

San Patricio County, Texas

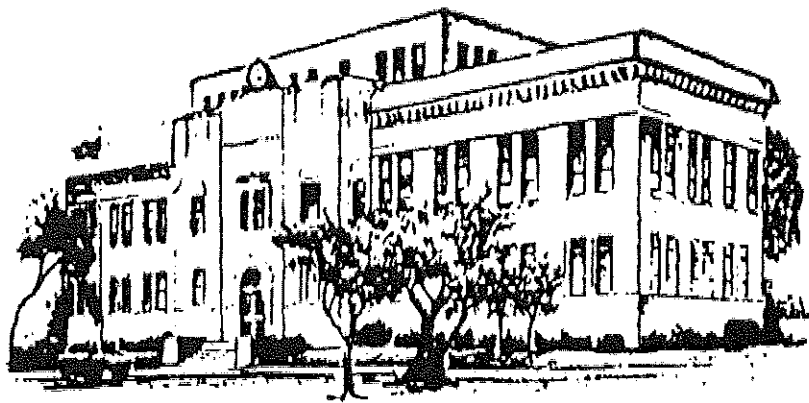
Comprehensive Annual Financial Report For the Year Ended December 31, 2016

Issued By:

County Auditor's Office

David W. Wendel

County Auditor



SAN PATRICIO COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016
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Introductory Section

SAN PATRICIO COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2016

DISTRICT COURT

Starr Bauer	Judge, 36 th Judicial District
Patrick Flanigan	Judge, 156 th Judicial District
Janna K. Whatley	Judge, 343 rd Judicial District
Michael E. Welborn	District Attorney
Laura Miller	District Clerk

COMMISSIONERS COURT

Terry Simpson	County Judge
Nina G. Trevino	Commissioner, Precinct No. 1
Fred P. Nardini	Commissioner, Precinct No. 2
Alma V. Moreno	Commissioner, Precinct No. 3
Howard J. Gillespie	Commissioner, Precinct No. 4

OTHER COUNTY OFFICIALS

Elizabeth Welborn	County Court-at-Law Judge
Leroy Moody	Sheriff
Gracie A. Gonzales	County Clerk
Dalia Sanchez	Tax Assessor-Collector
David Aken	County Attorney
Courtenay Dugat	County Treasurer
David W. Wendel	County Auditor

JUSTICES OF THE PEACE

Yolanda Guerrero	Precinct No. 1
Daniel Garza	Precinct No. 2
Karen Díaz	Precinct No. 4
Nere Villarreal	Precinct No. 5
Susan H. Price	Precinct No. 6
Elvia Hernandez	Precinct No. 8

CONSTABLES

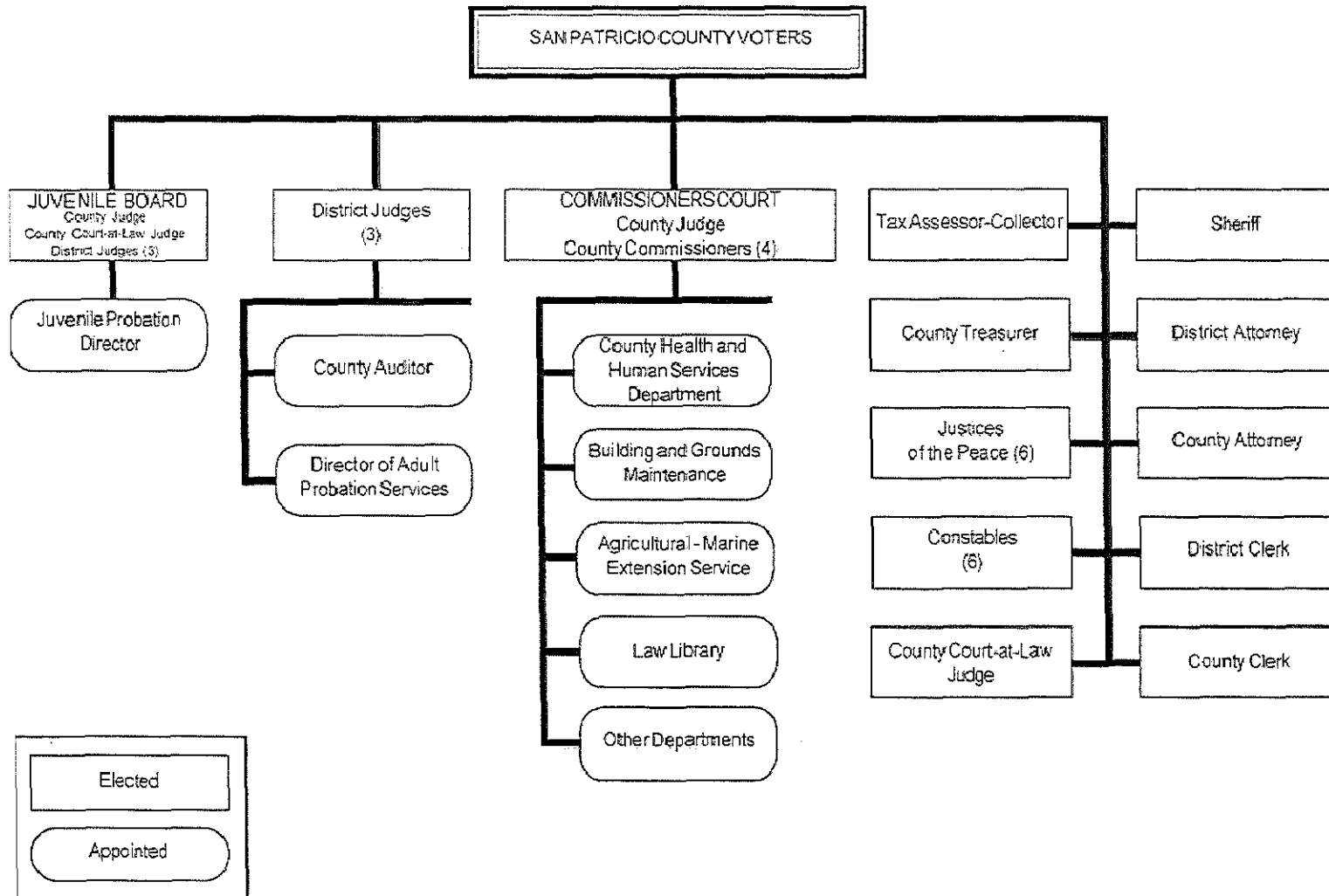
Joe Gaitan	Precinct No. 1
Steve Garcia	Precinct No. 2
Parnell Haynes	Precinct No. 4
Juan C. Gonzales	Precinct No. 5
Don Perkins	Precinct No. 6
Teresa Gonzales	Precinct No. 8

SAN PATRICIO COUNTY, TEXAS
DIRECTORY OF OFFICIALS
DECEMBER 31, 2016
(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
Jaime Coronado	Juvenile Probation Director
Tina M. Garrett	Major Jailer
Johnny Segovia 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

July 6, 2017

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, 2016.

The comprehensive annual financial report (CAFR) of San Patricio County, Texas (the County), for the year ended December 31, 2016, 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 unmodified ("clean") opinion on San Patricio County's financial statements for the year ended December 31, 2016. 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.

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, general administrative services, and other 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 and GASB Statement No. 61, an amendment of GASB Statements No. 14 and No. 34. 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. 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 original 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 is creating demand for more services now and 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. Both the San Patricio County Economic Development Corporation, formed in 1992, and the Corpus Christi Regional Economic Development Corporation have been instrumental in generating interest in the local area.

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 is located in the eastern part of the County and when full operations begin in 2017, is expected to provide 300 full time jobs. In 2009 the County approved ten year tax abatement to TPCO America Corporation. The Abatements will be as follows: 2017 year 40%, 2018 year 25%.

In 2013, it was announced that Voestalpine, 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 expected investment of approximately \$700 million and is expected to employ about 150 workers. The plant has been completed and began operating in 2016.

In 2014, it was announced that Occidental Chemical Corporation will be expanding its plant and Cheniere will be building a new natural gas liquefaction plant. Both will be in the eastern part of the County and will provide industry and jobs.

It is noted that over the past several years the County has awarded several tax abatements which give up some tax revenues over a period of several years but over the long term, after the abatement periods, the revenues are expected to increase. The abatements are used as a tool to help citizens of the County obtain employment and other revenues for business establishments.

In 2014, the County entered into an abatement agreement with Oxy Ingleside Energy Center, LLC and Oxy Ingleside LPG Terminal, LLC for an LPG facility to be constructed in the County. The abatements will be 80% in year one, 70% in year two, 60% in year three, 50% in year four, 40% in year five, 30% in year six, 20% in year seven, and 10% in year eight. At the February 13, 2017 meeting of the Commissioners Court, the Court agreed to terminate this agreement due to inability of Oxy to meet its obligation to hire the required number of employees.

In 2014, the County entered into an abatement agreement with Ingleside Ethylene, LLC and Occidental Chemical Corporation for the design and construction of an ethylene plant in the County. The abatement agreement will be 100% in year one through six, 95% in year seven, 90% in year eight, 85% in year nine, and 80% in year ten.

In 2014, the County entered into an abatement agreement with Corpus Christi Liquefaction, LLC, which is a wholly owned subsidiary of Cheniere Energy, Inc. for a facility for the export of liquefied natural gas ("LNG"). This is a three phase project, the first, Train I, began in 2015 and continues through 2021, Train II began in 2016 and continues through 2022, and Train III will begin in 2017 and continues through 2023, with all consisting of abatements of 100%.

At its March 20, 2017 regular meeting, the Commissioners Court approved separate tax abatement agreements (collectively the "Proposed Agreements") with Exxon Mobil Corporation ("Exxon"), SABIC US Projects LLC ("SABIC"), and GCGV Asset Holding LLC ("GCGV"), an entity jointly formed and owned by Exxon Mobil Chemical Gulf Coast Investments LLC (an affiliate of Exxon) and SABIC, concerning the proposed designed, construction, and operation of a polyethylene derivative unit (the Exxon "PE Project"), a separate polyethylene derivative unit (the "SABIC PE Project"), and an ethane steam cracker and monoethylene glycol unit (the "GCGV Project"), respectively, all located on a 1,349.82 tract of land located within the County (the "Proposed Reinvestment Zone"). The Proposed Agreements include a term of ten (10) years with abatements of 100% in years one (1) through three (3), and 70% in years four (4) through ten (10), commencing on the first of January of the second calendar year following the calendar year in which the commencement of construction of the respective project occurs.

ECONOMIC DEVELOPMENT GRANTS AND LOANS

Counties are also authorized, pursuant to Chapter 381, Texas Local Government Code ("Chapter 381") to establish programs to promote estate or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, the County may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the County.

In 2013, the County entered into a Chapter 381 agreement with Voestalpine Texas, LLC for construction of facilities to process iron and steel.

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, work, and conduct business.

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, 2015. This award was the thirty-fourth 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-seven times for the years 1973, 1977, 1979, and the years 1982-2015.

Safety Award. The County received the County Safety Award from the Texas Association of Counties for 2016, 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, has had the honor to serve 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,



David W. Wendel



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

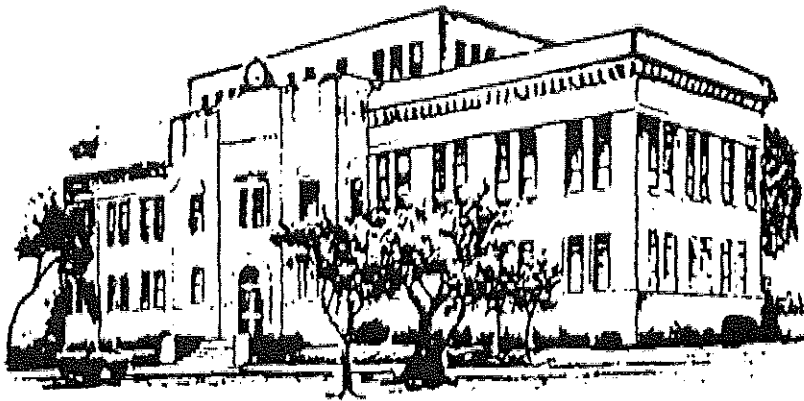
**San Patricio County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Financial Section





Lovvorn & Kieschnick, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, Texas, as of and for the year ended December 31, 2016, 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, Texas, as of December 31, 2016, 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, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and funding progress of other post-employment benefits on pages 6-15 and 74-81 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, Texas' 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 July 6, 2017, on our consideration of San Patricio County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Patricio County, Texas' internal control over financial reporting and compliance.

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

July 6, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management (Commissioners Court) 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, 2016. 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 and deferred outflows of resources of San Patricio County exceeded its liabilities and deferred inflows of resources at December 31, 2016 by \$45,596,080 (presented as "net position"). Of this amount, \$9,889,405 was reported as "unrestricted net position". Unrestricted net position represents 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 decreased by \$5,446,183 (a 10.7% decrease) in fiscal year 2016. The County only had governmental activities during the 2016 year. The decrease in the net position is primarily attributable to increased public transportation expenses; the SIB (Harbor Bridge) Loan that resulted in a \$6,000,000 debt at 12-31-16. This Loan is for the County's share of the Harbor Bridge replacement project. When completed, the bridge will be maintained and owned by the State so there will be no asset offset for the County and this will decrease the County's Net Position.

Fund Highlights: Governmental Funds - Fund Balances As of the close of the fiscal year 2016, the County's governmental funds reported a combined ending fund balance of \$21,686,221, which was an increase of \$2,841,410 in comparison with the prior year due mainly to charges for services revenues. At the end of the year, the unassigned fund balance for the general fund was \$7,589,004, equal to 28% of total general fund expenditures including transfers to other funds.

Long Term Debt The County's total long-term debt obligations increased due mainly to issuance of Certificates of Obligation, Series 2016, the QECB Capital Lease and the SIB Loan.

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 assets and deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in the County's net position 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 2016 year.

The government-wide financial statements can be found on pages 18 and 19 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. Financial Information is presented separately in the Governmental Funds Financial Statements (page 21 and 22) for the following Major Funds: General Fund, Road and Bridge Fund, Road Improvement Fund, and Harbor Bridge Project Fund. 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 21 and 22 of this report.

The County had no business type activities during the 2016 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, 2016.

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 29 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 and capital projects 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 \$45,596,080 at the end of fiscal year 2016 compared to \$51,042,263 at the end of the previous year.

A large portion of the County's net position (56%) 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 2016 and 2015, which consist only of Governmental activities.

**San Patricio County's Net Position
December 31, 2016 and 2015**

	2016	2015
Current and Other Assets	\$ 68,626,768	\$ 55,619,620
Capital Assets	52,418,082	42,891,579
Total Assets	<u>\$ 121,044,850</u>	<u>\$ 98,511,199</u>
Deferred Outflow of Resources	<u>\$ 10,521,794</u>	<u>\$ 4,642,665</u>
Long Term Liabilities Outstanding	\$ 47,104,523	\$ 22,988,004
Other Liabilities	4,638,535	2,295,666
Total Liabilities	<u>\$ 51,743,058</u>	<u>\$ 25,283,670</u>
Deferred Inflow of Resources	<u>34,227,506</u>	<u>26,827,931</u>
Net Position:		
Net Investment in Capital Assets	\$ 25,562,621	\$ 26,741,063
Restricted	10,144,054	9,945,219
Unrestricted	9,889,405	14,355,981
Total Net Position	<u>\$ 45,596,080</u>	<u>\$ 51,042,263</u>

The above figures are not net of related debt.

The main reason for the decrease of \$5,446,183 in total Net Position was due to increased public transportation expenses, primarily from the Harbor Bridge replacement project.

**San Patricio County's Changes in Net Position
For the years ended December 31, 2016 and 2015**

	2016	2015
Revenues		
Program Revenues:		
Charges for Services	\$ 7,255,957	\$ 7,586,192
Operating Grants and Contributions	1,901,844	2,106,500
Capital Grants and Contributions	1,399,580	3,407,135
General Revenues		
Property Taxes	26,765,675	25,655,399
Investment Earnings	245,643	41,434
Other	617,846	1,056,503
	<u>\$ 38,186,545</u>	<u>\$ 39,853,163</u>
Expenses		
General Administration	\$ 3,400,905	\$ 2,696,408
Judicial	4,013,645	3,549,114
Legal	835,852	717,260
Elections	387,269	292,270
Financial Administration	2,462,535	2,012,455
Public Facilities	3,289,129	3,902,469
Public Safety	11,202,744	9,211,314
Environmental	121,181	97,735
Public Transportation	13,018,356	5,075,370
Health and Welfare	2,325,374	1,920,419
Culture and Recreation	1,009,554	570,599
Economic Development	421,456	220,252
Conservation	270,376	142,230
Interest on Long-Term Debt	874,352	668,175
	<u>\$ 43,632,728</u>	<u>\$ 31,076,070</u>
Change in Net Position	\$ (5,446,183)	\$ 8,777,093
Net Position at Beginning of Year	51,042,263	42,265,170
Net Position at End of Year	<u>\$ 45,596,080</u>	<u>\$ 51,042,263</u>

Revenues decreased mainly due to decreased tax revenues and capital contributions.

Expenses increased mainly due to increased Public Safety and Public Transportation costs.

The County's Net Position decreased by \$5,446,183 or 10.7%. Approximately 70% of the County's total revenue came from taxes, while 9% resulted from grants and contributions. User charges for various goods and services accounted for 3% of total revenues. The largest components of expenditures were for public safety, public transportation, and judicial. The main increases in expenditures were for public transportation costs.

A large portion of the County's Net Position (56%) is reflected in capital assets (e.g. land, buildings, equipment, and infrastructure) to acquire or construct the assets. Restricted Net Position accounts for 23% of the County's Net Position. The remaining balance of Unrestricted Net Position (21%) 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 Position.

At the end of the current fiscal year, the County reported positive balances in all categories of Net Position.

Governmental Activities – Governmental Activities decreased the County's Net Position by \$5,446,183 or 100% of the total Net Position decrease.

Because of the current state of the 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 expected 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, 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 \$21,686,221 at the end of the current fiscal year, which is an increase of \$2,841,410, or 15.1% from last year's fund balances of \$18,844,811. This increase was due mainly to increased charges for services revenues.

The General Fund balance at 12/31/16 was \$9,123,223, compared to \$8,925,666 at 12/31/15, which resulted in a net increase of \$197,557. The Road and Bridge Fund balance at 12/31/16 was \$3,369,809, compared to \$3,284,784 at 12/31/15, which resulted in a net increase of \$85,025.

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 General Fund in Public Facilities due mainly to costs being \$ 394,086 less than anticipated.

Modest revenue growth is expected for the General Fund in fiscal year 2017, 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 investments in capital assets for its governmental activities as of December 31, 2016 amounted to \$118,640,924 less accumulated depreciation of \$66,222,842 with a net book value of \$52,418,082. This amount includes land, buildings, major improvements, equipment, infrastructure and construction in progress.

Major capital asset transactions for the 2016 year included purchases of vehicles and major equipment for the Sheriff’s department, Road and Bridge department, major road repairs, and major purchases for energy conservation equipment for County buildings. Depreciation charges for the current year totaled \$3,841,941. 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 47 of this report.

**Capital Assets (net of accumulated depreciation)
December 31, 2016 and 2015**

		Governmental Activities	
		2016	2015
		<u>2016</u>	<u>2015</u>
Land	\$	3,562,720	\$ 3,437,489
Buildings, Major Improvements, and Equipment		28,447,119	29,177,745
Infrastructure		<u>18,540,886</u>	<u>10,100,314</u>
Total	\$	50,550,725	\$ 42,715,548
Construction in Progress		<u>1,867,357</u>	<u>176,031</u>
Total	\$	<u><u>52,418,082</u></u>	<u><u>42,891,579</u></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 47 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 at December 31, 2016 was \$24,090,000. The total bonded debt of the County increased by \$8,505,000, a 55% increase compared to last year. The County's bonded debt at December 31, 2016 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 12-31-2016 stands at \$3,185,555. The County also entered into an SIB Loan and this debt at 12-31-16 is \$6,000,000.

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

**Outstanding Bonded and Capital Lease Debt
December 31, 2016 and 2015**

		<u>Governmental Activities</u>		
		2016	2015	
General Obligation Bonds	\$	24,090,000	\$	15,585,000
Capital Leases		3,185,555		-
SIB Loan		<u>6,000,000</u>		<u>-</u>
Total	\$	<u>33,275,555</u>	\$	<u>15,585,000</u>

The increase was due to newly issued bonded debt.

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.

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 TPCO America Corporation.

In 2013, it was announced that Voestalpine, 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 million and is expected to employ about 150 workers. The plant has been completed and is now operating.

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.

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Basic Financial Statements

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

ASSETS

Cash and Cash Equivalents	\$ 34,557,292
Taxes Receivable, net	26,535,037
Intergovernmental Receivables	463,360
Other Receivables	435,364
Fines Receivable	10,813,907
Less Allowance for Uncollectables	(4,358,372)
Prepaid Items	180,180
Capital Assets	
Land	3,562,720
Buildings	39,916,339
Improvements	4,035,905
Equipment	12,926,355
Infrastructure	56,332,248
Less Accumulated Depreciation	(66,222,842)
Construction in Progress	1,867,357
TOTAL ASSETS	\$ <u>121,044,850</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refundings	685,283
Pension	9,836,511
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>10,521,794</u>

LIABILITIES

Accounts Payable	\$ 3,196,768
Other Liabilities	1,050,265
Due To Other Governments	1,165
Interest Payable	390,337
Noncurrent Liabilities	
Due within One Year	1,366,473
Due in More than One Year	45,738,050
TOTAL LIABILITIES	\$ <u>51,743,058</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenues-Property Taxes	24,757,060
Advance Tax Collections	8,621,687
Pension	848,759
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>34,227,506</u>

NET POSITION

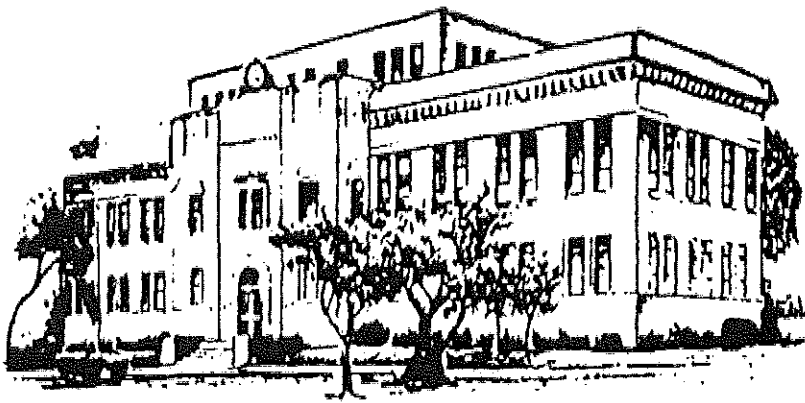
Net Investment in Capital Assets	\$ 25,562,621
Restricted for:	
Road and Bridge	3,595,956
Capital Projects	806,160
Public Safety	1,906,038
Other	3,835,900
Unrestricted	<u>9,889,405</u>
TOTAL NET POSITION	\$ <u>45,596,080</u>

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
			Capital Grants and Contributions	Governmental Activities
Governmental Activities				
General Administration	\$ 3,400,905	\$ 512,628	\$ 25,315	\$ (2,862,962)
Judicial	4,013,645	2,797,279	470,913	(745,453)
Legal	835,852	132,373	76,720	(626,759)
Elections	387,269	53,329	5,208	(328,732)
Financial Administration	2,462,535	904,637		(1,557,898)
Public Facilities	3,289,129	86,834		(2,171,094)
Public Safety	11,202,744	976,207	220,824	(10,005,713)
Environmental	121,181	64,421		(56,760)
Public Transportation	13,018,356	1,390,714	154,406	(11,104,857)
Health & Welfare	2,325,374	158,733	948,458	(1,218,183)
Culture & Recreation	1,009,554	178,802		(830,752)
Conservation	270,376			(270,376)
Economic Development	421,456			(421,456)
Interest on Long-Term Debt	874,352			(874,352)
Total Governmental Activities	\$ 43,632,728	\$ 7,255,957	\$ 1,901,844	\$ 1,399,580
General Revenues:				
Property Taxes				26,765,675
Investment Earnings				245,643
Other General Revenues				617,846
Total General Revenues				27,629,164
Change in Net Position				(5,446,183)
Net Position-Beginning				51,042,263
Net Position-Ending				\$ 45,596,080

See Accompanying Notes to Financial Statements.



**SAN PATRICIO COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	GENERAL FUND	ROAD AND BRIDGE FUND	ROAD IMPROVEMENT PROGRAM	HARBOR BRIDGE PROJECT	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Cash Equivalents	\$ 17,446,669	\$ 4,449,178	\$ 1,263,706	\$ 0	\$ 10,223,900	\$ 33,383,453
Taxes Receivable, net	22,475,132	2,504,456	0	0	1,555,449	26,535,037
Intergovernmental Receivables	28,909	0	0	0	434,451	463,360
Other Receivables	169,962	28,615	0	0	47,070	245,647
Due from Other Funds	442,184	360,000	0	0	348,657	1,150,841
Prepaid Items	180,180	0	0	0	0	180,180
TOTAL ASSETS	\$ 40,743,036	\$ 7,342,249	\$ 1,263,706	\$ 0	\$ 12,609,527	\$ 61,958,518
LIABILITIES						
Liabilities						
Accounts Payable	\$ 488,249	\$ 379,192	\$ 939,641	\$ 0	\$ 1,106,220	\$ 2,913,302
Intergovernmental Payables	0	0	0	0	1,165	1,165
Other Liabilities	970,373	50	0	0	79,842	1,050,265
Due To Other Funds	360,000	300,000	0	0	490,841	1,150,841
Total Liabilities	1,818,622	679,242	939,641	0	1,678,068	5,115,573
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues-Property Taxes	1,451,018	226,147	0	0	100,812	1,777,977
Deferred Revenues-Property Taxes	21,024,114	2,278,309	0	0	1,454,637	24,757,060
Advance Tax Collections	7,326,059	788,742	0	0	506,886	8,621,687
Total Deferred Inflows of Resources	29,801,191	3,293,198	0	0	2,062,335	35,156,724
FUND BALANCES						
Nonspendable	180,180	0	0	0	0	180,180
Restricted	0	3,369,809	324,065	0	7,194,432	10,888,306
Committed	0	0	0	0	440,411	440,411
Assigned	1,354,039	0	0	0	1,375,443	2,729,482
Unassigned	7,589,004	0	0	0	(141,162)	7,447,842
Total Fund Balances	9,123,223	3,369,809	324,065	0	8,869,124	21,686,221
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:	\$ 40,743,036	\$ 7,342,249	\$ 1,263,706	\$ 0	\$ 12,609,527	

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.	52,418,082
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	8,237,892
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(37,821,825)
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.	1,075,710
Net Position of Governmental Activities	\$ 45,596,080

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, 2016

	<u>GENERAL FUND</u>	<u>ROAD AND BRIDGE FUND</u>	<u>ROAD IMPROVEMENT PROGRAM</u>	<u>HARBOR BRIDGE PROJECT</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 22,248,852	\$ 3,306,421	\$ 0	\$ 0	\$ 1,087,636	\$ 26,642,909
Licenses and Permits	238,087	0	0	0	0	238,087
Intergovernmental	997,520	154,406	0	0	2,717,947	3,869,873
Charges for Services	2,128,433	1,018,198	0	0	686,888	3,833,519
Fines & Forfeitures	696,199	292,349	0	0	98,372	1,086,920
Investment Income	116,526	29,713	34,038	0	56,165	236,442
Miscellaneous Revenue	459,867	70,454	0	0	468,402	998,723
Total Revenues	<u>26,885,484</u>	<u>4,871,541</u>	<u>34,038</u>	<u>0</u>	<u>5,115,410</u>	<u>36,906,473</u>
EXPENDITURES						
Current						
General Administration	2,851,763	0	0	0	343,113	3,194,876
Judicial	2,680,777	0	0	0	1,326,753	4,007,530
Legal	668,987	0	0	0	167,037	836,024
Elections	381,831	0	0	0	2,197	384,028
Financial Administration	2,467,126	0	0	0	0	2,467,126
Public Facilities	1,463,708	0	0	0	2,239,377	3,703,085
Public Safety	10,921,316	0	0	0	227,753	11,149,069
Environmental	121,181	0	0	0	0	121,181
Public Transportation	0	4,486,516	9,706,014	6,000,000	2,113,943	22,306,473
Health & Welfare	937,459	0	0	0	1,398,572	2,336,031
Culture and Recreation	939,679	0	0	0	0	939,679
Conservation	254,976	0	0	0	0	254,976
Economic Development	421,456	0	0	0	0	421,456
Debt Service	0	0	0	0	1,125,125	1,125,125
Total Expenditures	<u>24,110,259</u>	<u>4,486,516</u>	<u>9,706,014</u>	<u>6,000,000</u>	<u>8,943,870</u>	<u>53,246,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,775,225</u>	<u>385,025</u>	<u>(9,671,976)</u>	<u>(6,000,000)</u>	<u>(3,828,460)</u>	<u>(16,340,186)</u>
OTHER FINANCING SOURCES (USES)						
Certificates of Obligation Issued	0	0	8,975,000	0	0	8,975,000
Proceeds State Infrastructure Bank Loan	0	0	0	6,000,000	0	6,000,000
Proceeds QECBs - Capital Lease	0	0	0	0	3,185,555	3,185,555
Premium on Bonds Issued	0	0	1,021,041	0	0	1,021,041
Transfers In	24,626	0	0	0	3,037,293	3,061,919
Transfers Out	(2,602,294)	(300,000)	0	0	(159,625)	(3,061,919)
Total Other Financing Sources (Uses)	<u>(2,577,668)</u>	<u>(300,000)</u>	<u>9,996,041</u>	<u>6,000,000</u>	<u>6,063,223</u>	<u>19,181,596</u>
Net Changes in Fund Balances	<u>197,557</u>	<u>85,025</u>	<u>324,065</u>	<u>0</u>	<u>2,234,763</u>	<u>2,841,410</u>
Fund Balances at Beginning of Year	<u>8,925,666</u>	<u>3,284,784</u>	<u>0</u>	<u>0</u>	<u>6,634,361</u>	<u>18,844,811</u>
Fund Balances at End of Year	<u>\$ 9,123,223</u>	<u>\$ 3,369,809</u>	<u>\$ 324,065</u>	<u>\$ 0</u>	<u>\$ 8,869,124</u>	<u>\$ 21,686,221</u>

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, 2016**

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)	\$ 2,841,410
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.	9,526,503
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,229,809
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.	(427,568)
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.	(18,711,596)
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.	95,259
Change in net position of governmental activities (p. 19)	\$ <u><u>(5,446,183)</u></u>

See Accompanying Notes to Financial Statements.

**SAN PATRICIO COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

		<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	1,173,839
Other Receivables		<u>185,337</u>
Total Assets		<u>1,359,176</u>
 LIABILITIES		
Current Liabilities		
Accounts Payable		<u>283,466</u>
Total Liabilities		<u>283,466</u>
 NET POSITION		
Restricted for Health Insurance Costs		<u>1,075,710</u>
Total Net Position	\$	<u><u>1,075,710</u></u>

Note: The Insurance Internal Service Fund is the only proprietary fund of the County. The accounts payable above consists of \$283,466 in medical claims and \$-0- in other payables. The entire amount of the \$283,466 is considered current because it is expected to be paid during the 2017 fiscal year.

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, 2016**

	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
Operating Revenues:	
Contributions for Employee Insurance and Medical Expenses	\$ 4,443,509
Insurance Reimbursements and Refunds	<u>104,157</u>
Total Operating Revenues	<u>4,547,666</u>
Operating Expenses:	
Insurance and Administrative Expenses	583,981
Medical Claims Expense	<u>3,877,627</u>
Total Operating Expenses	<u>4,461,608</u>
Operating Income (Loss)	<u>86,058</u>
Non-Operating Revenues (Expenses):	
Investment Income	<u>9,201</u>
Total Non-Operating Revenues (Expenses)	<u>9,201</u>
Change in Net Position	95,259
Total Net Position at Beginning of Year	<u>980,451</u>
Total Net Position at End of Year	<u>\$ 1,075,710</u>

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 CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u>
Cash flows from Operating Activities:	
Cash received from premium contributions and other	\$ 5,062,470
Cash paid to insurance and medical expenses	<u>(5,186,633)</u>
Net cash flows from operating activities	<u>(124,163)</u>
Cash flows from investing activities:	
Investment Income received	<u>9,201</u>
Net cash flows from investing activities	<u>9,201</u>
Net change in cash and cash equivalents	(114,962)
Cash and Cash Equivalents, Beginning of Year	<u>1,288,801</u>
Cash and Cash Equivalents, End of Year	\$ <u>1,173,839</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ <u>86,058</u>
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	514,804
Claims Payable	<u>(725,025)</u>
Total Adjustments	<u>(210,221)</u>
Net Cash Flows From Operating Activities	\$ <u>(124,163)</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, 2016**

ASSETS

Cash and Cash Equivalents	\$ 19,771,685
Due From Others	<u>27,661</u>
TOTAL ASSETS	\$ <u>19,799,346</u>

LIABILITIES

Due To Others	\$ <u>19,799,346</u>
Total Liabilities	\$ <u>19,799,346</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, 2016

(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 which serves as the County's Management 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 (GAAP) 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 Position 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 2016 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, 2016
(Continued)

The County reports the following four 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.

Road Improvement Capital Project Fund is used to account for debt proceeds and other funds used for major road improvements.

Harbor Bridge Project Capital Projects Fund is used to account for funds used to pay the State for the County's allocated costs to build a Harbor Bridge.

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, 2016
(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 the 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, "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 2016 year was Investment Income.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

(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, 2016
(Continued)

G. Cash and Cash Equivalents

Cash and Cash Equivalents at December 31, 2016, totals \$54,328,977, (\$33,383,453 in Governmental funds, \$1,173,839 in Proprietary funds, and \$19,771,685 in Agency funds) and consists of \$8,550 in petty cash and \$54,320,427 in bank and pool demand accounts. Nearly all of the demand accounts are interest earning accounts.

The County's total bank deposits of \$22,411,741 at December 31, 2016, 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, 2016 was \$23,299,893.

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, 2016 consist of \$30,362,769 in various external pool accounts. The various pool accounts are not subject to credit risk classifications. The pooled accounts at 12/31/16 consist of the Tex-Pool Account (\$860,509), LOGIC Pool Account (\$21,545,030), and MBIA Class Pool Account (\$7,957,230), for a total of \$30,362,769. 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, 2016:

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

Investments - The County does have a formal investment policy, but it had no investments at December 31, 2016. 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, 2016
(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 General Refunding Bonds Series 2015, Combination Tax and Revenue Certificates of Obligation Series 2016, Qualified Energy Conservation Bonds (QECCB) Capital Lease, State Infrastructure Bank (SIB) Loan, compensated absences, pollution remediation, OPEBs, and Net pension liability.

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 \$269,200 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 2016 year:

Balance at Beginning of Year	\$ 262,979
Additions	269,200
Deductions	<u>(262,979)</u>
Balance at End of Year	\$ <u>269,200</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, 2016
(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 2016 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 and Net Pension Liability.

	OPEBS	POLLUTION REMEDIAL EXPENSES	NET PENSION LIABILITY
Balances at Beginning of the Year	\$ 1,717,067	\$ 768,698	\$ 3,367,861
Additions	75,400	-	10,025,277
Deductions	(77,712)	-	(4,583,927)
Balances at End of the Year	\$ 1,714,755	\$ 768,698	\$ 8,809,211

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.

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, 2016
(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. It takes a majority vote of the Commissioners Court to result in legislation, a resolution or an ordinance. 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. The constraints can only be removed by a majority of the Commissioners Court, which may establish, modify, or rescind a committed fund balance. 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 a purpose for which both restricted and unrestricted fund balances are 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, 2016
(continued)

The Governmental Fund Balances at 12-31-2016 are summarized as follows:

Fund Balances at 12-31-16	General Fund	Road & Bridge Fund	Other Major Gvmnt's Funds	Non-Major Gvmnt'l Funds	Total
Nonspendable	\$ 180,180	\$ -	\$ -	\$ -	\$ 180,180
Restricted					
For Road and Bridge		3,369,809	324,065	-	3,693,874
For Debt Service				105,674	105,674
For Sheriff's Department				1,078,277	1,078,277
For Courthouse Security				553,050	553,050
For Justice Court Technology				250,917	250,917
For Court Reporters				110,606	110,606
For Certain District and County Attorney Costs				382,826	382,826
For Records Management				804,794	804,794
For Airports				650,520	650,520
For Elections				359,168	359,168
For Clerk Contingency				184,703	184,703
For Major Capital Outlay				2,422,530	2,422,530
For Other				291,367	291,367
Total	\$ -	\$ 3,369,809	\$ 324,065	\$ 7,194,432	\$ 10,888,306
Committed					
For Health Department				153,116	153,116
For Sheriff's Department				213,604	213,604
For Other				73,691	73,691
Total				440,411	440,411
Assigned					
For Major Capital Outlay				784,973	784,973
For Right of Way				590,470	590,470
For Pollution Remediation	768,698				768,698
For Subsequent Year's Appropriation of Fund Balance	585,341				585,341
Total	1,354,039			1,375,443	2,729,482
Unassigned	7,589,004			(141,162)	7,447,842
Grand Total	\$ 9,123,223	\$ 3,369,809	\$ 324,065	\$ 8,869,124	\$ 21,686,221

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(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 12/31/16:

Total Governmental Restricted Fund Balances at 12/31/16	\$ 10,888,306
Deduct Unspent Bond and Capital Lease Proceeds	(1,940,435)
Add Net Road and Bridge Delinquent Taxes Receivable	226,148
Add Net Debt Service Delinquent Taxes Receivable	100,812
Deduct Accrued Interest Payable	(145,007)
Deduct SIB Loan Capitalized Interest Payable	(61,480)
Add Proprietary Internal Service Fund Restricted Net Position at 12/31/16	<u>1,075,710</u>
Total Restricted Net Position at 12/31/16	<u>\$ 10,144,054**</u>
**Restricted Net Position at 12/31/16	
For Road and Bridge	\$ 3,595,956
For Public Safety	1,906,038
For Capital Projects	806,160
For Other	<u>3,835,900</u>
Total Restricted Net Position at 12/31/16	<u>\$ 10,144,054</u>

The restricted net position 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.

P. Prepaid Items

Prepaid items consist of prepaid costs paid in December of one year but were not due until January of the following year. They are offset in a like amount in Fund Balances – Nonspendable in the Governmental Fund Balance Sheet Statements. At December 31, 2016 the County had \$180,180 in Prepaid Items which consisted of prepaid insurance premiums.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Q . Deferred Inflows/Outflows of Resources

Deferred Inflows/Outflows of Resources are presented in the Government-Wide Financial Statement of Net Position.

Deferred Outflows of Resources are a consumption of net position by the County that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

Deferred Inflow of Resources is an acquisition of net position that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

The Net Position is the residual of all elements presented in this statement.

Net Position = Assets + Deferred Outflows – Liabilities – Deferred Inflows.

The components of Net Position are Net Investment in Capital Assets, Restricted and Unrestricted.

As of 12-31-16 the County had the following Deferred Outflow of resources as shown on the Statement of Net Position:

Deferred Charge on Refunding Pension	\$ 685,283
	<u>9,836,511</u>
 Total Deferred Outflow of Resources	 <u>\$ 10,521,794</u>

The Deferred Charge on Refunding above resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of life of the refunded or refunding debt. The Pensions amount above is the net difference between projected and actual earnings regarding net pension liability (\$6,619,559) plus County Contributions made subsequent to measurement date (\$3,216,952).

As of 12-31-16 the County had the following Deferred Inflow of Resources as shown on the Statement of Net Position:

Deferred Revenues- Property Taxes	\$ 24,757,060
Advance Tax Collection	8,621,687
Pensions	<u>848,759</u>
 Total Deferred Inflow of Resources	 <u>\$ 34,227,506</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

The "Advance Tax Collections" above consisted of funds that were collected in 2016 but are recognized as revenues in the 2017 fiscal year since they are for 2017 year operations. The "Deferred Revenues-Property Taxes" consists of Tax Revenues recognized as Revenue but have not been collected and are budgeted for 2017 year operations and are amounts levied for the fiscal year 2017.

The Pensions amount above is the differences between expected and actual experience regarding net pension liability.

The Balance Sheet Financial Statements of the Governmental Funds will also include Deferred Inflows/Outflows which consist only of Unavailable Revenues- Property Taxes, Deferred Revenues-Property Taxes, and Advance Tax Collections. The Fund Balance Total is the residual of all the elements in these statements. Net Fund Balance = Assets + Deferred Outflows – Liabilities – Deferred Inflows. The components of the Fund Balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned Funds. It is noted that Unavailable Revenues- Property Taxes and Advance Tax Collections are only applicable to the General, Road and Bridge Special Revenue, and Permanent Improvement Debt Service Funds.

As of 12-31-16 The County did not have any Deferred Outflows of Resources applicable to Governmental Funds and therefore there are not any shown on the Balance Sheet of the Government Funds.

As of 12-31-16 The County had the following Deferred Inflow of Resources as shown on the Balance Sheet of the Government Funds:

Unavailable Revenues- Property Taxes	\$ 1,777,977
Deferred Revenues- Property Taxes	24,757,060
Advance Tax Collection	<u>8,621,687</u>
 Total Deferred Inflow of Resources	 <u>\$ 35,156,724</u>

The "Unavailable Revenues- Property Taxes" above consists of taxes levied in prior years, but not collected or available for operations as of December 31, 2016. The above "Deferred Revenues – Property Taxes" consists of taxes levied in 2017 and budgeted for 2017 operations, but not collected as of December 31, 2016. The above "Advance Tax Collections" consist of taxes levied and collected in 2016 but are budgeted for 2017 operations and are levied for 2017.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(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 2015 tax rate (for the period October 1, 2015 to September 30, 2016) was \$0.46000 per \$100 valuation. This roll year taxes were used for the County's 2016 fiscal year operations. The 2016 tax roll is to be used for 2017 operations and its tax rate is \$0.491924 per \$100 valuation. It is noted that the County operates on a calendar year.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

(3) GRANTS RECEIVABLE DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2016 consist of \$463,360 from various Federal and State Grants. Included in the above amount is \$66,618 of Texas Department of Health grants, \$134,768 of CTIF Grant Funds, and \$147,882 from WIC Funds due from other governmental entities.

(4) LONG-TERM OBLIGATIONS

The following is a summary of general long-term debt bond transactions for the year ended December 31, 2016:

	General Obligation	Total
Bonds Payable, 01/01/16	\$ 15,585,000	\$ 15,585,000
Bonds Issued	8,975,000	8,975,000
Bonds Retired	<u>(470,000)</u>	<u>(470,000)</u>
Bonds Payable 12/31/16	<u>\$24,090,000</u>	<u>\$ 24,090,000</u>

The annual requirements of the general long-term bonded debt requirements outstanding at December 31, 2016 is as follows:

YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2017	\$ 660,000	\$ 1,134,036	\$ 1,794,036
2018	860,000	939,700	1,799,700
2019	885,000	913,525	1,798,525
2020	915,000	883,750	1,798,750
2021	950,000	850,100	1,800,100
2022-2026	5,290,000	3,694,325	8,984,325
2027-2031	6,465,000	2,524,500	8,989,500
2032-2036	8,065,000	918,200	8,983,200
TOTAL	<u>\$ 24,090,000</u>	<u>\$ 11,858,136</u>	<u>\$ 35,948,136</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

The above debt consists of the following:

General Obligation Refunding Bonds, Series 2016, dated August 15, 2015 Interest Range 2.00% to 5.0 % issued to refund Certificates of Obligation, Series 2006 that were issued For new showbarn facilities Amount Issued: \$15,415,000	\$ <u>15,115,000</u>
Certificates of Obligation, Series 2016, Dated February 1, 2016 Interest Range 2.00% to 4.00% issued for major road repairs Amount issued: \$8,975,000	\$ <u>8,975,000</u>
Total Outstanding at December 31, 2016	\$ <u>24,090,000</u>

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

The following is a summary of general long-term capital lease payable for the year ended December 31, 2016:

Capital Lease Payable at January 1, 2016	\$ 0
New Capital Leases made during the year	3,185,555
Capital Lease Payments made during year	<u>0</u>
Capital Lease Payable at December 31, 2016	\$ <u>3,185,555</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

Leases that are purchases in substance are reported as capital lease obligations. The capital assets are recorded at the present value of future minimum lease payments at the inception of the lease. For governmental activities, the assets and liabilities are recorded in the government-wide financial statements. During fiscal year ended December 31, 2016, the County entered into a Capital Lease agreement to cover the cost of energy saving equipment and installation through an energy saving performance contract.

At December 31, 2016 the County only had the QECB Capital Lease dated August 2, 2016, interest at 3.87%. Payments are due on February 1st and August 1st. This debt was for the purchase of energy conservation equipment for County Buildings and when the project is completed, \$3,185,555 will be capitalized as equipment. The balance at 12-31-16 is \$3,185,555. The current amount due in 2017 is \$43,530.

The following is a summary of the future minimum lease payments for the capital lease at December 31, 2016:

YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2017	\$ 43,530	\$ 122,939	\$ 166,469
2018	107,629	120,363	227,992
2019	91,270	116,577	207,847
2020	97,753	112,983	210,736
2021	104,521	109,135	213,656
2022-2026	634,919	478,282	1,113,201
2027-2031	853,950	337,106	1,191,056
2032-2036	1,123,776	149,281	1,273,057
2037	128,207	2,481	130,688
TOTAL	\$ 3,185,555	\$ 1,549,147	\$ 4,734,702

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

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

In 2014, the State is in the initial phase of planning the construction of a new Harbor Bridge between San Patricio County and Nueces County and has requested that the County remit \$12,000,000 for cost assistance by 2019.

In October 2014, the County adopted a resolution/order for agreement for local project advance funding agreement for voluntary local government contribution to this project with required match. The County also entered into a local project agreement between the County and the Texas Department of Public Transportation for advance funding agreement for voluntary local contribution for this project. The County agrees to pay \$3,000,000 to the State of Texas on June 30, 2016 and December 31, 2016, 2017, and 2018. The County has entered into an agreement in 2016 to borrow the funds from the State Infrastructure Bank. The State will capitalize the bridge and be responsible for the maintenance.

During the 2016 year the County borrowed \$6,000,000 with the SIB Loan and remitted the funds back to the State as agreed. Thus the general long term debt owed on the SIB Loan at 12-31-16 is \$6,000,000. The County will borrow \$6,000,000 more in the next two years. The County will begin making payments on the loan in 2019. The loan is dated April 1, 2016 with interest at 2.57% and payments will be due on April 1st and October 1st. The County will make yearly total payments of \$714,223 from 2019 to 2042 and these payments will be allocated to principal and interest costs.

This debt will be serviced by the Permanent Improvement Debt Service Fund.

During 2016, The County issued Certificates of Obligation in the amount of \$8,975,000 that were issued for major road repairs. This debt will be liquidated in 2036. It will be serviced by the Permanent Improvement Debt Service Fund.

During 2015, The County issued General Obligation Refunding Bonds in the amount of \$15,415,000 to partially refund the Series 2006 Certificates of Obligation. This debt will be liquidated in 2036. It is serviced by the Permanent Improvement Debt Service Fund.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

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

The following is an overall summary of long-term liability activity for the year ended December 31, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 15,585,000	\$ 8,975,000	\$ 470,000	\$ 24,090,000	\$ 660,000
QECB Capital Lease	-	3,185,555	-	3,185,555	43,530
SIB Loan	-	6,000,000	-	6,000,000	-
Compensated Absences					
Payable	262,979	269,200	262,979	269,200	269,200
OPEBs	1,717,067	75,400	77,712	1,714,755	-
Pollution Remediation	768,698	-	-	768,698	279,165
Net Pension Liability	3,367,861	10,025,277	4,583,927	8,809,211	-
SIB Loan Capitalized Interest	-	61,480	-	61,480	-
Refunding Bonds and Other Deferred/Premium	1,286,399	1,021,041	101,816	2,205,624	114,578
Total	\$ 22,988,004	\$ 29,612,953	\$ 5,496,434	\$ 47,104,523	\$ 1,366,473

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

(5) CAPITAL ASSETS

Capital Assets governmental activity for year ended December 31, 2016 was as follows:

	Balance 12/31/2015	Increases	Decreases	Balance 12/31/2016
Capital Assets Not Being Depreciated:				
Land	\$ 3,437,489	\$ 125,232	\$ -	\$ 3,562,721
Construction in Progress	176,031	1,867,357	(176,031)	1,867,357
Total Capital Assets Not Being Depreciated	<u>\$ 3,613,520</u>	<u>\$ 1,992,589</u>	<u>\$ (176,031)</u>	<u>\$ 5,430,078</u>
Capital Assets Being Depreciated:				
Buildings	\$ 39,916,339	\$ -	\$ -	\$ 39,916,339
Improvements Other Than Buildings	4,022,403	13,500	-	4,035,903
Equipment	12,157,613	1,629,308	(860,565)	12,926,356
Infrastructure				-
Roads	45,985,455	9,573,844	(2,300,246)	53,259,053
Bridges	2,714,768	358,427	-	3,073,195
Total Capital Assets Being Depreciated:	<u>\$ 104,796,578</u>	<u>\$ 11,575,079</u>	<u>\$ (3,160,811)</u>	<u>\$ 113,210,846</u>
Less Accumulated Depreciation For:				
Buildings	\$ (17,172,916)	\$ (1,174,337)	\$ -	\$ (18,347,253)
Improvements Other Than Buildings	(994,347)	(169,226)	-	(1,163,573)
Equipment	(8,751,347)	(1,006,678)	837,371	(8,920,654)
Infrastructure				-
Roads	(36,868,574)	(1,416,578)	2,300,247	(35,984,905)
Bridges	(1,731,335)	(75,122)	-	(1,806,457)
Total Capital Assets Being Depreciated:	<u>\$ (65,518,519)</u>	<u>\$ (3,841,941)</u>	<u>\$ 3,137,618</u>	<u>\$ (66,222,842)</u>
Total Governmental Activity Capital Assets, Net	<u>\$ 42,891,579</u>	<u>\$ 9,725,727</u>	<u>\$ (199,224)</u>	<u>\$ 52,418,082</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

The amount of capital assets net of related debt at 12/31/2016 is as follows:

Capital Assets, Net of Depreciation at 12/31/2016		\$ 52,418,082
Less Related Debt		
Certificates of Obligation and Bonds	24,090,000	
QECCB Capital Leases	3,185,555	
Bond Premium Payables	2,205,624	
Unspent Debt Proceeds - Certificates of Obligation Series 2016	(324,065)	
Unspent Debt Proceeds - QECCB Capital Lease	(1,616,370)	
Deferred Charge on Refundings	(685,283)	
	26,855,461	
Capital Assets, Net of Related Debt at 12/31/2016		\$ 25,562,621

The amount by which capital outlay exceeded depreciation in 2016 is as follows:

Assets other than Infrastructure Purchased & Transferred	3,119,965	
Road and Bridge Construction	10,271,673	
Loss on Disposal of Assets	(23,194)	
Capital Outlay		13,368,444
Depreciation Expense for the year		(3,841,941)
Net amount by which capital outlay was over/(under) depreciation in 2016		\$ 9,526,503

Depreciation expense was charged to functions/programs of the County for the 2016 year as follows:

Governmental Activities

General Admission		\$ 57,466
Judicial		13,511
Financial Administration		-
Legal		1,118
Elections		3,853
Public Facilities		661,464
Public Safety		428,143
Public Transportation		1,875,200
Health and Welfare		20,156
Culture and Recreation		765,297
Conservation		15,733
Total Depreciation Expense		\$ 3,841,941

It is noted that the 12/31/16 Construction in Progress (\$1,867,357) consisted of \$1,527,956 for purchase and installation of energy saving equipment for County buildings and \$339,401 for major road repairs.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

(6) RECEIVABLES

Receivables for the County's individual major and non-major funds at 12-31-16 are as follows:

	Property Taxes	Intergovernmental	Other	Total
Governmental Activities:				
General Fund	\$ 22,475,132	\$ 28,909	\$ 169,962	\$ 22,674,003
Road and Bridge	2,504,456		28,615	2,533,071
Non-Major Governmental Funds	<u>1,555,449</u>	<u>434,451</u>	<u>47,070</u>	<u>2,036,970</u>
Totals	<u>\$ 26,535,037</u>	<u>\$ 463,360</u>	<u>\$ 245,647</u>	<u>\$ 27,244,044</u>

(7) OTHER DISCLOSURES

A. Excess of expenditure over appropriations did not occur in any of the budgeted funds, except for the Indigent Health Care Fund in which expenditures of \$408,948 exceeded appropriations of \$400,000, a difference of \$8,948. Overall, the County had a positive variance.

B. At December 31, 2016, The County did not have a deficit fund balance in any of the Governmental Fund except for the District Attorney Forfeiture Fund that had a Deficit Fund Balance of \$9,656. It is noted that the Capital Improvement Capital Project Fund had a Deficit Unassigned Fund Balance of \$131,506, but still had an overall Positive Fund Balance of \$1,459,627. These deficits are expected to be liquidated by future sources of the County.

C. Reconciliation of interfund transfers is as follows:

	Transfers In	Transfers Out
General Fund	\$ 24,626	\$ 2,602,294
Road and Bridge Fund		300,000
Non-Major Governmental Funds	<u>3,037,293</u>	<u>159,625</u>
Total	<u>\$ 3,061,919</u>	<u>\$ 3,061,919</u>

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

The main transfers consisted of \$304,695 from the General Fund to the District Courts Fund for District Court costs, \$474,399 from the General Fund to the District Operating Fund for District Attorney costs, \$400,000 from the General Fund to the Indigent Health Care Fund for Indigent Health Care costs, \$780,000 from the General Fund to the Capital Improvements Fund for capital assets costs and \$300,000 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, 2016, consisted of the following:

<u>FUNDS</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 442,184	\$ 360,000
Road and Bridge Fund	360,000	300,000
Non-Major Governmental Fund	348,657	490,841
Proprietary Fund	-	-
Totals	\$ <u>1,150,841</u>	\$ <u>1,150,841</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 800 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.

It is noted that due to timing constraints that some information was not available for 12-31-16 so 12-31-15 information is presented and this is acceptable by the Governmental Accounting Standards Board (GASB).

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
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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, and 482 employees participated in 2016.

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 with 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.

Membership Information:

Members	December 31, 2014	December 31, 2015
Number of inactive employees entitled to but not yet receiving benefits	358	388
Number of active employees	442	457
Average monthly salary *	\$ 3,071	\$ 3,205
Average age *	46.02	45.91
Average length of service in years *	8.62	8.51
Inactive employees (or their beneficiaries) Receiving Benefits		
Number of benefit recipients	238	252
Average monthly benefit	\$ 1,242	\$ 1,224

* Averages reported for all active and inactive employees. Average service includes all proportionate service.

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

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 10.30% for calendar year 2016. 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, 2016, the annual pension cost for the TCDRS plan for its employees was \$3,216,952 and the actual contributions were \$3,216,952.

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

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

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(continued)

ACTUARIAL METHODS AND ASSUMPTIONS USED FOR GASB CALCULATIONS
FOR SAN PATRICIO COUNTY

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

Following are key assumptions and methods used in this GASB analysis.

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.00%
Salary Increases	3.50 %. The annual salary increase rates assumed for individual members vary by length of service and by entry age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living adjustments for San Patricio County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 80 or more. A member is vested after 10 years but must leave his accumulated contributions in the plan to receive any employer-financed benefit.
Mortality	The RP2000 Active Employee Mortality Table for males with a two year set-forward and a four-yea setback for females with the projection scale AA.
Other Information	There were no benefit changes during the year.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(continued)

**Service retirees,
beneficiaries, and non-
depositing members (2)**

The RP-2000 Combined Mortality Table with the projected scale AA, with a one-year set forward for males and no age adjustment for females.

Disabled retirees

RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set forward, both with the projection scale AA.

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

(2) Studies were prepared in July 2000.

Long-Term Expected Rate of Return

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

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30- year time horizon; the most recent analysis was performed in 2013.

SAN PATRICIO COUNTY, TEXAS
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DECEMBER 31, 2016
(Continued)

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	4.90%
Investment Rate of Return	8.00%

Mortality rates for service retirees, as well as the beneficiaries of both service and disability retirees were based on the RP-2000 Combined Male Table with an age set forward of one year and Projection Scale AA for Males, and the RP-2000 Combined Female Table with no age adjustment and Projection Scale AA for Females. For disabled retirees, the RP-2000 Disabled Male Table with no age adjustment and Projection Scale AA for Males, and the RP-2000 Disabled Female Table with an age set forward of two years and Projection Scale AA for Females are used.

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

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

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater, LLC. The numbers shown are based on January 2016 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30 year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 - December 31, 2012 for more details.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (3)
US Equities	0.00%	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities - Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment- Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Mater Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

(1) Target asset allocation adopted at the April 2016 TCDRS Board Meeting.

(2) Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwaters' 2016 capital market assumptions.

(3) Includes vintage years 2006 - present of Quarter Pooled Horizon IRRs

(4) Includes vintage years 2007 - present of Quarter Pooled Horizon IRRs

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

Net Pension Liability/(Asset)	<u>December 31, 2014</u>	<u>December 31, 2015</u>
Total Pension Liability	\$ 82,153,140	\$ 86,750,557
Fiduciary Net Position	78,785,279	77,941,346
Net pension liability / (asset)	3,367,861	8,809,211
Fiduciary Net Position as a % of total pension liability	95.90%	89.85%
Pensionable covered payroll (1)	\$ 16,487,805	\$ 17,659,601
Net pension liability as a % of covered payroll	20.43%	49.88%

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

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

** Payroll is calculated based on contributions as reported to TCDRS.*

Discount Rate

Discount Rate (2)	8.10%	8.10%
Long-term expected rate of return, net of investment expense (2)	8.10%	8.10%
Municipal bond rate (3)	Does not apply	Does not apply

(2) This rate reflects the long-term rate of return funding valuation assumption of 8.00 %, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

(3) The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

Changes in Net Pension Liability/ (Asset)

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2014	\$ 82,153,140	\$ 78,785,279	\$ 3,367,861
Changes for the year:			
Service Cost	2,178,289		2,178,289
Interest on Total Pension Liability (1)	6,613,259		6,613,259
Effect of Plan changes	(402,630)		(402,630)
Effect of economic/demographic gains or losses	(979,724)		(979,724)
Effect of assumptions changes or inputs	1,047,168		1,047,168
Refund of contributions	(205,694)	(205,694)	-
Benefit payments	(3,653,252)	(3,653,252)	-
Administrative expenses		(56,377)	56,377
Member contributions		1,236,172	(1,236,172)
Net investment income		(130,184)	130,184
Employer contributions		1,882,512	(1,882,512)
Other (2)	-	82,889	(82,889)
Balances as of December 31, 2015	\$ 86,750,556	\$ 77,941,345	\$ 8,809,211

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

Sensitivity Analysis

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

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

Total Pension Liability	\$ 97,507,479	\$ 86,750,557	\$ 77,763,724
Fiduciary Net Position	77,941,346	77,941,346	77,941,346
Net pension liability/ (asset)	\$ 19,566,133	\$ 8,809,211	\$ (177,622)

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2015 to December 31, 2015	
Service Cost	\$	2,178,289
Interest on total pension liability (1)		6,613,259
Effect of plan changes		(402,630)
Administrative expenses		56,377
Member contributions		(1,236,172)
Expected investment return net of investment expenses		(6,409,640)
Recognition of deferred inflows/outflows of resources		
Recognition of economic/demographic gains or losses		(301,914)
Recognition of assumption changes or inputs		261,792
Recognition of investment gains or losses		1,508,739
Other (2)		(82,889)
		<hr/>
Pension expense/ (income)	\$	2,185,211

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) relates to the allocation of system-wide items

As of December 31, 2015, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	
Differences between expected and actual experience	\$	848,758	\$	-
Changes of assumptions		-		785,376
Net difference between projected and actual earnings		-		5,834,183
Contributions made subsequent to measurement date		N/A		3,216,952

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

Year ended December 31	
2015	\$ 1,468,618
2016	1,468,618
2017	1,525,601
2018	1,307,965
2019	-
Thereafter (4)	-

(3) If eligible employer contributions were made subsequent to the measurement date through the employer's fiscal year end, the employer should relect these contributions, adjusted.

(4) Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

(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, 2016, 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, 2016
(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:

	<u>2016</u>		<u>2015</u>
Unpaid Claims at Beginning of Year	\$ 1,008,491	\$	228,679
Incurred Claims (including IBNRs)	5,062,470		4,095,041
Claim Payments	<u>(5,787,495)</u>		<u>(3,315,229)</u>
Unpaid Claims at End of Year	<u>\$ 283,466</u>	\$	<u>1,008,491</u>

The entire amount of the \$283,466 at 12/31/2016 is considered current because it is expected to be paid during the 2017 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 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 \$37,821,825 difference are as follows:

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2016
(Continued)

Bonds Payable	\$	24,090,000
Capital Leases Payable		3,185,555
SIB Loan Payable		6,000,000
Compensated Absences Payable		269,200
SIB Loan Capitalized Interest Payable		61,480
Interest Payable		390,337
OPEB Liability		1,714,755
Pollution Liability		768,698
Refunding Bonds Premium		2,205,624
Net Pension Liability		8,809,211
Deferred Outflows of Resources		
Deferred Charge on Refunding		(685,283)
Pension		(9,836,511)
Deferred Inflows of Resources		
Pension		848,759
Other		-
Net Adjustments to Reduce fund balance total		
Governmental funds to arrive at net position		
Governmental Activities	\$	<u>37,821,825</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 \$8,237,892 difference are as follows:

Taxes Receivable Net of		
Allowances for Uncollectibles	\$	26,535,037
Fines Receivable Net of		
Allowances for Uncollectibles		6,455,535
Other Receivables Net		4,380
Deferred Revenue		<u>(24,757,060)</u>
Net Adjustments for Other Long-Term		
Assets Not Available to Pay for		
Current-Period Expenditures and		
therefore are Deferred in the Funds	\$	<u>8,237,892</u>

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

(13) POLLUTION REMEDIATION

At December 31, 2016, The County was implementing pollution remediation 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 \$279,163 in 2017, \$145,412 in 2018, \$169,869 in 2019, and \$174,254 in 2020 for a total estimated future cost of \$768,698. 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 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.

(14) CONTRACTUAL OBLIGATIONS

Significant Contractual Obligations at 12-31-16 include \$892,493 for major road repairs and \$1,555,099 for the purchase and installation of energy efficient equipment for County buildings.

(15) ACCOUNTING PRONOUNCEMENTS

GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 74"), replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. GASB 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. GASB 74 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"), replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. GASB 75 requires governments to report a liability on the face of the financial statements for the OPEB they provide. GASB 75 will be implemented in fiscal year 2018 and the impact has not yet been determined.

GASB Statement 77, *Tax Abatement Disclosure* ("GASB 77"), requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. GASB 77 was implemented by the County in fiscal year 2016.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

GASB Statement 80, *Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 1* ("GASB 80") amends the blending requirements for the financial statement presentation of component units of all state and local governments established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended* GASB 80 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 81, *Irrevocable Split – Interest Agreement* ("GASB 81") improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB 81 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* ("GASB 82") addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB 82 will be implemented by the County in fiscal year 2017 and the impact has not yet been determined.

GASB Statement 83, *Certain Asset Requirement Obligation* ("GASB 83"), addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance of this Statement. GASB 83 will be implemented by the County in fiscal year 2019 and the impact has not yet been determined.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

(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 Cap Risk Consulting Group, Inc. of Austin, Texas to perform an actuarial valuation of its postemployment healthcare plans with a valuation date of January 1, 2016, and this was done in 2017. 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 2019. Cap Risk Consulting Group calculated the Net OPEB Obligation at 12-31-16 to be \$1,714,755.

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 minor decrease in 2016 due mainly to decreased costs.

It is noted that retirees pay for their insurance premiums.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(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.

<i>As of January 1, 2016 (in thousands)</i>	<i>Paygo</i>
Net Present Value of County-funded Plan Costs	\$ 84
Actuarial Accrued Liability	82
Net OPEB Obligation	1,717
Discount Rate	3.50%

<i>As of December 31, 2016 (in thousands)</i>	
Annual Required Contribution	\$ 77
OPEB Cost	76
County Contribution	78
Net OPEB Obligation	1,715

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.

Actuarial Accrued Liability decreased as compared to the prior valuation (\$1.0 to \$1.3 million). 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, 2016
(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 2016 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.

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.

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.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(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%, 3.0% and 3.0% respectively. 2016 year data is not readily available.

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, 2016
(Continued)

OPEB Cost and Obligation	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Normal Cost	\$ 47,931	\$ 45,898	\$ 22,178
Minimum Amortization to Year-end	37,127	38,145	46,168
Interest Adjustment to Year-end	-	-	-
Annual Required Contribution	85,058	84,043	68,346
ARC Adjustment	(59,530)	(60,696)	(53,043)
Interest Adjustment to Net OPEB Obligation	57,324	58,447	60,097
OPEB Cost	\$ 82,852	\$ 81,794	\$ 75,400
Contributions Made	\$ (50,762)	\$ (34,654)	\$ (77,712)
Increase (Decrease) in Net OPEB Obligation	\$ 32,090	\$ 47,140	\$ (2,312)
Net OPEB Obligation- beginning of year	1,637,837	1,669,927	1,717,067
Net OPEB Obligation- end of year	\$ 1,669,927	\$ 1,717,067	\$ 1,714,755

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	82,852	61.27%	1,669,927
12/31/2015	81,794	42.37%	1,717,067
12/31/2016	75,400	97.02%	1,714,755

Funded Status

Actuarial Variation Date	1/1/2016
Actuarial Variation of Assets	0
Actuarial Accrued Liability	1,259,619
Unfunded Actuarial Liability	1,259,619
Funded Ratio	0.00%
Annualized Covered Payroll	14,870,649
Ratio of Unfunded Actuarial Liability to Annual Covered Payroll	8.47%
Actuarial Cost Method	Entry Age Normal

Required Supplementary Information Schedule for Funding Progress

Actuarial Variation 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 Percentag e of Covered Payroll ((b- a)/c)
1/1/2012	\$ 0	\$ 1,591,092	\$ 1,591,092	0	12,760,816	12.5%
1/1/2014	\$ 0	\$ 998,573	\$ 998,573	0	12,906,176	7.74%
1/1/2016	\$ 0	\$ 1,259,619	\$ 1,259,619	0	14,870,649	8.47%

It is noted that the actuarial valuation will be done every other year even though some information can be obtained yearly. The next actuarial variation will be done in 2019.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

(17) TAX ABATEMENTS

State law allows governments to enter into agreements for tax abatements which is anticipated to result in industry expansion and future revenues for the County. Under these agreements a company is exempt from paying a portion of property tax revenues to the County for a certain period of time. In return the company agrees to construct or expand new industry for the County and employ a certain number of County residents. Only the Commissioners Court can legally enter into such agreements on behalf of the County.

As of 12/31/2016, the County has entered into agreements pursuant to Chapter 312, Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act, with the following companies: TPCO America, Oxy Ingleside Chemical Center, LLC, Sherwin Alumina, Papalote Creek Wind Farm II, Ingleside Ethylene LLC (Occidental Chemical Company), Cheniere Energy and Cheniere DBA Corpus Christi Liquifaction LLC (Train I), Corpus Christi Liquifaction LLC (Train 2), and Corpus Christi Liquifaction LLC (Train 3). Generally Chapter 312 projects proposed by said companies offer capital investment and job creation while meeting the County's established guidelines and criteria governing tax abatement agreements. Each agreement provides for the recapturing of property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or create the jobs promised. The owner must also submit an annual certificate of compliance to the County Judge's Office each year of the abatement. The tax abatements expire between 2017 and 2023. The gross taxes abated during the 2016 year amounted to \$821,520. This was for the 2015 tax roll year.

The following companies also entered into agreements pursuant to Chapter 313, Texas Tax Code, with the school districts indicated:

1. Papalote Creek Wind Farm II with Odem-Edroy, Taft (2009 and 2010), Sinton, and Gregory-Portland Independent School Districts
2. Ingleside Ethylene LLC (Occidental Chemical Company) with Ingleside Independent School District.

Additionally, pursuant to Chapter 381, Texas Local Government Code, the County has entered into 381 Agreement with Voestalpine. Generally, this is a tax rebate agreement and likewise requires capital investment and jobs creation. However, here the County collects the property taxes from the company and then refunds some or all of the taxes collected.

SAN PATRICIO COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)

The following company also entered into an agreement pursuant to Chapter 313, Texas Tax Code, with the school district indicated:

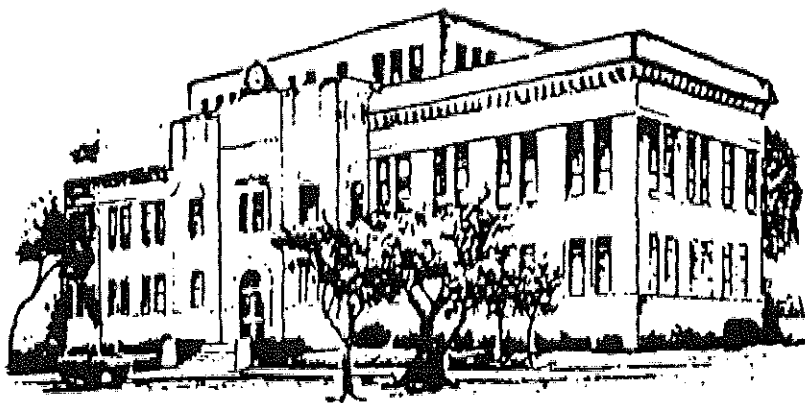
1. Voestalpine Texas LLC with Gregory-Portland Independent School District.

The gross rebated taxes during the 2016 year amounted to \$1,500,315. This was for the 2016 tax roll year.

It is currently estimated that the gross taxes abated during the 2017 year for the 2016 tax roll year will be approximately \$1,500,000. It is also currently estimated that the gross taxes abated during the 2018 year for the 2017 tax roll year will be approximately \$10,000,000.

(18) SUBSEQUENT EVENTS AND OTHER

During 2017 the County issued Combination Tax and Revenue Certificates of Obligation, Series 2017, dated April 1, 2017, in the amount of \$9,125,000 to be used for major County road repairs. Interest ranges from 3.0% to 4.0% with principal and interest payments to be made to BOFK, NA, Austin, Texas, from 2018 to 2037.



REQUIRED SUPPLEMENTARY INFORMATION

(Major General and Special Revenue Funds Budgetary Comparisons)

The following are the Major governmental funds of the County that had adopted 2016 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.

(Other Post Employment Benefits)

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

(Pension Trend Data)

The Schedule of Changes in Net Pension Liability and Related Ratio for San Patricio County discloses certain pension trend data.

The Schedule of Employer Contributions for San Patricio County discloses certain pension trend data.

Not all information for fiscal year 2016 was available.

The Notes to Required Supplementary Information provide information on the County's 2016 Budget.

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 22,438,034	\$ 22,438,034	\$ 22,248,852	\$ (189,182)
Licenses and Permits	110,000	110,000	238,087	128,087
Intergovernmental	641,600	641,600	997,520	355,920
Charges for Services	2,131,100	2,131,100	2,128,433	(2,667)
Fines & Forfeitures	619,700	619,700	696,199	76,499
Investment Income	17,500	17,500	116,526	99,026
Miscellaneous Revenue	355,100	355,100	459,867	104,767
Total Revenues	<u>26,313,034</u>	<u>26,313,034</u>	<u>26,885,484</u>	<u>572,450</u>
EXPENDITURES				
Current				
General Administration	2,920,686	3,128,540	2,851,763	276,777
Judicial	2,821,415	2,821,415	2,680,777	140,638
Legal	821,106	821,106	668,987	152,119
Elections	411,984	411,984	381,831	30,153
Financial Administration	2,770,503	2,770,503	2,467,126	303,377
Public Facilities	1,857,794	1,857,794	1,463,708	394,086
Public Safety	11,155,194	11,285,846	10,921,316	364,530
Environmental	97,130	143,205	121,181	22,024
Health & Welfare	892,459	1,016,459	937,459	79,000
Culture and Recreation	1,131,724	1,106,724	939,679	167,045
Conservation	274,220	274,220	254,976	19,244
Economic Development	541,100	541,100	421,456	119,644
Total Expenditures	<u>25,695,315</u>	<u>26,178,896</u>	<u>24,110,259</u>	<u>2,068,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>617,719</u>	<u>134,138</u>	<u>2,775,225</u>	<u>2,641,087</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	24,626	24,626
Transfers Out	(3,630,229)	(3,146,648)	(2,602,294)	544,354
Total Other Financing Sources (Uses)	<u>(3,630,229)</u>	<u>(3,146,648)</u>	<u>(2,577,668)</u>	<u>568,980</u>
Net Changes in Fund Balances	(3,012,510)	(3,012,510)	197,557	3,210,067
Fund Balance at Beginning of Year	8,925,666	8,925,666	8,925,666	
Fund Balance at End of Year	<u>\$ 5,913,156</u>	<u>\$ 5,913,156</u>	<u>\$ 9,123,223</u>	<u>\$ 3,210,067</u>

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, 2016
ROAD AND BRIDGE FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 3,335,192	\$ 3,335,192	\$ 3,306,421	\$ (28,771)
Intergovernmental	169,100	169,100	154,406	(14,694)
Charges for Services	974,150	974,150	1,018,198	44,048
Fines and Forfeitures	320,799	320,799	292,349	(28,450)
Investment Income	5,600	5,600	29,713	24,113
Miscellaneous	6,500	6,500	70,454	63,954
Total Revenues	<u>4,811,341</u>	<u>4,811,341</u>	<u>4,871,541</u>	<u>60,200</u>
EXPENDITURES				
Public Transportation	5,572,528	5,496,873	4,486,516	1,010,357
Total Expenditures	<u>5,572,528</u>	<u>5,496,873</u>	<u>4,486,516</u>	<u>1,010,357</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(761,187)</u>	<u>(685,532)</u>	<u>385,025</u>	<u>1,070,557</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(230,000)	(305,655)	(300,000)	5,655
Total Other Financing Sources (Uses)	<u>(230,000)</u>	<u>(305,655)</u>	<u>(300,000)</u>	<u>5,655</u>
Net Changes in Fund Balances	(991,187)	(991,187)	85,025	1,076,212
Fund Balance at Beginning of Year	3,284,784	3,284,784	3,284,784	
Fund Balance at End of Year	<u>\$ 2,293,597</u>	<u>\$ 2,293,597</u>	<u>\$ 3,369,809</u>	<u>\$ 1,076,212</u>

See accompanying notes to required supplementary information.

SAN PATRICIO COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

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 Commissioners 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 Commissioners Court.

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

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

There were supplementary appropriations made during the year after the 2016 budget was adopted. There were changes between line items that offset. These added appropriations resulted in an increase of \$407,926 due mainly to general administration and public safety costs.

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 2016. The basis of budgeting is the same as GAAP (General Accepted Accounting Principles).

Budgets for the 2016 year were adopted for the following nonmajor funds; 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, and the Permanent Improvement Debt Service Fund.

The County's major governmental funds with adopted budgets for the 2016 year were the General Fund and the Road and Bridge Fund. The latter fund is a special revenue fund.

SAN PATRICIO COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016
(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 Commissioners 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.

Excess of expenditure over appropriations did not occur in any of the budgeted funds, except for the Indigent Health Care fund in which expenditures of \$408,948 exceeded appropriations of \$400,000, a difference of \$8,948. Overall, the County had a positive variance.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Unfunded AAL (UAAL)(b-a)	Funded Ratio (b/a)	Covered Payroll (c) *	UAAL as a Percentage of Covered Payroll ((b- a)/c)
1/1/2012	\$0	\$ 1,591,092	\$ 1,591,092	0%	\$ 12,760,816	12.5%
1/1/2014	\$0	\$ 998,573	\$ 998,573	0%	\$ 12,906,176	7.7%
1/1/2016	\$0	\$ 1,259,619	\$ 1,259,619	0%	\$ 14,870,649	8.5%

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR SAN PATRICIO COUNTY**

	2014	2015
Total Pension Liability		
Service Cost	\$ 2,062,276	\$ 2,178,289
Interest on Total Pension Liability	6,243,146	6,613,259
Effect of plan changes	-	(402,630)
Effect of assumption changes or inputs	-	1,047,168
Effect of economic/demographic (gains) or losses	(227,931)	(979,724)
Refund of Contributions	-	(205,694)
Benefit payments/refunds of contributions	(3,902,350)	(3,653,252)
Net change in total pension liability	\$ 4,175,141	\$ 4,597,416
Total pension liability, beginning	77,977,999	82,153,140
Total pension liability, ending (a)	\$ 82,153,140	\$ 86,750,556
Fiduciary Net Position		
Employer contributions	\$ 1,790,572	\$ 1,882,512
Member contributions	1,154,147	1,236,172
Investment income net of investment expenses	5,063,645	(130,184)
Benefit payments/refunds of contributions	(3,902,350)	(3,653,252)
Administrative expenses	(59,093)	(56,377)
Refund of Contributions	-	(205,694)
Other	121,260	82,889
Net Change in fiduciary net position	\$ 4,168,181	\$ (843,934)
Fiduciary net position, beginning	74,617,098	78,785,279
Fiduciary net position, ending (b)	\$ 78,785,279	\$ 77,941,345
Net pension liability / (asset) , ending = (a) - (b)	\$ 3,367,861	\$ 8,809,211
Fiduciary net position as a % of total pension liability	95.90%	89.85%
Pensionable covered payroll	\$ 16,487,808	\$ 17,659,601
Net pension liability as a % of covered payroll	20.43%	49.88%

The County will continue to add data until ten years are presented.
GASB Statement No. 68 was implemented in fiscal year 2015 and prior year information is not available.

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SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR SAN PATRICIO COUNTY

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2006	\$ 837,458	\$ 837,458	\$ -	\$ 12,805,173	6.5%
2007	1,054,954	1,054,954	\$ -	13,612,306	7.8%
2008	1,132,641	1,132,641	\$ -	14,728,757	7.7%
2009	1,267,392	1,267,392	\$ -	16,227,813	7.8%
2010	1,582,482	1,582,482	\$ -	16,570,488	9.5%
2011	1,504,115	1,504,115	\$ -	16,331,332	9.2%
2012	1,523,430	1,523,430	\$ -	15,721,693	9.7%
2013	1,604,814	1,604,814	\$ -	15,699,285	10.2%
2014	1,790,572	1,790,572	\$ -	16,487,805	10.9%
2015	1,882,512	1,882,512	\$ -	17,659,601	10.7%

(1) Payroll is calculated based on contributions as reported to TCDRS.

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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, 2016**

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,177,771	\$ 609,285	\$ 4,436,844	\$ 10,223,900
Taxes Receivable		1,555,449		1,555,449
Intergovernmental Receivables	222,847		211,604	434,451
Other Receivables	43,795	3,275		47,070
Due From Other Funds	0		348,657	348,657
TOTAL ASSETS	<u>\$ 5,444,413</u>	<u>\$ 2,168,009</u>	<u>\$ 4,997,105</u>	<u>\$ 12,609,527</u>
LIABILITIES				
Accounts Payable	\$ 109,126		\$ 997,094	\$ 1,106,220
Intergovernmental Payables	1,165			1,165
Other Liabilities	79,841		1	79,842
Due To Other Funds	157,298		333,543	490,841
TOTAL LIABILITIES	<u>347,430</u>	<u>0</u>	<u>1,330,638</u>	<u>1,678,068</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues-Property Taxes	\$	\$ 100,812	\$	\$ 100,812
Deferred Revenues-Property Taxes		1,454,637		1,454,637
Advance Tax Collections		506,886		506,886
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>2,062,335</u>	<u>0</u>	<u>2,062,335</u>
FUND BALANCES				
Restricted	4,666,228	105,674	2,422,530	7,194,432
Committed	440,411			440,411
Assigned			1,375,443	1,375,443
Unassigned	(9,656)		(131,506)	(141,162)
TOTAL FUND BALANCES	<u>5,096,983</u>	<u>105,674</u>	<u>3,666,467</u>	<u>8,869,124</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,444,413</u>	<u>\$ 2,168,009</u>	<u>\$ 4,997,105</u>	<u>\$ 12,609,527</u>

**SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$	\$ 1,087,636	\$	\$ 1,087,636
Intergovernmental	1,318,367		1,399,580	2,717,947
Charges for Services	686,888			686,888
Fines & Forfeitures	98,372			98,372
Investment Income	33,317	2,472	20,376	56,165
Miscellaneous Revenue	438,088	0	30,314	468,402
Total Revenues	<u>2,575,032</u>	<u>1,090,108</u>	<u>1,450,270</u>	<u>5,115,410</u>
EXPENDITURES				
Current				
General Administration	343,113			343,113
Judicial	1,326,753			1,326,753
Legal	167,037			167,037
Elections	2,197			2,197
Public Facilities			2,239,377	2,239,377
Public Safety	227,753			227,753
Public Transportation	508,883		1,605,060	2,113,943
Health & Welfare	1,398,572			1,398,572
Debt Service		1,125,125		1,125,125
Total Expenditures	<u>3,974,308</u>	<u>1,125,125</u>	<u>3,844,437</u>	<u>8,943,870</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,399,276)</u>	<u>(35,017)</u>	<u>(2,394,167)</u>	<u>(3,828,460)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds QECBs - Capital Lease		0	3,185,555	3,185,555
Transfers In	1,622,294	0	1,414,999	3,037,293
Transfers Out	0	0	(159,625)	(159,625)
Total Other Financing Sources (Uses)	<u>1,622,294</u>	<u>0</u>	<u>4,440,929</u>	<u>6,063,223</u>
Net Changes in Fund Balances	223,018	(35,017)	2,046,762	2,234,763
Fund Balances at Beginning of Year	<u>4,873,965</u>	<u>140,691</u>	<u>1,619,705</u>	<u>6,634,361</u>
Fund Balances at End of Year	<u>\$ 5,096,983</u>	<u>\$ 105,674</u>	<u>\$ 3,666,467</u>	<u>\$ 8,869,124</u>

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

Non-Major 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 Fund 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 Voter Registration 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 Election Services Fund accounts for funds used for election services.
22. The County Attorney Check Fee Fund is used to account for "hot check" charges received by the County Attorney.
23. The District Attorney Check Fee Fund is used to account for "hot check" charges received by the District Attorney.
24. The Jail Commissary Fund is used to account for jail commissary profits.

**NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
(Continued)**

- 25. The Emergency Food and Shelter Program (EFSP) Fund accounts for Federal Grants used to provide emergency food and shelter to low income families.
- 26. The Clerk Contingency Fund accounts for certain County and District Clerk fees and other monies to be used for contingency costs.
- 27. 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, 2016

	<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	\$ 189,093	\$ 432,695	\$ 552,093	\$ 797,273
Receivables				
Intergovernmental Receivable			1,266	7,972
Other Receivables				
TOTAL ASSETS	\$ <u>189,093</u>	\$ <u>432,695</u>	\$ <u>553,359</u>	\$ <u>805,245</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$	\$ 40	\$ 309	\$ 451
Intergovernmental Payable				
Other Liabilities	79,706			
Due to Other Funds				
Total Liabilities	<u>79,706</u>	<u>40</u>	<u>309</u>	<u>451</u>
Fund Balances - (Deficits)				
Restricted		432,655	553,050	804,794
Committed	109,387			
Unassigned				
Total Fund Balances	<u>109,387</u>	<u>432,655</u>	<u>553,050</u>	<u>804,794</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>189,093</u>	\$ <u>432,695</u>	\$ <u>553,359</u>	\$ <u>805,245</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>
\$	\$ 40,641	\$ 11,088	\$ 18,978	\$ 250,084	\$ 115,155	\$ 269,788
147,882	8,347	5		833	272	
<u>\$ 147,882</u>	<u>\$ 48,988</u>	<u>\$ 11,093</u>	<u>\$ 18,978</u>	<u>\$ 250,917</u>	<u>\$ 115,427</u>	<u>\$ 269,788</u>
\$ 2,789	\$ 4,372	\$ 10,958	\$ 5,818	\$	\$ 4,821	\$
		135	1,165			
128,013						
<u>130,802</u>	<u>4,372</u>	<u>11,093</u>	<u>6,983</u>	<u>0</u>	<u>4,821</u>	<u>0</u>
17,080	44,616		11,995	250,917	110,606	269,788
<u>17,080</u>	<u>44,616</u>	<u>0</u>	<u>11,995</u>	<u>250,917</u>	<u>110,606</u>	<u>269,788</u>
<u>\$ 147,882</u>	<u>\$ 48,988</u>	<u>\$ 11,093</u>	<u>\$ 18,978</u>	<u>\$ 250,917</u>	<u>\$ 115,427</u>	<u>\$ 269,788</u>

SAN PATRICIO COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016
 (Continued)

	LAW LIBRARY	DISTRICT ATTORNEY FORFEITURE FUND	AIRPORT FUND	SHERIFF FORFEITURE FUND
ASSETS				
Cash and Cash Equivalents	\$ 49,755	\$	\$ 699,938	\$ 487,431
Receivables				
Intergovernmental Receivable				
Other Receivables	1,071		17,055	
TOTAL ASSETS	\$ 50,826	\$ 0	\$ 716,993	\$ 487,431
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 9,265	\$ 66	\$ 66,473	\$
Intergovernmental Payable				
Other Liabilities				
Due to Other Funds		9,590		
Total Liabilities	9,265	9,656	66,473	0
Fund Balances - (Deficits)				
Restricted	41,561		650,520	487,431
Committed				
Unassigned		(9,656)		
Total Fund Balances	41,561	(9,656)	650,520	487,431
TOTAL LIABILITIES AND FUND BALANCES	\$ 50,826	\$ 0	\$ 716,993	\$ 487,431

(Continued)

<u>TEXAS DEPT. OF HEALTH GRANTS</u>	<u>VOTER REGISTRATION FUND</u>	<u>ELECTION SERVICES</u>	<u>COUNTY ATTORNEY CHECK FEE FUND</u>	<u>DISTRICT ATTORNEY CHECK FEE FUND</u>
\$	\$ 25,029	\$ 334,139	\$ 18,257	\$ 7,947
66,618 323			75	
<u>\$ 66,941</u>	<u>\$ 25,029</u>	<u>\$ 334,139</u>	<u>\$ 18,332</u>	<u>\$ 7,947</u>
\$ 3,517	\$	\$	\$	\$
19,695				
<u>23,212</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
43,729	25,029	334,139	18,332	7,947
<u>43,729</u>	<u>25,029</u>	<u>334,139</u>	<u>18,332</u>	<u>7,947</u>
<u>\$ 66,941</u>	<u>\$ 25,029</u>	<u>\$ 334,139</u>	<u>\$ 18,332</u>	<u>\$ 7,947</u>

SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016
 (Continued)

	CHILD ABUSE PREVENTION FUND	COUNTY ATTY PRETRIAL INTERVENTION	JAIL COMMISSARY FUND	COMMUNI- CATIONS SYSTEM FUND
ASSETS				
Cash and Cash Equivalents	\$ 4,914	\$ 256,732	\$ 158,191	\$ 202,032
Receivables				
Intergovernmental Receivable				
Other Receivables	9	3,148		11,655
TOTAL ASSETS	\$ 4,923	\$ 259,880	\$ 158,191	\$ 213,687
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$	\$ 164	\$	\$ 83
Intergovernmental Payable				
Other Liabilities				
Due to Other Funds				
Total Liabilities	0	164	0	83
Fund Balances - (Deficits)				
Restricted	4,923	259,716	158,191	
Committed				213,604
Unassigned				
Total Fund Balances	4,923	259,716	158,191	213,604
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,923	\$ 259,880	\$ 158,191	\$ 213,687

<u>DISTRICT ATTORNEY FEDERAL FORFEITURE</u>	<u>EFSP GRANT</u>	<u>CLERKS CONTINGENCY FUND</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
\$ 55,270	\$ 16,656	\$ 184,592	\$ 5,177,771
		111	222,847
			43,795
<u>\$ 55,270</u>	<u>\$ 16,656</u>	<u>\$ 184,703</u>	<u>\$ 5,444,413</u>
\$	\$	\$	\$ 109,126
			1,165
			79,841
			157,298
<u>0</u>	<u>0</u>	<u>0</u>	<u>347,430</u>
55,270	16,656	184,703	4,666,228
			440,411
			(9,656)
<u>55,270</u>	<u>16,656</u>	<u>184,703</u>	<u>5,096,983</u>
<u>\$ 55,270</u>	<u>\$ 16,656</u>	<u>\$ 184,703</u>	<u>\$ 5,444,413</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, 2016**

	<u>INDIGENT HEALTH CARE FUND</u>	<u>SHERIFF STATE FORFEITURE FUND</u>	<u>COURTHOUSE SECURITY FUND</u>	<u>RECORDS MANAGEMENT FUND</u>
REVENUES				
Intergovernmental	\$	\$	\$	\$
Charges for Services			41,809	257,596
Fines & Forfeitures		48,148		
Investment Income	1,383	2,542	3,508	6,067
Miscellaneous	<u>179</u>	<u>45</u>	<u></u>	<u>1,596</u>
Total Revenues	<u>1,562</u>	<u>50,735</u>	<u>45,317</u>	<u>265,259</u>
EXPENDITURES				
General Administration				343,113
Judicial				36,352
Legal				
Elections				
Public Safety		4,765	74,017	
Public Transportation				
Health & Welfare	<u>408,948</u>	<u></u>	<u></u>	<u></u>
Total Expenditures	<u>408,948</u>	<u>4,765</u>	<u>74,017</u>	<u>379,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(407,386)</u>	<u>45,970</u>	<u>(28,700)</u>	<u>(114,206)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	400,000			
Transfers Out	<u></u>	<u></u>	<u></u>	<u></u>
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(7,386)	45,970	(28,700)	(114,206)
Fund Balances (Deficits) at Beginning of Year	<u>116,773</u>	<u>386,685</u>	<u>581,750</u>	<u>919,000</u>
Fund Balances (Deficits) at End of Year	\$ <u><u>109,387</u></u>	\$ <u><u>432,655</u></u>	\$ <u><u>553,050</u></u>	\$ <u><u>804,794</u></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>
\$ 581,223	\$ 316,228	\$ 11,208 2,028	\$ 52,800	\$ 29,795	\$ 13,856	\$ 0
0	1,045 340	398 0	262 0	1,491	364	1,692
<u>581,223</u>	<u>317,613</u>	<u>13,634</u>	<u>53,062</u>	<u>31,286</u>	<u>14,220</u>	<u>1,692</u>
	623,854	496,779		8,325	8,387	
			96,975			4,138
<u>589,665</u>						
<u>589,665</u>	<u>623,854</u>	<u>496,779</u>	<u>96,975</u>	<u>8,325</u>	<u>8,387</u>	<u>4,138</u>
<u>(8,442)</u>	<u>(306,241)</u>	<u>(483,145)</u>	<u>(43,913)</u>	<u>22,961</u>	<u>5,833</u>	<u>(2,446)</u>
	304,695	474,399	43,200			
<u>0</u>	<u>304,695</u>	<u>474,399</u>	<u>43,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(8,442)</u>	<u>(1,546)</u>	<u>(8,746)</u>	<u>(713)</u>	<u>22,961</u>	<u>5,833</u>	<u>(2,446)</u>
<u>25,522</u>	<u>46,162</u>	<u>8,746</u>	<u>12,708</u>	<u>227,956</u>	<u>104,773</u>	<u>272,234</u>
\$ <u><u>17,080</u></u>	\$ <u><u>44,616</u></u>	\$ <u><u>0</u></u>	\$ <u><u>11,995</u></u>	\$ <u><u>250,917</u></u>	\$ <u><u>110,606</u></u>	\$ <u><u>269,788</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, 2016**

(Continued)

	<u>LAW LIBRARY</u>	<u>DISTRICT ATTORNEY FORFEITURE FUND</u>	<u>AIRPORT FUND</u>	<u>SHERIFF FORFEITURE FUND</u>
REVENUES				
Intergovernmental	\$	\$ 4,260	\$	\$
Charges for Services	54,436			
Fines & Forfeitures		22,214		28,010
Investment Income	303	116	3,636	2,951
Miscellaneous		0	372,516	
	<u>54,739</u>	<u>26,590</u>	<u>376,152</u>	<u>30,961</u>
Total Revenues				
EXPENDITURES				
General Administration				
Judicial	55,803	97,253		
Legal				
Elections				
Public Safety				
Public Transportation			508,883	
Health & Welfare				
	<u>55,803</u>	<u>97,253</u>	<u>508,883</u>	<u>0</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,064)</u>	<u>(70,663)</u>	<u>(132,731)</u>	<u>30,961</u>
OTHER FINANCING SOURCES (USES):				
Transfers In			400,000	
Transfers Out				
	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>0</u>
Total Other Financing Sources (Uses)				
Net Changes in Fund Balances	(1,064)	(70,663)	267,269	30,961
Fund Balances (Deficits) at Beginning of Year	<u>42,625</u>	<u>61,007</u>	<u>383,251</u>	<u>456,470</u>
Fund Balances (Deficits) at End of Year	<u>\$ 41,561</u>	<u>\$ (9,656)</u>	<u>\$ 650,520</u>	<u>\$ 487,431</u>

(Continued)

TEXAS DEPT. OF HEALTH GRANTS	VOTER REGISTRATION FUND	ELECTION SERVICES	COUNTY ATTORNEY CHECK FEE FUND	DISTRICT ATTORNEY CHECK FEE FUND
\$ 345,260 49,816	\$ 5,208	\$ 38,356	\$ 4,392	\$ 300
	144	1,927 14,924		49
<u>395,076</u>	<u>5,352</u>	<u>55,207</u>	<u>4,392</u>	<u>349</u>
	2,197		27,058	
<u>399,959</u>				
<u>399,959</u>	<u>2,197</u>	<u>0</u>	<u>27,058</u>	<u>0</u>
<u>(4,883)</u>	<u>3,155</u>	<u>55,207</u>	<u>(22,666)</u>	<u>349</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(4,883)</u>	<u>3,155</u>	<u>55,207</u>	<u>(22,666)</u>	<u>349</u>
<u>48,612</u>	<u>21,874</u>	<u>278,932</u>	<u>40,998</u>	<u>7,598</u>
\$ <u>43,729</u>	\$ <u>25,029</u>	\$ <u>334,139</u>	\$ <u>18,332</u>	\$ <u>7,947</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, 2016**

(Continued)

	<u>CHILD ABUSE PREVENTION FUND</u>	<u>COUNTY ATTY PRETRIAL INTERVENTION</u>	<u>JAIL COMMISSARY FUND</u>	<u>COMMUNI- CATIONS SYSTEM FUND</u>
REVENUES				
Intergovernmental	\$	\$ 2,180	\$	\$
Charges for Services	703	109,649		79,000
Fines & Forfeitures		1,808	921	1,122
Investment Income			43,309	5,179
Miscellaneous				
	<u>703</u>	<u>113,637</u>	<u>44,230</u>	<u>85,301</u>
Total Revenues				
	<u>703</u>	<u>113,637</u>	<u>44,230</u>	<u>85,301</u>
EXPENDITURES				
General Administration				
Judicial				
Legal		139,979		
Elections				
Public Safety			18,095	29,763
Public Transportation				
Health & Welfare				
	<u>0</u>	<u>139,979</u>	<u>18,095</u>	<u>29,763</u>
Total Expenditures				
	<u>0</u>	<u>139,979</u>	<u>18,095</u>	<u>29,763</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>703</u>	<u>(26,342)</u>	<u>26,135</u>	<u>55,538</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out				
	<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	703	(26,342)	26,135	55,538
Fund Balances (Deficits) at Beginning of Year	<u>4,220</u>	<u>286,058</u>	<u>132,056</u>	<u>158,066</u>
Fund Balances (Deficits) at End of Year	<u>\$ 4,923</u>	<u>\$ 259,716</u>	<u>\$ 158,191</u>	<u>\$ 213,604</u>

<u>DISTRICT ATTORNEY FEDERAL FORFEITURE</u>	<u>EFSP GRANT</u>	<u>CLERKS CONTINGENCY FUND</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
\$	\$	\$	\$
		5,152	1,318,367
			686,888
			98,372
345	104	1,139	33,317
			438,088
<u>345</u>	<u>104</u>	<u>6,291</u>	<u>2,575,032</u>
			343,113
			1,326,753
			167,037
			2,197
			227,753
			508,883
			1,398,572
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,974,308</u>
<u>345</u>	<u>104</u>	<u>6,291</u>	<u>(1,399,276)</u>
			1,622,294
			0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,622,294</u>
345	104	6,291	223,018
<u>54,925</u>	<u>16,552</u>	<u>178,412</u>	<u>4,873,965</u>
\$ <u>55,270</u>	\$ <u>16,656</u>	\$ <u>184,703</u>	\$ <u>5,096,983</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
INDIGENT HEALTH CARE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Investment Income	\$	\$	\$ 1,383	\$ 1,383
Miscellaneous Revenue			179	179
Total Revenues	<u>0</u>	<u>0</u>	<u>1,562</u>	<u>1,562</u>
EXPENDITURES				
Health & Welfare	400,000	400,000	408,948	(8,948)
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>408,948</u>	<u>(8,948)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(400,000)</u>	<u>(400,000)</u>	<u>(407,386)</u>	<u>(7,386)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	400,000	400,000	400,000	0
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	0	0	(7,386)	(7,386)
Fund Balance at Beginning of Year	<u>116,773</u>	<u>116,773</u>	<u>116,773</u>	
Fund Balance at End of Year	<u>\$ 116,773</u>	<u>\$ 116,773</u>	<u>\$ 109,387</u>	<u>\$ (7,386)</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
SHERIFF'S STATE FORFEITURE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$	\$	\$	\$ 0
Fines & Forfeitures			48,148	48,148
Investment Income			2,542	2,542
Miscellaneous Revenue			45	45
Total Revenues	<u>0</u>	<u>0</u>	<u>50,735</u>	<u>50,735</u>
EXPENDITURES				
Public Safety	<u>156,000</u>	<u>156,000</u>	<u>4,765</u>	<u>151,235</u>
Total Expenditures	<u>156,000</u>	<u>156,000</u>	<u>4,765</u>	<u>151,235</u>
Net Changes in Fund Balances	(156,000)	(156,000)	45,970	201,970
Fund Balance at Beginning of Year	<u>386,685</u>	<u>386,685</u>	<u>386,685</u>	
Fund Balance at End of Year	<u>\$ 230,685</u>	<u>\$ 230,685</u>	<u>\$ 432,655</u>	<u>\$ 201,970</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
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	\$ 46,000	\$ 46,000	\$ 41,809	\$ (4,191)
Investment Income	<u>400</u>	<u>400</u>	<u>3,508</u>	<u>3,108</u>
Total Revenues	<u>46,400</u>	<u>46,400</u>	<u>45,317</u>	<u>(1,083)</u>
EXPENDITURES				
Public Safety	<u>151,051</u>	<u>151,051</u>	<u>74,017</u>	<u>77,034</u>
Total Expenditures	<u>151,051</u>	<u>151,051</u>	<u>74,017</u>	<u>77,034</u>
Net Changes in Fund Balances	(104,651)	(104,651)	(28,700)	75,951
Fund Balance at Beginning of Year	<u>581,750</u>	<u>581,750</u>	<u>581,750</u>	
Fund Balance at End of Year	\$ <u><u>477,099</u></u>	\$ <u><u>477,099</u></u>	\$ <u><u>553,050</u></u>	\$ <u><u>75,951</u></u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
RECORDS MANAGEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 225,300	\$ 225,300	\$ 257,596	\$ 32,296
Investment Income	700	700	6,067	5,367
Miscellaneous Revenue			1,596	1,596
Total Revenues	<u>226,000</u>	<u>226,000</u>	<u>265,259</u>	<u>39,259</u>
EXPENDITURES				
General Administration	674,476	674,476	343,113	331,363
Judicial	103,920	103,920	36,352	67,568
Total Expenditures	<u>778,396</u>	<u>778,396</u>	<u>379,465</u>	<u>398,931</u>
Excess (Deficiency) of Revenues				
Net Changes in Fund Balances	<u>(552,396)</u>	<u>(552,396)</u>	<u>(114,206)</u>	<u>438,190</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	(552,396)	(552,396)	(114,206)	438,190
Fund Balance at Beginning of Year	<u>919,000</u>	<u>919,000</u>	<u>919,000</u>	
Fund Balance at End of Year	<u>\$ 366,604</u>	<u>\$ 366,604</u>	<u>\$ 804,794</u>	<u>\$ 438,190</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
WIC FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Intergovernmental	\$ 616,755	\$ 616,755	\$ 581,223	\$ (35,532)
Investment Income				0
Miscellaneous Revenue				0
Total Revenues	<u>616,755</u>	<u>616,755</u>	<u>581,223</u>	<u>(35,532)</u>
EXPENDITURES				
Health & Welfare	<u>616,755</u>	<u>616,755</u>	<u>589,665</u>	<u>27,090</u>
Total Expenditures	<u>616,755</u>	<u>616,755</u>	<u>589,665</u>	<u>27,090</u>
Net Changes in Fund Balances	0	0	(8,442)	(8,442)
Fund Balance at Beginning of Year	<u>25,522</u>	<u>25,522</u>	<u>25,522</u>	
Fund Balance at End of Year	<u>\$ 25,522</u>	<u>\$ 25,522</u>	<u>\$ 17,080</u>	<u>\$ (8,442)</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
DISTRICT COURTS OPERATING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 316,228	\$ 316,228	\$ 316,228	\$ 0
Investment Income	100	100	1,045	945
Miscellaneous Revenue			340	340
Total Revenues	<u>316,328</u>	<u>316,328</u>	<u>317,613</u>	<u>1,285</u>
EXPENDITURES				
Judicial	<u>659,470</u>	<u>659,470</u>	<u>623,854</u>	<u>35,616</u>
Total Expenditures	<u>659,470</u>	<u>659,470</u>	<u>623,854</u>	<u>35,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(343,142)</u>	<u>(343,142)</u>	<u>(306,241)</u>	<u>36,901</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>304,695</u>	<u>304,695</u>	<u>304,695</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>304,695</u>	<u>304,695</u>	<u>304,695</u>	<u>0</u>
Net Changes in Fund Balances	(38,447)	(38,447)	(1,546)	36,901
Fund Balance at Beginning of Year	<u>46,162</u>	<u>46,162</u>	<u>46,162</u>	
Fund Balance at End of Year	<u>\$ 7,715</u>	<u>\$ 7,715</u>	<u>\$ 44,616</u>	<u>\$ 36,901</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
DISTRICT ATTORNEY OPERATING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 11,100	\$ 11,100	\$ 11,208	\$ 108
Charges for Services	2,000	2,000	2,028	28
Investment Income	50	50	398	348
Miscellaneous Revenue	<u> </u>	<u> </u>	<u>0</u>	<u>0</u>
Total Revenues	<u>13,150</u>	<u>13,150</u>	<u>13,634</u>	<u>484</u>
EXPENDITURES				
Judicial	<u>526,325</u>	<u>526,325</u>	<u>496,779</u>	<u>29,546</u>
Total Expenditures	<u>526,325</u>	<u>526,325</u>	<u>496,779</u>	<u>29,546</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(513,175)</u>	<u>(513,175)</u>	<u>(483,145)</u>	<u>30,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>520,000</u>	<u>520,000</u>	<u>474,399</u>	<u>(45,601)</u>
Total Other Financing Sources (Uses)	<u>520,000</u>	<u>520,000</u>	<u>474,399</u>	<u>(45,601)</u>
Net Changes in Fund Balances	6,825	6,825	(8,746)	(15,571)
Fund Balance at Beginning of Year	<u>8,746</u>	<u>8,746</u>	<u>8,746</u>	<u> </u>
Fund Balance at End of Year	\$ <u>15,571</u>	\$ <u>15,571</u>	\$ <u>0</u>	\$ <u>(15,571)</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
INTOXILIZER PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 52,800	\$ 52,800	\$ 52,800	\$ 0
Investment Income	10	10	262	252
Miscellaneous Revenue				0
Total Revenues	<u>52,810</u>	<u>52,810</u>	<u>53,062</u>	<u>252</u>
EXPENDITURES				
Public Safety	<u>101,185</u>	<u>101,185</u>	<u>96,975</u>	<u>4,210</u>
Total Expenditures	<u>101,185</u>	<u>101,185</u>	<u>96,975</u>	<u>4,210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(48,375)</u>	<u>(48,375)</u>	<u>(43,913)</u>	<u>4,462</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>	<u>0</u>
Net Changes in Fund Balances	(5,175)	(5,175)	(713)	4,462
Fund Balance at Beginning of Year	<u>12,708</u>	<u>12,708</u>	<u>12,708</u>	
Fund Balance at End of Year	<u>\$ 7,533</u>	<u>\$ 7,533</u>	<u>\$ 11,995</u>	<u>4,462</u>

**SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
JUSTICE COURT TECHNOLOGY FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 31,900	\$ 31,900	\$ 29,795	\$ (2,105)
Investment Income	<u>200</u>	<u>200</u>	<u>1,491</u>	<u>1,291</u>
Total Revenues	<u>32,100</u>	<u>32,100</u>	<u>31,286</u>	<u>(814)</u>
EXPENDITURES				
Judicial	<u>42,729</u>	<u>42,729</u>	<u>8,325</u>	<u>34,404</u>
Total Expenditures	<u>42,729</u>	<u>42,729</u>	<u>8,325</u>	<u>34,404</u>
Net Changes in Fund Balances	(10,629)	(10,629)	22,961	33,590
Fund Balance at Beginning of Year	<u>227,956</u>	<u>227,956</u>	<u>227,956</u>	<u>227,956</u>
Fund Balance at End of Year	\$ <u>217,327</u>	\$ <u>217,327</u>	\$ <u>250,917</u>	\$ <u>33,590</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
COURT REPORTER SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 14,000	\$ 14,000	\$ 13,856	\$ (144)
Investment Income	<u>50</u>	<u>50</u>	<u>364</u>	<u>314</u>
Total Revenues	<u>14,050</u>	<u>14,050</u>	<u>14,220</u>	<u>170</u>
EXPENDITURES				
Judicial	<u>76,000</u>	<u>76,000</u>	<u>8,387</u>	<u>67,613</u>
Total Expenditures	<u>76,000</u>	<u>76,000</u>	<u>8,387</u>	<u>67,613</u>
Net Changes in Fund Balances	(61,950)	(61,950)	5,833	67,783
Fund Balance at Beginning of Year	<u>104,773</u>	<u>104,773</u>	<u>104,773</u>	<u> </u>
Fund Balance at End of Year	\$ <u>42,823</u>	\$ <u>42,823</u>	\$ <u>110,606</u>	\$ <u>67,783</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
CB COG GRANT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$	\$	\$	\$ 0
Investment Income	50	50	1,692	1,642
Total Revenues	50	50	1,692	1,642
EXPENDITURES				
Public Safety	257,984	257,984	4,138	253,846
Total Expenditures	257,984	257,984	4,138	253,846
Excess (Deficiency) of Revenues Over Expenditures	(257,934)	(257,934)	(2,446)	255,488
OTHER FINANCING SOURCES (USES)				
Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	(257,934)	(257,934)	(2,446)	255,488
Fund Balance at Beginning of Year	272,234	272,234	272,234	
Fund Balance at End of Year	\$ 14,300	\$ 14,300	\$ 269,788	\$ 255,488

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
LAW LIBRARY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 57,000	\$ 57,000	\$ 54,436	\$ (2,564)
Investment Income	5	5	303	298
Total Revenues	<u>57,005</u>	<u>57,005</u>	<u>54,739</u>	<u>(2,266)</u>
EXPENDITURES				
Judicial	<u>68,309</u>	<u>68,309</u>	<u>55,803</u>	<u>12,506</u>
Total Expenditures	<u>68,309</u>	<u>68,309</u>	<u>55,803</u>	<u>12,506</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,304)</u>	<u>(11,304)</u>	<u>(1,064)</u>	<u>10,240</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>
Excess (Deficiency) of Revenues and Other Sources over Net Changes in Fund Balances	<u>(11,304)</u>	<u>(11,304)</u>	<u>(1,064)</u>	<u>10,240</u>
Fund Balance at Beginning of Year	<u>42,625</u>	<u>42,625</u>	<u>42,625</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,321</u>	<u>\$ 31,321</u>	<u>\$ 41,561</u>	<u>\$ 10,240</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
DISTRICT ATTORNEY FORFEITURE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 1,920	\$ 1,920	\$ 4,260	\$ 2,340
Fines & Forfeitures	15,000	15,000	22,214	7,214
Investment Income	130	130	116	(14)
Miscellaneous Revenue	50	50	0	(50)
Total Revenues	<u>17,100</u>	<u>17,100</u>	<u>26,590</u>	<u>9,490</u>
EXPENDITURES				
Judicial	152,040	152,040	97,253	54,787
Total Expenditures	<u>152,040</u>	<u>152,040</u>	<u>97,253</u>	<u>54,787</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(134,940)</u>	<u>(134,940)</u>	<u>(70,663)</u>	<u>64,277</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				0
Transfers Out	(35,182)	(35,182)		35,182
Total Other Financing Sources (Uses)	<u>(35,182)</u>	<u>(35,182)</u>	<u>0</u>	<u>35,182</u>
Net Changes in Fund Balances	(170,122)	(170,122)	(70,663)	99,459
Fund Balance at Beginning of Year	61,007	61,007	61,007	
Fund Balance at End of Year	<u>\$ (109,115)</u>	<u>\$ (109,115)</u>	<u>\$ (9,656)</u>	<u>\$ 99,459</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
AIRPORT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$	\$	\$	\$ 0
Investment Income	50	50	3,636	3,586
Miscellaneous Revenue	<u>675,000</u>	<u>675,000</u>	<u>372,516</u>	<u>(302,484)</u>
Total Revenues	<u>675,050</u>	<u>675,050</u>	<u>376,152</u>	<u>(298,898)</u>
EXPENDITURES				
Public Transportation	<u>1,101,962</u>	<u>1,101,962</u>	<u>508,883</u>	<u>593,079</u>
Total Expenditures	<u>1,101,962</u>	<u>1,101,962</u>	<u>508,883</u>	<u>593,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(426,912)</u>	<u>(426,912)</u>	<u>(132,731)</u>	<u>294,181</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Changes in Fund Balances	(26,912)	(26,912)	267,269	294,181
Fund Balance at Beginning of Year	<u>383,251</u>	<u>383,251</u>	<u>383,251</u>	<u></u>
Fund Balance at End of Year	\$ <u>356,339</u>	\$ <u>356,339</u>	\$ <u>650,520</u>	\$ <u>294,181</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
COMMUNICATIONS SYSTEM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 80,000	\$ 80,000	\$ 79,000	\$ (1,000)
Investment Income	50	50	1,122	1,072
Miscellaneous Revenue			5,179	5,179
Total Revenues	<u>80,050</u>	<u>80,050</u>	<u>85,301</u>	<u>5,251</u>
EXPENDITURES				
Public Safety	<u>250,000</u>	<u>250,000</u>	<u>29,763</u>	<u>220,237</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>29,763</u>	<u>220,237</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(169,950)</u>	<u>(169,950)</u>	<u>55,538</u>	<u>225,488</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				<u>0</u>
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>(169,950)</u>	<u>(169,950)</u>	<u>55,538</u>	<u>225,488</u>
Fund Balance at Beginning of Year	<u>158,066</u>	<u>158,066</u>	<u>158,066</u>	
Fund Balance at End of Year	<u><u>\$ (11,884)</u></u>	<u><u>\$ (11,884)</u></u>	<u><u>\$ 213,604</u></u>	<u><u>\$ 225,488</u></u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
ELECTION SERVICES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Charges for Services	\$ 18,000	\$ 18,000	\$ 38,356	\$ 20,356
Investment Income	200	200	1,927	1,727
Miscellaneous Revenue	15,000	15,000	14,924	(76)
Total Revenues	<u>33,200</u>	<u>33,200</u>	<u>55,207</u>	<u>22,007</u>
EXPENDITURES				
Elections	305,000	305,000		305,000
Total Expenditures	<u>305,000</u>	<u>305,000</u>	<u>0</u>	<u>305,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(271,800)</u>	<u>(271,800)</u>	<u>55,207</u>	<u>327,007</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>(271,800)</u>	<u>(271,800)</u>	<u>55,207</u>	<u>327,007</u>
Fund Balance at Beginning of Year	<u>278,932</u>	<u>278,932</u>	<u>278,932</u>	
Fund Balance at End of Year	<u><u>\$ 7,132</u></u>	<u><u>\$ 7,132</u></u>	<u><u>\$ 334,139</u></u>	<u><u>327,007</u></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 on the bonded debt and other appropriate debt of the County.

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**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2016**

	<u>PERMANENT IMPROVEMENT DEBT SERVICE</u>		<u>TOTAL NONMAJOR DEBT SERVICE FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 609,285	\$	609,285
Taxes Receivable	1,555,449		1,555,449
Other Receivables	3,275		3,275
	<u>2,168,009</u>		<u>2,168,009</u>
TOTAL ASSETS	\$ 2,168,009	\$	2,168,009
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues-Property Taxes	\$ 100,812	\$	100,812
Deferred Revenues-Property Taxes	1,454,637		1,454,637
Advance Tax Collections	506,886		506,886
	<u>2,062,335</u>		<u>2,062,335</u>
Total Deferred Inflows of Resources	2,062,335		2,062,335
FUND BALANCES			
Restricted	<u>105,674</u>		<u>105,674</u>
Total Fund Balances (Deficits)	105,674		105,674
TOTAL DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,168,009	\$	2,168,009

**SAN PATRICIO COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>PERMANENT IMPROVEMENT DEBT SERVICE</u>	<u>TOTAL NONMAJOR DEBT SERVICE FUNDS</u>
REVENUES		
Taxes	\$ 1,087,636	\$ 1,087,636
Investment Income	2,472	2,472
Miscellaneous Revenues	0	0
Total Revenues	<u>1,090,108</u>	<u>1,090,108</u>
EXPENDITURES		
Debt Service	<u>1,125,125</u>	<u>1,125,125</u>
Total Expenditures	<u>1,125,125</u>	<u>1,125,125</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(35,017)</u>	<u>(35,017)</u>
OTHER FINANCING SOURCES (USES)		
Bonds Issued	0	0
Bond Premium	0	0
Payment to Refunding Escrow Agent	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures		
Net Changes in Fund Balances	(35,017)	(35,017)
Fund Balances at Beginning of Year	<u>140,691</u>	<u>140,691</u>
Fund Balances (Deficits) at End of Year	<u>\$ 105,674</u>	<u>\$ 105,674</u>

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
PERMANENT IMPROVEMENT DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes	\$ 1,099,737	\$ 1,099,737	\$ 1,087,636	\$ (12,101)
Investment Income	800	800	2,472	1,672
Miscellaneous Revenues			0	0
Total Revenues	<u>1,100,537</u>	<u>1,100,537</u>	<u>1,090,108</u>	<u>(10,429)</u>
EXPENDITURES				
Debt Service	<u>1,128,926</u>	<u>1,128,926</u>	<u>1,125,125</u>	<u>3,801</u>
Total Expenditures	<u>1,128,926</u>	<u>1,128,926</u>	<u>1,125,125</u>	<u>3,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,389)</u>	<u>(28,389)</u>	<u>(35,017)</u>	<u>(6,628)</u>
Fund Balance at Beginning of Year	<u>140,691</u>	<u>140,691</u>	<u>140,691</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 112,302</u>	<u>\$ 112,302</u>	<u>\$ 105,674</u>	<u>\$ (6,628)</u>

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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 Fund is used to account for certain monies used for major building construction and improvements and other costs.
2. The Energy Conservation Project Fund accounts for funds used for energy conservation equipment for the County's buildings.
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.
6. The CTIF (County Transportation Infrastructure Fund) Grant Fund accounts for State (on a reimbursement basis) and other funds that are used for major road repairs and improvements.

**SAN PATRICIO COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016**

	<u>CAPITAL IMPROVEMENTS</u>	<u>RIGHT-OF-WAY</u>	<u>ENERGY CONSERVATION PROJECT</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,217,001	\$ 590,873	\$ 2,604,344
Intergovernmental Receivables Due from Other Funds	<u>300,000</u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>1,517,001</u>	\$ <u>590,873</u>	\$ <u>2,604,344</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 8,717	\$ 403	\$ 987,974
Other Liabilities Due to Other Funds	<u>48,657</u>	<u> </u>	<u> </u>
Total Liabilities	<u>57,374</u>	<u>403</u>	<u>987,974</u>
Fund Balances -			
Restricted	806,160		1,616,370
Assigned	784,973	590,470	
Unassigned	<u>(131,506)</u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,459,627</u>	<u>590,470</u>	<u>1,616,370</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,517,001</u>	\$ <u>590,873</u>	\$ <u>2,604,344</u>

<u>COMMUNITY DEVELOPMENT</u>	<u>CIAP</u>	<u>CTIF GRANT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
\$ 76,836	\$ 24,626	\$ 134,768	\$ 4,436,844
		48,657	211,604
<u>76,836</u>	<u>24,626</u>	<u>183,425</u>	<u>348,657</u>
\$ <u>76,836</u>	\$ <u>24,626</u>	\$ <u>183,425</u>	\$ <u>4,997,105</u>
\$ 1			\$ 997,094
<u>76,835</u>	<u>24,626</u>	<u>183,425</u>	<u>333,543</u>
<u>76,836</u>	<u>24,626</u>	<u>183,425</u>	<u>1,330,638</u>
			2,422,530
			1,375,443
			(131,506)
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,666,467</u>
\$ <u>76,836</u>	\$ <u>24,626</u>	\$ <u>183,425</u>	\$ <u>4,997,105</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, 2016**

	<u>CAPITAL IMPROVEMENTS</u>	<u>RIGHT-OF-WAY</u>	<u>ENERGY CONSERVATION PROJECT</u>
REVENUES			
Intergovernmental	\$	\$	\$
Investment Income	8,241	3,364	8,771
Miscellaneous Revenue	<u>25,743</u>	<u>4,571</u>	<u> </u>
Total Revenues	<u>33,984</u>	<u>7,935</u>	<u>8,771</u>
EXPENDITURES			
Current			
Public Facilities	384,890		1,577,956
Public Transportation	<u>304,815</u>	<u>61,129</u>	<u> </u>
Total Expenditures	<u>689,705</u>	<u>61,129</u>	<u>1,577,956</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(655,721)</u>	<u>(53,194)</u>	<u>(1,569,185)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds QECCBs			3,185,555
Transfers In	1,080,000	200,000	
Transfers Out	<u>(134,999)</u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u>945,001</u>	<u>200,000</u>	<u>3,185,555</u>
Net Changes in Fund Balances	289,280	146,806	1,616,370
Fund Balances at Beginning of Year	<u>1,170,347</u>	<u>443,664</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 1,459,627</u>	<u>\$ 590,470</u>	<u>\$ 1,616,370</u>

<u>COMMUNITY DEVELOPMENT</u>	<u>CIAP</u>	<u>CTIF GRANT</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
\$ 1,031,201	\$	\$ 368,379	\$ 1,399,580
			20,376
			30,314
<u>1,031,201</u>	<u>0</u>	<u>368,379</u>	<u>1,450,270</u>
276,531			2,239,377
737,409		501,707	1,605,060
<u>1,013,940</u>	<u>0</u>	<u>501,707</u>	<u>3,844,437</u>
<u>17,261</u>	<u>0</u>	<u>(133,328)</u>	<u>(2,394,167)</u>
		134,999	3,185,555
	(24,626)		1,414,999
			(159,625)
<u>0</u>	<u>(24,626)</u>	<u>134,999</u>	<u>4,440,929</u>
17,261	(24,626)	1,671	2,046,762
<u>(17,261)</u>	<u>24,626</u>	<u>(1,671)</u>	<u>1,619,705</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,666,467</u>

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AGENCY FUNDS

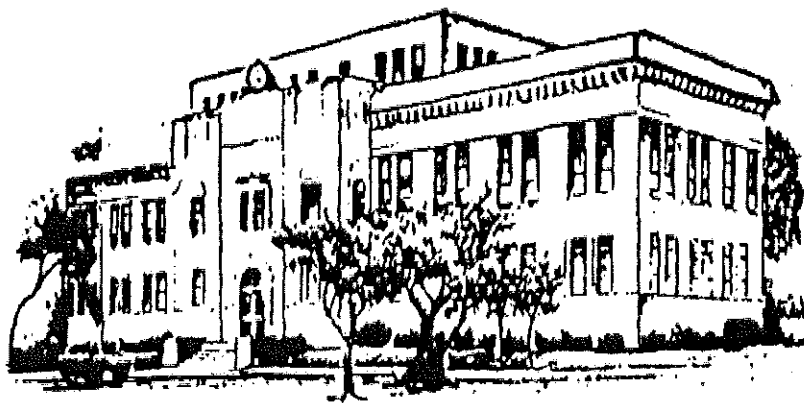
The Agency Funds are a Fiduciary Fund Type and are used to account for monies received and disbursed by the County in the capacity of trustee, custodian, or agent for individuals or other entities.

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 judgment.
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
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2016**

	<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	\$ 457,743	\$ 829,035	\$ 1,877	\$ 25,422
Due from Others		4,231		
Due from Other Governments				
TOTAL ASSETS	\$ <u>457,743</u>	\$ <u>833,266</u>	\$ <u>1,877</u>	\$ <u>25,422</u>
<u>LIABILITIES</u>				
Due to Others	\$ 457,743	\$ 833,266	\$ 1,877	\$ 25,422
Due to Other Governments				
TOTAL LIABILITIES	\$ <u>457,743</u>	\$ <u>833,266</u>	\$ <u>1,877</u>	\$ <u>25,422</u>

(Continued)

	COUNTY CLERK - TRUST FUND	COUNTY CLERK - OTHER FUNDS	DISTRICT CLERK - TRUST FUND	DISTRICT CLERK - OTHER FUNDS	HEALTH DEPARTMENT FUND	FORFEITURE TRUST- SHERIFF
\$	526,933	\$ 72,507	\$ 888,545	\$ 4,409	\$	\$ 1,485
\$	<u>526,933</u>	<u>72,507</u>	<u>888,545</u>	<u>4,409</u>	<u>0</u>	<u>1,485</u>
\$	526,933	\$ 72,507	\$ 888,545	\$ 4,409	\$	\$ 1,485
\$	<u>526,933</u>	<u>72,507</u>	<u>888,545</u>	<u>4,409</u>	<u>0</u>	<u>1,485</u>

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016
 (Continued)

	SECTION 125 TRUST FUND	COURT COSTS AND FEES	TAX COLLECTOR	SHERIFF REGULAR FUND	SHERIFF CASH BOND FUND
<u>ASSETS</u>					
Cash and Cash Equivalents \$	\$	454,778	\$ 15,510,405	\$	1 \$ 9,003
Due from Others					
Due from Other Governments					
TOTAL ASSETS	\$ 0	\$ 454,778	\$ 15,510,405	\$ 1	\$ 9,003
<u>LIABILITIES</u>					
Due to Others	\$	\$ 454,778	\$ 15,510,405	\$	1 \$ 9,003
Due to Other Governments					
TOTAL LIABILITIES	\$ 0	\$ 454,778	\$ 15,510,405	\$ 1	\$ 9,003

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

<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>
\$ 48,376	\$ 55,150	\$ 532	\$ 186,756	\$	\$ 698,728 23,430	\$ 19,771,685 27,661 0
<u>\$ 48,376</u>	<u>\$ 55,150</u>	<u>\$ 532</u>	<u>\$ 186,756</u>	<u>\$ 0</u>	<u>\$ 722,158</u>	<u>\$ 19,799,346</u>
\$ 48,376	\$ 55,150	\$ 532	\$ 186,756	\$	\$ 722,158	\$ 19,799,346 0
<u>\$ 48,376</u>	<u>\$ 55,150</u>	<u>\$ 532</u>	<u>\$ 186,756</u>	<u>\$ 0</u>	<u>\$ 722,158</u>	<u>\$ 19,799,346</u>

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>BALANCE</u> 01/01/2016	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 12/31/2016
<u>PAYROLL FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 439,914	\$ 17,829	\$	\$ 457,743
Due From Other Governments	<u>0</u>	<u> </u>	<u> </u>	<u>0</u>
	<u>\$ 439,914</u>	<u>\$ 17,829</u>	<u>\$ 0</u>	<u>\$ 457,743</u>
LIABILITIES				
Due to Others	\$ 439,914	\$ 17,829	\$	\$ 457,743
Due to Other Governments	<u>0</u>	<u> </u>	<u> </u>	<u>0</u>
	<u>\$ 439,914</u>	<u>\$ 17,829</u>	<u>\$ 0</u>	<u>\$ 457,743</u>
 <u>DISTRICT ADULT PROBATION</u> <u>DEPARTMENT FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 736,281	\$ 92,754	\$	\$ 829,035
Due from Others	4,231	<u> </u>	<u> </u>	4,231
Due from Other Governments	<u>0</u>	<u> </u>	<u> </u>	<u>0</u>
	<u>\$ 740,512</u>	<u>\$ 92,754</u>	<u>\$ 0</u>	<u>\$ 833,266</u>
LIABILITIES				
Due to Others	\$ 740,512	\$ 92,754	\$	\$ 833,266
Due to Other Governments	<u>0</u>	<u> </u>	<u> </u>	<u>0</u>
	<u>\$ 740,512</u>	<u>\$ 92,754</u>	<u>\$ 0</u>	<u>\$ 833,266</u>
 <u>DISPUTE RESOLUTION CENTER</u> <u>FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ 4,740	\$	\$ 2,863	\$ 1,877
	<u>\$ 4,740</u>	<u>\$ 0</u>	<u>\$ 2,863</u>	<u>\$ 1,877</u>
LIABILITIES				
Due to Others	\$ 4,740	\$	\$ 2,863	\$ 1,877
	<u>\$ 4,740</u>	<u>\$ 0</u>	<u>\$ 2,863</u>	<u>\$ 1,877</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>BALANCE</u> <u>01/01/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2016</u>
<u>TRI-COUNTY NARCOTICS TASK FORCE AGENCY FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>25,263</u>	\$ <u>159</u>	\$ _____	\$ <u>25,422</u>
	\$ <u>25,263</u>	\$ <u>159</u>	\$ <u>0</u>	\$ <u>25,422</u>
LIABILITIES				
Due to Others	\$ <u>25,263</u>	\$ <u>159</u>	\$ _____	\$ <u>25,422</u>
	\$ <u>25,263</u>	\$ <u>159</u>	\$ <u>0</u>	\$ <u>25,422</u>
<u>COUNTY CLERK-TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>249,618</u>	\$ <u>277,315</u>	_____	\$ <u>526,933</u>
	\$ <u>249,618</u>	\$ <u>277,315</u>	\$ <u>0</u>	\$ <u>526,933</u>
LIABILITIES				
Due to Others	\$ <u>249,618</u>	\$ <u>277,315</u>	\$ _____	\$ <u>526,933</u>
	\$ <u>249,618</u>	\$ <u>277,315</u>	\$ <u>0</u>	\$ <u>526,933</u>
<u>COUNTY CLERK - OTHER FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>62,315</u>	\$ <u>10,192</u>	\$ _____	\$ <u>72,507</u>
	\$ <u>62,315</u>	\$ <u>10,192</u>	\$ <u>0</u>	\$ <u>72,507</u>
LIABILITIES				
Due to Others	\$ <u>62,315</u>	\$ <u>10,192</u>	\$ _____	\$ <u>72,507</u>
	\$ <u>62,315</u>	\$ <u>10,192</u>	\$ <u>0</u>	\$ <u>72,507</u>
<u>DISTRICT CLERK - TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>678,901</u>	\$ <u>209,644</u>	\$ _____	\$ <u>888,545</u>
	\$ <u>678,901</u>	\$ <u>209,644</u>	\$ <u>0</u>	\$ <u>888,545</u>
LIABILITIES				
Due to Others	\$ <u>678,901</u>	\$ <u>209,644</u>	\$ _____	\$ <u>888,545</u>
	\$ <u>678,901</u>	\$ <u>209,644</u>	\$ <u>0</u>	\$ <u>888,545</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>BALANCE</u> <u>01/01/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2016</u>
<u>DISTRICT CLERK - OTHER FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>12,907</u>	\$ _____	\$ <u>8,498</u>	\$ <u>4,409</u>
	\$ <u>12,907</u>	\$ <u>0</u>	\$ <u>8,498</u>	\$ <u>4,409</u>
LIABILITIES				
Due to Others	\$ <u>12,907</u>	\$ _____	\$ <u>8,498</u>	\$ <u>4,409</u>
	\$ <u>12,907</u>	\$ <u>0</u>	\$ <u>8,498</u>	\$ <u>4,409</u>
<u>HEALTH DEPARTMENT FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>0</u>	\$ _____	\$ _____	\$ _____
	\$ <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>0</u>
<u>FORFEITURE TRUST - SHERIFF</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>1,476</u>	\$ <u>9</u>	\$ _____	\$ <u>1,485</u>
	\$ <u>1,476</u>	\$ <u>9</u>	\$ <u>0</u>	\$ <u>1,485</u>
LIABILITIES				
Due to Others	\$ <u>1,476</u>	\$ <u>9</u>	\$ _____	\$ <u>1,485</u>
	\$ <u>1,476</u>	\$ <u>9</u>	\$ <u>0</u>	\$ <u>1,485</u>
<u>SECTION 125 - TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>18,684</u>	\$ _____	\$ <u>18,684</u>	\$ <u>0</u>
	\$ <u>18,684</u>	\$ <u>0</u>	\$ <u>18,684</u>	\$ <u>0</u>
LIABILITIES				
Due to Others	\$ <u>18,684</u>	\$ _____	\$ <u>18,684</u>	\$ <u>0</u>
	\$ <u>18,684</u>	\$ <u>0</u>	\$ <u>18,684</u>	\$ <u>0</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>BALANCE</u> <u>01/01/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2016</u>
<u>COURT COST AND FEES</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>476,466</u>	\$ _____	\$ <u>21,688</u>	\$ <u>454,778</u>
	\$ <u>476,466</u>	\$ <u>0</u>	\$ <u>21,688</u>	\$ <u>454,778</u>
LIABILITIES				
Due to Others	\$ <u>476,466</u>	\$ _____	\$ <u>21,688</u>	\$ <u>454,778</u>
	\$ <u>476,466</u>	\$ <u>0</u>	\$ <u>21,688</u>	\$ <u>454,778</u>
<u>TAX COLLECTOR</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>5,902,199</u>	\$ <u>9,608,206</u>	\$ _____	\$ <u>15,510,405</u>
	\$ <u>5,902,199</u>	\$ <u>9,608,206</u>	\$ <u>0</u>	\$ <u>15,510,405</u>
LIABILITIES				
Due to Others	\$ <u>5,902,199</u>	\$ <u>9,608,206</u>	\$ _____	\$ <u>15,510,405</u>
	\$ <u>5,902,199</u>	\$ <u>9,608,206</u>	\$ <u>0</u>	\$ <u>15,510,405</u>
<u>SHERIFF REGULAR FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>0</u>	\$ <u>1</u>	\$ _____	\$ <u>1</u>
	\$ <u>0</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>1</u>
LIABILITIES				
Due to Others	\$ <u>0</u>	\$ <u>1</u>	\$ _____	\$ <u>1</u>
	\$ <u>0</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>1</u>
<u>SHERIFF CASH BOND FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>23,503</u>	\$ _____	\$ <u>14,500</u>	\$ <u>9,003</u>
	\$ <u>23,503</u>	\$ <u>0</u>	\$ <u>14,500</u>	\$ <u>9,003</u>
LIABILITIES				
Due to Others	\$ <u>23,503</u>	\$ _____	\$ <u>14,500</u>	\$ <u>9,003</u>
	\$ <u>23,503</u>	\$ <u>0</u>	\$ <u>14,500</u>	\$ <u>9,003</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

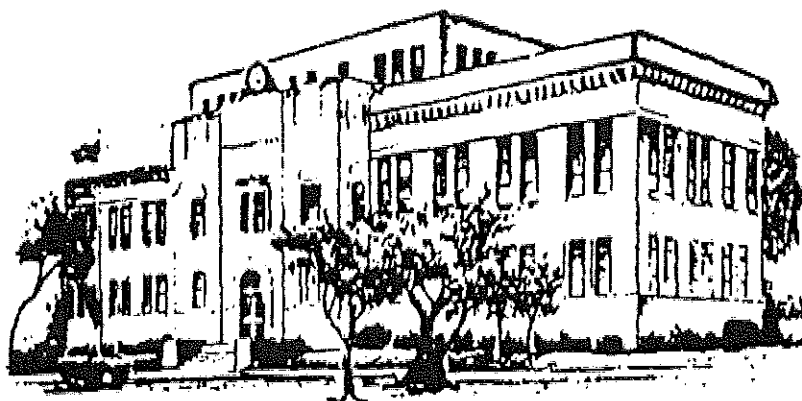
	<u>BALANCE</u> <u>01/01/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2016</u>
<u>INMATE TRUST FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>22,157</u>	\$ <u>26,219</u>	\$ _____	\$ <u>48,376</u>
	\$ <u>22,157</u>	\$ <u>26,219</u>	\$ <u>0</u>	\$ <u>48,376</u>
LIABILITIES				
Due to Others	\$ <u>22,157</u>	\$ <u>26,219</u>	\$ _____	\$ <u>48,376</u>
	\$ <u>22,157</u>	\$ <u>26,219</u>	\$ <u>0</u>	\$ <u>48,376</u>
<u>JUSTICES OF THE PEACE FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>46,186</u>	\$ <u>8,964</u>	\$ _____	\$ <u>55,150</u>
	\$ <u>46,186</u>	\$ <u>8,964</u>	\$ <u>0</u>	\$ <u>55,150</u>
LIABILITIES				
Due to Others	\$ <u>46,186</u>	\$ <u>8,964</u>	\$ _____	\$ <u>55,150</u>
	\$ <u>46,186</u>	\$ <u>8,964</u>	\$ <u>0</u>	\$ <u>55,150</u>
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>250</u>	\$ <u>282</u>	\$ _____	\$ <u>532</u>
	\$ <u>250</u>	\$ <u>282</u>	\$ <u>0</u>	\$ <u>532</u>
LIABILITIES				
Due to Others	\$ <u>250</u>	\$ <u>282</u>	\$ _____	\$ <u>532</u>
	\$ <u>250</u>	\$ <u>282</u>	\$ <u>0</u>	\$ <u>532</u>
<u>DISTRICT ATTORNEY SEIZURE FUND</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>175,910</u>	\$ <u>10,846</u>	\$ _____	\$ <u>186,756</u>
	\$ <u>175,910</u>	\$ <u>10,846</u>	\$ <u>0</u>	\$ <u>186,756</u>
LIABILITIES				
Due to Others	\$ <u>175,910</u>	\$ <u>10,846</u>	\$ _____	\$ <u>186,756</u>
	\$ <u>175,910</u>	\$ <u>10,846</u>	\$ <u>0</u>	\$ <u>186,756</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>BALANCE</u> <u>01/01/2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/2016</u>
<u>DISTRICT JUVENILE PROBATION</u>				
ASSETS				
Cash and Cash Equivalents	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
	\$ <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>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	\$ 718,180	\$ 16,631	\$ 19,452	\$ 698,728
Due from Others	6,799	16,631	0	23,430
Due from Other Governments	<u>9,168</u>	<u>0</u>	<u>9,168</u>	<u>0</u>
	\$ <u>734,147</u>	\$ <u>16,631</u>	\$ <u>28,620</u>	\$ <u>722,158</u>
LIABILITIES				
Due to Others	\$ 734,147	\$ 16,631	\$ 28,620	\$ 722,158
Due to Other Governments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$ <u>734,147</u>	\$ <u>16,631</u>	\$ <u>28,620</u>	\$ <u>722,158</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 9,594,950	\$ 10,262,420	\$ 85,685	\$ 19,771,685
Due from Others	11,030	16,631	0	27,661
Due from Other Governments	<u>9,168</u>	<u>0</u>	<u>9,168</u>	<u>0</u>
TOTAL ASSETS	\$ <u>9,615,148</u>	\$ <u>10,279,051</u>	\$ <u>94,853</u>	\$ <u>19,799,346</u>
LIABILITIES				
Due to Others	\$ 9,615,148	\$ 10,279,051	\$ 94,853	\$ 19,799,346
Due to Other Governments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	\$ <u>9,615,148</u>	\$ <u>10,279,051</u>	\$ <u>94,853</u>	\$ <u>19,799,346</u>

Note: The only fiduciary funds the County had were Agency Funds.



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, 2016**

CAPITAL ASSETS

Land	\$	3,562,721
Buildings		39,916,339
Improvements, Other than Buildings		4,035,903
Equipment		12,926,356
Infrastructure		56,332,248
Construction in Progress		<u>1,867,357</u>
Total Capital Assets	\$	<u><u>118,640,924</u></u>

INVESTMENTS IN CAPITAL ASSETS BY SOURCE

From Governmental Funds and Other	\$	<u>118,640,924</u>
Total Investment In Capital Assets	\$	<u><u>118,640,924</u></u>

Note: The figures above are presented at cost. Infrastructure consists of \$53,259,053 for roads and \$3,073,195 for bridges.

**SAN PATRICIO COUNTY
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2016**

<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	\$ 138,007	\$	\$	\$	138,007
COUNTY JUDGE	34,492				34,492
COUNTY CLERK	248,167		84,100	34,789	129,278
VETERANS SERVICE	25,210			25,210	
RECORDS MANAGEMENT	13,090				13,090
PRINTING DEPARTMENT	65,088				65,088
PERSONNEL SAFETY	0				
INFORMATION SERVICES	99,931				99,931
NON-DEPARTMENTAL	276,297				276,297
TOTAL GENERAL ADMINISTRATION	900,282	0	84,100	59,999	756,183
<u>JUDICIAL</u>					
COUNTY COURT-AT-LAW JUDGE	8,603				8,603
DISTRICT CLERK	100,354				100,354
DISTRICT COURT	10,837				10,837
JUSTICES OF THE PEACE	12,595				12,595
DISTRICT ATTORNEY	71,545				71,545
TOTAL JUDICIAL	203,934	0	0	0	203,934
<u>FINANCIAL ADMINISTRATION</u>					
COUNTY AUDITOR	66,393				66,393
TAX-ASSESSOR COLLECT	0				0
TOTAL FINANCIAL ADMINISTRATION	66,393	0	0	0	66,393
<u>LEGAL</u>					
COUNTY ATTORNEY	26,874				26,874
TOTAL LEGAL	26,874	0	0	0	26,874
<u>ELECTIONS</u>					
ELECTIONS	246,036				246,036
TOTAL ELECTIONS	246,036	0	0	0	246,036
<u>PUBLIC FACILITIES</u>					
LAND & BUILDINGS	19,652,905	2,561,406	16,099,330	748,509	243,660
BUILDING SUPERINTENDENT	168,919			279	168,640
AIRPORT - TP McCAMPBELL	5,402,087	697,174	1,787,451	2,368,471	548,991
AIRPORT - SINTON	550,206	153,905	139,974	172,201	84,126
CITIZEN COLLECTION STATIONS	96,075	61,673		11,327	23,075
COUNTY FAIRGROUNDS	20,931,510		20,682,445	35,576	213,489
TOTAL PUBLIC FACILITIES	46,801,702	3,474,158	38,709,200	3,336,363	1,281,981

(Continued)

**SAN PATRICIO COUNTY
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2016
(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	\$ 18,751	\$	\$	\$	18,751
PRECINCT #2	21,284				21,284
PRECINCT #4	11,614				11,614
PRECINCT #5	0				0
PRECINCT #6	21,752				21,752
PRECINCT #8	21,284				21,284
SHERIFF	3,018,160	24,334	136,916		2,856,910
JUVENILE PROBATION AND DETENTION CENTER	183,635		0	27,940	155,695
HIGHWAY PATROL	8,420				8,420
BREATH TESTING	84,284				84,284
TOTAL PUBLIC SAFETY	3,389,184	24,334	136,916	27,940	3,199,994
<u>PUBLIC TRANSPORTATION</u>					
ROAD AND BRIDGE:					
PRECINCT #1	1,072,238	2,400	24,000	4,511	1,041,327
PRECINCT #2	2,248,092	13,606	201,318	28,307	2,004,861
PRECINCT #3	2,739,525	14,370	131,899	39,340	2,553,916
PRECINCT #4	1,005,615	10,000	215,644		779,971
GENERAL	52,417				52,417
TOTAL PUBLIC TRANSPORTATION	7,117,887	40,376	572,861	72,158	6,432,492
<u>HEALTH & WELFARE</u>					
COUNTY HEALTH UNIT	257,782				257,782
WOMEN'S, INFANTS AND CHILDREN (GRANT)	182,705		171,000		11,705
TOTAL HEALTH AND WELFARE	440,487	0	171,000	0	269,487
<u>CULTURE & RECREATION</u>					
LIBRARY	22,360				22,360
COUNTY PARKS	1,035,037	22,853	150,346	539,443	322,395
COUNTY FAIRGROUNDS	0				0
TOTAL CULTURE & RECREATION	1,057,397	22,853	150,346	539,443	344,755
<u>CONSERVATION</u>					
COUNTY EXTENSION AGENT EXHIBIT BUILDING	191,143	1,000	91,916		98,227
	0				0
TOTAL CONSERVATION	191,143	1,000	91,916	0	98,227
TOTALS	\$ 60,441,319	\$ 3,562,721	\$ 39,916,339	\$ 4,035,903	\$ 12,926,356
<u>INFRASTRUCTURE</u>					
ROADS	53,259,053				
BRIDGES	3,073,195				
TOTAL INFRASTRUCTURE	56,332,248				
CONSTRUCTION IN PROGRESS	1,867,357				
TOTAL CAPITAL ASSETS	\$ 118,640,924				

Note: The above figures are presented at cost.

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>FUNCTION & ACTIVITY</u>	<u>CAPITAL ASSETS 1-1-2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS 12-31-2016</u>
<u>GENERAL ADMINISTRATION</u>				
CIVIL DEFENSE	\$ 82,049	\$ 55,958		\$ 138,007
COUNTY JUDGE	34,492			34,492
COUNTY CLERK	266,407		18,240	248,167
VETERANS SERVICE	25,210			25,210
RECORDS MANAGEMENT	13,090			13,090
PRINTING DEPARTMENT	65,088			65,088
PERSONNEL SAFETY	0			0
INFORMATION SERVICES	99,931			99,931
NON-DEPARTMENTAL	276,297			276,297
TOTAL GENERAL ADMINISTRATION	862,564	55,958	18,240	900,282
<u>JUDICIAL</u>				
COUNTY COURT-AT-LAW JUDGE	0	8,603		8,603
DISTRICT CLERK	100,354			100,354
DISTRICT COURT	10,837			10,837
JUSTICES OF THE PEACE	12,595			12,595
DISTRICT ATTORNEY	71,545			71,545
TOTAL JUDICIAL	195,331	8,603	0	203,934
<u>FINANCIAL ADMINISTRATION</u>				
COUNTY AUDITOR	68,929	27,567	30,103	66,393
TAX-ASSESSOR COLLECTOR	0			0
TOTAL FINANCIAL ADMINISTRATION	68,929	27,567	30,103	66,393
<u>LEGAL</u>				
COUNTY ATTORNEY	26,874			26,874
TOTAL LEGAL	26,874	0	0	26,874
<u>ELECTIONS</u>				
ELECTIONS	246,036			246,036
TOTAL ELECTIONS	246,036	0	0	246,036
<u>PUBLIC FACILITIES</u>				
LAND & BUILDINGS	19,527,673	125,232		19,652,905
BUILDING SUPERINTENDENT	125,489	43,430		168,919
AIRPORT - TP McCAMPBELL	5,345,645	56,442		5,402,087
AIRPORT - SINTON	516,270	33,936		550,206
CITIZEN COLLECTION STATIONS	73,000	23,075		96,075
COUNTY FAIRGROUNDS	20,931,510			20,931,510
TOTAL PUBLIC FACILITIES	46,519,587	282,115	0	46,801,702

(Continued)

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

<u>FUNCTION & ACTIVITY</u>	<u>CAPITAL ASSETS 1-1-2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS 12-31-2016</u>
<u>PUBLIC SAFETY</u>				
CONSTABLES:				
PRECINCT #1	\$ 18,751			\$ 18,751
PRECINCT #2	21,284			21,284
PRECINCT #4	11,614			11,614
PRECINCT #5	0			0
PRECINCT #6	43,245		21,493	21,752
PRECINCT #8	17,951	21,284	17,951	21,284
SHERIFF	2,809,824	548,836	340,500	3,018,160
JUVENILE PROBATION AND DETENTION CENTER	183,635			183,635
HIGHWAY PATROL	8,420			8,420
BREATH TESTING	84,284			84,284
TOTAL PUBLIC SAFETY	3,199,008	570,120	379,944	3,389,184
<u>PUBLIC TRANSPORTATION</u>				
ROAD AND BRIDGE:				
PRECINCT #1	791,260	368,434	87,456	1,072,238
PRECINCT #2	2,195,771	176,207	123,886	2,248,092
PRECINCT #3	2,594,938	314,196	169,609	2,739,525
PRECINCT #4	1,069,212	29,788	93,385	1,005,615
GENERAL	52,417			52,417
TOTAL PUBLIC TRANSPORTATION	6,703,598	888,625	474,336	7,117,887
<u>HEALTH & WELFARE</u>				
COUNTY HEALTH UNIT	280,672	35,448	58,338	257,782
WOMEN'S, INFANTS AND CHILDREN (GRANT)	182,705			182,705
TOTAL HEALTH AND WELFARE	463,377	35,448	58,338	440,487
<u>CULTURE & RECREATION</u>				
LIBRARY	22,360			22,360
COUNTY PARKS	1,035,037			1,035,037
COUNTY FAIRGROUNDS	0			0
TOTAL CULTURE & RECREATION	1,057,397	0	0	1,057,397
<u>CONSERVATION</u>				
COUNTY EXTENSION AGENT	191,143			191,143
EXHIBIT BUILDING	0			0
SHOWBARN	0			0
TOTAL CONSERVATION	191,143	0	0	191,143
<u>INFRASTRUCTURE</u>				
ROADS	45,985,455	9,573,844	2,300,246	53,259,053
BRIDGES	2,714,768	358,427		3,073,195
TOTAL INFRASTRUCTURE	48,700,223	9,932,271	2,300,246	56,332,248
CONSTRUCTION IN PROGRESS	176,031	1,867,357	176,031	1,867,357
TOTAL CAPITAL ASSETS	\$ 108,410,098	\$ 13,668,064	\$ 3,437,238	\$ 118,640,924

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 152-161), Revenue Capacity (pages 162-173), Debt Capacity (pages 174-180), Demographic and Economic Information (pages 182-184), Operating Information (pages 185-188), and Other Information (pages 189-192).

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 related 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 TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 25,562,621	\$ 26,741,063	\$ 24,379,116	\$ 25,138,848
Restricted for Debt Service and Other	10,144,054	9,945,219	8,182,548	6,944,722
Unrestricted	<u>9,889,405</u>	<u>14,355,981</u>	<u>12,288,466</u>	<u>11,243,567</u>
Total governmental activities net position	<u>\$ 45,596,080</u>	<u>\$ 51,042,263</u>	<u>\$ 44,850,130</u>	<u>\$ 43,327,137</u>

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	26,318,086	\$ 28,886,546	\$ 30,640,322	\$ 32,837,782	\$ 33,309,227	\$ 34,049,445
	6,252,549	0	0	205,020	444,758	519,716
	<u>11,569,502</u>	<u>12,637,553</u>	<u>14,165,679</u>	<u>17,458,342</u>	<u>19,990,260</u>	<u>21,853,732</u>
\$	<u><u>44,140,137</u></u>	<u><u>41,524,099</u></u>	<u><u>44,806,001</u></u>	<u><u>50,501,144</u></u>	<u><u>53,744,245</u></u>	<u><u>56,422,893</u></u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Governmental Activities:					
General Administration	\$ 3,400,905	\$ 2,696,408	\$ 2,530,259	\$ 2,257,556	\$ 2,416,010
Judicial	4,013,645	3,549,114	3,599,207	3,236,692	3,246,614
Legal	835,852	717,260	709,822	824,359	664,737
Elections	387,269	292,270	330,419	272,003	394,269
Financial Administration	2,462,535	2,012,455	2,078,564	1,973,481	1,981,284
Public Facilities	3,289,129	3,902,469	5,062,836	3,777,484	3,040,902
Public Safety	11,202,744	9,211,314	10,087,528	9,610,037	9,824,659
Environmental	121,181	97,735	87,692	90,069	91,475
Public Transportation	13,018,356	5,075,370	6,020,513	5,848,842	6,067,055
Health and Welfare	2,325,374	1,920,419	2,226,186	2,216,294	2,114,111
Culture and Recreation	1,009,554	570,599	370,289	720,409	808,262
Conservation	270,376	220,252	260,400	203,486	190,098
Economic Development	421,456	142,230	130,292	0	0
Amortization of Bond Issuance Costs	0	0	0	0	0
Interest Long Term Debt	874,352	668,175	779,466	798,791	814,339
Total Governmental Activities					
Expenses	<u>\$ 43,632,728</u>	<u>\$ 31,076,070</u>	<u>\$ 34,273,473</u>	<u>\$ 31,829,503</u>	<u>\$ 31,653,815</u>

(continued)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	2,537,854	\$ 2,800,597	\$ 2,455,393	\$ 5,023,713	\$ 2,113,842
	3,566,865	3,604,665	3,389,464	3,262,148	3,074,405
	1,035,809	713,260	720,290	543,832	488,193
	338,124	421,241	272,843	362,296	267,174
	2,044,988	2,032,576	1,903,478	1,734,888	1,572,418
	4,016,462	4,402,114	4,524,661	3,017,922	2,346,042
	10,260,748	10,201,056	9,829,865	8,682,571	7,410,239
	109,388	81,231	84,702	90,000	72,766
	6,288,960	5,863,906	6,384,212	5,720,000	3,162,774
	2,387,453	2,616,456	2,527,697	2,548,166	2,145,401
	838,691	959,600	910,603	806,382	222,455
	216,313	210,672	201,375	185,911	238,682
		0	0	0	0
	0	0	10,404	10,404	10,404
	831,348	847,410	864,134	881,901	941,275
	<u>\$ 34,473,013</u>	<u>\$ 34,754,784</u>	<u>\$ 34,079,121</u>	<u>\$ 32,870,134</u>	<u>\$ 24,066,070</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
General Administration	\$ 512,628	\$ 520,934	\$ 581,567	\$ 452,172	\$ 412,385
Judicial	2,797,279	3,108,239	2,131,870	863,848	3,541,609
Legal	132,373	124,556	110,061	90,194	95,046
Elections	53,329	40,375	35,509	33,258	23,953
Financial Administration	904,637	901,018	790,242	711,999	636,175
Public Facilities	86,834	84,469	391,313	92,600	79,008
Public Safety	976,207	986,665	874,994	803,337	889,013
Environmental	64,421	67,104	60,037	60,969	55,775
Public Transportation	1,390,714	1,401,922	1,621,456	1,547,843	1,496,468
Health and Welfare	158,733	155,083	201,273	251,418	254,396
Culture & Recreation	178,802	195,827	190,641	179,564	192,885
Total Charges for Services	<u>7,255,957</u>	<u>7,586,192</u>	<u>6,988,963</u>	<u>5,087,202</u>	<u>7,676,713</u>
Operating Grants & Contributions	1,901,844	2,106,500	1,826,418	1,828,280	2,082,007
Capital Grants & Contributions -					
Public Facilities	<u>1,399,580</u>	<u>3,407,135</u>	<u>1,162,295</u>	<u>1,024,790</u>	<u>545,913</u>
Total Governmental Activities					
Program Revenues	<u>\$ 10,557,381</u>	<u>\$ 13,099,827</u>	<u>\$ 9,977,676</u>	<u>\$ 7,940,272</u>	<u>\$ 10,304,633</u>
Net (Expense) Revenue	<u>\$ (33,075,347)</u>	<u>\$ (17,976,243)</u>	<u>\$ (24,295,797)</u>	<u>\$ (23,889,231)</u>	<u>\$ (21,349,182)</u>
General Revenues and Other Changes					
In Net Position					
Governmental Activities:					
Property Taxes	\$ 26,765,675	\$ 25,655,399	\$ 24,925,002	\$ 22,477,888	\$ 21,641,361
Investment Earnings	245,643	41,434	25,264	35,380	56,773
Other General Activities	<u>617,846</u>	<u>1,056,503</u>	<u>868,533</u>	<u>562,668</u>	<u>492,493</u>
Total Governmental Activities	<u>\$ 27,629,164</u>	<u>\$ 26,753,336</u>	<u>\$ 25,818,799</u>	<u>\$ 23,075,936</u>	<u>\$ 22,190,627</u>
Special Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,016,772</u>
Changes in Net Position	<u>\$ (5,446,183)</u>	<u>\$ 8,777,093</u>	<u>\$ 1,523,002</u>	<u>\$ (813,295)</u>	<u>\$ 2,858,217</u>

Note: It is 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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	494,541	\$ 383,829	\$ 485,418	\$ 481,893	\$ 583,839
	1,816,575	2,263,227	2,592,852	2,109,493	2,241,891
	103,308	83,593	62,649	67,579	53,491
	30,575	50,049	36,844	88,115	51,283
	526,545	926,537	944,130	860,789	669,889
	95,023	81,853	107,934	137,354	114,488
	780,808	818,917	847,294	978,620	888,293
	70,881	45,128	42,502	56,587	44,742
	1,317,381	1,211,310	1,213,403	1,304,453	1,304,140
	307,365	285,674	360,372	335,225	259,648
	<u>133,121</u>	<u>166,810</u>	<u>76,542</u>	<u>34,748</u>	<u>0</u>
	5,676,123	6,316,927	6,769,940	6,454,856	6,211,704
	2,321,793	2,571,845	2,197,429	2,353,082	1,606,706
	<u>576,224</u>	<u>184,812</u>	<u>1,100,428</u>	<u>933,234</u>	<u>1,037,452</u>
\$	<u>8,574,140</u>	<u>9,073,584</u>	<u>10,067,797</u>	<u>9,741,172</u>	<u>8,855,862</u>
\$	<u>(25,898,873)</u>	<u>(25,681,200)</u>	<u>(24,011,324)</u>	<u>(23,128,962)</u>	<u>(15,210,208)</u>
\$	19,938,817	\$ 19,886,367	\$ 20,096,396	\$ 18,947,806	\$ 17,460,961
	38,778	59,837	153,540	872,867	2,273,600
	<u>582,040</u>	<u>86,019</u>	<u>518,287</u>	<u>629,641</u>	<u>659,601</u>
\$	<u>20,559,635</u>	<u>20,032,223</u>	<u>20,768,223</u>	<u>20,450,314</u>	<u>20,394,162</u>
\$	<u>(5,339,238)</u>	<u>(5,648,977)</u>	<u>(3,243,101)</u>	<u>(2,678,648)</u>	<u>5,183,954</u>

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

	2016	2015	2014	2013	2012	2011
General Fund						
Nonspendable	\$ 180,180	\$ 0	\$ 0	\$ 25,460	\$ 0	0
Restricted	0	0	0	0	0	0
Committed	0	0	0	0	0	0
Assigned	1,354,039	3,012,510	3,974,360	3,843,196	4,138,129	1,192,501
Unassigned	<u>7,589,004</u>	<u>5,913,156</u>	<u>5,252,806</u>	<u>4,973,744</u>	<u>3,936,911</u>	<u>5,158,626</u>
Total General Fund	<u>\$ 9,123,223</u>	<u>\$ 8,925,666</u>	<u>\$ 9,227,166</u>	<u>\$ 8,842,400</u>	<u>\$ 8,075,040</u>	<u>\$ 6,351,127</u>
All Other Governmental Funds						
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 11,183	\$ 0	0
Restricted	10,888,306	8,853,452	7,738,917	6,862,732	6,168,950	4,525,634
Committed	440,411	416,589	376,149	446,609	904,895	3,102,163
Assigned	1,375,143	922,705	412,207	615,087	796,250	0
Unassigned	<u>(141,162)</u>	<u>(273,600)</u>	<u>(244,830)</u>	<u>(517,245)</u>	<u>0</u>	<u>(95,954)</u>
Total All Other Governmental Funds	<u>\$ 12,562,698</u>	<u>\$ 9,919,146</u>	<u>\$ 8,282,443</u>	<u>\$ 7,418,366</u>	<u>\$ 7,870,095</u>	<u>\$ 7,531,843</u>
Total for All Governmental Funds	<u>\$ 21,685,921</u>	<u>\$ 18,844,812</u>	<u>\$ 17,509,609</u>	<u>\$ 16,260,766</u>	<u>\$ 15,945,135</u>	<u>\$ 13,882,970</u>

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 TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
REVENUES					
Taxes	\$ 26,642,909	\$ 25,516,946	\$ 24,755,038	\$ 22,517,331	\$ 21,619,977
Licenses and Permits	238,087	235,602	249,399	132,776	125,377
Intergovernmental	3,869,873	3,372,169	3,255,701	3,109,686	2,936,847
Charges for Services	3,833,519	3,803,087	3,941,726	3,818,124	3,826,880
Fines & Forfeitures	1,086,920	1,142,005	1,334,969	1,156,391	1,238,093
Investment Income	236,442	39,795	24,989	35,365	56,745
Miscellaneous Revenue	998,723	1,292,805	1,582,204	1,013,436	935,912
Total Revenues	\$ <u>36,906,473</u>	\$ <u>35,402,409</u>	\$ <u>35,144,026</u>	\$ <u>31,783,109</u>	\$ <u>30,739,831</u>
EXPENDITURES					
Current					
General Administration	\$ 3,194,876	\$ 2,921,795	\$ 2,518,268	\$ 2,383,184	\$ 2,320,461
Judicial	4,007,530	3,947,526	3,686,005	3,270,481	3,194,031
Legal	836,024	807,328	725,216	830,258	656,118
Elections	384,028	321,425	338,931	275,657	362,032
Financial Administration	2,467,126	2,242,383	2,112,020	1,992,823	1,935,498
Public Facilities	3,703,085	2,832,829	4,281,248	3,789,728	1,977,149
Public Safety	11,149,069	11,077,474	10,342,108	9,886,559	9,553,882
Environmental	121,181	97,735	87,692	90,069	91,475
Public Transportation	22,306,473	5,255,290	5,039,006	4,369,762	4,341,984
Health & Welfare	2,336,031	2,115,270	2,247,161	2,278,789	2,063,775
Culture and Recreation	939,679	867,990	882,496	858,083	787,033
Conservation	254,976	228,110	290,705	228,938	180,692
Economic Development	421,456	142,230	130,292	0	0
Debt Service					
Principal	470,000	750,000	430,000	410,000	395,000
Interest	654,925	459,071	783,285	801,135	818,241
Other Charges	200	245,575	750	2,012	295
Total Expenditures	\$ <u>53,246,659</u>	\$ <u>34,312,031</u>	\$ <u>33,895,183</u>	\$ <u>31,467,478</u>	\$ <u>28,677,666</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(16,340,186)</u>	\$ <u>1,090,378</u>	\$ <u>1,248,843</u>	\$ <u>315,631</u>	\$ <u>2,062,165</u>
OTHER FINANCING SOURCES (USES)					
Bonds Issued	\$ 8,975,000	\$ 15,415,000		\$	\$
Discount on Bonds	0	0			
Bond Premium	1,021,041	1,307,574			
Payment to Refunding Escrow Agent	-	(16,477,749)			
Capital Leases and Others	9,185,555	0			
Transfers In	3,061,919	2,964,357	2,838,507	1,425,362	1,338,048
Transfers Out	(3,061,919)	(2,964,357)	(2,838,507)	(1,425,362)	(1,338,048)
Total Other Financing Sources (Uses)	\$ <u>19,181,596</u>	\$ <u>244,825</u>	\$ <u>0</u>	\$ <u></u>	\$ <u>0</u>
Net Changes in Fund Balances	\$ <u>2,841,410</u>	\$ <u>1,335,203</u>	\$ <u>1,248,843</u>	\$ <u>315,631</u>	\$ <u>2,062,165</u>
Debt service as a percentage of Noncapital Expenditures	<u>2.1%</u>	<u>4.4%</u>	<u>3.7%</u>	<u>4.3%</u>	<u>4.1%</u>

	2011	2010	2009	2008	2007
\$	19,996,613	\$ 19,917,045	\$ 20,006,042	\$ 18,858,646	\$ 17,489,519
	229,201	140,023	165,986	118,750	140,361
	3,246,062	3,112,718	3,615,328	3,748,422	3,064,863
	3,697,912	3,969,552	4,363,361	4,315,206	4,171,543
	1,322,086	1,613,690	1,484,589	1,430,348	1,429,821
	38,595	57,852	146,800	833,179	2,191,425
	817,039	633,024	474,107	592,968	388,674
\$	<u>29,347,508</u>	<u>29,443,904</u>	<u>30,256,213</u>	<u>29,897,519</u>	<u>28,876,206</u>
\$	2,416,218	\$ 2,362,816	\$ 2,429,490	\$ 2,160,419	\$ 1,999,055
	3,369,045	3,391,155	3,265,775	3,154,027	3,012,657
	999,471	686,833	705,769	526,640	478,716
	300,471	381,515	243,492	332,441	237,391
	1,930,099	1,915,928	1,833,328	1,658,420	1,566,045
	2,750,711	3,042,616	5,228,275	9,764,935	14,287,984
	9,652,590	9,778,113	9,383,450	8,517,647	7,226,623
	109,388	81,231	84,702	90,000	72,766
	4,571,187	4,549,007	4,949,096	4,604,233	4,448,628
	2,254,092	2,502,589	2,461,646	2,480,687	2,102,488
	802,339	916,226	886,385	875,330	233,063
	201,142	188,176	181,729	161,383	218,768
	0	0	0	0	0
	380,000	365,000	429,059	411,055	1,043,165
	834,710	850,541	868,858	886,418	978,665
	675	748	295	295	295
\$	<u>30,572,138</u>	<u>31,012,494</u>	<u>32,951,349</u>	<u>35,623,930</u>	<u>37,906,309</u>
\$	<u>(1,224,630)</u>	<u>(1,568,590)</u>	<u>(2,695,136)</u>	<u>(5,726,411)</u>	<u>(9,030,103)</u>
\$	\$	\$	\$	\$	\$ 19,330,000
					(10,889)
	3,051,843	2,301,705	4,347,048	1,644,006	1,685,282
	(3,051,843)	(2,301,705)	(4,347,048)	(1,644,006)	(1,685,282)
\$	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,319,111</u>
\$	<u>(1,224,630)</u>	<u>(1,568,590)</u>	<u>(2,695,136)</u>	<u>(5,726,411)</u>	<u>10,289,008</u>
	<u>4.0%</u>	<u>4.0%</u>	<u>4.8%</u>	<u>5.3%</u>	<u>5.7%</u>

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

<u>YEAR</u>	<u>PROPERTY TAXES</u>	<u>TOTAL</u>
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
2013	22,477,888	22,477,888
2014	24,925,002	24,925,002
2015	25,655,399	25,655,399
2016	26,765,675	26,765,675

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

<u>YEAR</u>	<u>PROPERTY TAXES</u>	<u>TOTAL</u>
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
2013	22,517,331	22,517,331
2014	24,755,038	24,755,038
2015	25,516,946	25,516,946
2016	26,642,909	26,642,909

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>
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	1,631,414,093
2013	2,693,578,596	1,859,496,121
2014	2,483,753,166	2,429,713,650
2015	2,507,595,578	2,453,034,388
2016	4,345,539,908	2,439,375,421

	<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>
\$	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
	4,553,074,717	4,553,074,717	100	0.52000
	4,913,466,816	4,913,469,783	100	0.51000
	4,960,629,966	4,960,629,966	100	0.46000
	6,784,915,329	6,784,915,329	100	0.491924

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>2007</u>	<u>2008</u>
San Patricio County	01-01 / 12-31	100.00	\$ 0.5275	\$ 0.5275
<u>Cities</u>				
Aransas Pass	10-01 / 09-30	91.48	0.60124	0.58000
Gregory	10-01 / 09-30	100.00	0.71129	0.63229
Ingleside	10-01 / 09-30	100.00	0.73000	0.71500
Ingleside on the Bay	10-01 / 09-30	100.00	0.16484	0.17606
Lakeside	10-01 / 09-30	100.00	0.07806	0.08208
Mathis	01-01 / 12-31	100.00	0.97457	0.97457
Odem	10-01 / 09-30	100.00	0.85224	0.84500
Portland	10-01 / 09-30	100.00	0.50230	0.50689
Sinton	10-01 / 09-30	100.00	0.64000	0.63548
Taft	10-01 / 09-30	100.00	0.78284	0.75000
<u>School Districts</u>				
Aransas Pass I.S.D.	09-01 / 08-31	79.68	1.44842	1.06138
Banquete I.S.D.	09-01 / 08-31	0.14		
Corpus Christi I.S.D.	09-01 / 08-31	0.15		
Gregory-Portland I.S.D.	09-01 / 08-31	100.00	1.61000	1.36000
Ingleside I.S.D.	09-01 / 08-31	100.00	1.50000	1.13000
Mathis I.S.D.	09-01 / 08-31	85.56	1.44690	1.35000
Odem I.S.D.	09-01 / 08-31	100.00	1.50030	1.29244
Sinton I.S.D.	09-01 / 08-31	100.00	1.44250	1.24000
Skidmore-Tynan I.S.D.	09-01 / 08-31	4.09	1.58500	1.27773
Taft I.S.D.	09-01 / 08-31	100.00	1.45200	1.26072
<u>Special Districts</u>				
San Patricio Drainage District	01-01 / 12-31	100.00	0.09105	0.07974
San Patricio Navigation District	01-01 / 12-31	100.00	*	*
Industrial	01-01 / 12-31	100.00	0.73000	0.71500
Industrial District 8	01-01 / 12-31	100.00	0.73000	0.71500
Ingleside Industrial	01-01 / 12-31	100.00		
Nueces County Emergency	01-01 / 12-31	100.00	*	*
Service Dist. No. 4				

* No levy

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 0.5245	\$ 0.5245	\$ 0.5818	\$ 0.55000	\$ 0.52000	\$ 0.51000	\$ 0.46000	\$ 0.491924
0.59286	0.60749	0.73020	0.69575	0.69575	0.68035	0.68035	0.688665
0.62774	0.57946	0.60788	0.65000	0.65000	0.89000	0.89000	0.830000
0.70000	0.69750	0.69750	0.68000	0.68000	0.62500	0.60250	0.060250
0.18996	0.18996	0.20726	0.20726	0.20726	0.20927	0.16456	0.178890
0.08829	0.09134	0.10520	0.10995	0.10995	0.11601	0.12873	0.127877
0.95789	0.90010	0.90011	0.84317	0.84317	0.90000	0.96000	1.011695
0.83754	0.80817	0.88525	0.88524	0.88524	0.86117	0.79196	0.785531
0.52037	0.54287	0.61407	0.58184	0.58184	0.57275	0.52964	0.566668
0.63548	0.63548	0.65000	0.65000	0.65000	0.65000	0.64004	0.675046
0.75000	0.75000	0.82745	1.09052	1.09052	1.09052	0.96167	1.203768
1.07138	1.07138	1.07138	1.07138	1.07138	1.57675	1.07138	1.213800
		1.51220	1.51320	1.51320	1.51320	1.51320	1.513200
		1.23735	1.23735	1.23735	1.23735	1.32132	1.321320
1.36000	1.37000	1.37000	1.35000	1.35000	1.35000	1.30000	1.350000
1.13900	1.15600	1.14000	1.09000	1.09000	1.08000	1.08000	1.095000
1.35000	1.35000	1.42507	1.34780	1.34780	1.28700	1.28700	1.287000
1.29240	1.22646	1.29250	1.66700	1.66700	1.54100	1.62724	1.648900
1.35120	1.25700	1.36120	1.30200	1.30200	1.30200	1.52900	1.509000
1.27901	1.27839	1.60512	1.30200	1.30200	1.47500	1.47500	
1.30970	1.40639	1.38520	1.47247	1.47247	1.40000	1.50383	1.534900
0.07928	0.07640	0.07178	0.66905	0.66905	0.09860	0.05406	0.057888
*	*	*	*	*	*	*	*
0.70000	0.70000	0.00000		*	0.72070	0.72070	0.720700
0.70000	0.69750	0.69750	0.68000	0.68000	0.72070	0.72070	0.720700
			*	*	*	*	*
0.07000	0.69750	0.68750	0.70000	0.70000	0.70000	0.70000	0.700000
		0.10000					

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

Fiscal Year	OPERATING FUNDS		
	General	Road and Bridge Special (LM &R)	Total
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	0.5476
2012	0.451547	0.068846	0.52039
2013	0.423560	0.070000	0.49356
2014	0.419948	0.065920	0.48587
2015	0.384219	0.057003	0.44122
2016	0.418	0.045003	0.463

<u>Certificates of Obligation and Bonds</u>	<u>Other</u>	<u>Total</u>	<u>Total County-Wide Tax Rate</u>
\$ 0.0292	\$ 0	\$ 0.0292	0.52750
0.0254	0	0.0254	0.52750
0.0249	0	0.0249	0.52450
0.0305	0	0.0305	0.52450
0.03418	0	0.03418	0.58178
0.02961	0	0.02961	0.55000
0.02644	0	0.02644	0.52000
0.02413	0	0.02413	0.51000
0.18778	0	0.18778	0.46000
0.02892	0	0.02892	0.49192

**SAN PATRICIO COUNTY, TEXAS
PRINCIPAL TAXPAYERS - 2016 AND NINE YEARS AGO
(UNAUDITED)**

RANK	<u>NAME</u>	<u>ASSESSED VALUE</u>	<u>PERCENT OF TOTAL</u>
1	THE CHEMOURS COMPANY FC, LLC	\$ 676,050,440	9.96%
2	AEP TEXAS CENTRAL COMPANY	210,591,550	3.11%
3	EC&R PAPALOTE CREEK I, LLC	207,655,450	3.06%
4	EC&R PAPALOTE CREEK II, LLC	201,752,650	2.98%
5	OXYMAR CHEMICAL CORP.	182,939,010	2.69%
6	INGLESIDE COGENERATION	142,983,240	2.11%
7	E.I. DUPONT	124,999,440	1.84%
8	OCCIDENTAL CHEMICAL CORP.	86,643,710	1.28%
9	INGLESIDE EHTYLENE, LLC	82,669,850	1.22%
10	GREGORY POWER PARTNERS LP	<u>80,897,670</u>	<u>1.19%</u>
	Total (29.44% of Actual Value, \$4,960,629,966)	\$ <u><u>\$1,997,183,010</u></u>	<u><u>29.44%</u></u>

The information on this page is for 2016.

(Continued)

**SAN PATRICIO COUNTY, TEXAS
 PRINCIPAL TAXPAYERS - 2016 AND NINE YEARS AGO
 (UNAUDITED)
 (Continued)**

RANK	NAME	ASSESSED VALUE	PERCENT OF TOTAL
1	OxyMar Chemical Corp.	\$ 237,352,930	6.42%
2	E. I Dupont DeNemours & Co.	129,902,250	3.52%
3	Occidental Chemical Corp.	110,260,710	2.99%
4	EOG Resources	83,114,750	2.25%
5	Ingleside Cogeneration LP	81,389,420	2.20%
6	Gregory Power Partners	75,687,750	2.05%
7	AEP Texas Central Company	49,951,130	1.35%
8	Air Liquide America LP (I)	38,441,440	1.04%
9	BPU Reynolds Sherwin Alumina	33,951,530	0.92%
10	Kiewitt Offshore Services LTD	<u>28,774,310</u>	<u>0.78%</u>
	Total	\$ <u><u>868,826,220</u></u>	<u><u>23.52%</u></u>
	(23.52% of Actual Value, \$3,693,508,279)		

The information on this page is for nine years ago, 2007.

**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>
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
2013	23,959,902	21,763,726	90.8%	753,605
2014	25,073,632	24,073,156	96.0%	681,882
2015	26,207,962	24,784,285	94.6%	732,661
2016	33,472,043	25,991,548	77.7%	651,361

*Includes cancellations and supplements

Collections on 2015 tax roll not complete until end of collection period on September 30, 2016. The 2015 roll year total tax levy was \$26,207,962, which will be used for 2016 operations.

Each Roll Year begins October 1st and ends on 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 fiscal year and will be included with the next year's current tax collections as budgeted.

<u>TOTAL CURRENT AND DELINQUENT COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>ADVANCE TAX COLLECTIONS</u>
\$ 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
22,517,331	94.0%	7,751,438
24,755,038	98.7%	7,629,791
25,516,946	97.4%	8,486,490
26,642,909	79.6%	8,621,687

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

YEAR	GOVERNMENT ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES AND LOANS			
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	0.79	270
2013	17,095,000	-	17,095,000	0.61	264
2014	16,665,000	-	16,665,000	0.72	257
2015	15,585,000	-	15,585,000	0.66	240
2016	24,090,000	9,185,555	33,275,555	1.19	512

Note: 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>
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	1,216,789	31,012,494	3.92
2011	380,000	834,710	675	1,215,385	30,572,138	3.98
2012	395,000	818,241	295	1,213,536	28,677,666	4.23
2013	410,000	801,135	2,012	1,213,147	30,434,331	3.99
2014	430,000	783,285	750	1,214,035	33,895,183	3.58
2015	750,000	459,071	245,575	1,454,646	34,312,031	4.24
2016	470,000	654,925	200	1,125,125	53,246,659	2.11

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 TEN YEARS
(UNAUDITED)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed Value of Real Property	\$ <u>434,553,908</u>	\$ <u>2,507,595,578</u>	\$ <u>2,483,756,133</u>	\$ <u>2,696,578,596</u>	\$ <u>2,362,521,246</u>
Debt Limited to 25% of Assessed Value of Real Property (Article 3, Section 52, Constitution of the State of Texas)	\$ 108,638,477	\$ 626,898,895	\$ 620,939,033	\$ 674,144,649	\$ 590,630,312
Amount of Debt Applicable to Debt Limit	<u>(1,285,000) *</u>	<u>(1,285,000) *</u>	<u>(1,285,000) *</u>	<u>(1,285,000) *</u>	<u>(1,285,000)</u>
Legal Debt Margin	\$ <u>107,353,477</u>	\$ <u>625,613,895</u>	\$ <u>619,654,033</u>	\$ <u>672,859,649</u>	\$ <u>589,345,312</u>

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

Note: The amounts above are at December 31st of each year.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ <u>2,436,453,843</u>	\$ <u>2,443,258,273</u>	\$ <u>2,314,411,085</u>	\$ <u>2,265,516,297</u>	\$ <u>2,181,884,557</u>
\$ 609,113,461	\$ 610,814,568	\$ 578,602,771	\$ 566,379,074	\$ 545,471,139
* <u>(1,285,000)</u> *	* <u>(1,285,000)</u> *	* <u>(1,285,000)</u> *	* <u>(1,285,000)</u> *	* <u>(1,285,000)</u> *
\$ <u>607,828,461</u>	\$ <u>609,529,568</u>	\$ <u>577,317,771</u>	\$ <u>565,094,074</u>	\$ <u>544,186,139</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>
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
2013	64,804	4,553,074,717	17,095,000	86,549
2014	64,804	4,913,469,783	16,665,000	140,582
2015	64,804	4,960,629,966	15,585,000	140,691
2016	64,804	6,784,915,329	24,090,000	105,674

*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 BONDED DEBT PER CAPITA</u>
\$	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	0.44		269
	17,008,451	0.37		262
	16,524,418	0.34		255
	15,444,309	0.31		238
	23,984,326	0.35		370

SAN PATRICIO COUNTY, TEXAS
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2016
(UNAUDITED)

NAME OF GOVERNMENTAL UNIT	NET DEBT DATE	OUTSTANDING AMOUNT	APPLICABLE TO SAN PATRICIO COUNTY	
			PERCENT	AMOUNT
NET DIRECT				
San Patricio County	12/31/2016	\$ 23,984,326	100.00%	\$ 23,984,326
OVERLAPPING				
Cities				
*Aransas Pass	2/29/2016	25,740,000	91.20%	23,474,880
*Gregory	2/29/2016	2,475,000	100.00%	2,475,000
*Ingleside on the Bay	2/29/2016	1,810,000	100.00%	1,810,000
*Ingleside	9/30/2015	9,033,239	100.00%	9,033,239
*Mathis	8/31/2016	1,213,000	100.00%	1,213,000
*Odem	8/31/2016	1,855,000	100.00%	1,855,000
*Portland	8/31/2016	13,200,000	100.00%	13,200,000
*Sinton	2/29/2016	3,835,000	100.00%	3,835,000
*Taft	8/31/2016	5,695,421	100.00%	5,695,421
School Districts				
*Aransas Pass I.S.D.	8/31/2015	18,804,068	82.89%	15,586,692
*Banquete I.S.D.	8/31/2016	9,335,000	0.15%	14,003
*Corpus Christi I.S.D.	8/31/2016	355,885,000	0.18%	640,593
*Gregory-Portland I.S.D.	8/31/2016	51,947,000	100.00%	51,947,000
*Ingleside I.S.D.	8/31/2015	15,454,575	100.00%	15,454,575
*Mathis I.S.D.	12/31/2015	14,815,945	79.54%	11,784,603
*Odem-Edroy I.S.D.	8/31/2016	26,645,287	100.00%	26,645,287
*Sinton I.S.D.	8/31/2015	26,473,524	100.0%	26,473,524
*Skidmore-Tynan I.S.D.	2/29/2016	11,803,193	2.96%	349,375
*Taft I.S.D.	8/31/2015	28,285,389	100.00%	28,285,389
TOTAL OVERLAPPING		\$ 624,305,641		\$ 239,772,580
GRAND TOTALS		\$ 648,289,967		\$ 263,756,906

* Taken from Texas Municipal Reports compiled and published by Municipal Advisory Council of Texas, Austin, Texas. The latest publication for San Patricio County is dated April 4, 2016.

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>
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	15,215	N/A
2013	64,804	33.8	14,615	N/A
2014	64,804	36.1	14,736	N/A
2015	64,804	36.2	14,831	N/A
2016	64,804	35.4	14,620	N/A

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

Note: 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>
\$ 1,709,343,000	\$ 25,460	5.6%
1,965,288,680	29,272	5.9%
1,952,368,590	29,080	9.7%
1,752,536,666	27,044	10.6%
2,182,999,554	33,686	9.5%
2,257,512,144	34,836	8.2%
2,795,709,364	43,141	6.9%
2,692,282,180	41,545	6.3%
2,370,011,889	36,572	6.6%
2,787,654,010	43,017	6.5%

**SAN PATRICIO COUNTY, TEXAS
MAJOR EMPLOYERS
DECEMBER 31, 2016 AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2016			2007		
	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	NUMBER OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Kiewit Offshore Services, Ltd.	1,750	1	5.78%	1,000	2	3.27%
Occidental Chemical	702	2	2.32%	250	6	0.82%
HEB	553	3	1.82%	155	9	0.51%
Wal-Mart	450	4	1.49%	200	7	0.65%
San Patricio County	415	5	1.37%	485	5	1.59%
DuPont Dumours	327	6	1.08%	500	4	1.64%
Care Regional Medical Center	257	7	0.85%			
Gulf Marine FAB	109	8	0.36%			
North Bay Hospital				199	8	0.65%
Sherwin Alumina Co.	CLOSED			850	3	2.78%
Naval Station Ingleside	CLOSED			3,605	1	11.79%
Southwest Marine	CLOSED			130	10	0.43%
Total	<u>4,563</u>		<u>15.07%</u>	<u>7,374</u>		<u>24.13%</u>

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

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

FUNCTION	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Administration	34	34	34	34	34	34	34	34	34	34
Judicial	43	43	44	43	43	43	43	43	43	43
Legal	23	22	21	20	20	20	20	20	20	20
Elections	2	2	2	2	2	2	2	2	2	2
Financial Administration	35	35	35	35	34	35	35	35	33	32
Public Facilities	18	18	18	18	18	18	18	18	17	17
Public Safety	167	162	160	158	157	159	155	144	93	93
Public Transportation	61	61	61	60	60	60	60	60	60	60
Health and Welfare	37	37	37	38	38	38	38	38	38	38
Culture and Recreation	2	2	2	2	2	2	2	2	2	2
Conservation	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Totals	<u>427</u>	<u>421</u>	<u>419</u>	<u>415</u>	<u>413</u>	<u>416</u>	<u>412</u>	<u>401</u>	<u>347</u>	<u>346</u>

Sources: San Patricio County Personnel and Payroll Departments

SAN PATRICIO COUNTY, TEXAS
SALARIES AND SURETY BONDS FOR PRINCIPAL OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

NAME	TITLE	AMOUNT OF ANNUAL SALARY	SURETY BOND
Terry Simpson	County Judge	\$ 107,643	\$ 10,000
	Juvenile Board	6,000	
Nina G. Trevino	Commissioner, Pct. No 1	67,674	3,000
Fred P. Nardini	Commissioner, Pct. No 2	67,674	3,000
Alma Moreno	Commissioner, Pct. No 3	67,674	3,000
Howard Gillepsie	Commissioner, Pct. No 4	67,674	3,000
Leroy Moody	Sheriff	83,082	15,000
Gracie A. Gonzales	County Clerk	67,674	35,000
Elizabeth Welborn	County Court-at-Law-Judge	150,100	5,000
	Juvenile Board	6,000	
Dalia Sanchez	Tax Assessor-Collector	67,674	50,000
David Aken	County Attorney	140,000	2,500
Courtney Dugat	County Treasurer	67,674	15,000
Laura Miller	District Clerk	67,674	5,000
David W. Wendel	County Auditor	114,354	5,000
Julius L. Petrus, Jr.	County Surveyor	0	1,000
Michael E. Welborn	District Attorney	6,000	5,000

JUSTICE OF THE PEACE

Yolanda Guerrero	Precinct No. 1	53,786	1000
Daniel Garza	Precinct No. 2	52,252	1000
Karen Diaz	Precinct No. 4	52,252	1000
Nere Villarreal	Precinct No. 5	52,252	5000
Susan Price	Precinct No. 6	52,252	5000
Elvia Hernandez	Precinct No. 8	52,252	1000

CONSTABLES

Joe Gaitain	Precinct No. 1	42,797	1000
Steve Garcia	Precinct No. 2	42,397	1000
Parnel Haynes	Precinct No. 4	42,397	1000
Juan C. Gonzales	Precinct No. 5	42,397	1000
Don Perkins	Precinct No. 6	42,397	1000
Teresa Gonzales	Precinct No. 8	42,397	1000

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<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	33	33	33	33	32
Public Safety										
Physical Arrests	792	789	788	781	768	763	761	762	758	745
Traffic Violations	1,354	1,342	1,321	1,301	1,299	1,297	1,294	1,292	1,286	1,223

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Administration										
Vehicles and Other	25	23	23	23	23	23	23	24	24	24
Judicial										
Vehicles and Other	12	12	12	11	11	11	11	11	11	11
Financial Administration										
Vehicles and Other	12	12	12	12	12	12	11	10	10	10
Legal										
Other	1	1	2	1	1	1	1	1	1	1
Elections										
Other	3	3	3	3	3	3	3	3	3	3
Public Facilities										
Land, Bldgs and Improv.	122	122	130	128	125	125	125	125	124	124
Vehicles and Other	12	12	18	17	17	13	13	13	13	13
Public Safety										
Vehicles and Other	126	126	125	125	124	124	124	124	123	123
Public Transportation										
Road Mileage	613	613	613	613	613	613	613	613	613	613
Bridges	56	55	57	55	55	55	55	55	55	55
Vehicles and Other	214	214	214	214	214	218	218	218	217	217
Health and Welfare										
Vehicles and Other	18	18	18	18	18	18	18	18	18	18
Culture and Recreation										
Vehicles and Other	18	18	18	18	18	18	18	18	18	18
Conservation										
Vehicles and Other	9	5	5	5	5	5	5	5	5	5

Note: All County Land, Building, and Improvement 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>
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
2013	4,553,074,717	122,323,569	595,093,000
2014	4,913,469,783	124,201,860	601,022,000
2015	4,960,629,966	110,408,620	653,724,000
2016	6,784,915,329	118,320,511	659,123,000

* 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. Estimates are used when information is not readily available.

**SAN PATRICIO COUNTY, TEXAS
COLLECTION AND DISPOSAL OF SOLID WASTE
LAST TEN YEARS
(UNAUDITED)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Gross Revenues	\$68,821	\$71,270	\$60,969	\$55,775	\$70,881	\$45,128	\$42,502	\$56,587	\$44,742	\$41,201
Expenses	102,861	121,191	90,069	91,475	109,338	81,231	84,702	90,000	72,766	54,933
Net Revenues	(\$34,040)	(\$49,921)	(\$29,100)	(\$35,700)	(\$38,457)	(\$36,103)	(\$42,200)	(\$33,413)	(\$28,024)	(\$13,732)

The County operates two collection stations for the disposal of solid waste by the residents. The first station is located at the McCampbell - Porter Airport, between Ingleside and Aransas Pass. The hours of operation are between 8:30 AM and 4:30 PM Monday through Friday, and between 8:30 AM and 12:30 PM on Saturday. As of December 31, 2014, the minimum fee charged is \$0.50 per bag of household trash. The fees increase depending on the type and amount of solid waste. The second station is located at R&B Precinct #3 in Mathis. The hours of operation are between 7:30 AM and 4:00 PM, Monday through Friday. As of December 31, 2014, the minimum fee charged is \$0.50 per bag of household trash. The fees increase depending on the type and amount of solid waste. Revenue from the collection stations are deposited into the County's General Fund and Road and Bridge Precinct #3 Funds. The annual revenues and expenditures are shown above. The information is current as of 12-31-16.

SAN PATRICIO COUNTY, TEXAS
MISCELLANEOUS STATISTICS
DECEMBER 31, 2016
(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%).

It is noted that at 12-31-15 the County had 55 bridges that it was responsible for maintaining.

County Employees: The total number of San Patricio County employees at December 31, 2016, was 481 full time employees and 36 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 2016 year were \$17,972,446.

SAN PATRICIO COUNTY, TEXAS
MISCELLANEOUS STATISTICS
DECEMBER 31, 2016
(UNAUDITED)
(Continued)

Agricultural Income: Estimated cash receipts from agricultural production in San Patricio County for 2016 is estimated at \$289 million. This level of agricultural income would probably result in \$128 million of economic effect upon the county. The following table is an overview of 2016 Agricultural Income:

<u>AGRICULTURAL PRODUCT</u>	<u>ACREAGE</u>	<u>VALUE</u>
Cotton & Cottonseed	111,305	\$ 80,199,540
Fed Beef & Cow Calf		4,649,000
Grain Sorghum	99,559	29,847,000
Corn	15,376	10,023,700
Hay	3,339	2,240,000
Sesame	449	217,000
Wheat	1,859	564,530
TOTAL		\$ 127,740,770

Total from Other Livestock - County Shows, Recreational Fishing/Hunting, Commercial Fishing = \$7,900,000

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

Supplementary Financial Information

SAN PATRICIO COUNTY, TEXAS
GENERAL OBLIGATION REFUNDING BONDS SERIES 2015
DATED AUGUST 15, 2015
MATURITY SCHEDULE
INTEREST AT 2.00% TO 5.00% PAYABLE 4-1 & 10-1
December 31, 2016

ISSUED	\$15,415,000
PAID	<u>(300,000)</u>
OUTSTANDING	<u>\$15,115,000</u>

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	ANNUAL REQUIREMENT
	\$ 15,115,000				
4-01-2017	14,610,000	2.00%	\$505,000	\$322,175	
10-01-2017				<u>\$317,125</u>	<u>\$1,144,300</u>
4-01-2018	14,090,000	3.00%	\$520,000	\$317,125	
10-01-2018				<u>\$309,325</u>	<u>\$1,146,450</u>
4-01-2019	13,555,000	3.00%	\$535,000	\$309,325	
10-01-2019				<u>\$301,300</u>	<u>\$1,145,625</u>
4-01-2020	13,000,000	4.00%	\$555,000	\$301,300	
10-01-2020				<u>\$290,200</u>	<u>\$1,146,500</u>
4-01-2021	12,420,000	4.00%	\$580,000	\$290,200	
10-01-2021				<u>\$278,600</u>	<u>\$1,148,800</u>
4-01-2022	11,820,000	4.00%	\$600,000	\$278,600	
10-01-2022				<u>\$266,600</u>	<u>\$1,145,200</u>
4-01-2023	11,195,000	4.00%	\$625,000	\$266,600	
10-01-2023				<u>\$254,100</u>	<u>\$1,145,700</u>
4-01-2024	10,545,000	4.00%	\$650,000	\$254,100	
10-01-2024				<u>\$241,100</u>	<u>\$1,145,200</u>
4-01-2025	9,865,000	5.00%	\$680,000	\$241,100	
10-01-2025				<u>\$224,100</u>	<u>\$1,145,200</u>
4-01-2026	9,155,000	3.00%	\$710,000	\$224,100	
10-01-2026				<u>\$213,450</u>	<u>\$1,147,550</u>

(Continued)

SAN PATRICIO COUNTY, TEXAS
GENERAL OBLIGATION REFUNDING BONDS SERIES 2015
DATED AUGUST 15, 2015
MATURITY SCHEDULE
INTEREST AT 2.00% TO 5.00% PAYABLE 4-1 & 10-1
December 31, 2016
(Continued)

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	ANNUAL REQUIREMENT
4-01-2027	\$ 8,415,000	5.00%	\$740,000	\$213,450	
10-01-2027				\$194,950	\$1,148,400
4-01-2028	7,640,000	5.00%	\$775,000	\$194,950	
10-01-2028				\$175,575	\$1,145,525
4-01-2029	6,830,000	4.00%	\$810,000	\$175,575	
10-01-2029				\$159,375	\$1,144,950
4-01-2030	5,990,000	3.625%	\$840,000	\$159,375	
10-01-2030				\$144,150	\$1,143,525
4-01-2031	5,110,000	5.00%	\$880,000	\$144,150	
10-01-2031				\$122,150	\$1,146,300
4-01-2032	4,190,000	5.00%	\$920,000	\$122,150	
10-01-2032				\$99,150	\$1,141,300
4-01-2033	3,215,000	5.00%	\$975,000	\$99,150	
10-01-2033				\$74,775	\$1,148,925
4-01-2034	2,190,000	5.00%	\$1,025,000	\$74,775	
10-01-2034				\$49,150	\$1,148,925
4-01-2035	1,120,000	4.00%	\$1,070,000	\$49,150	
10-01-2035				\$22,400	\$1,141,550
4-01-2036		4.75%	\$1,120,000	\$22,400	\$1,142,400
TOTALS			<u>\$15,115,000</u>	<u>\$7,797,325</u>	<u>\$22,912,325</u>

The above debt was issued to partially defease the Series 2006 Certificates of Obligation which were issued for new showbarn facilities and is serviced by the Permanent Improvement Debt Service fund. Payments are made to BOKF, NA, Austin, TX. The above debt will be liquidated in 2036.

At December 31, 2016, the amount of the above debt spent was \$15,415,000 and the amount unspent was \$0. Also as of December 31, 2016, the County has made all payments on the debt above timely when due.

The proceeds of the original debt were accounted for in the Fairgrounds Construction Capital Projects Fund. This fund is no longer used by the County.

SAN PATRICIO COUNTY, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2016
DATED FEBRUARY 1, 2016
MATURITY SCHEDULE
INTEREST AT 2.00% TO 4.00% PAYABLE 4-1 & 10-1
December 31, 2016

ISSUED	\$8,975,000
PAID	<u>-</u>
OUTSTANDING	<u>\$8,975,000</u>

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	ANNUAL REQUIREMENT
	\$ 8,975,000				
4-01-2017	8,820,000	3.00%	\$155,000	\$335,561	
10-01-2017				<u>\$159,175</u>	<u>\$649,736</u>
4-01-2018	8,480,000	3.00%	\$340,000	\$159,175	
10-01-2018				<u>\$154,075</u>	<u>\$653,250</u>
4-01-2019	8,130,000	3.00%	\$350,000	\$154,075	
10-01-2019				<u>\$148,825</u>	<u>\$652,900</u>
4-01-2020	7,770,000	3.00%	\$360,000	\$148,825	
10-01-2020				<u>\$143,425</u>	<u>\$652,250</u>
4-01-2021	7,400,000	3.00%	\$370,000	\$143,425	
10-01-2021				<u>\$137,875</u>	<u>\$651,300</u>
4-01-2022	7,020,000	3.00%	\$380,000	\$137,875	
10-01-2022				<u>\$132,175</u>	<u>\$650,050</u>
4-01-2023	6,625,000	3.00%	\$395,000	\$132,175	
10-01-2023				<u>\$126,250</u>	<u>\$653,425</u>
4-01-2024	6,220,000	3.00%	\$405,000	\$126,250	
10-01-2024				<u>\$120,175</u>	<u>\$651,425</u>
4-01-2025	5,805,000	3.00%	\$415,000	\$120,175	
10-01-2025				<u>\$113,950</u>	<u>\$649,125</u>
4-01-2026	5,375,000	3.00%	\$430,000	\$113,950	
10-01-2026				<u>\$107,500</u>	<u>\$651,450</u>
4-01-2027	\$ 4,930,000	4.00%	\$445,000	\$107,500	
10-01-2027				<u>\$98,600</u>	<u>\$651,100</u>

(Continued)

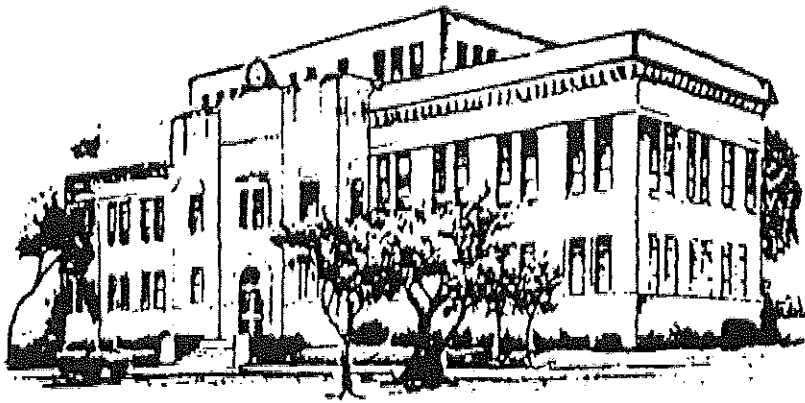
SAN PATRICIO COUNTY, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION SERIES 2016
DATED FEBRUARY 1, 2016
MATURITY SCHEDULE
INTEREST AT 2.00% TO 4.00% PAYABLE 4-1 & 10-1
December 31, 2016
(Continued)

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	ANNUAL REQUIREMENT
4-01-2028	4,465,000	4.00%	\$465,000	\$98,600	
10-01-2028				\$89,300	\$652,900
4-01-2029	3,980,000	4.00%	\$485,000	\$89,300	
10-01-2029				\$79,600	\$653,900
4-01-2030	3,480,000	4.00%	\$500,000	\$79,600	
10-01-2030				\$69,600	\$649,200
4-01-2031	2,955,000	4.00%	\$525,000	\$69,600	
10-01-2031				\$59,100	\$653,700
4-01-2032	2,410,000	4.00%	\$545,000	\$59,100	
10-01-2032				\$48,200	\$652,300
4-01-2033	1,845,000	4.00%	\$565,000	\$48,200	
10-01-2033				\$36,900	\$650,100
4-01-2034	1,255,000	4.00%	\$590,000	\$36,900	
10-01-2034				\$25,100	\$652,000
4-01-2035	640,000	4.00%	\$615,000	\$25,100	
10-01-2035				\$12,800	\$652,900
4-01-2036		4.00%	\$640,000	\$12,800	\$652,800
TOTALS			<u>\$8,975,000</u>	<u>\$4,060,811</u>	<u>\$13,035,811</u>

The above debt was issued for major road repairs and is serviced by the Permanent Improvement Debt Service fund. Payments are made to BOKF, NA, Austin, TX. The above debt will be liquidated in 2036.

At December 31, 2016, the amount of above debt spent was \$8,650,935 and the amount unspent was \$324,065. Also as of December 31, 2016, the County has made all payments on the debt above timely when due.

The proceeds of the above debt were/are accounted for in the Road Improvements Program Capital Projects Fund.



SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF ANNUAL GENERAL LONG-TERM BONDED DEBT REQUIREMENTS
December 31, 2016

The annual requirements of general long-term bonded debt requirements outstanding at December 31, 2016 are as follows:

YEAR ENDING DECEMBER 31	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2017	\$ 660,000	\$ 1,134,036	\$ 1,794,036
2018	860,000	939,700	1,799,700
2019	885,000	913,525	1,798,525
2020	915,000	883,750	1,798,750
2021	950,000	850,100	1,800,100
2022	980,000	815,250	1,795,250
2023	1,020,000	779,125	1,799,125
2024	1,055,000	741,625	1,796,625
2025	1,095,000	699,325	1,794,325
2026	1,140,000	659,000	1,799,000
2027	1,185,000	614,500	1,799,500
2028	1,240,000	558,425	1,798,425
2029	1,295,000	503,850	1,798,850
2030	1,340,000	452,725	1,792,725
2031	1,405,000	395,000	1,800,000
2032	1,465,000	328,600	1,793,600
2033	1,540,000	259,025	1,799,025
2034	1,615,000	185,925	1,800,925
2035	1,685,000	109,450	1,794,450
2036	1,760,000	35,200	1,795,200
TOTALS	\$ 24,090,000	\$ 11,858,136	\$ 35,948,136

At December 31, 2016 the above debt consisted of the Series 2015 Refunding Bonds and the Series 2016 Certificates of Obligation.

SAN PATRICIO COUNTY, TEXAS
QECB CAPITAL LEASE DATED AUGUST 2, 2016
AMORTIZATION SCHEDULE
INTEREST AT 3.87%, PAYABLE 2-1 & 8-1
December 31, 2016

AMOUNT BORROWED FOR ENERGY CONSERVATION EQUIPMENT	\$ 3,185,555
PAID	<u>\$ -</u>
OUTSTANDING	<u>\$ 3,185,555</u>

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	TOTAL PAYMENT AMOUNT
	\$ 3,185,555				
8-01-2017	\$ 3,142,025	3.87%	\$ 43,530	\$ 122,939	\$166,469
2-01-2018	\$ 3,078,313	3.87%	\$ 63,712	\$ 60,798	\$124,510
8-01-2018	\$ 3,034,396	3.87%	\$ 43,917	\$ 59,565	\$103,482
2-01-2019	\$ 2,990,205	3.87%	\$ 44,191	\$ 58,716	\$102,907
8-01-2019	\$ 2,943,126	3.87%	\$ 47,079	\$ 57,861	\$104,940
2-01-2020	\$ 2,895,753	3.87%	\$ 47,373	\$ 56,950	\$104,323
8-01-2020	\$ 2,845,373	3.87%	\$ 50,380	\$ 56,033	\$106,413
2-01-2021	\$ 2,794,678	3.87%	\$ 50,695	\$ 55,058	\$105,753
8-01-2021	\$ 2,740,852	3.87%	\$ 53,826	\$ 54,077	\$107,903
2-01-2022	\$ 2,686,690	3.87%	\$ 54,162	\$ 53,035	\$107,197
8-01-2022	\$ 2,629,267	3.87%	\$ 57,423	\$ 51,987	\$109,410
2-01-2023	\$ 2,571,485	3.87%	\$ 57,782	\$ 50,876	\$108,658
8-01-2023	\$ 2,510,309	3.87%	\$ 61,176	\$ 49,758	\$110,934
2-01-2024	\$ 2,448,751	3.87%	\$ 61,558	\$ 48,574	\$110,132
8-01-2024	\$ 2,383,659	3.87%	\$ 65,092	\$ 47,383	\$112,475
2-01-2025	\$ 2,318,160	3.87%	\$ 65,499	\$ 46,124	\$111,623
8-01-2025	\$ 2,248,982	3.87%	\$ 69,178	\$ 44,856	\$114,034

(Continued)

SAN PATRICIO COUNTY, TEXAS
QECB CAPITAL LEASE DATED AUGUST 2, 2016
AMORTIZATION SCHEDULE
INTEREST AT 3.87%, PAYABLE 2-1 & 8-1
December 31, 2016
(Continued)

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	TOTAL PAYMENT AMOUNT
2-01-2026	\$ 2,179,372	3.87%	\$ 69,610	\$ 43,518	\$113,128
8-01-2026	\$ 2,105,933	3.87%	\$ 73,439	\$ 42,171	\$115,610
2-01-2027	\$ 2,032,035	3.87%	\$ 73,898	\$ 40,750	\$114,648
8-01-2027	\$ 1,954,151	3.87%	\$ 77,884	\$ 39,320	\$117,204
2-01-2028	\$ 1,875,780	3.87%	\$ 78,371	\$ 37,813	\$116,184
8-01-2028	\$ 1,793,262	3.87%	\$ 82,518	\$ 36,296	\$118,814
2-01-2029	\$ 1,710,228	3.87%	\$ 83,034	\$ 34,700	\$117,734
8-01-2029	\$ 1,622,877	3.87%	\$ 87,351	\$ 33,093	\$120,444
2-01-2030	\$ 1,534,980	3.87%	\$ 87,897	\$ 31,403	\$119,300
8-01-2030	\$ 1,442,591	3.87%	\$ 92,389	\$ 29,702	\$122,091
2-01-2031	\$ 1,349,624	3.87%	\$ 92,967	\$ 27,914	\$120,881
8-01-2031	\$ 1,251,983	3.87%	\$ 97,641	\$ 26,115	\$123,756
2-01-2032	\$ 1,153,731	3.87%	\$ 98,252	\$ 24,226	\$122,478
8-01-2032	\$ 1,050,616	3.87%	\$ 103,115	\$ 22,325	\$125,440
2-01-2033	\$ 946,857	3.87%	\$ 103,759	\$ 20,330	\$124,089
8-01-2033	\$ 838,037	3.87%	\$ 108,820	\$ 18,321	\$127,141
2-01-2034	\$ 728,537	3.87%	\$ 109,500	\$ 16,216	\$125,716
8-01-2034	\$ 613,773	3.87%	\$ 114,764	\$ 14,097	\$128,861
2-01-2035	\$ 498,291	3.87%	\$ 115,482	\$ 11,877	\$127,359
8-01-2035	\$ 377,332	3.87%	\$ 120,959	\$ 9,642	\$130,601

(Continued)

SAN PATRICIO COUNTY, TEXAS
QECB CAPITAL LEASE DATED AUGUST 2, 2016
AMORTIZATION SCHEDULE
INTEREST AT 3.87%, PAYABLE 2-1 & 8-1
December 31, 2016
(Continued)

DUE DATE	UNPAID BALANCE	COUPON	PRINCIPAL	INTEREST	TOTAL PAYMENT AMOUNT
2-01-2036	\$ 255,618	3.87%	\$ 121,714	\$ 7,301	\$129,015
8-01-2036	\$ 128,207	3.87%	\$ 127,411	\$ 4,946	\$132,357
2-01-2037	\$ -	3.87%	\$ 128,207	\$ 2,481	\$130,688
			<u>\$ 3,185,555</u>	<u>\$ 1,549,147</u>	<u>\$4,734,702</u>

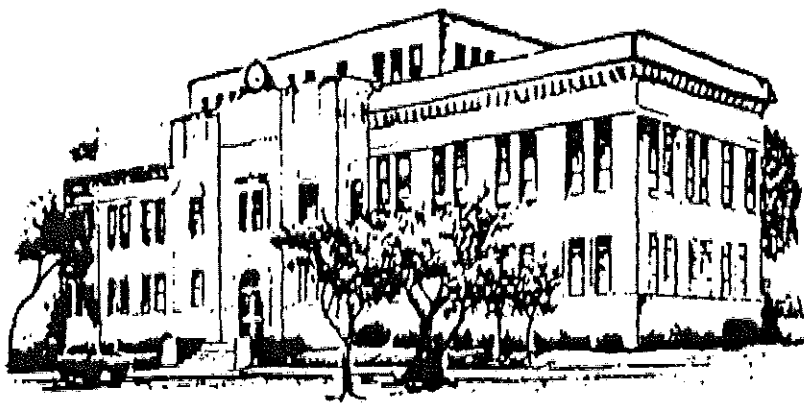
The above debt was issued to purchase energy conservation equipment for County buildings. Payments are made to HASI, Anapolis, MD. This debt is serviced by the Permanent Improvement Debt Service Fund, and will be liquidated in 2037.

At December 31, 2016 the amount of above debt spent was \$1,569,185 and the amount unspent was \$1,616,370. Also as of December 31, 2016 the County has made all payments on the debt above timely when due.

The proceeds of the above debt were/are accounted for in the Energy Conservation Project Capital Projects Fund.

The Qualified Energy Conservation Bonds (QECB) loan is in effect a Capital Lease.

Single Audit Section





Lovvorn & Kieschnick, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, Texas, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise San Patricio County, Texas' basic financial statements, and have issued our report thereon dated July 6, 2017.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lovvorn & Kieschnick, LLP

Lovvorn & Kieschnick, LLP

July 6, 2017



Lovvorn & Kieschnick, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of San Patricio County, Texas' major federal programs for the year ended December 31, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of San Patricio County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Patricio County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, San Patricio County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of San Patricio County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Patricio County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Patricio County, Texas' internal control over compliance.

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

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

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

Lovvorn + Kieschnick, LLP

Lovvorn & Kieschnick, LLP

July 6, 2017

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	TDA Grant
14.228	CDBG Grant

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

SAN PATRICIO COUNTY, TEXAS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

<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, 2016

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

SAN PATRICIO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Texas Department of State Health Services</i>				
WIC Program Fiscal Year 2016	10.557	2016-048786	\$ 0	\$ 433,879
	10.557	2016-048786	0	238,461
Total U.S. Department of Agriculture			0	672,340
U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Texas Department of Agriculture</i>				
TDA Grant	14.228	7215105	0	38,000
TDA Grant	14.228	713105	0	214,281
TDA Grant	14.228	713135	0	24,250
Total Passed Through Office of Rural Community Affairs			0	276,531
<i>Passed Through General Land Office - Disaster Recovery</i>				
CDBG	14.228	DRS0210166	0	737,409
Total Passed Through General Land Office- Disaster Recovery			0	737,409
Total U.S. Department of Housing and Urban Development			0	1,013,940
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Texas Department of State Health Services</i>				
Drug prevention education & skills training for youth	93.959	2016-047976-001	0	76,296
		2016-047976-002	0	32,892
Total Drug Prevention Education & Skills Training for Youth			0	109,188
<i>Centers for Disease Control and Prevention</i>				
CPS/Hazards	93.069	2016-001270-02	0	41,693
		2016-001270-02	0	41,775
			0	83,468
CPS/OT-Unique	93.069	2016-004053-01	0	18,104
CPS/Ebola	93.069	2015-003609-01	0	2,007
Total Center for Disease Control and Prevention			0	103,579
Immunization Grants	93.268	2016-001297-00	0	89,091
		2016-001297-01	0	48,191
			0	137,282
Preventitive Health - RLSS/LPHS	93.758	2016-001360-00	0	70,286
		2016-001360-00	0	37,370
			0	107,656
Total U.S. Department of Health and Human Services			0	457,705

U.S. DEPARTMENT OF THE INTERIOR*Direct:*

GOMESA	15.435		<u>189</u>
Total U.S. Department of Interior			<u>189</u>

U.S. DEPARTMENT OF HOMELAND SECURITY*Direct:*

DEM- Operation Stone Garden	97.067		<u>80,252</u>
Total U.S. Department of Homeland Security		0	<u>80,252</u>

EXECUTIVE OFFICE OF THE PRESIDENT*Passed Through Office of National Drug Control Policy*

High Intensity Drug Trafficking Areas	95.001	G15HN0021A	<u>0</u>	<u>6,785</u>
Total Executive Office of the President			<u>0</u>	<u>6,785</u>

U.S. DRUG ENFORCEMENT ADMINISTRATION*Direct:*

Organized Crime Drug Enforcement Task Force	16.000	SW-TX-0999H	<u>0</u>	<u>2,498</u>
Total U.S Drug Enforcement Agency				<u>2,498</u>

U.S. DEPARTMENT GENERAL SERVICE ADMINISTRATION*Passed Through Texas Facilities Donations of Federal*

Surplus Personal Property	39.003		<u>0</u>	<u>15,479</u>
Total U.S. General Service Administration				<u>15,479</u>

TOTAL EXPENDITURES OF FEDERAL AWARDS

			<u>\$ 0</u>	<u>\$ 2,249,188</u>
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SAN PATRICIO COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.