



**OFFICE OF THE COUNTY AUDITOR**

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New Braunfels, Texas 78130  
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**David D. Renken, C.P.A.**  
**County Auditor**  
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**Jessie Rahe**  
**First Assistant County Auditor**  
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June 16, 2016

Honorable District Judges  
Honorable County Judge  
Honorable County Commissioners  
Comal County, Texas 78130

To the Honorable Judges, Commissioners, and Citizens of Comal County:

The County Auditor's Office proudly presents the Comprehensive Annual Financial Report of Comal County, Texas (the County) for the year ended December 31, 2015. The Texas Local Government Code section 114.025 requires a complete set of audited financial statements annually. This report was prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

This report was prepared by the Comal County Auditor's Office. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that have been established for this purpose. The internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements since the cost of internal controls should not outweigh their benefits. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The financial statements, for the year ended December 31, 2015, were audited by ABIP, P.C., Certified Public Accountants and Advisors and their unmodified (clean) opinion resulting from their examination is located at the front of the financial section of this report. Their audit was conducted 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*.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

**PROFILE OF COMAL COUNTY**

Comal County was the first of 128 counties created from the original Bexar County by the First Legislature of Texas. The Act creating the county was approved on March 24, 1846. Comal County gets its name from the Comal Springs and the Comal River that flow through New Braunfels, the County seat.

Comal County has an area of 567 square miles and the 2015 estimated population of 129,048 with the City of New Braunfels having an estimated population of 70,543. There are six other cities within Comal County, the City of Garden Ridge, the City of Schertz, the City of Selma, the City of Fair Oaks Ranch, the City of Bulverde and the City of Spring Branch. The City of Schertz, the City of Selma and the City of Fair Oaks Ranch are primarily located in other counties. Comal County varies in altitude from 650 to 1,700 feet above sea level and receives an annual rainfall of approximately 33.19 inches. The county enjoys a growing season of 265 days, with an average minimum temperature in January of 40 degrees and an average maximum temperature in July of 96 degrees.

Comal County is governed by four Commissioners elected by precinct and a County Judge elected countywide that comprise the Commissioners' Court. The County is also divided into a number of different departments, each with its own legally constituted duties as prescribed by the Constitution of 1876 and/or legislative acts and each headed by either an elected or appointed official. The State court system is intertwined in the operation of Comal County as an entity.

As a subdivision of the State of Texas, the County provides only those services allowed by statute. This includes judicial, detention facilities, public safety, highways, flood control, health and limited social services, public improvements and general administrative services. Comal County also appoints the boards and has oversight authority for seven emergency services districts and the Water Oriented Recreation District (W.O.R.D.), all of which are reported separately within the County's financial statements. Additional information on all seven of these legally separate entities can be found in the notes to the financial statements (See Note 1.A).

Commissioners' Court is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for Comal County's financial planning and control. The budget is prepared by fund, department, and line-item and requires special approval from the Commissioners' Court to make any transfers. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual Appropriations Budget. Budgets are adopted for the general, certain special revenue and debt service funds on a GAAP basis. Budgets are prepared for grants-in-aid funds on a program year basis, which may differ from the County's fiscal year. Under state law, the budget cannot be exceeded in any expenditure category. The County Commissioners' Court may amend the budget once it has been adopted.

## LOCAL ECONOMY

The County's location between San Antonio and Austin provides opportunities for commuters to live in the county and work in one of these major cities. During 2015, 362 new home sites became available in subdivisions in the unincorporated areas of Comal County.

Comal County's total civilian labor force grew by 1,516 from 59,056 in 2014 to 60,572 in 2015. Total employment increased from 56,921 to 58,487 in 2015. The unemployment rate in Comal County was 3.4% at the end of 2015.

Comal County has continued to enjoy a prosperous economy. The major sectors of Comal County's economy, manufacturing, tourism, distribution, and real estate continue to grow.

## LONG-TERM FINANCIAL PLANNING

The County's 2014 General Fund balance was \$20,167,297. At the end of 2015 the County's General Fund balance was \$20,798,885, an increase of \$631,588.

## **MAJOR INITIATIVES**

The County entered into a Pass-through financing arrangement with TXDOT for improvements to Highway 281. Under the agreement, the project is to expand lanes on Highway 281 to two lanes both directions all the way through Comal County. To date, the County has made three payments totaling \$2,200,200 to TXDOT (in 2009, 2010 and 2012) for our part of the Right of Way acquisition and utility relocation. In 2012 the County issued \$14,855,000 in debt which will be repaid by the State of Texas upon completion of the project, with interest payable by Comal County. The project began in 2013 with estimated completion in 2017.

The County also entered into an inter-local agreement with the City of New Braunfels, who has entered into an agreement with TXDOT, to improve Highway 306 from Interstate 35 past Hoffman Lane. Improvement to Highway 306 will include two lanes of traffic both directions along with overpasses at the two railroad crossings. The total cost of the project is approximately \$60,000,000 with the County and City contribution totaling \$12,000,000 with the balance paid by TXDOT. Construction was begun in 2013 and should be completed in 2015.

The Alamo Area Metropolitan Planning Organization has also approved funding for a new project totaling \$15,000,000 on Highway 306 which will extend the two lane improvements of the existing project past the River Chase Subdivision.

In 2014 Comal County issued \$4,550,000 in Tax Anticipation Notes to fund several important projects. Part of those funds were issued to make much needed repairs and improvements to the Goodwin building so that the Public Health Department can move to that location some time in 2015. This issue also funded the purchase of a new financial software package from New World Systems. The project to transition to the new financial software began in 2015, benefiting the Auditor's office, the County Treasurer, the Purchasing Department and Human Resources. The 2014 issue also provided funds to acquire 11 acres of property adjacent to the existing jail for future expansion and funding for a new multi use building in Bulverde to house the Justice of the Peace and other County services in that area.

In June of 2015 Comal County issued \$3,300,000 in Tax Anticipation Notes to fund three projects. Part of the issue was used to acquire a building two blocks from the County Annex to be converted into the next Elections Office, with other funds used to purchase new voting and tabulating machines and funds to pay preliminary architecture fees in order to reasonably project the cost of a new jail and Sheriff's Office renovation.

In November of 2015, Comal County voters successfully passed a bond election authorizing the issuance of up to \$76,000,000 in order to construct a new jail and renovate the old jail thereafter to be used as Sheriff's Office Administration. In 2016, Comal County will be engaging an architect to complete final jail and Sheriff's office design, Program Managers to oversee construction and a Construction Manager at Risk to build the two projects. These projects will be phased with the Jail built first and then the old jail converted to office space thereafter. It is anticipated that construction will begin late 2016 to early 2017.

## **FINANCIAL POLICY**

The Comal County Commissioners Court maintains a conservative fiscal policy while responding to the needs of a rapidly growing county located between two of the fastest growing cities in the state. This policy has allowed the County to provide a high standard of services and infrastructure while maintaining a relatively low tax rate.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Comal County for its Comprehensive Annual Financial Report for the year ended December 31, 2014. This was the twenty third consecutive year that the County 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 conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the services of the entire staff of the County Auditor's Office with the primary roll being that of Ms. Jessie D. Rahe and the efforts of our outside auditor, Ms. Janet A. Pitman, Certified Public Accountant of the firm of ABIP, P.C., Certified Public Accountants and Advisors. I hereby express my appreciation to all these individuals who participated in its preparation. I also appreciate the support of the District Judges in the efforts to improve the financial reporting by the County Auditor's Office.

Respectfully submitted,



David D. Renken, CPA  
County Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

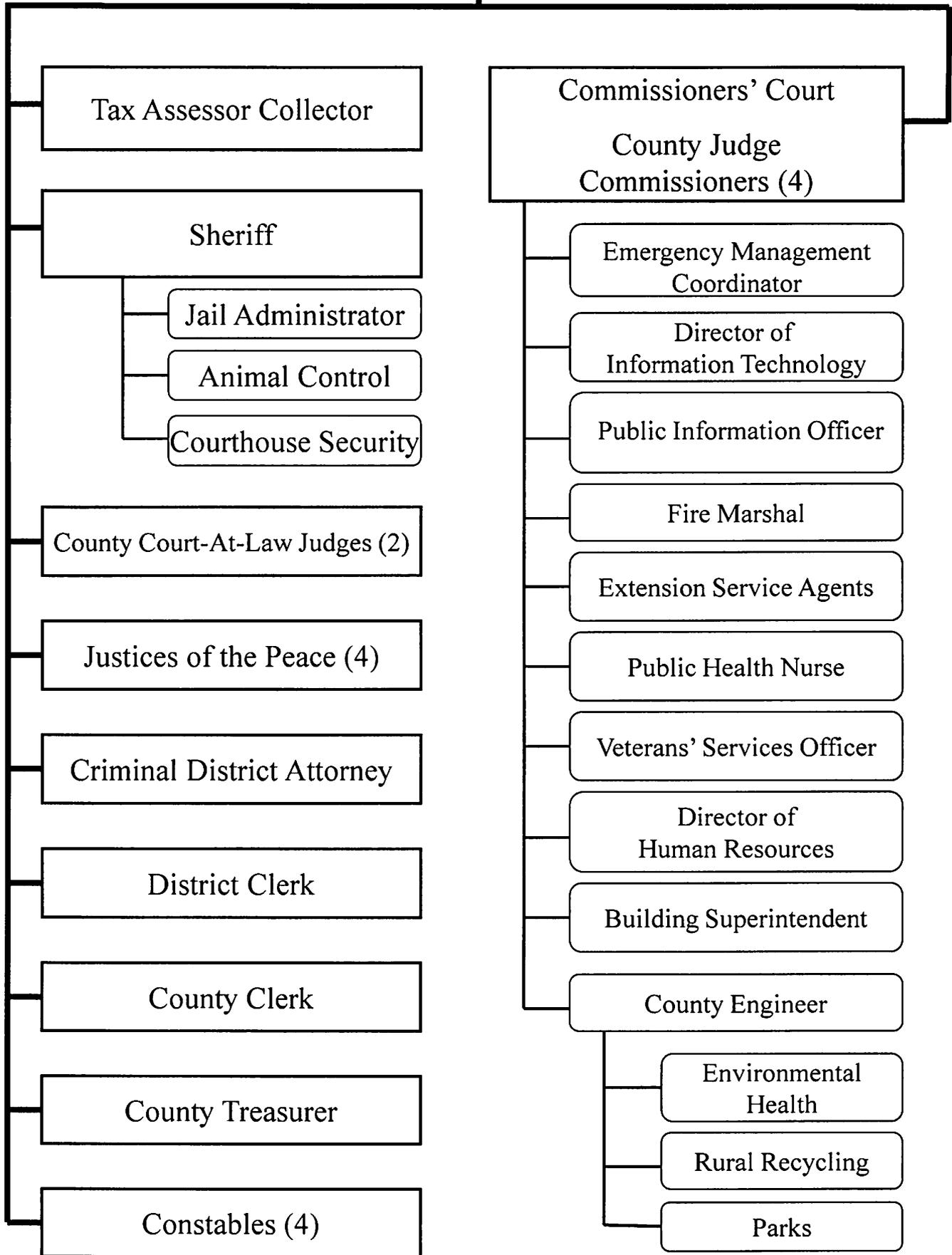
**Comal County  
Texas**

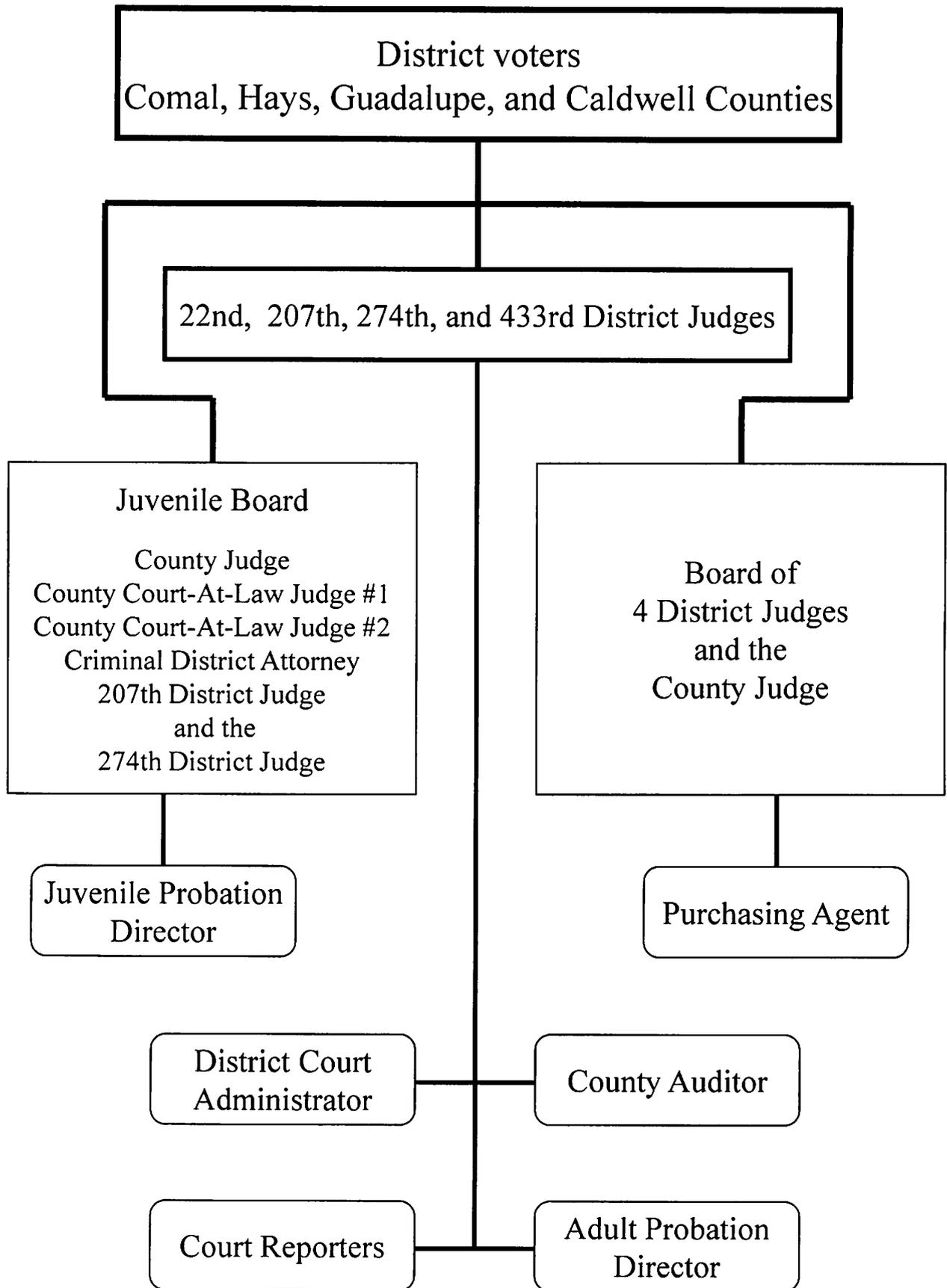
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

Comal County Voters





**COMAL COUNTY, TEXAS  
 DIRECTORY OF OFFICIALS  
 December 31, 2015**

<u>DISTRICT COURT</u>		Area Code <u>Phone #</u>
JUDGE, 22ND JUDICIAL DISTRICT	R. BRUCE BOYER Hays County Government Center San Marcos, Texas 78666	(512) 393-7700
JUDGE, 207TH JUDICIAL DISTRICT	JACK ROBISON Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1270
JUDGE, 274TH JUDICIAL DISTRICT	GARY L. STEEL Guadalupe County Courthouse Seguin, Texas 78155	(830) 303-4188
JUDGE, 433RD JUDICIAL DISTRICT	DIBRELL WALDRIP Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1270
CRIMINAL DISTRICT ATTORNEY	JENNIFER THARP Comal County Courthouse Annex 150 North Seguin, Suite 307 New Braunfels, Texas 78130	(830) 221-1300
DISTRICT CLERK	HEATHER KELLAR Comal County Courthouse Annex 150 North Seguin, Suite 304 New Braunfels, Texas 78130	(830) 221-1251
COURT REPORTER	GRACE C. DUNCAN 22ND JUDICIAL DISTRICT Hays County Government Center San Marcos, Texas 78666	(512) 393-7700
COURT REPORTER	MARY G. SCOPAS 207TH JUDICIAL DISTRICT Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1270
COURT REPORTER	RICHARD E. ROBERTS JR. 274TH JUDICIAL DISTRICT Guadalupe County Courthouse Seguin, Texas 78155	(830) 303-4188
COURT REPORTER	CINDY CUMMINGS 433RD JUDICIAL DISTRICT Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1270
DISTRICT COURT ADMINISTRATOR	STEPHEN M. THOMAS Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1270

**COMAL COUNTY, TEXAS  
 DIRECTORY OF OFFICIALS  
 December 31, 2015**

		Area Code
<u>COUNTY COURTS AT LAW</u>		<u>Phone #</u>
JUDGE, COUNTY COURT-AT-LAW #1	RANDAL C. GRAY Comal County Commissioners' Court Building 199 Main Plaza New Braunfels, Texas 78130	(830) 221-1180
JUDGE, COUNTY COURT-AT-LAW #2	CHARLES A. STEPHENS II Comal County Courthouse Annex 150 North Seguin, Suite 317 New Braunfels, Texas 78130	(830) 221-1180
 <u>COMMISSIONERS' COURT</u>		
COUNTY JUDGE	SHERMAN W. KRAUSE Comal County Courthouse 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1100
COMMISSIONER, PRECINCT NO. 1	DONNA ECCLESTON Comal County Courthouse 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1100
COMMISSIONER, PRECINCT NO. 2	SCOTT HAAG Comal County Courthouse 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1100
COMMISSIONER, PRECINCT NO. 3	KEVIN K. WEBB Comal County Courthouse 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1100
COMMISSIONER, PRECINCT NO. 4	JEN CROWNOVER Comal County Courthouse 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1100
 <u>JUSTICES OF THE PEACE</u>		
PRECINCT NO. 1	TOM CLARK 145 David Jonas Drive New Braunfels, Texas 78132	(830) 608-2025
PRECINCT NO. 2	LARRY SHALLCROSS P. O. Box 46 Bulverde, Texas 78163	(830) 438-2266
PRECINCT NO. 3	MIKE RUST 3079 West San Antonio Street New Braunfels, Texas 78132	(830) 221-1133
PRECINCT NO. 4	JENNIFER K. SAUNDERS P. O. Box 2038 Canyon Lake, Texas 78133	(830) 964-3886

COMAL COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
December 31, 2015

		Area Code Phone #
<b><u>OTHER ELECTED COUNTY OFFICIALS</u></b>		
TAX ASSESSOR-COLLECTOR	CATHY TALCOTT 205 North Seguin Avenue New Braunfels, Texas 78130	(830) 221-1353
COUNTY CLERK	BOBBIE KOEPP Comal County Courthouse Annex 150 North Seguin, Suite 101 New Braunfels, Texas 78130	(830) 221-1230
COUNTY TREASURER	RENEE L. COUCH Comal County Courthouse Annex 150 North Seguin, Suite 213 New Braunfels, Texas 78130	(830) 221-1220
COUNTY SHERIFF	ROBERT HOLDER 3005 W. San Antonio Street New Braunfels, Texas 78130	(830) 620-3400
<b><u>CONSTABLES</u></b>		
PRECINCT NO. 1	BEN SCROGGIN 145 David Jonas Drive New Braunfels, Texas 78132	(830) 620-3814
PRECINCT NO. 2	RANDY M. CHEATUM 2350 Bulverde Road Bulverde, Texas 78163	(830) 438-3117
PRECINCT NO. 3	JOSEPH C. ACKERMAN 3079 West San Antonio Street New Braunfels, Texas 78132	(830) 221-1121
PRECINCT NO. 4	JASON S. RAPP P. O. Box 2038 Canyon Lake, Texas 78133	(830) 964-4526
<b><u>OTHER COUNTY OFFICIALS</u></b>		
COUNTY AUDITOR	DAVID D. RENKEN, CPA Comal County Courthouse Annex 150 North Seguin, Suite 201 New Braunfels, Texas 78130	(830) 221-1200
COUNTY EMERGENCY MANAGEMENT COORDINATOR	JEFF KELLEY 100 Main Plaza New Braunfels, Texas 78130	(830) 221-1108
COUNTY ENGINEER	THOMAS HORNSETH 195 David Jonas Drive New Braunfels, Texas 78130	(830) 608-2090

**COMAL COUNTY, TEXAS  
 DIRECTORY OF OFFICIALS  
 December 31, 2015**

<u>OTHER COUNTY OFFICIALS</u>		<u>Area Code</u> <u>Phone #</u>
COUNTY EXTENSION AGENT - COUNTY COORDINATOR / HEALTH EDUCATION	KRYSTAL ROSE BATTEEN 325 Resource Drive New Braunfels, Texas 78130	(830) 620-3440
COUNTY EXTENSION AGENT - AGRICULTURAL & NATURAL RESOURCES	TROY LUEPKE 325 Resource Drive New Braunfels, Texas 78130	(830) 620-3440
COUNTY EXTENSION AGENT - FAMILY & CONSUMER SCIENCES	CONSTANCE SHEPPARD 325 Resource Drive New Braunfels, Texas 78130	(830) 620-3440
COUNTY EXTENSION AGENT - 4-H / YOUTH DEVELOPMENT	(vacant) 325 Resource Drive New Braunfels, Texas 78130	(830) 620-3440
COUNTY FIRE MARSHAL	KORY KLABUNDE 145 David Jonas Drive New Braunfels, Texas 78132	(830) 964-2786
COUNTY HEALTH NURSE	GWEN E. MILLS 178 East Mill Street, Suite 210 New Braunfels, Texas 78130	(830) 221-1150
HUMAN RESOURCES DIRECTOR	JERRI HETTINGER 1297 Church Hill Drive New Braunfels, Texas 78130	(830) 643-5859
INFORMATION TECHNOLOGY DIRECTOR	MICHAEL LEE 150 North Seguin, Suite 214 New Braunfels, Texas 78130	(830) 643-5808
COUNTY JUVENILE OFFICER	KRIS K. JOHNSON 171 East Mill Street New Braunfels, Texas 78130	(830) 221-1290
COUNTY PURCHASING AGENT	RAMONA WOMACK 1297 Church Hill Drive New Braunfels, Texas 78130	(830) 643-5850
COUNTY VETERANS SERVICE OFFICER	MICHAELLE DAVIS 345 Landa Street New Braunfels, Texas 78130	(830) 221-1170

