	602,128	602,128	233,953	368,175
Total Expenditures	602,128	602,128	233,953	368,175
Excess (Deficiency) of Revenues Over Expenditures	(601,228)	(601,228)	(232,488)	368,740
OTHER FINANCING SOURCES (USES)				
Transfers In				0
Total Other Financing Sources (Uses)	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	(601,228)	(601,228)	(232,488)	368,740
Fund Balance at Beginning of Year	678,114	678,114	678,114	
Fund Balance at End of Year	\$ 76,886	\$ 76,886	\$ 445,626	\$ 368,740

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
SHERIFF'S STATE FORFEITURE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$	\$	\$ 20,448	\$ 20,448
Fines & Forfeitures			70,133	70,133
Investment Income			733	733
Miscellaneous Revenue			11,400	11,400
Total Revenues	<u>0</u>	<u>0</u>	<u>102,714</u>	<u>102,714</u>
EXPENDITURES				
Public Safety	<u>145,000</u>	<u>145,000</u>	<u>31,488</u>	<u>113,512</u>
Total Expenditures	<u>145,000</u>	<u>145,000</u>	<u>31,488</u>	<u>113,512</u>
Net Changes in Fund Balances	(145,000)	(145,000)	71,226	216,226
Fund Balance at Beginning of Year	<u>259,438</u>	<u>259,438</u>	<u>259,438</u>	
Fund Balance at End of Year	<u>\$ 114,438</u>	<u>\$ 114,438</u>	<u>\$ 330,664</u>	<u>\$ 216,226</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
COURTHOUSE SECURITY FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 57,500	\$ 57,500	\$ 50,997	\$ (6,503)
Investment Income	<u>1,000</u>	<u>1,000</u>	<u>1,386</u>	<u>386</u>
Total Revenues	<u>58,500</u>	<u>58,500</u>	<u>52,383</u>	<u>(6,117)</u>
EXPENDITURES				
Public Safety	<u>147,717</u>	<u>147,717</u>	<u>42,874</u>	<u>104,843</u>
Total Expenditures	<u>147,717</u>	<u>147,717</u>	<u>42,874</u>	<u>104,843</u>
Net Changes in Fund Balances	(89,217)	(89,217)	9,509	98,726
Fund Balance at Beginning of Year	<u>602,168</u>	<u>602,168</u>	<u>602,168</u>	
Fund Balance at End of Year	\$ <u><u>512,951</u></u>	\$ <u><u>512,951</u></u>	\$ <u><u>611,677</u></u>	\$ <u><u>98,726</u></u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
RECORDS MANAGEMENT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 132,600	\$ 132,600	\$ 153,810	\$ 21,210
Investment Income	1,000	1,000	1,802	802
Total Revenues	<u>133,600</u>	<u>133,600</u>	<u>155,612</u>	<u>22,012</u>
EXPENDITURES				
General Administration	675,326	675,326	90,711	584,615
Judicial	45,830	45,830	25,880	19,950
Total Expenditures	<u>721,156</u>	<u>721,156</u>	<u>116,591</u>	<u>604,565</u>
Excess (Deficiency) of Revenues				
Net Changes in Fund Balances	<u>(587,556)</u>	<u>(587,556)</u>	<u>39,021</u>	<u>626,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over				
Net Changes in Fund Balances	(587,556)	(587,556)	39,021	626,577
Fund Balance at Beginning of Year	<u>763,151</u>	<u>763,151</u>	<u>763,151</u>	
Fund Balance at End of Year	<u>\$ 175,595</u>	<u>\$ 175,595</u>	<u>\$ 802,172</u>	<u>\$ 626,577</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
WIC FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 517,606	\$ 517,606	\$ 479,793	\$ (37,813)
Investment Income				0
Miscellaneous Revenue				0
Total Revenues	<u>517,606</u>	<u>517,606</u>	<u>479,793</u>	<u>(37,813)</u>
EXPENDITURES				
Health & Welfare	<u>517,606</u>	<u>517,606</u>	<u>481,869</u>	<u>35,737</u>
Total Expenditures	<u>517,606</u>	<u>517,606</u>	<u>481,869</u>	<u>35,737</u>
Net Changes in Fund Balances	0	0	(2,076)	(2,076)
Fund Balance at Beginning of Year	<u>55,379</u>	<u>55,379</u>	<u>55,379</u>	
Fund Balance at End of Year	<u>\$ 55,379</u>	<u>\$ 55,379</u>	<u>\$ 53,303</u>	<u>\$ (2,076)</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
DISTRICT COURTS OPERATING FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 275,015	\$ 275,015	\$ 275,015	\$ 0
Investment Income	400	400	426	26
Miscellaneous Revenue			460	460
Total Revenues	<u>275,415</u>	<u>275,415</u>	<u>275,901</u>	<u>486</u>
EXPENDITURES				
Judicial	<u>569,856</u>	<u>569,856</u>	<u>546,772</u>	<u>23,084</u>
Total Expenditures	<u>569,856</u>	<u>569,856</u>	<u>546,772</u>	<u>23,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(294,441)</u>	<u>(294,441)</u>	<u>(270,871)</u>	<u>23,570</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>264,985</u>	<u>264,985</u>	<u>264,985</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>264,985</u>	<u>264,985</u>	<u>264,985</u>	<u>0</u>
Net Changes in Fund Balances	(29,456)	(29,456)	(5,886)	23,570
Fund Balance at Beginning of Year	<u>58,873</u>	<u>58,873</u>	<u>58,873</u>	
Fund Balance at End of Year	<u>\$ 29,417</u>	<u>\$ 29,417</u>	<u>\$ 52,987</u>	<u>\$ 23,570</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
DISTRICT ATTORNEY OPERATING FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 133,355	\$ 133,355	\$ 134,315	\$ 960
Investment Income	50	50	170	120
Miscellaneous Revenue			4,594	4,594
Total Revenues	<u>133,405</u>	<u>133,405</u>	<u>139,079</u>	<u>5,674</u>
EXPENDITURES				
Judicial	483,670	483,670	473,569	10,101
Total Expenditures	<u>483,670</u>	<u>483,670</u>	<u>473,569</u>	<u>10,101</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(350,265)</u>	<u>(350,265)</u>	<u>(334,490)</u>	<u>15,775</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	350,265	350,265	350,265	0
Total Other Financing Sources (Uses)	<u>350,265</u>	<u>350,265</u>	<u>350,265</u>	<u>0</u>
Net Changes in Fund Balances	0	0	15,775	15,775
Fund Balance at Beginning of Year	<u>21,853</u>	<u>21,853</u>	<u>21,837</u>	
Fund Balance at End of Year	<u>\$ 21,853</u>	<u>\$ 21,853</u>	<u>\$ 37,612</u>	<u>\$ 15,775</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
INTOXILIZER PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 51,005	\$ 51,005	\$ 51,005	\$ 0
Investment Income	20	20	19	(1)
Miscellaneous Revenue				0
Total Revenues	<u>51,025</u>	<u>51,025</u>	<u>51,024</u>	<u>(1)</u>
EXPENDITURES				
Public Safety	<u>92,755</u>	<u>92,755</u>	<u>91,929</u>	<u>826</u>
Total Expenditures	<u>92,755</u>	<u>92,755</u>	<u>91,929</u>	<u>826</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(41,730)</u>	<u>(41,730)</u>	<u>(40,905)</u>	<u>825</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>41,731</u>	<u>41,731</u>	<u>41,731</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>41,731</u>	<u>41,731</u>	<u>41,731</u>	<u>0</u>
Net Changes in Fund Balances	1	1	826	825
Fund Balance at Beginning of Year	<u>6,162</u>	<u>6,162</u>	<u>6,162</u>	
Fund Balance at End of Year	<u>\$ 6,163</u>	<u>\$ 6,163</u>	<u>\$ 6,988</u>	<u>\$ 825</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
JUSTICE COURT TECHNOLOGY FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 42,700	\$ 42,700	\$ 35,337	\$ (7,363)
Investment Income	200	200	308	108
Total Revenues	<u>42,900</u>	<u>42,900</u>	<u>35,645</u>	<u>(7,255)</u>
EXPENDITURES				
Judicial	<u>160,300</u>	<u>160,300</u>	<u>6,722</u>	<u>153,578</u>
Total Expenditures	<u>160,300</u>	<u>160,300</u>	<u>6,722</u>	<u>153,578</u>
Net Changes in Fund Balances	(117,400)	(117,400)	28,923	146,323
Fund Balance at Beginning of Year	<u>123,578</u>	<u>123,578</u>	<u>123,578</u>	
Fund Balance at End of Year	\$ <u><u>6,178</u></u>	\$ <u><u>6,178</u></u>	\$ <u><u>152,501</u></u>	\$ <u><u>146,323</u></u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
COURT REPORTER SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 13,700	\$ 13,700	\$ 15,973	\$ 2,273
Investment Income	100	100	178	78
Total Revenues	<u>13,800</u>	<u>13,800</u>	<u>16,151</u>	<u>2,351</u>
EXPENDITURES				
Judicial	62,000	62,000	11,128	50,872
Total Expenditures	<u>62,000</u>	<u>62,000</u>	<u>11,128</u>	<u>50,872</u>
Net Changes in Fund Balances	(48,200)	(48,200)	5,023	53,223
Fund Balance at Beginning of Year	<u>77,451</u>	<u>77,451</u>	<u>77,451</u>	
Fund Balance at End of Year	<u>\$ 29,251</u>	<u>\$ 29,251</u>	<u>\$ 82,474</u>	<u>\$ 53,223</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
CB COG GRANT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$	\$	\$	\$
Investment Income	500	500	849	349
Total Revenues	500	500	849	349
EXPENDITURES				
Public Safety	71,800	71,800	16,312	55,488
Total Expenditures	71,800	71,800	16,312	55,488
Excess (Deficiency) of Revenues Over Expenditures	(71,300)	(71,300)	(15,463)	55,837
OTHER FINANCING SOURCES (USES)				
Transfers Out	(300,000)	(300,000)	(300,000)	0
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(300,000)	0
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	(371,300)	(371,300)	(315,463)	55,837
Fund Balance at Beginning of Year	400,898	400,898	400,898	
Fund Balance at End of Year	\$ 29,598	\$ 29,598	\$ 85,435	\$ 55,837

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
LAW LIBRARY FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 62,000	\$ 62,000	\$ 64,779	\$ 2,779
Investment Income	100	100	88	(12)
Total Revenues	<u>62,100</u>	<u>62,100</u>	<u>64,867</u>	<u>2,767</u>
EXPENDITURES				
Judicial	92,455	92,455	85,688	6,767
Total Expenditures	<u>92,455</u>	<u>92,455</u>	<u>85,688</u>	<u>6,767</u>
Net Changes in Fund Balances	(30,355)	(30,355)	(20,821)	9,534
Fund Balance at Beginning of Year	<u>37,897</u>	<u>37,897</u>	<u>37,897</u>	
Fund Balance at End of Year	<u>\$ 7,542</u>	<u>\$ 7,542</u>	<u>\$ 17,076</u>	<u>\$ 9,534</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
DISTRICT ATTORNEY FORFEITURE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 1,580	\$ 1,580	\$ 1,580	\$ 0
Fines & Forfeitures	40,000	40,000	23,313	(16,687)
Investment Income	500	500	885	385
Miscellaneous Revenue	120	120	227	107
Total Revenues	42,200	42,200	26,005	(16,195)
EXPENDITURES				
Judicial	155,415	155,415	120,810	34,605
Total Expenditures	155,415	155,415	120,810	34,605
Excess (Deficiency) of Revenues Over Expenditures	(113,215)	(113,215)	(94,805)	18,410
OTHER FINANCING SOURCES (USES)				
Transfers In				0
Transfers Out	(315,000)	(315,000)		315,000
Total Other Financing Sources (Uses)	(315,000)	(315,000)	0	315,000
Net Changes in Fund Balances	(428,215)	(428,215)	(94,805)	333,410
Fund Balance at Beginning of Year	427,694	427,694	427,694	
Fund Balance at End of Year	\$ (521)	\$ (521)	\$ 332,889	\$ 333,410

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
AIRPORT FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$	\$ 48,402	\$ 48,403	\$ 1
Investment Income	800	800	957	157
Miscellaneous Revenue	<u>242,000</u>	<u>242,000</u>	<u>408,322</u>	<u>166,322</u>
Total Revenues	<u>242,800</u>	<u>291,202</u>	<u>457,682</u>	<u>166,480</u>
EXPENDITURES				
Public Transportation	<u>561,210</u>	<u>609,612</u>	<u>605,043</u>	<u>4,569</u>
Total Expenditures	<u>561,210</u>	<u>609,612</u>	<u>605,043</u>	<u>4,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(318,410)</u>	<u>(318,410)</u>	<u>(147,361)</u>	<u>171,049</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(318,410)	(318,410)	(147,361)	171,049
Fund Balance at Beginning of Year	<u>492,466</u>	<u>492,466</u>	<u>492,466</u>	<u>492,466</u>
Fund Balance at End of Year	<u>\$ 174,056</u>	<u>\$ 174,056</u>	<u>\$ 345,105</u>	<u>\$ 171,049</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
COMMUNICATIONS SYSTEM FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental			66,141	66,141
Charges for Services	\$ 83,000	\$ 83,000	\$ 85,500	\$ 2,500
Investment Income	200	200	504	304
Total Revenues	<u>83,200</u>	<u>83,200</u>	<u>152,145</u>	<u>68,945</u>
EXPENDITURES				
Public Safety	264,526	264,526	82,999	181,527
Total Expenditures	<u>264,526</u>	<u>264,526</u>	<u>82,999</u>	<u>181,527</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(181,326)</u>	<u>(181,326)</u>	<u>69,146</u>	<u>250,472</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	<u>(181,326)</u>	<u>(181,326)</u>	<u>69,146</u>	<u>250,472</u>
Fund Balance at Beginning of Year	<u>208,250</u>	<u>208,250</u>	<u>208,250</u>	
Fund Balance at End of Year	<u>\$ 26,924</u>	<u>\$ 26,924</u>	<u>\$ 277,396</u>	<u>\$ 250,472</u>

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NONMAJOR DEBT SERVICE GOVERNMENTAL FUNDS

Non-Major Debt Service Governmental Funds consist of the following:

1. The Permanent Improvement Bonds Fund is used to accumulate monies for payment of the 2006 Certificates of Obligation.
2. The Road Bonds Fund was used to accumulate monies for the 1977 Road Bonds Series issued for major road construction and improvements. This debt has been liquidated so these funds will be used for future bonded debts.

**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2012**

	<u>PERMANENT IMPROVEMENT DEBT SERVICE</u>	<u>ROAD BONDS DEBT SERVICE</u>	<u>TOTAL NONMAJOR DEBT SERVICE FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 528,414	\$	\$ 528,414
Taxes Receivable	825,842		825,842
Other Receivables	570		570
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>1,354,826</u>	\$ <u>0</u>	\$ <u>1,354,826</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Deferred Revenue	\$ 825,842	\$	\$ 825,842
Advance Tax Collections	442,267		442,267
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,268,109</u>	<u>0</u>	<u>1,268,109</u>
 Fund Balances (Deficits) -			
Restricted	86,717	0	86,717
Unassigned	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>86,717</u>	<u>0</u>	<u>86,717</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>1,354,826</u>	 \$ <u>0</u>	 \$ <u>1,354,826</u>

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>PERMANENT IMPROVEMENT DEBT SERVICE</u>	<u>ROAD BONDS DEBT SERVICE</u>	<u>TOTAL NONMAJOR DEBT SERVICE FUNDS</u>
REVENUES			
Taxes	\$ 1,270,043	\$ 595	\$ 1,270,638
Investment Income	904	131	1,035
Total Revenues	<u>1,270,947</u>	<u>726</u>	<u>1,271,673</u>
EXPENDITURES			
Debt Service	<u>1,213,536</u>	<u>0</u>	<u>1,213,536</u>
Total Expenditures	<u>1,213,536</u>	<u>0</u>	<u>1,213,536</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>57,411</u>	<u>726</u>	<u>58,137</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	57,520		57,520
Transfers Out		(57,520)	(57,520)
Total Other Financing Sources (Uses)	<u>57,520</u>	<u>(57,520)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures			
Net Changes in Fund Balances	114,931	(56,794)	58,137
Fund Balances at Beginning of Year	<u>(28,214)</u>	<u>56,794</u>	<u>28,580</u>
Fund Balances (Deficits) at End of Year	<u>\$ 86,717</u>	<u>\$ 0</u>	<u>\$ 86,717</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
PERMANENT IMPROVEMENT DEBT SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,228,522	\$ 1,228,522	\$ 1,270,043	\$ 41,521
Investment Income	1,000	1,000	904	(96)
Total Revenues	<u>1,229,522</u>	<u>1,229,522</u>	<u>1,270,947</u>	<u>41,425</u>
EXPENDITURES				
Debt Service	1,217,241	1,217,241	1,213,536	3,705
Total Expenditures	<u>1,217,241</u>	<u>1,217,241</u>	<u>1,213,536</u>	<u>3,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,281</u>	<u>12,281</u>	<u>57,411</u>	<u>45,130</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	58,092	58,092	57,520	(572)
Total Other Financing Sources (Uses)	<u>58,092</u>	<u>58,092</u>	<u>57,520</u>	<u>(572)</u>
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	70,373	70,373	114,931	44,558
Fund Balance at Beginning of Year	<u>(28,214)</u>	<u>(28,214)</u>	<u>(28,214)</u>	
Fund Balance (Deficit) at End of Year \$	<u><u>42,159</u></u>	<u><u>42,159</u></u>	<u><u>86,717</u></u>	<u><u>44,558</u></u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012
ROAD BONDS DEBT SERVICE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,000	\$ 1,000	\$ 595	\$ (405)
Investment Income	300	300	131	(169)
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>726</u>	<u>(574)</u>
EXPENDITURES				
Debt Service				0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,300</u>	<u>1,300</u>	<u>726</u>	<u>(574)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(58,092)	(58,092)	(57,520)	572
Total Other Financing Sources (Uses)	<u>(58,092)</u>	<u>(58,092)</u>	<u>(57,520)</u>	<u>572</u>
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	(56,792)	(56,792)	(56,794)	(2)
Fund Balance at Beginning of Year	56,794	56,794	56,794	
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>(2)</u>

NONMAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS

Non-Major Capital Governmental Funds for San Patricio County, Texas, are set up to account for the acquisition of major improvements to buildings, parks, right-of-way, road construction and other capital facilities and consist of the following:

1. The Capital Improvements is used to account for certain monies used for major building construction and improvements and other costs.
2. The Home Program Fund accounts for Federal and other monies that are used to build homes for qualified County residents.
3. The Right-of-Way Fund accounts for monies used for right-of-way purchases for road construction.
4. The CIAP (Coastal Impact Assistance Program) Fund accounts for Federal and other funds used for conservation, protection and preservation of coastal areas including wetlands.
5. The Community Development Fund accounts for Federal and other funds that are used for major community improvements.

**SAN PATRICIO COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2012**

	<u>CAPITAL IMPROVEMENTS</u>	<u>HOME PROGRAM</u>	<u>RIGHT-OF-WAY</u>
ASSETS			
Cash and Cash Equivalents	\$ 716,669	\$	\$ 652,783
Intergovernmental Receivables	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>716,669</u>	\$ <u>0</u>	\$ <u>652,783</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 11,900	\$	\$ 34
Other Liabilities	<u> </u>	<u> </u>	<u> </u>
Due to Other Funds	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>11,900</u>	<u>0</u>	<u>34</u>
Fund Balances -			
Restricted	561,268		
Committed	<u> </u>	<u> </u>	<u> </u>
Assigned	143,501		652,749
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>704,769</u>	<u>0</u>	<u>652,749</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>716,669</u>	\$ <u>0</u>	\$ <u>652,783</u>

<u>CIAP</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
\$ 9,605	\$	\$ 1,379,057
<u> </u>	<u> </u>	<u> 0</u>
<u>\$ 9,605</u>	<u>\$ 0</u>	<u>\$ 1,379,057</u>
\$ 1,045	\$	\$ 12,979
<u> </u>	<u> </u>	<u> 0</u>
<u> </u>	<u> </u>	<u> 0</u>
<u>1,045</u>	<u>0</u>	<u>12,979</u>
8,560		569,828
		0
		796,250
<u> </u>	<u> </u>	<u> 0</u>
<u>8,560</u>	<u>0</u>	<u>1,366,078</u>
<u>\$ 9,605</u>	<u>\$ 0</u>	<u>\$ 1,379,057</u>

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>CAPITAL IMPROVEMENTS</u>	<u>HOME PROGRAM</u>	<u>RIGHT-OF-WAY</u>
REVENUES			
Intergovernmental	\$	\$ 3,400	\$ 48,192
Investment Income	1,130		1,468
Rentals			
Miscellaneous Revenue	<u>15,331</u>		<u>21,152</u>
Total Revenues	<u>16,461</u>	<u>3,400</u>	<u>70,812</u>
EXPENDITURES			
Current			
Public Facilities	188,765	5,320	
Public Transportation			<u>62,549</u>
Total Expenditures	<u>188,765</u>	<u>5,320</u>	<u>62,549</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(172,304)</u>	<u>(1,920)</u>	<u>8,263</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	380,000		
Transfers Out			
Total Other Financing Sources (Uses)	<u>380,000</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	207,696	(1,920)	8,263
Fund Balances at Beginning of Year	<u>497,073</u>	<u>1,920</u>	<u>644,486</u>
Fund Balances at End of Year	<u>\$ 704,769</u>	<u>\$ 0</u>	<u>\$ 652,749</u>

<u>CIAP</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
\$ 56,089	\$ 389,829	\$ 497,510
		2,598
		0
		36,483
<u>56,089</u>	<u>389,829</u>	<u>536,591</u>
20,376	389,829	604,290
		62,549
<u>20,376</u>	<u>389,829</u>	<u>666,839</u>
<u>35,713</u>	<u>0</u>	<u>(130,248)</u>
		380,000
		0
<u>0</u>	<u>0</u>	<u>380,000</u>
35,713	0	249,752
<u>(27,153)</u>	<u>0</u>	<u>1,116,326</u>
<u>\$ 8,560</u>	<u>\$ 0</u>	<u>\$ 1,366,078</u>

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AGENCY FUNDS

The Agency Funds are a Fiduciary Fund Type and are used to account for monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

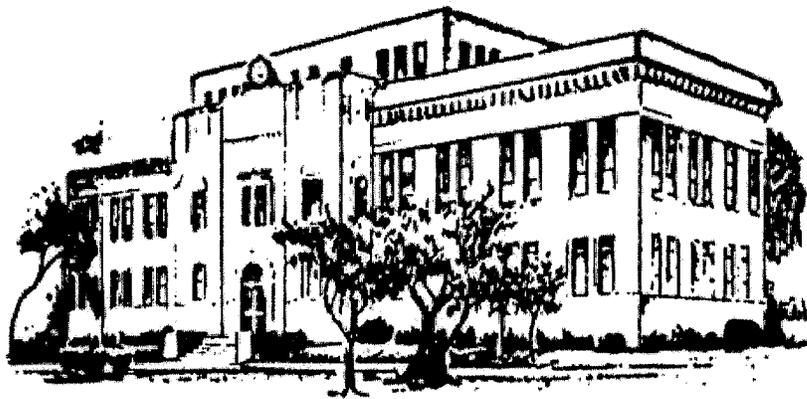
The Agency Funds consist of the following:

1. The Payroll Funds were established as clearing accounts. Cash is transferred from other County funds to the Payroll Funds, from which disbursements are made for payroll, federal income tax withheld, social security, retirement, deferred compensation, group insurance premiums, and other employee benefits and deductions.
2. The District Wide Adult Probation Department Funds account for monies received from other governmental entities and other sources and remitted to other entities for probation cost purposes.
3. The Dispute Resolution Center Fund accounts for funds that are collected by the County and held until the funds are awarded to the Resolution Center.
4. The Tri-County Narcotics Task Force Agency Fund accounts for funds that have been seized during drug arrests and held by the County until the funds are awarded by the Courts.
5. The County Clerk Trust Fund accounts for monies received that are put in trust funds and held for other individuals or entities.
6. The County Clerk Other Funds account for monies received from various County officials and remitted to the other entities.
7. The District Clerk Trust Fund accounts for monies received that are put in trust funds and held for other individuals or entities.
8. The District Clerk Other Funds account for monies received from various County officials and remitted to other entities.
9. The Health Department Fund accounts for certain funds used for Health Department salaries and other costs.
10. The Forfeiture Trust-Sheriff Fund accounts for escrow monies received through seizures pursuant to the forfeiture law.
11. The Section 125 Fund accounts for monies consisting of salaries and wages that have been deducted by the County for some of employees in order to take tax advantages provided by Internal Revenue Code Section 125.

AGENCY FUNDS

(continued)

12. The Court Cost and Fees Fund accounts for receipt and disbursement of monies related to statutory court costs and fees.
13. The Tax Collector Fund accounts for receipt and disbursement of monies related to tax collections for other entities.
14. The Sheriff Regular Fund accounts for fees collected by the Sheriff's Office.
15. The Sheriff Cash Bond Fund accounts for bond funds collected by the Sheriff's Office.
16. The Inmate Trust Fund accounts for County prisoner inmate funds remitted to the jail office to be used to buy personal items for the inmates.
17. The Justices of the Peace Fund accounts for fines and fees collected by the Justices of the Peace.
18. The District Attorney Fund accounts for certain payroll transactions of the District Attorney's Office.
19. The District Juvenile Probation Fund accounts for certain Juvenile Probations fees.
20. The District Attorney Seizure Fund accounts for funds seized and held pending court judgement.
21. The District Wide Juvenile Probation Department Funds account for monies received from other governmental entities and other sources and remitted to other entities for juvenile probation cost purposes.



**SAN PATRICIO COUNTY, TEXAS
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	<u>PAYROLL FUNDS</u>	<u>DISTRICT WIDE ADULT PROBATION DEPT FUNDS</u>	<u>DISPUTE RESOLUTION CENTER</u>	<u>TRI-COUNTY NARCOTICS TASK FORCE AGENCY FUND</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 496,201	\$ 642,726	\$ 2,083	\$ 25,173
Due from Others		12,165		
Due from Other Governments				
TOTAL ASSETS	\$ <u>496,201</u>	\$ <u>654,891</u>	\$ <u>2,083</u>	\$ <u>25,173</u>
<u>LIABILITIES</u>				
Due to Others	\$ 496,201	\$ 646,256	\$ 2,083	\$ 25,173
Due to Other Governments		8,635		
TOTAL LIABILITIES	\$ <u>496,201</u>	\$ <u>654,891</u>	\$ <u>2,083</u>	\$ <u>25,173</u>

(Continued)

<u>COUNTY CLERK - TRUST FUND</u>	<u>COUNTY CLERK - OTHER FUNDS</u>	<u>DISTRICT CLERK - TRUST FUND</u>	<u>DISTRICT CLERK - OTHER FUNDS</u>	<u>HEALTH DEPARTMENT FUND</u>	<u>FORFEITURE TRUST- SHERIFF</u>
\$ 282,427	\$ 48,456	\$ 702,217	\$ 172,503	\$	\$ 1,471
<u>\$ 282,427</u>	<u>\$ 48,456</u>	<u>\$ 702,217</u>	<u>\$ 172,503</u>	<u>\$ 0</u>	<u>\$ 1,471</u>
\$ 282,427	\$ 48,456	\$ 702,217	\$ 172,503	\$	\$ 1,471
<u>\$ 282,427</u>	<u>\$ 48,456</u>	<u>\$ 702,217</u>	<u>\$ 172,503</u>	<u>\$ 0</u>	<u>\$ 1,471</u>

**SAN PATRICIO COUNTY, TEXAS
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2012
 (Continued)**

	<u>SECTION 125 TRUST FUND</u>	<u>COURT COSTS AND FEES</u>	<u>TAX COLLECTOR</u>	<u>SHERIFF REGULAR FUND</u>	<u>SHERIFF CASH BOND FUND</u>
<u>ASSETS</u>					
Cash and Cash Equivalents \$	43,165	\$ 292,753	\$ 5,796,600	\$ 20,946	\$ 12,431
Due from Others					
Due from Other Governments					
TOTAL ASSETS	\$ <u>43,165</u>	\$ <u>292,753</u>	\$ <u>5,796,600</u>	\$ <u>20,946</u>	\$ <u>12,431</u>
<u>LIABILITIES</u>					
Due to Others	\$ 43,165	\$ 292,753	\$ 5,796,600	\$ 20,946	\$ 12,431
Due to Other Governments					
TOTAL LIABILITIES	\$ <u>43,165</u>	\$ <u>292,753</u>	\$ <u>5,796,600</u>	\$ <u>20,946</u>	\$ <u>12,431</u>

<u>INMATE TRUST FUND</u>	<u>JUSTICES OF THE PEACE FUND</u>	<u>DISTRICT ATTORNEY</u>	<u>DISTRICT ATTORNEY SEIZURE FUND</u>	<u>DISTRICT JUVENILE PROBATION</u>	<u>DISTRICT WIDE JUVENILE PROBATION DEPT FUNDS</u>	<u>TOTAL AGENCY FUNDS</u>
\$ 58,618	\$ 61,431	\$ 3	\$ 70,252	\$	\$ 260,038	\$ 8,989,494
					7,014	19,179
					10,366	10,366
<u>\$ 58,618</u>	<u>\$ 61,431</u>	<u>\$ 3</u>	<u>\$ 70,252</u>	<u>\$ 0</u>	<u>\$ 277,418</u>	<u>\$ 9,019,039</u>
\$ 58,618	\$ 61,431	\$ 3	\$ 70,252	\$	\$ 252,418	\$ 8,985,404
					25,000	33,635
<u>\$ 58,618</u>	<u>\$ 61,431</u>	<u>\$ 3</u>	<u>\$ 70,252</u>	<u>\$ 0</u>	<u>\$ 277,418</u>	<u>\$ 9,019,039</u>

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>BALANCE</u> 01/01/2012	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 12/31/2012
<u>PAYROLL FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 0	\$ 496,201		\$ 496,201
Due From Other Governments	<u>2,250</u>		<u>2,250</u>	<u>0</u>
	<u>\$ 2,250</u>	<u>\$ 496,201</u>	<u>2,250</u>	<u>\$ 496,201</u>
LIABILITIES				
Due to Others	\$ 2,250	\$ 496,201	2,250	\$ 496,201
Due to Other Governments	<u>0</u>			<u>0</u>
	<u>\$ 2,250</u>	<u>\$ 496,201</u>	<u>2,250</u>	<u>\$ 496,201</u>
<u>DISTRICT ADULT PROBATION DEPARTMENT FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 515,488	\$ 127,238	\$	\$ 642,726
Due from Others	0	12,165		12,165
Due from Other Governments	<u>0</u>			<u>0</u>
	<u>\$ 515,488</u>	<u>\$ 139,403</u>	<u>\$ 0</u>	<u>\$ 654,891</u>
LIABILITIES				
Due to Others	\$ 506,853	\$ 139,403	\$	\$ 646,256
Due to Other Governments	<u>8,635</u>			<u>8,635</u>
	<u>\$ 515,488</u>	<u>\$ 139,403</u>	<u>\$ 0</u>	<u>\$ 654,891</u>
<u>DISPUTE RESOLUTION CENTER FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,920	\$ 163	\$	\$ 2,083
	<u>\$ 1,920</u>	<u>\$ 163</u>	<u>\$ 0</u>	<u>\$ 2,083</u>
LIABILITIES				
Due to Others	\$ 1,920	\$ 163	\$	\$ 2,083
	<u>\$ 1,920</u>	<u>\$ 163</u>	<u>\$ 0</u>	<u>\$ 2,083</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>BALANCE</u> 01/01/2012	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 12/31/2012
<u>TRI-COUNTY NARCOTICS TASK FORCE AGENCY FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 25,116	\$ 57	\$	\$ 25,173
	<u>\$ 25,116</u>	<u>\$ 57</u>	<u>\$ 0</u>	<u>\$ 25,173</u>
LIABILITIES				
Due to Others	\$ 25,116	\$ 57	\$	\$ 25,173
	<u>\$ 25,116</u>	<u>\$ 57</u>	<u>\$ 0</u>	<u>\$ 25,173</u>
<u>COUNTY CLERK-TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 366,372	\$	83,945	\$ 282,427
	<u>\$ 366,372</u>	<u>\$ 0</u>	<u>\$ 83,945</u>	<u>\$ 282,427</u>
LIABILITIES				
Due to Others	\$ 366,372	\$	83,945	\$ 282,427
	<u>\$ 366,372</u>	<u>\$ 0</u>	<u>\$ 83,945</u>	<u>\$ 282,427</u>
<u>COUNTY CLERK - OTHER FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 114,555	\$	66,099	\$ 48,456
	<u>\$ 114,555</u>	<u>\$ 0</u>	<u>\$ 66,099</u>	<u>\$ 48,456</u>
LIABILITIES				
Due to Others	\$ 114,555	\$	66,099	\$ 48,456
	<u>\$ 114,555</u>	<u>\$ 0</u>	<u>\$ 66,099</u>	<u>\$ 48,456</u>
<u>DISTRICT CLERK - TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 774,638	\$	72,421	\$ 702,217
	<u>\$ 774,638</u>	<u>\$ 0</u>	<u>\$ 72,421</u>	<u>\$ 702,217</u>
LIABILITIES				
Due to Others	\$ 774,638	\$	72,421	\$ 702,217
	<u>\$ 774,638</u>	<u>\$ 0</u>	<u>\$ 72,421</u>	<u>\$ 702,217</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>BALANCE</u> <u>01/01/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2012</u>
<u>DISTRICT CLERK - OTHER FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 157,982	\$ 14,521	\$ _____	\$ 172,503
	<u>\$ 157,982</u>	<u>\$ 14,521</u>	<u>\$ 0</u>	<u>\$ 172,503</u>
LIABILITIES				
Due to Others	\$ 157,982	\$ 14,521	\$ _____	\$ 172,503
	<u>\$ 157,982</u>	<u>\$ 14,521</u>	<u>\$ 0</u>	<u>\$ 172,503</u>
<u>HEALTH DEPARTMENT FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ _____	\$ _____	\$ _____	\$ _____
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES				
Due to Others	\$ _____	\$ _____	\$ _____	\$ _____
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FORFEITURE TRUST - SHERIFF</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,469	\$ 2	\$ _____	\$ 1,471
	<u>\$ 1,469</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 1,471</u>
LIABILITIES				
Due to Others	\$ 1,469	\$ 2	\$ _____	\$ 1,471
	<u>\$ 1,469</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 1,471</u>
<u>SECTION 125 - TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 16,399	\$ 26,766	\$ _____	\$ 43,165
	<u>\$ 16,399</u>	<u>\$ 26,766</u>	<u>\$ 0</u>	<u>\$ 43,165</u>
LIABILITIES				
Due to Others	\$ 16,399	\$ 26,766	\$ _____	\$ 43,165
	<u>\$ 16,399</u>	<u>\$ 26,766</u>	<u>\$ 0</u>	<u>\$ 43,165</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>BALANCE</u> <u>01/01/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2012</u>
<u>COURT COST AND FEES</u>				
ASSETS				
Cash and Cash Equivalents	\$ 361,373	\$ _____	\$ 68,620	\$ 292,753
	<u>\$ 361,373</u>	<u>\$ 0</u>	<u>\$ 68,620</u>	<u>\$ 292,753</u>
LIABILITIES				
Due to Others	\$ 361,373	\$ _____	\$ 68,620	\$ 292,753
	<u>\$ 361,373</u>	<u>\$ 0</u>	<u>\$ 68,620</u>	<u>\$ 292,753</u>
<u>TAX COLLECTOR</u>				
ASSETS				
Cash and Cash Equivalents	\$ 7,015,084	\$ _____	\$ 1,218,484	\$ 5,796,600
	<u>\$ 7,015,084</u>	<u>\$ 0</u>	<u>\$ 1,218,484</u>	<u>\$ 5,796,600</u>
LIABILITIES				
Due to Others	\$ 7,015,084	\$ _____	\$ 1,218,484	\$ 5,796,600
	<u>\$ 7,015,084</u>	<u>\$ 0</u>	<u>\$ 1,218,484</u>	<u>\$ 5,796,600</u>
<u>SHERIFF REGULAR FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 1,752	\$ 19,194	\$ _____	\$ 20,946
	<u>\$ 1,752</u>	<u>\$ 19,194</u>	<u>\$ 0</u>	<u>\$ 20,946</u>
LIABILITIES				
Due to Others	\$ 1,752	\$ 19,194	\$ _____	\$ 20,946
	<u>\$ 1,752</u>	<u>\$ 19,194</u>	<u>\$ 0</u>	<u>\$ 20,946</u>
<u>SHERIFF CASH BOND FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 3,500	\$ 8,931	\$ _____	\$ 12,431
	<u>\$ 3,500</u>	<u>\$ 8,931</u>	<u>\$ 0</u>	<u>\$ 12,431</u>
LIABILITIES				
Due to Others	\$ 3,500	\$ 8,931	\$ _____	\$ 12,431
	<u>\$ 3,500</u>	<u>\$ 8,931</u>	<u>\$ 0</u>	<u>\$ 12,431</u>

(Continued)

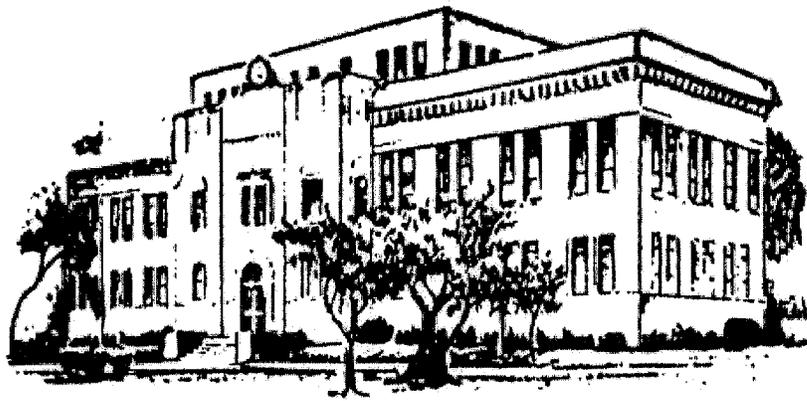
SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>BALANCE</u> <u>01/01/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2012</u>
<u>INMATE TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>7,732</u>	\$ <u>50,886</u>	\$ _____	\$ <u>58,618</u>
	\$ <u>7,732</u>	\$ <u>50,886</u>	\$ <u>0</u>	\$ <u>58,618</u>
LIABILITIES				
Due to Others	\$ <u>7,732</u>	\$ <u>50,886</u>	\$ _____	\$ <u>58,618</u>
	\$ <u>7,732</u>	\$ <u>50,886</u>	\$ <u>0</u>	\$ <u>58,618</u>
<u>JUSTICES OF THE PEACE FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>115,699</u>	\$ _____	\$ <u>54,268</u>	\$ <u>61,431</u>
	\$ <u>115,699</u>	\$ <u>0</u>	\$ <u>54,268</u>	\$ <u>61,431</u>
LIABILITIES				
Due to Others	\$ <u>115,699</u>	\$ _____	\$ <u>54,268</u>	\$ <u>61,431</u>
	\$ <u>115,699</u>	\$ <u>0</u>	\$ <u>54,268</u>	\$ <u>61,431</u>
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>1</u>	\$ <u>2</u>	\$ _____	\$ <u>3</u>
	\$ <u>1</u>	\$ <u>2</u>	\$ <u>0</u>	\$ <u>3</u>
LIABILITIES				
Due to Others	\$ <u>1</u>	\$ <u>2</u>	\$ _____	\$ <u>3</u>
	\$ <u>1</u>	\$ <u>2</u>	\$ <u>0</u>	\$ <u>3</u>
<u>DISTRICT ATTORNEY SEIZURE FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>33,405</u>	\$ <u>36,847</u>	\$ _____	\$ <u>70,252</u>
	\$ <u>33,405</u>	\$ <u>36,847</u>	\$ <u>0</u>	\$ <u>70,252</u>
LIABILITIES				
Due to Others	\$ <u>33,405</u>	\$ <u>36,847</u>	\$ _____	\$ <u>70,252</u>
	\$ <u>33,405</u>	\$ <u>36,847</u>	\$ <u>0</u>	\$ <u>70,252</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>BALANCE</u> <u>01/01/2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2012</u>
<u>DISTRICT JUVENILE PROBATION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 0	\$	\$	\$ 0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES				
Due to Others	\$ 0	\$	\$	\$ 0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>DISTRICT JUVENILE PROBATION</u> <u>DEPARTMENT FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 137,038	\$ 123,000	\$	\$ 260,038
Due from Others	7,218		204	7,014
Due from Other Governments	71,878		61,512	10,366
	<u>\$ 216,134</u>	<u>\$ 123,000</u>	<u>\$ 61,716</u>	<u>\$ 277,418</u>
LIABILITIES				
Due to Others	\$ 188,884	\$ 123,000	\$ 59,466	\$ 252,418
Due to Other Governments	27,250		2,250	25,000
	<u>\$ 216,134</u>	<u>\$ 123,000</u>	<u>\$ 61,716</u>	<u>\$ 277,418</u>
 <u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 9,649,523	\$ 903,808	\$ 1,563,837	\$ 8,989,494
Due from Others	7,218	12,165	204	19,179
Due from Other Governments	74,128	0	63,762	10,366
TOTAL ASSETS	<u>\$ 9,730,869</u>	<u>\$ 915,973</u>	<u>\$ 1,627,803</u>	<u>\$ 9,019,039</u>
LIABILITIES				
Due to Others	\$ 9,694,984	\$ 915,973	\$ 1,625,553	\$ 8,985,404
Due to Other Governments	35,885	0	2,250	33,635
TOTAL LIABILITIES	<u>\$ 9,730,869</u>	<u>\$ 915,973</u>	<u>\$ 1,627,803</u>	<u>\$ 9,019,039</u>



Other Schedules

The following three schedules present information on the County's
Capital Assets.

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF CAPITAL ASSETS - BY SOURCE
DECEMBER 31, 2012**

CAPITAL ASSETS

Land	\$	3,186,652
Buildings		37,813,051
Improvements, Other than Buildings		1,419,029
Equipment		9,921,344
Infrastructure		48,700,223
Construction in Progress		<u>68,000</u>
Total Capital Assets	\$	<u><u>101,108,299</u></u>

INVESTMENTS IN CAPITAL ASSETS BY SOURCE

From Governmental Funds and Other	\$	<u>101,108,299</u>
Total Investment In Capital Assets	\$	<u><u>101,108,299</u></u>

Note: The figures above are presented at cost. Infrastructure consists of \$45,985,455 for roads and \$2,714,768 for bridges.

**SAN PATRICIO COUNTY
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2012**

<u>FUNCTION & ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVE- MENTS, OTHER THAN BUILDINGS</u>	<u>EQUIPMENT</u>
<u>GENERAL ADMINISTRATION</u>					
CIVIL DEFENSE	\$ 92,658	\$	\$	\$	\$ 92,658
COUNTY JUDGE	21,299				21,299
COUNTY CLERK	195,603		84,100		111,503
VETERANS SERVICE	25,210			25,210	
RECORDS MANAGEMENT	13,090				13,090
PRINTING DEPARTMENT	65,088				65,088
PERSONNEL SAFETY	17,985				17,985
INFORMATION SERVICES	78,592				78,592
NON-DEPARTMENTAL	162,427				162,427
TOTAL GENERAL ADMINISTRATION	671,952	0	84,100	25,210	562,642
<u>JUDICIAL</u>					
DISTRICT CLERK	110,021				110,021
DISTRICT COURT	10,837				10,837
JUSTICES OF THE PEACE	15,002				15,002
DISTRICT ATTORNEY	19,440				19,440
TOTAL JUDICIAL	155,300	0	0	0	155,300
<u>FINANCIAL ADMINISTRATION</u>					
COUNTY AUDITOR	69,123				69,123
TAX-ASSESSOR COLLECT	5,680				5,680
TOTAL FINANCIAL ADMINISTRATION	74,803	0	0	0	74,803
<u>LEGAL</u>					
COUNTY ATTORNEY	7,384				7,384
TOTAL LEGAL	7,384	0	0	0	7,384
<u>ELECTIONS</u>					
ELECTIONS	231,850				231,850
TOTAL ELECTIONS	231,850	0	0	0	231,850
<u>PUBLIC FACILITIES</u>					
LAND & BUILDINGS	18,599,406	2,246,820	15,509,819	748,509	94,258
BUILDING SUPERINTENDENT	85,848			279	85,569
AIRPORT - TP McCAMPBELL	2,070,471	682,878	564,711	353,679	469,203
AIRPORT - SINTON	466,080	153,905	139,974	172,201	
CITIZEN COLLECTION STATIONS	73,000	61,673		11,327	
COUNTY FAIRGROUNDS	20,897,536		20,682,445	35,576	179,515
TOTAL PUBLIC FACILITIES	42,192,341	3,145,276	36,896,949	1,321,571	828,545

(Continued)

**SAN PATRICIO COUNTY
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2012
(Continued)**

<u>FUNCTION & ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVE- MENTS, OTHER THAN BUILDINGS</u>	<u>EQUIPMENT</u>
<u>PUBLIC SAFETY</u>					
CONSTABLES:					
PRECINCT #1	\$ 17,783	\$	\$	\$	\$ 17,783
PRECINCT #2	19,437				19,437
PRECINCT #4	11,614				11,614
PRECINCT #5	15,409				15,409
PRECINCT #6	17,751				17,751
PRECINCT #8	17,951				17,951
SHERIFF	1,999,778				1,999,778
JUVENILE PROBATION AND DETENTION CENTER					
	179,294		27,850	90	151,354
HIGHWAY PATROL	8,420				8,420
BREATH TESTING	84,284				84,284
TOTAL PUBLIC SAFETY	2,371,721	0	27,850	90	2,343,781
<u>PUBLIC TRANSPORTATION</u>					
ROAD AND BRIDGE:					
PRECINCT #1	643,900	2,400	14,000	4,511	622,989
PRECINCT #2	1,919,325	13,606	201,318	28,307	1,676,094
PRECINCT #3	2,182,997	14,370	131,899	39,340	1,997,388
PRECINCT #4	1,138,053	10,000	194,019		934,034
GENERAL	52,417				52,417
TOTAL PUBLIC TRANSPORTATION	5,936,692	40,376	541,236	72,158	5,282,922
<u>HEALTH & WELFARE</u>					
COUNTY HEALTH UNIT	234,904				234,904
WOMEN'S, INFANTS AND CHILDREN (GRANT)	182,705		171,000		11,705
TOTAL HEALTH AND WELFARE	417,609	0	171,000	0	246,609
<u>CULTURE & RECREATION</u>					
LIBRARY	15,938				15,938
COUNTY PARKS	110,731				110,731
COUNTY FAIRGROUNDS	0				0
TOTAL CULTURE & RECREATION	126,669	0	0	0	126,669
<u>CONSERVATION</u>					
COUNTY EXTENSION AGENT EXHIBIT BUILDING	153,755	1,000	91,916		60,839
	0				0
TOTAL CONSERVATION	153,755	1,000	91,916	0	60,839
TOTALS	\$ 52,340,076	\$ 3,186,652	\$ 37,813,051	\$ 1,419,029	\$ 9,921,344
<u>INFRASTRUCTURE</u>					
ROADS	45,985,455				
BRIDGES	2,714,768				
TOTAL INFRASTRUCTURE	48,700,223				
CONSTRUCTION IN PROGRESS	68,000				
TOTAL CAPITAL ASSETS	\$ 101,108,299				

Note: The above figures are presented at cost.

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>FUNCTION & ACTIVITY</u>	<u>CAPITAL ASSETS 1-1-2012</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS 12-31-2012</u>
<u>GENERAL ADMINISTRATION</u>				
CIVIL DEFENSE	\$ 92,658	\$	\$	92,658
COUNTY JUDGE	21,299			21,299
COUNTY CLERK	195,603			195,603
VETERANS SERVICE	25,210			25,210
RECORDS MANAGEMENT	13,090			13,090
PRINTING DEPARTMENT	65,088			65,088
PERSONNEL SAFETY	17,985			17,985
INFORMATION SERVICES	78,592			78,592
NON-DEPARTMENTAL	162,427			162,427
TOTAL GENERAL ADMINISTRATION	671,952	0	0	671,952
<u>JUDICIAL</u>				
DISTRICT CLERK	110,021			110,021
DISTRICT COURT	5,680	5,157		10,837
JUSTICES OF THE PEACE	15,002			15,002
DISTRICT ATTORNEY	46,890		27,450	19,440
TOTAL JUDICIAL	177,593	5,157	27,450	155,300
<u>FINANCIAL ADMINISTRATION</u>				
COUNTY AUDITOR	69,123			69,123
TAX-ASSESSOR COLLECT	5,680			5,680
TOTAL FINANCIAL ADMINISTRATION	74,803	0	0	74,803
<u>LEGAL</u>				
COUNTY ATTORNEY	7,384			7,384
TOTAL LEGAL	7,384	0	0	7,384
<u>ELECTIONS</u>				
ELECTIONS	231,850			231,850
TOTAL ELECTIONS	231,850	0	0	231,850
<u>PUBLIC FACILITIES</u>				
LAND & BUILDINGS	18,397,316	202,090		18,599,406
BUILDING SUPERINTENDENT	85,848			85,848
AIRPORT - TP McCAMPBELL	2,069,421	8,249	7,199	2,070,471
AIRPORT - SINTON	466,080			466,080
CITIZEN COLLECTION STATIONS	73,000			73,000
COUNTY FAIRGROUNDS	20,897,536			20,897,536
TOTAL PUBLIC FACILITIES	41,989,201	210,339	7,199	42,192,341

(Continued)

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

<u>FUNCTION & ACTIVITY</u>	<u>CAPITAL ASSETS 1-1-2012</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS 12-31-2012</u>
<u>PUBLIC SAFETY</u>				
CONSTABLES:				
PRECINCT #1	\$ 17,783	\$	\$	\$ 17,783
PRECINCT #2	19,437			19,437
PRECINCT #4	11,614			11,614
PRECINCT #5	15,409			15,409
PRECINCT #6	17,751			17,751
PRECINCT #8	35,202		17,251	17,951
SHERIFF	1,892,098	218,656	110,976	1,999,778
JUVENILE PROBATION AND DETENTION CENTER	144,554	34,740		179,294
HIGHWAY PATROL	8,420			8,420
BREATH TESTING	84,284			84,284
TOTAL PUBLIC SAFETY	2,246,552	253,396	128,227	2,371,721
<u>PUBLIC TRANSPORTATION</u>				
ROAD AND BRIDGE:				
PRECINCT #1	658,892	21,900	36,892	643,900
PRECINCT #2	1,892,511	26,814		1,919,325
PRECINCT #3	2,162,450	62,608	42,061	2,182,997
PRECINCT #4	1,096,693	41,360		1,138,053
GENERAL	52,417			52,417
TOTAL PUBLIC TRANSPORTATION	5,862,963	152,682	78,953	5,936,692
<u>HEALTH & WELFARE</u>				
COUNTY HEALTH UNIT	217,404	17,500		234,904
WOMEN'S, INFANTS AND CHILDREN (GRANT)	182,705			182,705
TOTAL HEALTH AND WELFARE	400,109	17,500	0	417,609
<u>CULTURE & RECREATION</u>				
LIBRARY	15,938			15,938
COUNTY PARKS	110,731			110,731
COUNTY FAIRGROUNDS	0			0
TOTAL CULTURE & RECREATION	126,669	0	0	126,669
<u>CONSERVATION</u>				
COUNTY EXTENSION AGENT	153,755			153,755
EXHIBIT BUILDING	0			0
SHOWBARN	0			0
TOTAL CONSERVATION	153,755	0	0	153,755
<u>INFRASTRUCTURE</u>				
ROADS	45,985,455			45,985,455
BRIDGES	2,714,768			2,714,768
TOTAL INFRASTRUCTURE	48,700,223	0	0	48,700,223
CONSTRUCTION IN PROGRESS	68,000			68,000
TOTAL CAPITAL ASSETS	\$ 100,711,054	\$ 639,074	\$ 241,829	\$ 101,108,299

Note: The above figures are presented at cost.

STATISTICAL SECTION (UNAUDITED)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the County's overall financial health. It includes six categories of information: Financial Trends (pages 132-140), Revenue Capacity (pages 142-153), Debt Capacity (pages 154-160), Demographic and Economic Information (pages 162-164), Operating Information (pages 165-168), and Other Information (pages 169-171).

Financial Trends – These schedules contain trend information to help readers understand how the County's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relate to the services the County provides and the activities it performs.

Other Information – These schedules include any other information the County feels would be of interest to the reader.

**SAN PATRICIO COUNTY, TEXAS
NET POSITION BY COMPONENTS
LAST NINE YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Invested in Capital Assets, net of related debt	\$ 26,318,086	\$ 28,886,546	\$ 30,640,322	\$ 32,837,782
Restricted for Debt Service	6,252,549	0	0	205,020
Unrestricted	<u>11,811,681</u>	<u>12,637,553</u>	<u>14,165,679</u>	<u>17,458,342</u>
 Total governmental activities net position	 <u>\$ 44,382,316</u>	 <u>\$ 41,524,099</u>	 <u>\$ 44,806,001</u>	 <u>\$ 50,501,144</u>

The County will add yearly data until ten years are presented. It is also noted that during the above years the County did not have any Business-type activities so the information above is the same for the primary government.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 33,309,227	\$ 34,049,445	\$ 31,789,329	\$ 28,685,243	\$ 26,193,034
444,758	519,716	578,212	589,148	1,219,472
<u>19,990,260</u>	<u>21,853,732</u>	<u>18,871,398</u>	<u>16,187,780</u>	<u>12,537,141</u>
<u>\$ 53,744,245</u>	<u>\$ 56,422,893</u>	<u>\$ 51,238,939</u>	<u>\$ 45,462,171</u>	<u>\$ 39,949,647</u>

SAN PATRICIO COUNTY, TEXAS
 CHANGES IN NET POSITION
 LAST NINE YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses				
Governmental Activities:				
General Administration	\$ 2,416,010	\$ 2,537,854	\$ 2,800,597	\$ 2,455,393
Judicial	3,246,614	3,566,865	3,604,665	3,389,464
Legal	664,737	1,035,809	713,260	720,290
Elections	394,269	338,124	421,241	272,843
Financial Administration	1,981,284	2,044,998	2,032,576	1,903,478
Public Facilities	3,040,902	4,016,462	4,402,114	4,524,661
Public Safety	9,824,659	10,260,748	10,201,056	9,829,865
Environmental	91,475	109,388	81,231	84,702
Public Transportation	6,067,055	6,288,960	5,863,906	6,384,212
Health and Welfare	2,114,111	2,387,453	2,616,456	2,527,697
Culture and Recreation	808,262	838,691	959,600	910,603
Conservation	190,098	216,313	210,672	201,375
Amortization of Bond Issuance Costs	0	0	0	10,404
Interest Long Term Debt	814,339	831,348	847,410	864,134
Total Governmental Activities	<u>\$ 31,653,815</u>	<u>\$ 34,473,013</u>	<u>\$ 34,754,784</u>	<u>\$ 34,079,121</u>
Expenses				

(continued)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	5,023,713	\$ 2,113,842	\$ 2,114,757	\$ 1,791,101	\$ 1,591,825
	3,262,148	3,074,405	2,830,136	2,664,770	2,529,067
	543,832	488,193	449,410	454,903	426,741
	362,296	267,174	165,136	385,786	100,823
	1,734,888	1,572,418	1,425,167	1,361,227	1,317,715
	3,017,922	2,346,042	1,881,216	4,090,972	2,362,340
	8,682,571	7,410,239	7,098,237	6,993,558	7,033,028
	90,000	72,766	54,933	47,918	18,981
	5,720,000	3,162,774	1,958,204	1,701,403	772,767
	2,548,166	2,145,401	2,016,407	2,338,134	2,633,406
	806,382	222,455	188,479	100,450	91,331
	185,911	238,682	227,278	225,436	215,970
	10,404	10,404	3,468	0	0
	881,901	941,275	321,045	95,432	127,037
\$	<u>32,870,134</u>	<u>\$ 24,066,070</u>	<u>\$ 20,733,873</u>	<u>\$ 22,251,090</u>	<u>\$ 19,221,031</u>

SAN PATRICIO COUNTY, TEXAS
 CHANGES IN NET POSITION
 LAST NINE YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)
 (continued)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Administration	\$ 412,385	\$ 494,541	\$ 383,829	\$ 485,418
Judicial	3,541,609	1,816,575	2,263,227	2,592,852
Legal	95,046	103,308	83,593	62,649
Elections	23,953	30,575	50,049	36,844
Financial Administration	636,175	526,545	926,537	944,130
Public Facilities	79,008	95,023	81,853	107,934
Public Safety	889,013	780,808	818,917	847,294
Environmental	55,775	70,881	45,128	42,502
Public Transportation	1,496,468	1,317,381	1,211,310	1,213,403
Health and Welfare	254,396	307,365	285,674	360,372
Culture & Recreation	192,885	133,121	166,810	76,542
Total Charges for Services	<u>7,676,713</u>	<u>5,676,123</u>	<u>6,316,927</u>	<u>6,769,940</u>
Operating Grants & Contributions	2,082,007	2,321,793	2,571,845	2,197,429
Capital Grants & Contributions - Public Facilities	<u>545,913</u>	<u>576,224</u>	<u>184,812</u>	<u>1,100,428</u>
Total Governmental Activities				
Program Revenues	<u>\$ 10,304,633</u>	<u>\$ 8,574,140</u>	<u>\$ 9,073,584</u>	<u>\$ 10,067,797</u>
Net (Expense) Revenue	<u>\$ (21,349,182)</u>	<u>\$ (25,898,873)</u>	<u>\$ (25,681,200)</u>	<u>\$ (24,011,324)</u>
General Revenues and Other Changes In Net Position				
Governmental Activities:				
Property Taxes	\$ 21,641,361	\$ 19,938,817	\$ 19,886,367	\$ 20,096,396
Investment Earnings	56,773	38,778	59,837	153,540
Other General Activities	492,493	582,040	86,019	518,287
Total Governmental Activities	<u>\$ 22,190,627</u>	<u>\$ 20,559,635</u>	<u>\$ 20,032,223</u>	<u>\$ 20,768,223</u>
Special Items	<u>\$ 2,016,772</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Changes in Net Position	<u>\$ 2,858,217</u>	<u>\$ (5,339,238)</u>	<u>\$ (5,648,977)</u>	<u>\$ (3,243,101)</u>

Note: The County will add yearly data until ten years are presented. It is also noted that during the above years the County did not have any Business-type activities so the information above is the same for the primary government.

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	481,893	\$ 583,839	\$ 588,741	\$ 419,522	378,383
	2,109,493	2,241,891	1,580,491	2,249,136	2,382,566
	67,579	53,491	58,536	62,943	75,515
	88,115	51,283	69,231	0	0
	860,789	669,889	810,667	639,060	517,519
	137,354	114,488	142,285	126,571	214,432
	978,620	888,293	981,085	709,848	958,826
	56,587	44,742	41,201	28,074	18,037
	1,304,453	1,304,140	1,327,025	1,304,349	1,242,868
	335,225	259,648	229,088	222,199	195,558
	34,748	0	0	0	0
	<u>6,454,856</u>	<u>6,211,704</u>	<u>5,828,350</u>	<u>5,761,702</u>	<u>5,983,704</u>
	2,353,082	1,606,706	2,029,425	2,875,084	2,532,038
	<u>933,234</u>	<u>1,037,452</u>	<u>398,592</u>	<u>2,547,758</u>	<u>1,996,838</u>
\$	<u>9,741,172</u>	<u>\$ 8,855,862</u>	<u>\$ 8,256,367</u>	<u>\$ 11,184,544</u>	<u>10,512,580</u>
\$	<u>(23,128,962)</u>	<u>(15,210,208)</u>	<u>(12,477,506)</u>	<u>(11,066,546)</u>	<u>(8,708,451)</u>
\$	18,947,806	\$ 17,460,961	\$ 16,045,078	\$ 15,153,198	\$ 13,040,950
	872,867	2,273,600	1,463,743	628,517	215,110
	629,641	659,601	745,453	797,355	927,219
\$	<u>20,450,314</u>	<u>20,394,162</u>	<u>18,254,274</u>	<u>16,579,070</u>	<u>14,183,279</u>
\$	<u>(2,678,648)</u>	<u>5,183,954</u>	<u>5,776,768</u>	<u>5,512,524</u>	<u>5,474,828</u>

SAN PATRICIO COUNTY, TEXAS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TWO YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2012	2011
General Fund		
Unspendable	\$ 0	\$ 0
Restricted	0	0
Committed	0	0
Assigned	4,138,129	1,192,501
Unassigned	3,936,911	5,158,626
Total General Fund	\$ 8,075,040	\$ 6,351,127
All Other Governmental Funds		
Unspendable	\$ 0	\$ 0
Restricted	6,168,950	4,525,634
Committed	904,895	0
Assigned	796,250	3,102,163
Unassigned	0	-95,954
Total All Other Governmental Funds	\$ 7,870,095	\$ 7,531,843
Total for All Governmental Funds	\$ 15,945,135	\$ 13,882,970

Note: The County will add yearly data until ten years are presented.

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SAN PATRICIO COUNTY, TEXAS
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST NINE YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2012	2011	2010	2009	2008
REVENUES					
Taxes	\$ 21,619,977	\$ 19,996,613	\$ 19,917,045	\$ 20,006,042	\$ 18,858,646
Licenses and Permits	125,377	229,201	140,023	165,986	118,750
Intergovernmental	2,936,847	3,246,062	3,112,718	3,615,328	3,748,422
Charges for Services	3,826,880	3,697,912	3,969,552	4,363,361	4,315,206
Fines & Forfeitures	1,238,093	1,322,086	1,613,690	1,484,589	1,430,348
Investment Income	56,745	38,595	57,852	146,800	833,179
Miscellaneous Revenue	935,912	817,039	633,024	474,107	592,968
Total Revenues	<u>30,739,831</u>	<u>29,347,508</u>	<u>29,443,904</u>	<u>30,256,213</u>	<u>29,897,519</u>
EXPENDITURES					
Current					
General Administration	2,320,461	2,416,218	2,362,816	2,429,490	2,160,419
Judicial	3,194,031	3,369,045	3,391,155	3,265,775	3,154,027
Legal	656,118	999,471	686,833	705,769	526,640
Elections	362,032	300,471	381,515	243,492	332,441
Financial Administration	1,935,498	1,930,099	1,915,928	1,833,328	1,658,420
Public Facilities	1,977,149	2,750,711	3,042,616	5,228,275	9,764,935
Public Safety	9,553,882	9,652,590	9,778,113	9,383,450	8,517,647
Environmental	91,475	109,388	81,231	84,702	90,000
Public Transportation	4,341,984	4,571,187	4,549,007	4,949,096	4,604,233
Health & Welfare	2,063,775	2,254,092	2,502,589	2,461,646	2,480,687
Culture and Recreation	787,033	802,339	916,226	886,385	875,330
Conservation	180,692	201,142	188,176	181,729	161,383
Debt Service					
Principal	395,000	380,000	365,000	429,059	411,055
Interest	818,241	834,710	850,541	868,858	886,418
Other Charges	295	675	748	295	295
Total Expenditures	<u>28,677,666</u>	<u>30,572,138</u>	<u>31,012,494</u>	<u>32,951,349</u>	<u>35,623,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,062,165</u>	<u>(1,224,630)</u>	<u>(1,568,590)</u>	<u>(2,695,136)</u>	<u>(5,726,411)</u>
OTHER FINANCING SOURCES (USES)					
Bonds Issued					
Discount on Bonds					
Capital Leases					
Transfers In	1,425,362	1,338,048	3,051,843	2,301,705	4,347,048
Transfers Out	<u>(1,425,362)</u>	<u>(1,338,048)</u>	<u>(3,051,843)</u>	<u>(2,301,705)</u>	<u>(4,347,048)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>\$ 2,062,165</u>	<u>\$ (1,224,630)</u>	<u>\$ (1,568,590)</u>	<u>\$ (2,695,136)</u>	<u>\$ (5,726,411)</u>
Debt service as a percentage of Noncapital Expenditures	<u>4.3%</u>	<u>4.1%</u>	<u>4.0%</u>	<u>4.3%</u>	<u>4.8%</u>

Note: The County will continue to add yearly data until ten years are presented.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	17,489,519	\$ 16,115,187	\$ 15,139,453	\$ 13,709,236
	140,361	131,425	133,174	133,524
	3,064,863	2,890,580	5,811,017	5,027,717
	4,171,543	4,390,024	3,685,922	3,649,486
	1,429,821	1,297,149	1,229,578	1,552,472
	2,191,425	1,381,567	589,719	204,659
	388,674	552,280	486,814	522,130
	<u>28,876,206</u>	<u>26,758,212</u>	<u>27,075,677</u>	<u>24,799,224</u>
	1,999,055	2,085,984	1,813,197	1,725,644
	3,012,657	2,823,118	2,671,839	2,590,982
	478,716	448,874	457,556	430,138
	237,391	190,986	531,232	101,404
	1,566,045	1,421,852	1,377,295	1,331,520
	14,287,984	1,977,656	3,660,479	3,734,865
	7,226,623	7,049,948	7,132,101	7,262,836
	72,766	54,933	47,918	18,981
	4,448,628	4,471,449	3,867,381	3,475,256
	2,102,488	2,012,623	2,362,849	2,633,571
	233,063	251,452	99,232	90,278
	218,768	210,270	239,389	217,358
	1,043,165	1,000,385	960,382	860,000
	978,665	72,552	110,552	134,850
	295	500	1,000	1,000
	<u>37,906,309</u>	<u>24,072,582</u>	<u>25,332,402</u>	<u>24,608,683</u>
	<u>(9,030,103)</u>	<u>2,685,630</u>	<u>1,743,275</u>	<u>190,541</u>
		19,330,000		
		(10,889)		
			380,847	
	1,644,006	1,685,282	2,114,107	1,998,127
	<u>(1,644,006)</u>	<u>(1,685,282)</u>	<u>(2,114,107)</u>	<u>(1,998,127)</u>
	<u>0</u>	<u>19,319,111</u>	<u>380,847</u>	<u>0</u>
	<u>(9,030,103)</u>	<u>22,004,741</u>	<u>\$ 2,124,122</u>	<u>\$ 190,541</u>
	<u>5.3%</u>	<u>5.7%</u>	<u>4.7%</u>	<u>4.6%</u>

SAN PATRICIO COUNTY, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST NINE YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>YEAR</u>	<u>PROPERTY TAXES</u>		<u>TOTAL</u>
2004	\$ 13,709,236	\$	13,709,236
2005	15,139,453		15,139,453
2006	16,045,078		16,045,078
2007	17,460,961		17,460,961
2008	18,947,806		18,947,806
2009	20,096,396		20,096,396
2010	19,886,367		19,886,367
2011	19,938,817		19,938,817
2012	21,641,361		21,641,361

Note: The County will yearly add data until ten years of data are presented.

SAN PATRICIO COUNTY, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST NINE YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>YEAR</u>		<u>PROPERTY TAXES</u>		<u>TOTAL</u>
2004	\$	13,040,950	\$	13,040,950
2005		15,153,198		15,153,098
2006		16,115,187		16,115,187
2007		17,489,519		17,489,519
2008		18,858,646		18,858,646
2009		20,006,042		20,006,042
2010		19,917,045		19,917,045
2011		19,996,613		19,996,613
2012		21,619,977		21,619,977

Note: The County will yearly add data until ten years of data are presented.

SAN PATRICIO COUNTY, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

ASSESSED VALUES

<u>YEAR</u>	<u>REAL ESTATE AND PERSONAL</u>	<u>MINERALS AND IMPROVEMENTS</u>
2003	\$1,488,542,080	\$1,128,358,284
2004	1,488,601,364	1,128,403,223
2005	1,596,188,910	1,209,957,718
2006	1,884,479,577	1,305,579,600
2007	2,181,884,577	1,511,623,702
2008	2,265,516,297	1,564,485,877
2009	2,314,411,085	1,597,743,333
2010	2,443,258,273	1,686,688,960
2011	2,436,453,843	1,681,991,562
2012	2,362,521,246	1,631,141,093

<u>TOTAL</u>	<u>ESTIMATED ACTUAL VALUES</u>	<u>RATIO ASSESSED TO ESTIMATED ACTUAL VALUES</u>	<u>DIRECT TAX RATE (PER \$100 ASSESSED VALUE)</u>
\$2,616,900,364	\$2,616,900,364	100	\$0.53500
2,617,004,587	2,617,004,587	100	0.53990
2,806,146,628	2,806,146,628	100	0.53990
3,190,059,177	3,190,059,177	100	0.53990
3,693,508,279	3,693,508,279	100	0.52750
3,830,002,174	3,830,002,174	100	0.52750
3,912,154,418	3,912,154,418	100	0.52450
4,129,947,233	4,129,947,233	100	0.52450
4,118,445,405	4,118,445,405	100	0.581778
3,993,935,339	3,993,935,339	100	0.55000

SAN PATRICIO COUNTY, TEXAS
PROPERTY TAX RATES- DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN YEARS
(UNAUDITED)

<u>GOVERNMENTAL SUBDIVISIONS</u>	<u>DATE OF FISCAL YEAR</u>	<u>PERCENTAGE APPLICABLE TO SAN PATRICIO COUNTY</u>	<u>2003</u>
San Patricio County	01-01/12-31	100.00	\$0.53500
Cities			
Aransas Pass	10-01/9-30	91.43	0.75000
Gregory	10-01/9-30	100.00	0.84145
Ingleside	10-01/9-30	100.00	0.74180
Ingleside on the Bay	10-01/9-30	100.00	0.17880
Lakeside	10-01/9-30	100.00	0.07380
Mathis	01-01/12-31	100.00	1.08630
Odem	10-01/9-30	100.00	0.88266
Portland	04-01/03-31	100.00	0.52290
Sinton	10-01/9-30	100.00	0.61490
Taft	10-01/9-30	100.00	0.87190
School Districts			
Aransas Pass ISD	09-01/8-31	75.27	1.57675
Banquette ISD	09-01/8-31	0.16	
Corpus Christi ISD			
Gregory-Portland ISD	07-01/06-30	100.00	1.77500
Ingleside ISD	09-01/8-31	100.00	1.55010
Mathis ISD	09-01/8-31	82.61	1.58433
Odem ISD	09-01/8-31	100.00	1.61030
Sinton ISD	09-01/8-31	100.00	1.57100
Skidmore-Tynan ISD	09-01/8-31	2.12	1.59500
Taft ISD	09-01/8-31	100.00	1.62438
Special Districts			
San Patricio Drainage District	01-01/12-31	100.00	0.09570
San Patricio Navigation District	01-01/12-31	100.00	*
Industrial	01-01/12-31	100.00	0.74180
Industrial District 8	01-01/12-31	100.00	0.74180
Ingleside Industrial	01-01/12-31	100.00	
Nueces County Emergency Services District No. 4	01-01/12-31	100.00	*

* No Levy

Note: The information above was obtained from each entity's financial office

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$0.53990	\$0.5399	\$0.5399	\$0.5275	\$0.5275	\$0.5245	\$0.5245	\$0.581778	\$0.55000
0.67000	0.63360	0.60124	0.60124	0.58000	0.59286	0.60749	0.73020	0.69575
0.81250	0.75846	0.71129	0.71129	0.63229	0.62774	0.57946	0.60788	0.65000
0.72070	0.69990	0.73000	0.73000	0.71500	0.70000	0.69750	0.69750	0.6800
0.17451	0.16415	0.16484	0.16484	0.17606	0.18996	0.18996	0.20726	0.20726
0.07680	0.07644	0.07806	0.07806	0.08208	0.08829	0.09134	0.10520	0.10995
1.07160	1.03873	0.97457	0.97457	0.97457	0.95789	0.90010	0.90011	0.84317
0.88266	0.86900	0.85224	0.85224	0.84500	0.83754	0.80817	0.88525	0.88524
0.52290	0.49470	0.50230	0.50230	0.50689	0.52037	0.54287	0.61407	0.58184
0.64000	0.64000	0.64000	0.64000	0.63548	0.63548	0.63548	0.65000	0.65000
0.85691	0.80602	0.78284	0.78284	0.75000	0.75000	0.75000	0.82745	1.09052
1.57675	1.57675	1.44842	1.44842	1.06138	1.07138	1.07138	1.07138	1.07138
							1.51220	1.51320
							1.23735	1.23735
1.775000	1.74090	1.61000	1.61000	1.36000	1.36000	1.37000		
1.62960	1.62877	1.50000	1.50000	1.13000	1.13900	1.15600	1.37000	1.35000
1.61290	1.58430	1.44690	1.44690	1.35000	1.35000	1.35000	1.14000	1.09000
1.61030	1.61030	1.50030	1.50030	1.29244	1.29240	1.22646	1.42507	1.34780
1.57000	1.57000	1.44250	1.44250	1.24000	1.35120	1.25700	1.29250	1.6670
1.58500	1.58500	1.58500	1.58500	1.27773	1.27901	1.27839	1.36120	1.30200
1.40000	1.57610	1.45200	1.45200	1.26072	1.30970	1.40639	1.60512	1.55376
							1.38520	1.47247
0.09860	0.09967	0.09105	0.09105	0.07974	0.07928	0.07640	0.07178	0.66905
*	*	*	*	*	*	*	*	*
0.72070	0.69990	0.73000	0.73000	0.71500	0.70000	0.70000	0.00000	*
0.72070	0.69990	0.73000	0.73000	0.71500	0.70000	0.69750	0.69750	0.68000
								*
*	*	*	*	*	0.07000	0.69750	0.68750	0.700000
							0.10000	

SAN PATRICIO COUNTY, TEXAS
COMPONENTS OF THE DISTRICT COMPONENT PROPERTY TAX RATES
(PER \$100 OF ASSESSED VALUE)
LAST TEN YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>OPERATING FUNDS</u>		
	<u>General</u>	<u>Road and Bridge Special (LM & LR)</u>	<u>Total</u>
2003	\$ 0.4461	\$0.057	\$0.5031
2004	0.4461	0.0644	0.5105
2005	0.4361	0.0744	0.5105
2006	0.4461	0.0644	0.5105
2007	0.4354	0.0629	0.4983
2008	0.4354	0.0667	0.5021
2009	0.4333	0.0663	0.4996
2010	0.4287	0.0653	0.494
2011	0.475156	0.072445	0.547601
2012	0.451547	0.068846	0.520393

San Patricio County is the only entity with an applicable direct component property tax rate. The above information was obtained from the San Patricio County Tax Assessor-Collector's office.

DEBT SERVICE FUNDS &
PERMENANT IMPROVEMENT FUNDS

<u>Certificates of Obligation 2006</u>	<u>Other</u>	<u>Total</u>	<u>Total County-Wide Tax Rate</u>
\$ 0	\$0.0319	\$0.0319	\$0.535
0	0.0294	0.0294	0.5399
0	0.0294	0.0294	0.5399
0.0294	0	0.0294	0.5399
0.0292	0	0.0292	0.5275
0.0254	0	0.0254	0.5275
0.0249	0	0.0249	0.5245
0.0305	0	0.0305	0.5245
0.034177	0	0.034177	0.581778
0.029607	0	0.029607	0.55

SAN PATRICIO COUNTY, TEXAS
PRINCIPAL TAXPAYERS- 2012 AND NINE YEARS AGO
(UNAUDITED)

<u>Rank</u>	<u>Name</u>	<u>Assessed Value</u>	<u>Percent of Total</u>
1	OxyMar Chemical Corp.	\$207,703,990	5.20%
2	E.I. Dupont DeNemours & Co.	140,113,574	3.50%
3	Occidental Chemical Corp.	122,854,450	3.08%
4	Ingleside Cogeneration, LP	106,075,050	2.66%
5	Gregory Powers Partners, LP	98,784,160	2.48%
6	Flint Hills Resources CC, LLC	83,504,050	2.09%
7	Papalote Creek, LLC	83,227,400	2.08%
8	Kewitt Offshore Services	81,846,332	2.05%
9	Gulf Marine Fabricators	58,645,430	1.47%
10	AEP Texas Central Company	<u>50,552,060</u>	<u>1.26%</u>
	Total		
	(25.87% of Actual Value, \$3,993,935,339)	<u>\$1,033,306,496</u>	<u>25.87%</u>

The Information on this page is for 2012.
(Continued.)

SAN PATRICIO COUNTY, TEXAS
PRINCIPAL TAXPAYERS- 2012 AND NINE YEARS AGO
(UNAUDITED)
(CONTINUED)

<u>Rank</u>	<u>Name</u>	<u>Assessed Value</u>	<u>Percent of Total</u>
1	OxyMar Chemical Corp.	\$193,026,590	7.38%
2	E.I. Dupont DeNemours & Co.	138,657,450	5.30%
3	Occidental Chemical Corp.	113,844,621	4.35%
4	Ingleside Cogeneration, LP	125,384,869	4.79%
5	Gregory Powers Partners, LP	24,847,030	0.95%
6	Flint Hills Resources CC, LLC	48,666,198	1.86%
7	Papalote Creek, LLC	22,943,930	0.87%
8	Kewitt Offshore Services	21,962,760	0.84%
9	Gulf Marine Fabricators	20,608,810	0.79%
10	AEP Texas Central Company	<u>15,000,980</u>	<u>0.57%</u>
	Total		
	(27.70% of Actual Value, \$2,616,900,364)	<u>\$724,943,238</u>	<u>27.70%</u>

The Information on this page is for nine years ago, 2003.

SAN PATRICIO COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS*</u>
2003	\$13,386,057	\$12,315,025	92.0%	144,296
2004	14,000,424	12,479,575	89.1%	244,244
2005	15,129,037	14,618,605	96.6%	118,345
2006	16,703,475	15,476,324	92.7%	638,863
2007	16,524,208	16,360,757	99.0%	67,888
2008	19,483,256	18,249,124	93.7%	609,522
2009	19,859,744	19,338,718	97.4%	262,849
2010	19,889,250	19,128,583	96.2%	502,107
2011	20,915,379	19,239,366	92.0%	757,247
2012	21,953,992	20,779,062	94.6%	840,915

*Includes cancellations and supplements

Collections on 2012 tax roll not complete until the end of the collection period on September 30, 2013. The 2012 roll year total tax levy was \$21,953,992 which will be used for 2013 operations.

Each Roll Year begins October 1st and ends September 30th of the next year. The Fiscal Years above are calendar years (January 1 to December 31.) The County operates on a calendar year.

The Advance Tax Collections above are monies collected in the above fiscal years during October 1 through December 31. These funds are deferred revenues since they are for the next fiscal year and will be included with the next year's current tax collections as budgeted.

<u>TOTAL CURRNET AND DELINQUENT COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS</u>	<u>ADVANCETAX COLLECTIONS</u>
\$12,459,321	93.1%	\$2,213,403
12,723,819	90.9%	5,459,602
14,736,950	97.4%	5,011,229
16,115,187	96.5%	3,962,340
16,428,645	99.4%	7,416,529
18,858,646	96.8%	7,368,142
19,601,567	98.7%	6,882,139
19,630,690	98.7%	7,168,271
19,996,613	95.6%	5,642,113
21,619,977	98.5%	8,216,285

**SAN PATRICIO COUNTY, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST NINE YEARS
(UNAUDITED)**

YEAR	GOVERNMENT ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2004	\$ 2,790,000	\$	\$ 2,790,000	N/A	\$ 42
2005	1,900,000	298,664	2,198,664	N/A	33
2006	20,300,000	228,279	20,528,279	N/A	306
2007	19,330,000	155,114	19,485,114	1.14	290
2008	18,995,000	79,059	19,074,059	0.97	284
2009	18,645,000	-	18,645,000	0.95	278
2010	18,280,000	-	18,280,000	1.48	281
2011	17,900,000	-	17,900,000	0.82	276
2012	17,505,000	-	17,505,000	0.78	270

Note: The County will add yearly data until ten years of information are presented.
The details regarding the County's outstanding debt can be found in the notes
to the financial statements.

N/A Information not readily available.

SAN PATRICIO COUNTY, TEXAS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES OF
ALL GENERAL, SPECIAL REVENUE, DEBT SERVICE AND
CAPITAL PROJECTS FUNDS - LAST TEN YEARS
(UNAUDITED)

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>OTHER</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
2003	\$ 935,000	\$ 171,537	471	\$ 1,107,008	23,971,520	4.62
2004	860,000	134,850	1,000	995,850	24,622,683	4.04
2005	890,000	98,752	1,000	989,752	25,332,402	3.91
2006	930,000	60,755	500	991,255	24,072,582	4.12
2007	970,000	1,035,312	295	2,005,607	37,906,309	5.29
2008	335,000	880,291	295	1,215,586	35,623,930	3.41
2009	350,000	865,735	295	1,216,030	32,951,349	3.69
2010	365,000	850,541	1,248	1,216,289	31,012,494	3.92
2011	380,000	834,710	675	1,215,385	30,572,138	3.98
2012	395,000	834,710	295	1,213,536	28,677,666	4.23

Note: The above debt service expenditures consist only of general bonded debt expenditure.
The above figures are presented on the modified accrual basis of accounting.

**SAN PATRICIO COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
LAST NINE YEARS
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed Value of Real Property	\$ <u>2,362,521,246</u>	\$ <u>2,436,453,843</u>	\$ <u>2,443,258,273</u>
Debt Limited to 25% of Assessed Value of Real Property (Article 3, Section 52, Constitution of the State of Texas)	\$ 590,630,312	\$ 609,113,461	\$ 610,814,568
Amount of Debt Applicable to Debt Limit	<u>(1,285,000) *</u>	<u>(1,285,000) *</u>	<u>(1,285,000)</u>
Legal Debt Margin	\$ <u>589,345,312</u>	\$ <u>607,828,461</u>	\$ <u>609,529,568</u>

*This constitutional limit applies only to the County's unlimited bond issue.

Note: The amounts above are at December 31st of each year. The County will add data until ten years are presented.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ <u>2,314,411,085</u>	\$ <u>2,265,516,297</u>	\$ <u>2,181,884,557</u>	\$ <u>1,844,479,577</u>	\$ <u>1,596,188,910</u>	\$ <u>1,488,601,364</u>
\$ 578,527,713	\$ 566,379,074	\$ 545,471,139	\$ 461,119,894	\$ 399,047,228	\$ 372,150,341
* <u>(1,285,000)</u> *					
\$ <u>577,242,713</u>	\$ <u>565,094,074</u>	\$ <u>544,186,139</u>	\$ <u>459,834,894</u>	\$ <u>397,762,228</u>	\$ <u>370,865,341</u>

SAN PATRICIO COUNTY, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUES
AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
(UNAUDITED)

<u>YEAR</u>	<u>POPULATION*</u>	<u>ASSESSED VALUES</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>
2003	67,138	\$2,616,900,364	\$3,650,000	\$836,151
2004	67,138	2,617,004,587	2,790,000	673,420
2005	67,138	2,806,146,628	1,900,000	530,173
2006	67,138	3,190,059,177	20,300,000	765,032
2007	67,138	3,693,508,279	19,330,000	670,268
2008	67,138	3,830,002,174	18,995,000	595,644
2009	67,138	3,912,154,418	18,645,000	348,285
2010	64,804	4,129,947,237	18,280,000	80,134
2011	64,804	4,118,445,405	17,900,000	28,580
2012	64,804	3,993,935,339	17,505,000	86,717

*SOURCE: U.S. Bureau of Census and Texas Almanac published by the Dallas Morning News.

<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUES</u>	<u>NET BOND DEBT PER CAPITA</u>
\$2,813,849	0.11	\$45
2,116,580	0.08	32
1,369,827	0.05	20
19,534,968	0.61	291
18,659,732	0.51	278
18,399,356	0.48	274
18,296,715	0.47	273
18,199,866	0.44	281
17,871,420	0.43	276
17,418,283	0.34	269

SAN PATRICIO COUNTY, TEXAS
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2012
(UNAUDITED)

<u>Name of Governmental Unit</u>	<u>Net Debt Date</u>	<u>Outstanding Amount</u>	<u>APPLICABLE TO SAN PATRICIO COUNTY</u>	
			<u>Percent</u>	<u>Amount</u>
Direct				
San Patricio County	12/31/2012	<u>\$ 17,418,283</u>	100%	<u>\$17,418,283</u>
Overlapping				
Cities				
*Aransas Pass	09/30/2010	11,737,529	91.43	10,731,623
*Gregory	08/31/2011	0	100.00	0
*Ingleside	06/30/2012	4,076,000	100.00	4,076,000
*Mathis	06/30/2012	1,731,000	100.00	1,731,000
*Odem	06/30/2012	1,875,000	100.00	1,875,000
*Portland	09/30/2012	7,714,224	100.00	7,714,724
*Sinton	09/30/2010	0	100.00	0
*Taft	06/30/2012	6,867,863	100.00	6,867,863
School Districts				
*Aransas Pass ISD	08/31/2011	1,864,301	75.20	1,401,954
*Banquete ISD	06/30/2012	12,418,057	0.16	19,869
*Corpus Christi ISD	08/30/2011	310,087,416	0.14	434,122
*Gregory-Portland ISD	08/31/2011	15,408,033	100.00	15,408,033
*Ingleside ISD	08/31/2011	8,429,057	100.00	8,429,057
*Mathis ISD	06/30/2012	17,999,999	82.61	14,869,799
*Odem-Edroy ISD	06/30/2012	5,709,997	100.00	5,709,997
*Sinton ISD	08/30/2011	11,718,504	100.00	11,718,509
*Skidmore-Tynan ISD	06/30/2012	11,909,999	2.12	252,492
*Taft ISD	06/30/2012	<u>22,665,889</u>	100.00	<u>22,665,899</u>
Total Overlapping		<u>\$452,213,373</u>		<u>\$ 113,905,941</u>
Grand Totals		<u>\$496,631,656</u>		<u>\$ 131,324,224</u>

*Taken from Texas Municipal Records compiled and published by Municipal Advisory Council of Texas, Austin, Texas. The latest publication for San Patricio County is dated July 7, 2012.

Note: Outstanding amount above for San Patricio County includes only bonded debt. It is also noted that percentages above are calculated using land area percentages.

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**SAN PATRICIO COUNTY, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

<u>YEAR</u>	<u>POPULATION</u>	<u>MEDIAN AGE</u>	<u>SCHOOL ENROLLMENT</u>	<u>EDUCATION LEVEL IN YEAR OF FORMAL SCHOOLING</u>
2002	67,138	32.0	15,656	
2003	67,138	32.1	15,702	
2004	67,138	32.2	15,733	N/A
2005	67,138	32.2	15,742	N/A
2006	67,138	32.3	15,761	N/A
2007	67,138	32.3	15,769	N/A
2008	67,138	32.7	15,778	N/A
2009	67,138	32.8	15,642	N/A
2010	64,804	32.7	15,176	N/A
2011	64,804	33.8	15,211	N/A
2012	64,804	32.0	15,215	N/A

Sources: U.S. Bureau of Census, School Districts, Wikipedia, the free Encyclopedia, Sperlings, Texas Education Agency, PODUNK, and Texas Almanac

Note: Even though ten years of data are not presented for all of the items above the County will continue to add yearly data until information for ten years is presented for all items. Estimates that are used for some of the information will be changed when actual data is available.

N/A Information not readily available.

	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
\$		\$	
	N/A	N/A	4.1%
	N/A	N/A	4.2%
	N/A	N/A	4.2%
	1,709,343,000	24,674	5.6%
	1,965,288,680	27,452	5.9%
	1,952,368,590	26,422	9.7%
	1,752,536,666	27,044	10.6%
	2,182,999,554	31,998	9.5%
	2,257,512,144	34,836	8.2%

SAN PATRICIO COUNTY, TEXAS
MAJOR EMPLOYERS
DECEMBER 31, 2012 AND SIX YEARS AGO
(UNAUDITED)

<u>EMPLOYER</u>	<u>2012</u>			<u>2006</u>		
	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>	<u>NUMBER OF EMPLOYEES</u>	<u>RANK</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Kiwet Offshore Services, Ltd.	2,291	1	7.53%	1,000	2	3.27%
Sherwin Alumina Co.	607	2	1.98%	850	3	2.78%
HEB	470	3	1.53%	200	7	0.65%
San Patricio County	455	4	1.50%	485	5	1.59%
Wal-Mart	431	5	1.41%	250	6	0.82%
Ocidental Chemical	368	6	1.21%	500	4	1.64%
Dupont Dumoury	296	7	0.96%	199	8	0.64%
North Bay Hospital	217	8	0.70%	155	9	0.51%
Southwest Marine				130	10	0.43%
Naval Station Ingleside				<u>3,605</u>	<u>1</u>	<u>11.79%</u>
	<u>5,135</u>		<u>16.82%</u>	<u>7,374</u>		<u>24.12%</u>

Source: Municipal Advisory Council of Texas (Austin, TX) San Patricio Economic Development Corporation (Gregory, TX), Local Chambers of Commerce in the cities located in the County and the Entities. Estimates had to be used in some cases.

Note: Information for nine years ago is not readily available. The County will provide comparisons to nine years ago beginning in 2015.

It is also noted that in November, 2005, closure of the Naval Station Ingleside was announced and this closure took effect in 2010. The property is expected to be sold to a developer. Also, a large pipe plant is expected to be built in the county in the next several years.

SAN PATRICIO COUNTY, TEXAS
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
LAST NINE YEARS
(UNAUDITED)

FUNCTION	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Administration	34	34	34	34	34	34	34	34	34
Judicial	43	43	43	43	43	43	43	43	43
Legal	20	20	20	20	20	20	20	19	19
Elections	2	2	2	2	2	2	2	2	2
Financial Administration	34	35	35	35	33	32	34	35	35
Public Facilities	18	18	18	18	17	17	18	18	17
Public Safety	157	159	155	144	93	93	98	100	99
Public Transportation	60	60	60	60	60	60	60	60	60
Health and Welfare	38	38	38	38	38	38	39	38	38
Culture and Recreation	2	2	2	2	2	2	2	2	2
Conservation	<u>5</u>								
Totals	<u><u>413</u></u>	<u><u>416</u></u>	<u><u>412</u></u>	<u><u>401</u></u>	<u><u>347</u></u>	<u><u>346</u></u>	<u><u>355</u></u>	<u><u>356</u></u>	<u><u>354</u></u>

SAN PATRICIO COUNTY, TEXAS
SALARIES AND SURETY BONDS FOR PRINCIPAL OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)

NAME	TITLE	ANNUAL SALARY	SURETY BOND
Terry Simpson	County Judge	\$ 87,600	\$ 10,000
	Juvenile Board	5,800	
Nina G. Trevino	Commissioner, Pct. No 1	59,594	3,000
Fred P. Nardini	Commissioner, Pct. No 2	59,594	3,000
Alma Moreno	Commissioner, Pct. No 3	59,594	3,000
Jim Price	Commissioner, Pct. No 4	59,594	3,000
Leroy Moody	Sheriff	73,163	15,000
Gracie A. Gonzales	County Clerk	59,594	35,000
Richard Hatch, III	County Court-at-Law-Judge	124,000	5,000
	Juvenile Board	5,800	
Dalia Sanchez	Tax Assessor-Collector	59,594	50,000
David Aken	County Attorney	103,497	2,500
Courtney Dugat	County Treasurer	59,594	15,000
Laura Miller	District Clerk	59,594	5,000
David W. Wendel	County Auditor	97,584	5,000
Julius L. Petrus, Jr.	County Surveyor	0	1,000
Patrick Flanigan	District Attorney	5,800	5,000
 <u>JUSTICE OF THE PEACE</u>			
Yolanda Guerrero	Precinct No. 1	47,364	1,000
Daniel Garza	Precinct No. 2	46,013	1,000
Karen Diaz	Precinct No. 4	46,013	1,000
Amada V. Cardenas	Precinct No. 5	46,013	5,000
Charlene Lewis	Precinct No. 6	46,013	5,000
Roger Powell	Precinct No. 8	46,013	1,000
 <u>CONSTABLES</u>			
Gonzalo Gonzales	Precinct No. 1	37,687	1,000
Steve Garcia	Precinct No. 2	37,335	1,000
Parnel Haynes	Precinct No. 4	37,335	1,000
Juan C. Gonzales	Precinct No. 5	33,941	1,000
Don Perkins	Precinct No. 6	37,335	1,000
Teresa Gonzales	Precinct No. 8	37,335	1,000

**SAN PATRICIO COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST SIX YEARS
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Public Transportation						
Streets Resurfacing (Miles)	33	33	33	33	33	32
Public Safety						
Physical Arrests	768	763	761	762	758	745
Traffic Violations	1,299	1,297	1,294	1,292	1,286	1,223

Note: The County will add yearly data until ten years of information are presented.
More information will be presented in future years.

Sources: San Patricio County Road and Bridge and Law Enforcement Departments.

**SAN PATRICIO COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST SIX YEARS
(UNAUDITED)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Administration						
Vehicles and Other	23	23	23	24	24	23
Judicial						
Vehicles and Other	11	11	11	11	11	10
Financial Administration						
Vehicles and Other	12	12	11	10	10	10
Legal						
Other	1	1	1	1	1	1
Elections						
Other	3	3	3	3	3	3
Public Facilities						
Land, Bldgs and Improv.	125	125	125	125	124	122
Vehicles and Other	17	13	13	13	13	12
Public Safety						
Vehicles and Other	124	124	124	124	123	121
Public Transportation						
Road Mileage	613	613	613	613	613	613
Bridges	55	55	55	55	55	55
Vehicles and Other	214	218	218	218	217	214
Health and Welfare						
Vehicles and Other	18	18	18	18	18	18
Culture and Recreation						
Vehicles and Other	18	18	18	18	18	18
Conservation						
Vehicles and Other	5	5	5	5	5	5

Note: The County will add information yearly until ten years are presented. All County Land, Building, and Improvements are included under Public Facilities in this schedule.

Sources: County Fixed Asset Records.

SAN PATRICIO COUNTY, TEXAS
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN YEARS
(UNAUDITED)

<u>YEAR</u>	<u>PROPERTY VALUES*</u>	<u>CONSTRUCTION</u>	<u>BANK DEPOSITS</u>
2003	\$2,616,900,364	45,326,561	\$ 374,000,000
2004	2,617,004,587	232,457,893	378,529,000
2005	2,806,146,628	189,661,054	356,112,000
2006	3,190,059,177	193,224,063	402,478,000
2007	3,693,508,279	191,372,124	424,000,000
2008	3,830,002,174	186,522,354	449,000,000
2009	3,912,154,418	47,723,292	472,317,000
2010	4,129,947,233	21,563,920	479,622,000
2011	4,118,445,405	29,193,607	513,380,000
2012	3,993,935,339	114,094,883	545,920,000

*Before exemptions, obtained from San Patricio County Tax Appraisal District. The Construction amounts were obtained from the San Patricio County Tax Office. The bank deposits were obtained from the Federal Deposit Insurance Corporation, Washington, D.C.

SAN PATRICIO COUNTY, TEXAS

MISCELLANEOUS STATISTICS

DECEMBER 31, 2012

(UNAUDITED)

Location, History, Etc.: San Patricio County (named after the Patron Saint of Ireland) was settled by Irish immigrants holding Spanish Land grants in 1828. The County is situated on an exceedingly fertile alluvial fan laid down by the Nueces (pecans) River during the Pleistocene Geological Age. The land area of the County is 685 square miles; bounded by the Nueces River and Corpus Christi Bay to the south, Redfish Bay and the Gulf of Mexico to the east, and the Aransas River to the north.

Population Growth and Statistics: Farming, ranching, oil and gas production, industry, and the fish and shrimping business have contributed to the growth of San Patricio County. Nueces County and San Patricio County together form one of the 23 Standard Metropolitan Statistical Area (SMSA) of Texas. The 2010 population was 64,804.

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1850	200	1940	28,871
1860	620	1950	35,021
1870	602	1960	45,021
1880	1,010	1970	47,288
1890	1,312	1980	58,013
1900	2,372	1990	58,749
1910	7,307	2000	67,138
1920	11,286	2010	64,804
1930	23,836		

Principal Cities: Sinton (5,665), County Seat; Aransas Pass (8,204); Portland (15,099); Mathis (4,942); Taft (3,048); Ingleside (9,387); Gregory (1,907); Odem (2,389); Taft Southwest (1,460); Ingleside on the Bay (615); Edroy (331); San Patricio (395); St. Paul (584); Lake City (509) and Lakeside (312).

County Road Mileage: Total 614.2 miles (100%) divided as follows:
Pct. No. #1 - 93.8 miles (5.3%), Pct. No. #2 - 149.9 miles (24.5%),
Pct. No #3- 276.7 miles (45.0%), and Pct. No. #4 - 93.8 miles (15.3%).

County Employees: The total number of San Patricio County employees at December 31, 2012, was 379 full time employees and 76 part time employees. Because they are separate districts these figures do not include Juvenile Probation employees (34 full time and 1 part time) or Adult Probation employees (54 full time and 9 part time). The total County Social Security wages paid during the 2012 year were \$15,639,906.

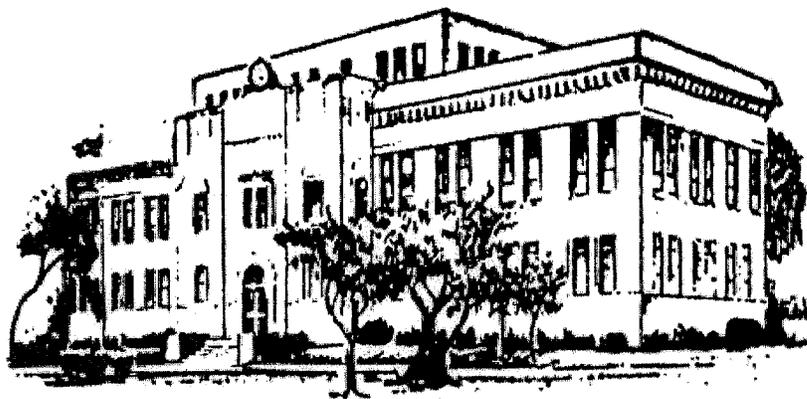
SAN PATRICIO COUNTY, TEXAS
MISCELLANEOUS STATISTICS
DECEMBER 31, 2012
(UNAUDITED)
(continued)

Agricultural Income: Estimated cash receipts from agricultural production in San Patricio County for 2012 is estimated at \$ 95 million. This level of agricultural income would probably result in \$190 million of economic effect upon the county. The following table is an overview of 2012 Agricultural Income:

<u>AGRICULTURAL PRODUCT</u>	<u>ACREAGE</u>	<u>VALUE</u>
Cotton and Cottonseed	126,521	\$35,240,460
Fed Beef and Cow Calf		11,302,249
Grain Sorghum	84,540	44,252,926
Corn	16,686	3,464,447
Hay, Honey, Nursery, etc.		<u>1,104,840</u>
TOTAL		<u>\$95,364,922</u>

Sources of Data: Texas Cooperative Extension
Texas Almanac
Coastal Bend Area Council of Governments
San Patricio - Aransas A.S.C.S.

It is noted that San Patricio County was in a drought year in 2012.



Supplementary Financial Information

SAN PATRICIO COUNTY, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2006
MATURITY SCHEDULE
INTEREST AT 4.25% TO 4.75% PAYABLE 4-1 & 10-1
DECEMBER 31, 2012

		ISSUED		\$19,330,000	
		PAID		<u>(1,825,000)</u>	
		OUTSTANDING		<u>\$17,505,000</u>	
	<u>UNPAID</u>				<u>ANNUAL</u>
<u>DUE DATE</u>	<u>BALANCE</u>	<u>COUPON</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>REQUIREMENT</u>
	\$17,505,000				
04-01-2013	17,095,000	4.25%	\$410,000	\$404,923	
10-01-2013				<u>396,212</u>	<u>1,211,135</u>
04-01-2014	16,665,000	4.25%	430,000	396,212	
10-01-2014				<u>387,073</u>	<u>1,213,285</u>
04-01-2015	16,215,000	4.50%	450,000	387,073	
10-01-2015				<u>376,950</u>	<u>1,214,023</u>
04-01-2016	15,745,000	4.50%	470,000	376,950	
10-01-2016				<u>366,373</u>	<u>1,213,323</u>
04-01-2017	15,255,000	4.50%	490,000	366,373	
10-01-2017				<u>355,350</u>	<u>1,211,723</u>
04-01-2018	14,740,000	4.50%	515,000	355,350	
10-01-2018				<u>343,760</u>	<u>1,214,110</u>
04-01-2019	14,200,000	4.50%	540,000	343,760	
10-01-2019				<u>331,613</u>	<u>1,215,373</u>
04-01-2020	13,635,000	4.40%	565,000	331,613	
10-01-2020				<u>319,180</u>	<u>1,215,793</u>
04-01-2021	13,045,000	4.50%	590,000	319,180	
10-01-2021				<u>305,908</u>	<u>1,215,088</u>
04-01-2022	12,430,000	4.50%	615,000	305,908	
10-01-2022				<u>292,067</u>	<u>1,212,975</u>
04-01-2023	11,785,000	4.50%	645,000	292,067	
10-01-2023				<u>277,558</u>	<u>1,214,625</u>
04-01-2024	11,110,000	4.50%	675,000	277,558	
10-01-2024				<u>262,367</u>	<u>1,214,925</u>
04-01-2025	10,405,000	4.60%	705,000	262,367	
10-01-2025				<u>246,156</u>	<u>1,213,523</u>
04-01-2026	9,665,000	4.625%	740,000	246,156	
10-01-2026				<u>229,039</u>	<u>1,215,195</u>

SAN PATRICIO COUNTY, TEXAS
CERTIFICATES OF OBLIGATION SERIES 2006
MATURITY SCHEDULE
INTEREST AT 4.25% TO 4.75% PAYABLE 4-1 & 10-1
DECEMBER 31, 2012

<u>DUE DATE</u>	<u>UNPAID BALANCE</u>	<u>COUPON</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>ANNUAL REQUIREMENT</u>
04-01-2027	\$8,890,000	4.625%	\$775,000	\$229,039	
10-01-2027				<u>210,637</u>	<u>\$1,214,676</u>
04-01-2028	8,080,000	4.625%	810,000	210,637	
10-01-2028				<u>191,395</u>	<u>1,212,032</u>
04-01-2029	7,230,000	4.625%	850,000	191,395	
10-01-2029				<u>171,212</u>	<u>1,212,607</u>
04-01-2030	6,340,000	4.625%	890,000	171,212	
10-01-2030				<u>150,070</u>	<u>1,211,282</u>
04-01-2031	5,405,000	4.75%	935,000	150,070	
10-01-2031				<u>127,869</u>	<u>1,212,939</u>
04-01-2032	4,425,000	4.75%	980,000	127,869	
10-01-2032				<u>104,833</u>	<u>1,212,702</u>
04-01-2033	3,395,000	4.70%	1,030,000	104,833	
10-01-2033				<u>80,634</u>	<u>1,215,467</u>
04-01-2034	2,315,000	4.70%	1,080,000	80,634	
10-01-2034				<u>54,978</u>	<u>1,215,612</u>
04-01-2035	1,185,000	4.70%	1,130,000	54,978	
10-01-2035				<u>28,147</u>	<u>1,213,125</u>
04-01-2036		4.75%	<u>1,185,000</u>	<u>28,144</u>	<u>1,213,144</u>
TOTALS			<u>\$17,505,000</u>	<u>\$11,623,682</u>	<u>\$29,128,682</u>

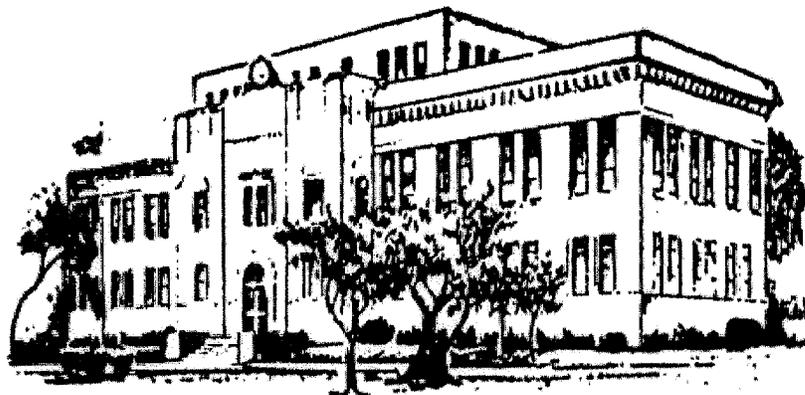
The above debt was issued for new showbarn facilities and is served by the Permanent Improvement Debt Service Fund. Payments are made to the Bank of New York, Newark, N.J. The above debt will be liquidated in 2036.

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF ANNUAL GENERAL LONG-TERM BONDED DEBT REQUIREMENTS
DECEMBER 31, 2012

The annual requirements of general long-term bonded debt requirements outstanding at December 31, 2012 are as follows:

<u>YEAR ENDING DECEMBER 31</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
2013	\$410,000	\$801,135	\$1,211,135
2014	430,000	783,285	1,213,285
2015	450,000	764,023	1,214,023
2016	470,000	743,323	1,213,323
2017	490,000	721,723	1,211,723
2018	515,000	699,110	1,214,110
2019	540,000	675,373	1,215,373
2020	565,000	650,793	1,215,793
2021	590,000	625,088	1,215,088
2022	615,000	597,975	1,212,975
2023	645,000	569,625	1,214,625
2024	575,000	539,925	1,214,925
2025	705,000	508,523	1,213,523
2026	740,000	475,195	1,215,195
2027	775,000	439,676	1,214,676
2028	810,000	402,032	1,212,032
2029	850,000	362,607	1,212,607
2030	890,000	321,282	1,211,282
2031	935,000	277,939	1,212,939
2032	980,000	232,702	1,212,702
2033	1,030,000	185,467	1,215,467
2034	1,080,000	135,612	1,215,612
2035	1,130,000	83,125	1,213,125
2036	<u>1,185,000</u>	<u>28,144</u>	<u>1,213,144</u>
TOTALS	<u>17,505,000</u>	<u>11,623,682</u>	<u>29,128,682</u>

Single Audit Section





Lovvorn & Kieschnick
CERTIFIED PUBLIC ACCOUNTANTS

418 Peoples Street, Suite 308 tele 361-884-8897
Corpus Christi, TX 78401 fax 361-884-3457

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 Honorable County Judge
and County Commissioners
San Patricio 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, each major fund, and the aggregate remaining fund information of San Patricio County, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise San Patricio County's basic financial statements, and have issued our report thereon dated June 7, 2013.

Internal Control Over Financial Reporting

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

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

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

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

June 7, 2013



Lovvorn & Kieschnick
CERTIFIED PUBLIC ACCOUNTANTS

418 Peoples Street, Suite 308 tele 361-884-8897
Corpus Christi, TX 78401 fax 361-884-3457

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable County Judge
and County Commissioners
San Patricio County, Texas

Report on Compliance for Each Major Federal Program

We have audited San Patricio County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of San Patricio County's major federal programs for the year ended December 31, 2012. San Patricio County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of San Patricio County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Patricio County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Patricio County's compliance.

Opinion on Each Major Federal Program

In our opinion, San Patricio County 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, 2012.

Report on Internal Control Over Compliance

Management of San Patricio County 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 San Patricio County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Patricio County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

June 7, 2013

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weakness(es) identified? Yes No

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

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

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

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children (WIC) Fiscal Year 2012
14.228	ORCA Grant #711295
14.228	TDRA Grant #710649
14.228	Community Development Block Grant #DRS020166

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

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**SAN PATRICIO COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A - No prior findings		

**SAN PATRICIO COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Program</u>	<u>Corrective Action Plan</u>
None	No corrective action required

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of State Health Services			
Women, Infants and Children (WIC) Fiscal Year 2012			
Admin / NE / BF	10.557	2012-037217-001	112,085
Admin / NE / BF		2012-040012	222,162
Admin / NE / BF		2013-040012	95,563
Total WIC - Admin / NE / BF			<u>429,810</u>
Women, Infants and Children (WIC) Fiscal Year 2012			
Peer Counselor	10.557	2012-037217-001	16,970
Peer Counselor		2012-040012	40,744
Peer Counselor		2013-040012	20,187
Total WIC - Peer Counselor			<u>77,901</u>
Women, Infants and Children (WIC) Fiscal Year 2012			
Obesity	10.557	2012-037217-001	3,151
Obesity		2012-040012	13,001
Obesity		2013-040012	2,908
Total WIC - Obesity			<u>19,060</u>
Women, Infants and Children (WIC) Fiscal Year 2012			
Lactation Consultant	10.557	2012-040012	5,360
Lactation Consultant		2013-040012	316
Total WIC - Lactation Consultant			<u>5,676</u>
Women, Infants and Children (WIC) Fiscal Year 2012			
Registered Dietician	10.557	2012-037217-001	3,307
Registered Dietician		2012-040012	5,403
Registered Dietician		2013-040012	3,432
Total WIC - Registered Dietician			<u>12,142</u>
Total Passed Through Texas Department of Health			<u>544,589</u>
Total U.S. Department of Agriculture			<u>544,589</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas Department of Agriculture			
ORCA Grant	14.228	711295	56,845
TDRA Grant	14.228	710649	165,344
Total Passed Through Office of Rural Community Affairs			<u>222,189</u>
Passed Through Texas General Land Office			
Disaster Recovery Program			
Community Development Block Grant	14.228	DRS020166	167,639
Total Passed Through Texas General Land Office			<u>167,639</u>
Total U.S. Department Of Housing and Urban Development			<u>389,828</u>
U.S. ELECTIONS ASSISTANCE COMMISSION			
Passed Through Texas Secretary of State - Elections Division			
General HAVA Compliance	90.401		23,349
Total Passed Through Texas Secretary of State - Elections Division			<u>23,349</u>
Total U.S. Elections Assistance Commission			<u>23,349</u>

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department of State Health Services			
Social Services Block Grant	93.667		
CHS/TTLXX		7460023074A2012	<u>302</u>
Total CFDA Number 93.667			<u>302</u>
Centers for Disease Control and Prevention--	93.283		
PHEP - PPCPS / Hazards		74600230742012	<u>78,203</u>
Total CFDA Number 93.283			<u>78,203</u>
Immunization Grants	93.268		
IMM/IAP		74600230742012	<u>157,734</u>
Total CFDA Number 93.268			<u>157,734</u>
Preventive Health and Health Services Block Grant	93.991		
RLSS/LPHS		74600230742012	<u>173,269</u>
Total CFDA Number 93.991			<u>173,269</u>
Family Planning Grant			
CHS/FEE	93.994	7460023074A2012	<u>43,953</u>
Total CFDA Number 93.994			<u>43,953</u>
Total U.S. Department of Health and Human Services			<u>453,461</u>
U.S. DEPARTMENT OF INTERIOR			
Direct			
Coastal Impact Assistance Program	15.668	F12AF70275	<u>56,089</u>
Total U.S. Department of Interior			<u>56,089</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
DIRECT			
DEM - Operation Stone Garden	97.067		<u>244,186</u>
Total U.S. Department of Homeland Security			<u>244,186</u>
U.S. DEPARTMENT OF GENERAL SERVICE ADMINISTRATION			
Passed Through Texas Facilities Commission / Federal Surplus Program			
Donation of Federal Surplus Personal Property	39.003		<u>70,970</u>
Total U.S. Department of General Service Administration			<u>70,970</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,782,472</u>

The accompanying notes are an integral part of this schedule.

SAN PATRICIO COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Basis of Presentation

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