

CALHOUN COUNTY, TEXAS
Annual Financial Report
For the Fiscal Year Ended December 31, 2009

Prepared by

Cindy Mueller,
County Auditor

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Introductory Section

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CINDY MUELLER
COUNTY AUDITOR, CALHOUN COUNTY
COUNTY COURTHOUSE ANNEX II – 202 S. ANN, SUITE B
PORT LAVACA, TEXAS 77979
(361) 553-4610

Honorable Joseph P. Kelly
Judge, 24th Judicial District

Honorable Stephen Williams
Judge, 135th Judicial District

Honorable Skipper Koetter
Judge, 267th Judicial District

Honorable Members of Commissioners Court
Calhoun County, Texas

Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Vernon's Texas Codes Annotated – Local Government Code, Title 3, Subtitle B, Chapter 84, I submit herewith the annual financial report of the government of Calhoun County, Texas for the fiscal year ended December 31, 2009.

This report covers only the finances of the government of Calhoun County and does not include financial information or financial statements on various dependent agencies, boards or commissions which may utilize the prefix of "Calhoun County" in their corporate or assumed name.

ACCOUNTING SYSTEMS AND REPORTS

The accounts and financial records of Calhoun County, Texas, are maintained in conformance with Vernon's Texas Codes Annotated – Local Government Code. This report is prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

Additional details about the accounting system are provided in Note 1 of the "Notes to Financial Statements".

INDEPENDENT AUDIT


The Calhoun County Commissioners Court selected the firm of Rutledge Crain & Company, PC, Certified Public Accountants, to make an independent audit for the fiscal year 2009 and their report is included in this annual report.

GENERAL REMARKS

I wish to express my appreciation for the cooperation given me by the members of Commissioners Court and by all officials, department heads and employees in all matters related to the operation of this office.

I hereby state that, to the best of my knowledge, this report is a true and correct statement of the financial position of Calhoun County, Texas, as of December 31, 2009, and the results of the County's operations and transactions for the year then ended, in accordance with generally accepted accounting principles applicable to governmental entities, subject to the notes to the financial statements.

Respectfully submitted,


Cindy Mueller,
County Auditor

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2009

District Courts

Judge, 24th Judicial District	Joseph P. Kelly Victoria County Courthouse Victoria, Texas
Judge, 135th Judicial District	Stephen Williams Victoria County Courthouse Victoria, Texas
Judge, 267th Judicial District	Skipper Koetter Victoria County Courthouse Victoria, Texas
Criminal District Attorney	Dan W. Heard Calhoun County Courthouse Port Lavaca, Texas
County Court-at-Law Judge	Alex R. Hernandez Calhoun County Courthouse Port Lavaca, Texas
County Auditor	Cindy Mueller Calhoun County Courthouse Annex Port Lavaca, Texas

Elected County Officials

County Judge	Michael J. Pfeifer Calhoun County Courthouse Port Lavaca, Texas
Commissioner, Precinct One	Roger C. Galvan 2213 Vail Port Lavaca, Texas
Commissioner, Precinct Two	Vernon Lyssy 680 Hengst Road Port Lavaca, Texas
Commissioner, Precinct Three	Neil E. Fritsch 701 Willowick Dr. Port Lavaca, Texas
Commissioner, Precinct Four	Kenneth Finster P.O. Box 640 Seadrift, Texas
Tax Assessor-Collector	Gloria Ochoa Calhoun County Courthouse Port Lavaca, Texas
District Clerk	Pamela Martin Hartgrove Calhoun County Courthouse Port Lavaca, Texas
County Clerk	Anita Fricke Calhoun County Courthouse Port Lavaca, Texas
County Sheriff	Burnard B. Browning Calhoun County Courthouse Port Lavaca, Texas
County Treasurer	Rhonda S. Kokena Calhoun County Courthouse Annex Port Lavaca, Texas

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2009

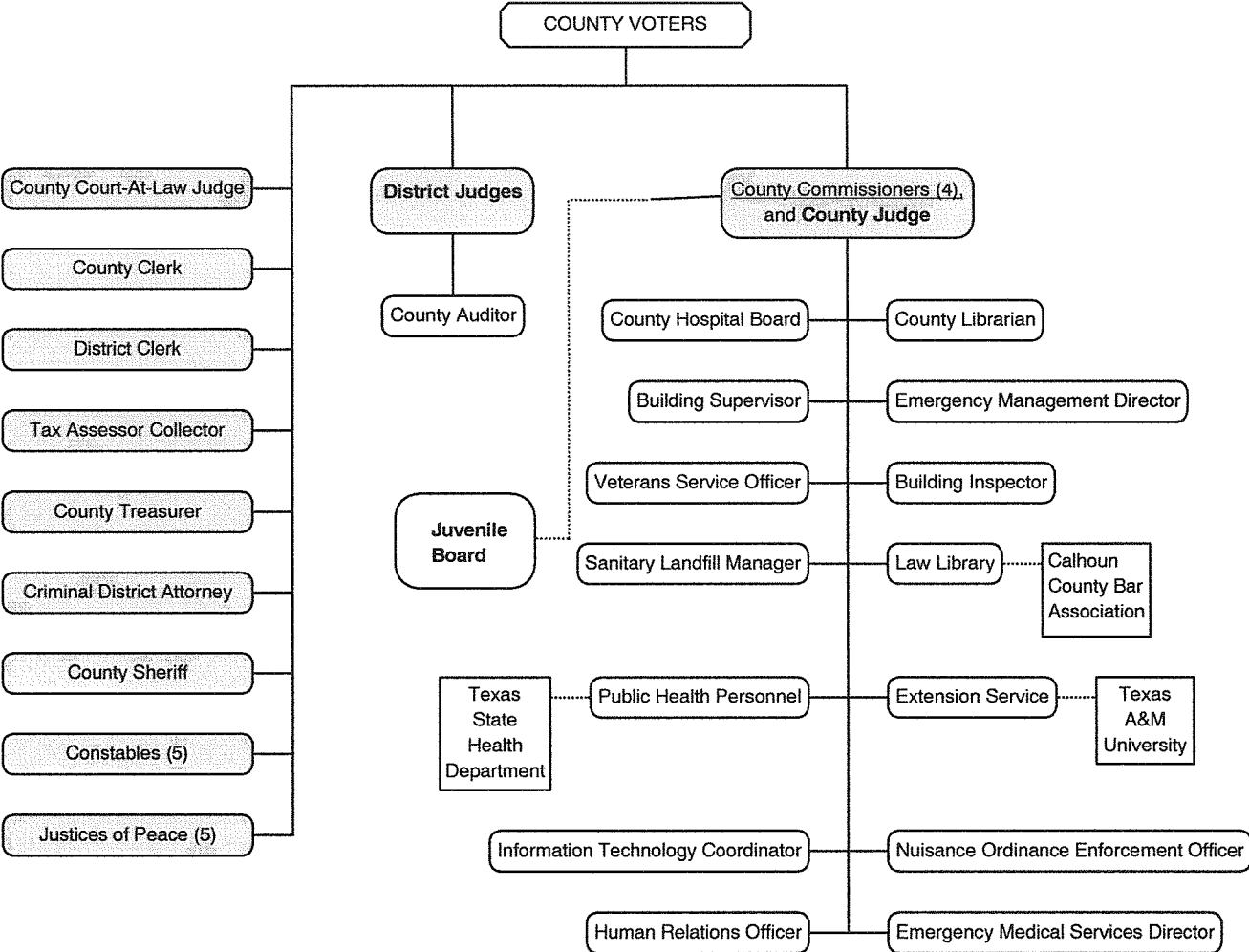
Elected Precinct Officials

Justice of Peace, Precinct One	Hope D. Kurtz 113 Milwaukee Port Lavaca, Texas
Justice of Peace, Precinct Two	James W. Duckett P.O. Box 1307 Port Lavaca, Texas
Justice of Peace, Precinct Three	Gary W. Noska P.O. Box 543 Point Comfort, Texas
Justice of Peace, Precinct Four	James Dworaczyk P.O. Box 141 Seadrift, Texas
Justice of Peace, Precinct Five	Nancy J. Pomykal P.O. Box 454 Port O'Connor, Texas
Constable, Precinct One	Eugene Menchaca 218 Suncrest Drive Port Lavaca, Texas
Constable, Precinct Two	William Billings 1539 School Road Port Lavaca, Texas
Constable, Precinct Three	Bruce A. Blevins 826 Westwood Port Lavaca, Texas
Constable, Precinct Four	Fritz G. Wilke 1911-A Sweetwater Road Port Lavaca, Texas
Constable, Precinct Five	John W. Brown P.O. Box 485 Port O'Connor, Texas
<u>Appointed Personnel</u>	
Building Inspector	LaDonna Thigpen Calhoun County Courthouse Port Lavaca, Texas
Building Superintendent	Charles V. Crober Calhoun County Courthouse Port Lavaca, Texas
Chief Probation Officer	Jeanine Callihan Calhoun County Courthouse Annex Port Lavaca, Texas
Juvenile Probation Officer	Luis Leija Calhoun County Courthouse Annex Port Lavaca, Texas
Veterans Service Officer	Jose R. Pena 1904 Shofner Drive Port Lavaca, Texas
Hospital Administrator (Appointed by Board of Memorial Medical Center)	David Contreras 815 N. Virginia Port Lavaca, Texas

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2009

County Agricultural Agent	Vacant P.O. Box 86 Port Lavaca, Texas
County CEAFCFS Agent	Bethany I. Bowman P.O. Box 86 Port Lavaca, Texas
County Marine Agent	Rhonda D. Cummins P.O. Box 86 Port Lavaca, Texas
County 4H/Youth Agent	Jeffrey C. Crossland P.O. Box 86 Port Lavaca, Texas
County Librarian	Noemi Cruz 200 W. Mahan Port Lavaca, Texas
County Librarian, Seadrift	Carol J. Garriott Seadrift Library Seadrift, Texas
County Librarian, Point Comfort	Grace Bradley Point Comfort Library Point Comfort, Texas
County Librarian, Port O'Connor	Shirley H. Gordon Port O'Connor Library Port O'Connor, Texas
County Health Officer	Bain C. Cate, M.D. 117 West Ash Port Lavaca, Texas
County Waste Management Supervisor	Patricia Kalisek Rosenbaum Road Port Lavaca, Texas
County Election Administrator	Dora E. Garcia Calhoun County Courthouse Port Lavaca, Texas
County Nuisance Ordinance enforcement Officer	Bruce A. Blevins Calhoun County Courthouse Port Lavaca, Texas
Emergency Medical Services Director	Henry J. Barber 216 E. Mahan Port Lavaca, Texas

CALHOUN COUNTY ORGANIZATION CHART
December 31, 2009



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Financial Section

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioners
Comprising the Commissioners' Court of
Calhoun County, Texas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents.

These financial statements are the responsibility of Calhoun County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discrete component unit, Memorial Medical Center ("MMC"), which statements reflect 100% of the assets and revenues of the County's discretely presented component unit as of and for the year ended December 31, 2009. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for MMC, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of December 31 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise Calhoun County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Rutledge Crain & Company, PC

June 30, 2010

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Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Calhoun County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ❖ The assets of the County exceeded its liabilities at the close of the fiscal year ended December 31, 2009, by \$43,628,485 (net assets). Of this amount, \$21,807,135 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The unreserved portion of the General Fund balance at the end of the year was \$16,624,231 or 76% of total General Fund expenditures and transfers out.
- ❖ The County's governmental funds reported combined ending fund balances of \$22,794,801, an increase of \$1,863,959 in comparison to the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements; and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide the reader with a broad overview of Calhoun County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Assets and the Statement of Activities, are utilized to provide this financial overview.

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

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

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The County maintains 62 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is a major fund. Data from the other 61 funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. Memorial Medical Center (MMC), the County's discrete component unit, is a proprietary fund used to account for the activities of the county hospital. The financial statements of MMC may be found on pages 43-45.

Fiduciary Funds. The County maintains funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support County programs.

Notes to Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information following the notes to the financial statements. The other supplementary information includes combining and individual statements and schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of fiscal year 2009, the County's net assets (assets exceeding liabilities) totaled \$43,628,485. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

Net Assets. The largest portion of the County's net assets, \$19,109,101 or 44%, reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, 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.

An additional portion of the County's net assets, \$2,712,249, or 6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$21,807,135 or 50%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Assets

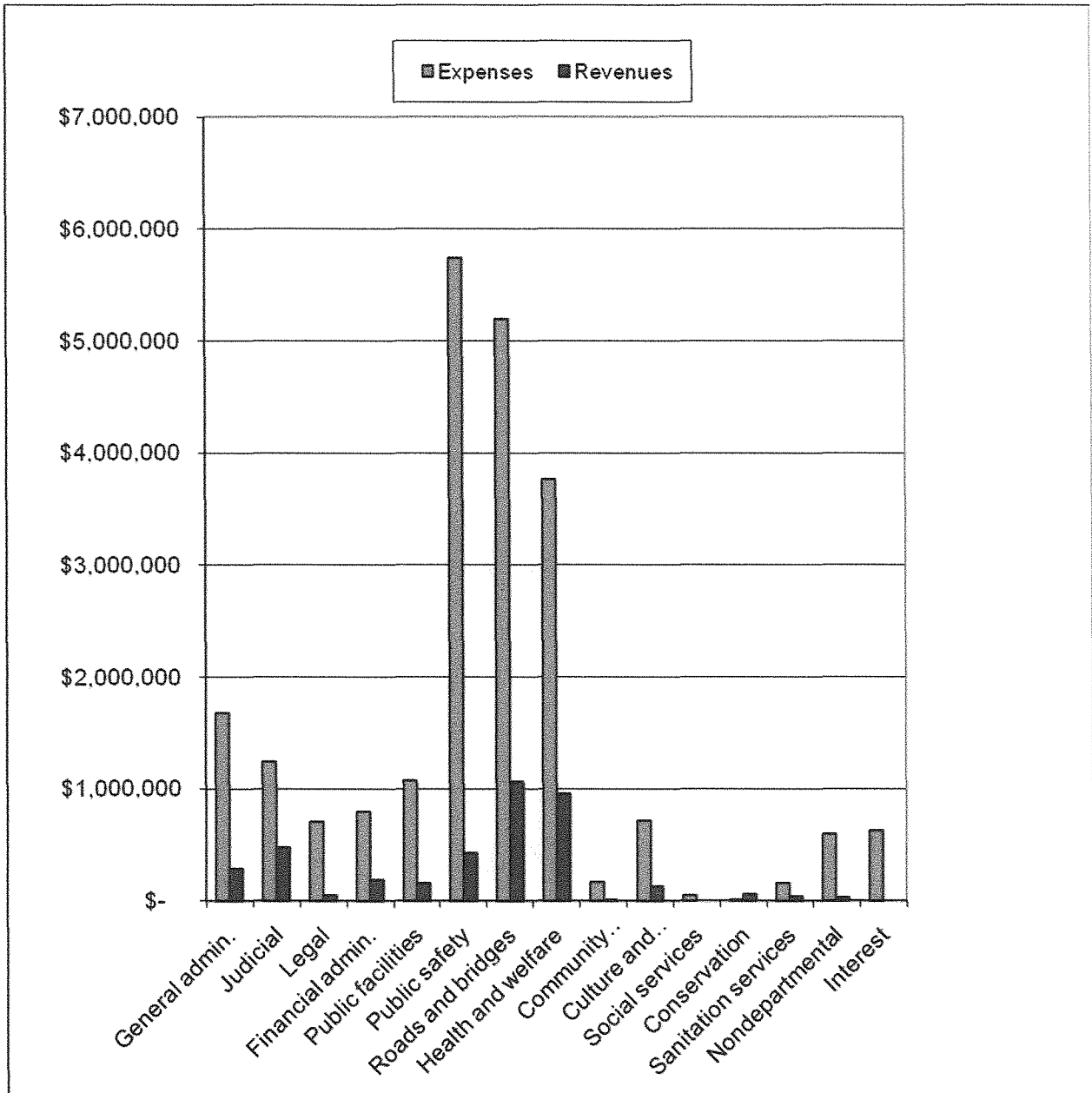
	2009	2008	Change
Current and other assets	\$ 43,611,553	\$ 44,507,233	\$ (895,680)
Capital assets (net of accumulated depreciation)	32,606,436	31,789,225	817,211
Total assets	<u>76,217,989</u>	<u>76,296,458</u>	<u>(78,469)</u>
Current and other liabilities	18,963,572	21,945,203	(2,981,631)
Long-term liabilities	13,625,932	14,488,301	(862,369)
Total liabilities	<u>32,589,504</u>	<u>36,433,504</u>	<u>(3,844,000)</u>
Net assets:			
Invested in capital assets, net of related debt	19,109,101	17,418,049	1,691,052
Restricted	2,712,249	2,785,974	(73,725)
Unrestricted	21,807,135	19,658,931	2,148,204
Total net assets	<u>\$ 43,628,485</u>	<u>\$ 39,862,954</u>	<u>\$ 3,765,531</u>

Changes in Net Assets. The net assets of the County increased by \$3,765,531 for the fiscal year ended December 31, 2009. Table 2 provides an analysis of revenues and expenditures comprising the increase.

Table 2
Changes in Net Assets

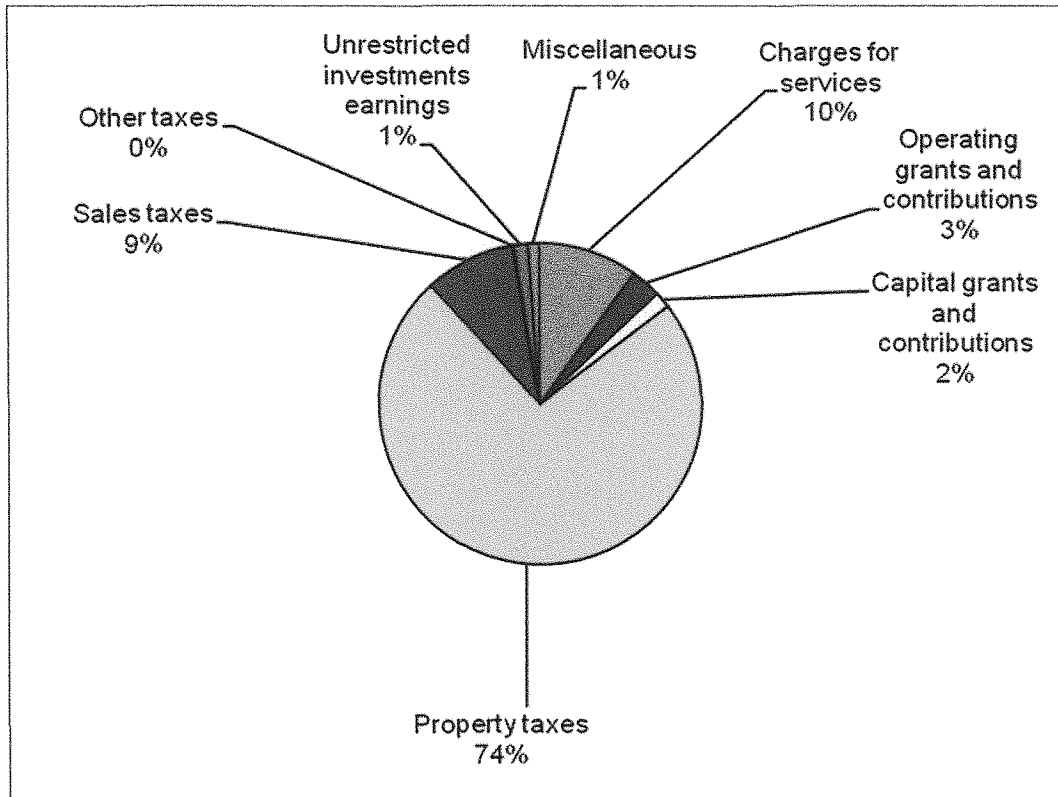
	2009	2008	Change
Revenues:			
Net Program Revenues:			
Charges for services	\$ 2,603,677	\$ 3,086,946	\$ (483,269)
Operating grants and contributions	802,293	767,818	34,475
Capital grants and contributions	427,682	730,586	(302,904)
General Revenues:			
Property taxes	19,305,775	19,336,873	(31,098)
Sales taxes	2,390,879	2,711,603	(320,724)
Other taxes	28,170	28,274	(104)
Unrestricted investments earnings	375,897	885,108	(509,211)
Miscellaneous	294,155	270,602	23,553
Gain on sale of capital assets	-	503,253	(503,253)
Total revenues	<u>26,228,528</u>	<u>28,321,063</u>	<u>(2,092,535)</u>
Expenses:			
General administration	1,674,926	1,700,908	(25,982)
Judicial	1,239,145	1,278,542	(39,397)
Legal	700,867	687,284	13,583
Financial administration	787,254	1,034,669	(247,415)
Public facilities	1,072,259	1,066,101	6,158
Public safety	5,734,366	5,548,344	186,022
Roads and bridges	5,189,257	4,644,721	544,536
Health and welfare	3,759,914	3,823,591	(63,677)
Community development	162,524	168,252	(5,728)
Culture and recreation	710,050	717,698	(7,648)
Social services	42,030	39,889	2,141
Conservation	7,750	7,750	-
Sanitation services	160,047	163,558	(3,511)
Nondepartmental	596,343	425,305	171,038
Interest on long-term debt	626,265	681,986	(55,721)
Total expenses	<u>22,462,997</u>	<u>21,988,598</u>	<u>474,399</u>
Change in net assets	3,765,531	6,332,465	<u>\$ (2,566,934)</u>
Net assets - beginning	39,862,954	33,530,489	
Net assets - ending	<u>\$ 43,628,485</u>	<u>\$ 39,862,954</u>	

Program Expenses and Revenues



The cost of the county's programs exceeded program revenues of \$3,833,652 by \$18,629,345, as illustrated above. Program revenues amounted to 17% of program costs.

Revenues by Source



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$22,794,801, an increase of \$1,863,959 from 2008.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund unreserved fund balance was \$16,624,231. The fund balance increased by \$1,828,416 during the current fiscal year. Although revenues decreased 3% from the prior year, total revenues this year exceeded expenditures and other financing uses.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

During the year there was a \$1,006,256 positive variance between the final amended budget and actual expenditures, comprised primarily of the following:

- \$259,369 decrease from budgeted General Administration expenditures for services and as a result of personnel vacancies.
- \$98,466 decrease from budgeted Judicial expenditures for court services, jurors and personnel.
- \$87,355 decrease from budgeted Road and Bridge expenditures related to cyclical variations in materials purchases and personnel vacancies.
- \$263,896 decrease from budgeted Health and Welfare expenditures for indigent health care.

The key factor in the \$1,926,680 positive budget variance in total revenues was an increase in sales tax collections.

The positive budget variances resulted in \$2,932,936 excess of revenues over expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of December 31, 2009, amounts to \$32,606,436 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

	Balance 12/31/09	Balance 12/31/08
Capital assets, not being depreciated:		
Land	\$1,707,901	\$1,701,089
Construction in progress	2,202,605	823,480
Capital assets, being depreciated		
Buildings	16,543,185	16,781,994
Improvements other than buildings	2,123,721	2,274,723
Furniture, fixtures and equipment	4,236,311	3,966,726
Infrastructure	5,792,713	6,241,213
	<u>\$32,606,436</u>	<u>\$31,789,225</u>

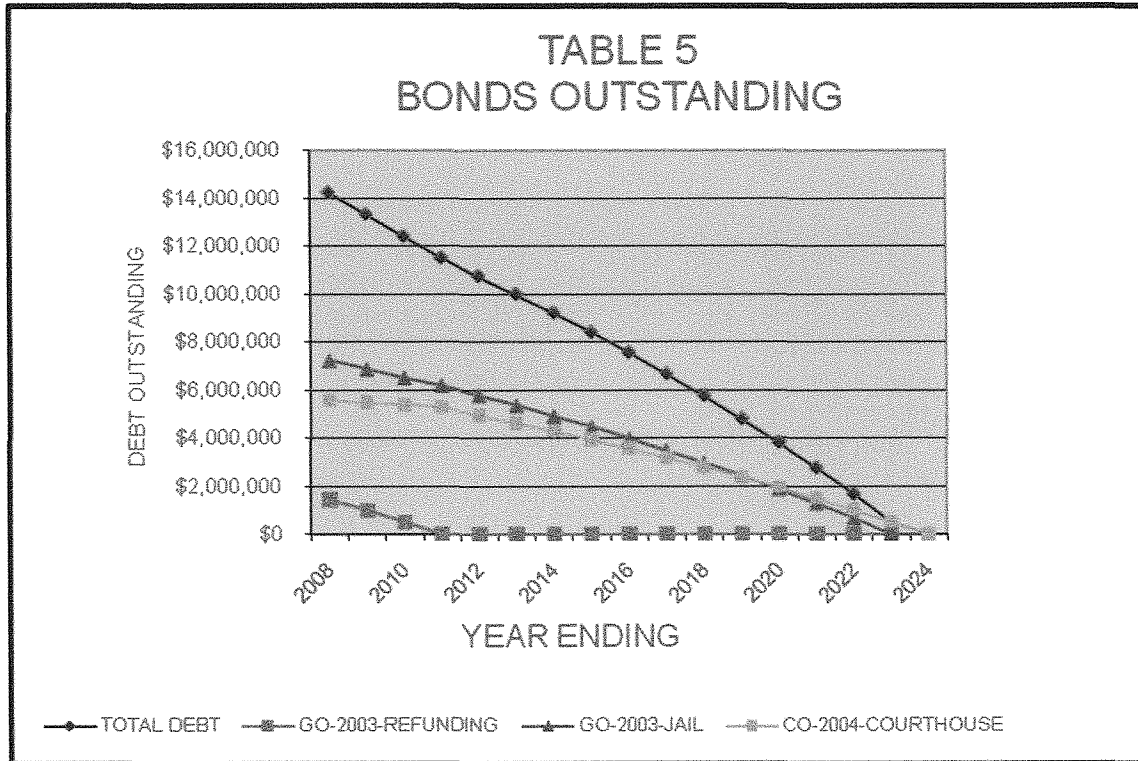
For more information on Capital Assets see the footnotes beginning on page 33.

Debt Administration.

Table 4
 Outstanding Debt at Year End

	12/31/09	12/31/08
GOVERNMENTAL ACTIVITIES:		
General obligation bonds	\$7,810,000	\$8,620,000
Certificates of obligation	5,485,000	5,585,000
Bond premium/discount	(37,553)	(40,023)
Capital lease obligation	239,888	206,194
Compensated absences	128,597	117,130
	<u>\$13,625,932</u>	<u>\$14,488,301</u>

General obligation bonds outstanding include \$6,845,000 for jail construction and \$965,000 refunding bonds related to hospital expansion and improvements, issued in 2003. Certificates of obligation were issued in 2004 for renovation of the courthouse building. The County's bonds presently carry "AAA" ratings (insured) with underlying ratings as follows: Moody's Investor Services Aa2 and Standard & Poor's AA-. Table 5 illustrates annual changes in bonds outstanding. Capital lease obligations are for road equipment and are payable from annual appropriations of the General Fund. Information about compensated absences may be found on page 29 and additional information on the County's long-term debt may be found on pages 35-36.



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2010 budget decreased 15% from 2009. The Commissioners Court maintained the same total tax rate of \$0.4900, resulting in a 1.5% decrease in the General Fund tax rate. The projected \$2,927,000 decrease in property taxes was offset by expenditure reductions and \$845,000 of fund balance, while maintaining an estimated fund balance of 70% of expenditures at the end of the fiscal year.

Appraised values are expected to decrease for the year 2011 as a result of the economic recession.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Calhoun County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Cindy Mueller, County Auditor, 202 S. Ann Street, Suite B, Port Lavaca, Texas 77979.

Basic Financial Statements

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CALHOUN COUNTY, TEXAS
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Governmental Activities	Component Unit
ASSETS		
<i>Cash and cash equivalents</i>	\$ 24,823,947	811,666
<i>Investments</i>	--	250,000
<i>Receivables (net of allowances for uncollectibles):</i>	7,923,952	3,013,770
<i>Intergovernmental receivable</i>	866,325	--
<i>Inventory</i>	256,294	--
<i>Prepaid items and other current assets</i>	284,721	2,566,803
<i>Loan to component unit</i>	500,000	--
Restricted assets:		
<i>Cash and cash equivalents</i>	8,769,792	--
<i>Deferred charges</i>	186,522	--
Capital assets (net, where applicable, of accumulated depreciation)		
<i>Land</i>	1,707,901	32,143
<i>Construction in progress</i>	2,202,605	--
<i>Buildings</i>	16,543,185	2,131,209
<i>Improvements other than buildings</i>	2,123,721	--
<i>Furniture, fixtures and equipment</i>	4,236,311	2,916,840
<i>Infrastructure</i>	5,792,713	--
Total Assets	<u>76,217,989</u>	<u>11,722,431</u>
LIABILITIES		
<i>Accounts payable</i>	866,090	581,242
<i>Accrued and other liabilities</i>	889,952	597,386
<i>Due to other governments</i>	480,691	--
<i>Due to others</i>	615,983	--
<i>Unearned revenue</i>	16,110,856	222
Noncurrent liabilities:		
<i>Due in one year</i>	1,130,954	1,059,015
<i>Due in more than one year</i>	12,494,978	1,119,906
Total Liabilities	<u>32,589,504</u>	<u>3,357,771</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	19,109,101	3,719,891
Restricted For:		
<i>Debt Service</i>	229,153	--
<i>Capital Projects</i>	2,483,096	--
Unrestricted	21,807,135	4,644,769
Total Net Assets	<u>\$ 43,628,485</u>	<u>8,364,660</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
<i>General administration</i>	\$ 1,674,926	\$ 279,917	\$ 450	\$ 1,974
<i>Judicial</i>	1,239,145	367,714	108,720	--
<i>Legal</i>	700,867	45,236	--	--
<i>Financial administration</i>	787,254	187,650	--	--
<i>Public facilities</i>	1,072,259	44,952	49,103	62,474
<i>Public safety</i>	5,734,366	201,471	215,118	7,000
<i>Roads and bridges</i>	5,189,257	696,801	2,500	356,234
<i>Health and welfare</i>	3,759,914	724,544	228,546	--
<i>Community development</i>	162,524	100	--	--
<i>Culture and recreation</i>	710,050	8,222	119,784	--
<i>Social services</i>	42,030	--	--	--
<i>Conservation</i>	7,750	--	58,700	--
<i>Sanitation services</i>	160,047	22,410	18,322	--
<i>Nondepartmental</i>	596,343	24,660	1,050	--
<i>Interest and fiscal charges</i>	626,265	--	--	--
Total governmental activities	<u>22,462,997</u>	<u>2,603,677</u>	<u>802,293</u>	<u>427,682</u>
Total Primary Government	<u>\$ 22,462,997</u>	<u>\$ 2,603,677</u>	<u>\$ 802,293</u>	<u>\$ 427,682</u>
 COMPONENT UNIT:				
Memorial Medical Center	<u>\$ 22,643,451</u>	<u>\$ 20,985,752</u>	<u>\$ --</u>	<u>\$ 148,223</u>

General Revenues:
Ad valorem taxes
Sales taxes
Other taxes
Unrestricted Investment Earnings
Miscellaneous
 Total General Revenues
 Change in Net Assets
 Net Assets - Beginning
 Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets	
Governmental Activities	Component Unit
\$ (1,392,585)	
(762,711)	
(655,631)	
(599,604)	
(915,730)	
(5,310,777)	
(4,133,722)	
(2,806,824)	
(162,424)	
(582,044)	
(42,030)	
50,950	
(119,315)	
(570,633)	
(626,265)	
<u>(18,629,345)</u>	
<u>(18,629,345)</u>	
	\$ <u>(1,509,476)</u>
19,305,775	--
2,390,879	--
28,170	--
375,897	28,896
294,155	--
<u>22,394,876</u>	<u>28,896</u>
3,765,531	(1,480,580)
39,862,954	9,845,240
<u>\$ 43,628,485</u>	<u>\$ 8,364,660</u>

CALHOUN COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
<i>Cash and cash equivalents</i>	\$ 17,927,691	\$ 6,757,532	\$ 24,685,223
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Taxes</i>	5,297,840	485,601	5,783,441
<i>Accounts</i>	1,862,158	278,353	2,140,511
<i>Intergovernmental receivable</i>	826,893	39,432	866,325
<i>Due from other funds</i>	120,818	26,640	147,458
<i>Inventory</i>	256,294	--	256,294
<i>Loan to component unit</i>	500,000	--	500,000
Restricted assets:			
<i>Cash and cash equivalents</i>	8,769,792	--	8,769,792
 Total Assets	 \$ 35,561,486	 \$ 7,587,558	 \$ 43,149,044
 LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 703,412	\$ 162,678	\$ 866,090
<i>Accrued and other liabilities</i>	517,559	157,857	675,416
<i>Due to other funds</i>	4,364	143,094	147,458
<i>Due to other governments</i>	480,691	--	480,691
<i>Due to others</i>	471,903	5,360	477,263
<i>Deferred revenue</i>	16,003,032	1,704,293	17,707,325
Total Liabilities	18,180,961	2,173,282	20,354,243
 Fund balances:			
Reserved for:			
<i>Interfund loans</i>	500,000	--	500,000
<i>Debt service</i>	--	204,302	204,302
<i>Inventory</i>	256,294	--	256,294
Unreserved, reported in:			
<i>General fund</i>	16,624,231	--	16,624,231
<i>Special revenue funds</i>	--	2,726,878	2,726,878
<i>Capital projects funds</i>	--	2,483,096	2,483,096
Total fund balances	17,380,525	5,414,276	22,794,801
 Total Liabilities & Fund Balances	 \$ 35,561,486	 \$ 7,587,558	 \$ 43,149,044

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2009

Total fund balances - governmental funds balance sheet	\$ 22,794,801
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	32,606,434
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	337,765
Payables for bond principal which are not due in the current period are not reported in the funds.	(13,352,274)
Payables for capital leases which are not due in the current period are not reported in the funds.	(145,061)
Payables for bond interest which are not due in the current period are not reported in the funds.	(214,536)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(128,597)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	471,243
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,078,447
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	180,264
Net assets of governmental activities - statement of net assets	<u>\$ 43,628,485</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
<i>Ad valorem taxes</i>	\$ 17,810,536	\$ 1,422,604	\$ 19,233,140
<i>Sales taxes</i>	2,390,879	--	2,390,879
<i>Other taxes</i>	11,242	16,928	28,170
<i>Intergovernmental</i>	495,472	597,492	1,092,964
<i>Charges for services</i>	1,368,150	132,879	1,501,029
<i>Permits and licenses</i>	14,839	368,935	383,774
<i>Fines and forfeitures</i>	270,989	343,557	614,546
<i>Interest</i>	326,948	48,949	375,897
<i>Gifts and contributions</i>	4,500	139,934	144,434
<i>Rents and leases</i>	13,853	36,005	49,858
<i>Miscellaneous</i>	277,711	17,293	295,004
Total revenues	<u>22,985,119</u>	<u>3,124,576</u>	<u>26,109,695</u>
Expenditures:			
Current:			
<i>General administration</i>	1,741,671	9,142	1,750,813
<i>Judicial</i>	1,286,249	5,031	1,291,280
<i>Legal</i>	647,413	47,624	695,037
<i>Financial administration</i>	1,017,172	--	1,017,172
<i>Public facilities</i>	917,299	207,711	1,125,010
<i>Public safety</i>	5,508,821	188,499	5,697,320
<i>Roads and bridges</i>	4,036,363	1,363,353	5,399,716
<i>Health and welfare</i>	3,759,348	455,286	4,214,634
<i>Community development</i>	154,814	1,466	156,280
<i>Culture and recreation</i>	629,553	187,678	817,231
<i>Social services</i>	42,030	--	42,030
<i>Conservation</i>	7,750	--	7,750
<i>Sanitation services</i>	148,283	17,548	165,831
<i>Nondepartmental</i>	--	459,834	459,834
Debt service:			
<i>Principal</i>	--	910,000	910,000
<i>Interest and fiscal charges</i>	111,260	588,155	699,415
Total expenditures	<u>20,008,026</u>	<u>4,441,327</u>	<u>24,449,353</u>
Excess (deficiency) of revenues over (under) expenditures	2,977,093	(1,316,751)	1,660,342
Other financing sources (uses):			
<i>Transfers in</i>	626,186	2,151,554	2,777,740
<i>Transfers out</i>	(1,978,480)	(799,260)	(2,777,740)
<i>Gain on sale of capital assets</i>	69,247	--	69,247
<i>Capital leases</i>	134,370	--	134,370
Total other financing sources (uses)	<u>(1,148,677)</u>	<u>1,352,294</u>	<u>203,617</u>
Net change in fund balances	1,828,416	35,543	1,863,959
Fund balances, January 1	<u>15,552,109</u>	<u>5,378,733</u>	<u>20,930,842</u>
Fund balances, December 31	<u>\$ 17,380,525</u>	<u>\$ 5,414,276</u>	<u>\$ 22,794,801</u>

The accompanying notes are an integral part of this statement.

CALHOUN 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, 2009

Net change in fund balances - total governmental funds	\$ 1,863,959
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,821,744
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,902,849)
The gain or loss on the sale of capital assets is not reported in the funds.	(74,020)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	72,636
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	100,550
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	910,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	100,676
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(30,742)
(Increase) decrease in accrued interest from beginning of period to end of period.	3,216
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(11,468)
Certain ambulance receivables are deferred in the funds. This is the change in these amounts this year.	38,988
Uncollected court fines are not recorded as revenue in the funds.	7,211
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(134,370)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 3,765,531</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	Agency Funds
ASSETS	
<i>Cash and cash equivalents</i>	\$ 1,020,310
<i>Due from other funds</i>	142,781
<i>Due from others</i>	<u>20,781</u>
Total Assets	<u>\$ 1,183,872</u>
LIABILITIES	
<i>Due to other funds</i>	\$ 142,781
<i>Due to other governments</i>	289,499
<i>Due to others</i>	<u>751,592</u>
Total Liabilities	<u>\$ 1,183,872</u>

The accompanying notes are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" provides guidance on accounting standards to be applied by proprietary funds. The County's discretely presented component unit, Memorial Medical Center (MMC), is a proprietary type fund and has elected to apply all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions, and ARBs pronouncements unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County of Calhoun, Texas was organized by the State of Texas in 1846 from parts of Jackson, Matagorda, and Victoria counties and is governed under the laws of the State of Texas. The County provides the following services: general and financial administration, judicial and legal, public facilities and road and bridge maintenance and construction, public safety, health and welfare, community development, culture and recreation, social services, and conservation and sanitation services.

The Calhoun County Commissioners' Court is the level of government which has oversight responsibility and control over all activities of the County. The Court is composed of four commissioners, one elected from each of the four precincts in the County, and the County Judge elected from the entire County. The members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. Although the County receives funding from local, state and federal government entities, the Commissioners' Court is not included in any other government "reporting entity."

Discretely presented component unit - For financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability - The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Memorial Medical Center ("MMC") operates a primary critical care hospital. The County Commissioners' Court appoints MMC's board, approves its annual budget, regularly scheduled payment of bills, and major capital additions. MMC is reported as a discretely presented component unit because its services are provided entirely to the public. Separate financial statements are available from hospital management at Memorial Medical Center, 815 North Virginia, Port Lavaca, Texas, 77979.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

C. Government-wide and Fund Financial Statements

The **government-wide financial statements** (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the later are excluded from the government-wide financial statements. The General Fund meets the criteria as a *major governmental fund*. Non-major funds include Special Revenue, Debt Service, and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied and due October 1, 2009 are intended to finance the County's budget for the fiscal year beginning January 1, 2009; accordingly, recognition of revenue from this levy has been deferred to the next fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

The General Fund is the County's general operating fund and is always classified as a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include property and other taxes, intergovernmental revenues, charges for services, and investment of idle funds. Primary expenditures are for general administration, judicial and legal, public facilities and road and bridge maintenance and construction, public safety, and health and welfare.

Nonmajor funds include special revenue, debt service, and capital projects funds.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. MMC, the County's discrete component unit, is a proprietary fund used to account for hospital operations. Major revenues are provided by charges for services. Primary expenses are for health care.

The proprietary fund is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, health care expenses and administrative expenses which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for services. Operating expenses for the funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary fund financial statements include fiduciary funds which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other fiduciary funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. Assets, liabilities, and net assets or equity

1. Cash and cash equivalents

Cash consists of demand and time deposits. For purposes of presentation of MMC's cash flows, all investments with a maturity of 3 months or less at acquisition have been classified as cash equivalents.

2. Interest Capitalization

Interest costs incurred by the proprietary fund for the acquisition and/or construction of capital assets are subject to capitalization when the following conditions are present:

Expenditures for the capital asset have been made.

Activities that are necessary to get the capital asset ready for intended use are in progress.

Interest cost is being incurred.

The amount of interest cost to be capitalized is based on the weighted average amount of accumulated expenditures for the period multiplied by the interest rate for the obligation incurred specifically to finance the construction of the capital asset net of interest earned on funds borrowed to finance the project. During 2009, MMC capitalized no interest.

3. Investments

State statutes authorize the county to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third party selected or approved by the county, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices. All investment income is recognized in the appropriate fund's statement of activity and or statement of revenues, expenditures and changes in fund balance.

4. Receivables and Payables

Receivable from Other Governments - Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the grantor have been met.

Reimbursements for services performed are recorded as receivables and revenue when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

Due From or Due to Other Funds - Lending or borrowing between funds is reflected as "due from or due to" (current portion) or "advances to or advances from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due from or due to" is eliminated on the government-wide statements.

5. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the government-wide financial statements. Capital assets (except for grant assets with lower thresholds) are defined as assets with a cost of \$1,000 or more. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets except for infrastructure are depreciated using the straight line method over the following estimated useful lives:

Buildings	15 - 50 years
Improvements other than buildings	45 years
Equipment	5 - 20 years
Leased assets	3 - 7 years
Infrastructure	35 - 40 years

6. Compensated Absences

A liability for unused vacation (two weeks vacation benefits annually (three weeks after ten years of employment)) and compensation time for all full time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributed to services already rendered,
- leave or compensation is not contingent on a specific event.

Vested or accumulated vacation leave and compensation time that is expected to be paid with expendable available financial resources is reported as expenditures and fund liabilities of the General Fund. Amounts of vested or accumulated vacation leave and compensation time that are not expected to be paid with expendable available financial resources are reported in the in the government wide statement of assets and expense is recorded for the net change in the government wide statement of changes in net assets. A liability for these amounts is reported in governmental funds only if they are matured, for example, unused reimbursable leave payable as a result of employee resignations and retirements.

7. Fund Equity

In government-wide statements, net assets are classified into three categories as follows:

- a. **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted** – This component of net assets consists of net assets whose use is restricted by contributors, laws or regulations of other governments, or by laws through constitutional provisions or enabling legislation.
- c. **Unrestricted** – This component of net assets consists of those assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or legally restricted by outside parties for a specific purpose. Fund reservations include debt service, capital projects, and prepaid assets.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between fund balances for total governmental funds and net assets as reported in the government-wide statement of net assets. The details of the difference are as follows:

Other long-term assets which are not available to pay for current-period expenditures and are deferred in the funds:

Deferred bond issue costs	\$ 186,522
Prepaid expenses	<u>284,721</u>
	<u>\$ 471,243</u>

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

A. Deposits and Investments

At year end, the carrying amount of the County's cash and cash equivalents was \$34,522,638 (including \$1,116,566 for MMC) and the bank balance was \$35,425,715. The bank balance was collateralized with securities held by the County's depository's agent in the County's name. At year end, the County's depository had pledged securities, with a par value of \$39,084,995 and fair value of \$40,272,903.

Custodial Credit Risk – Deposits. In the case of deposits this is the risk, that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

During 2009, the County's investing activities were limited to certificates of deposit which are classified as cash.

Concentration of Credit Risk. – The City's investment policy recognizes that over-concentration of assets by market sector or maturity as a risk to the portfolio. Diversification is a major object of the investment program. The investment policy has established limits for concentration by market sector as shown below:

Interest Rate Risk – In order to limit interest and market rate risk from changes in interest rates, the City has set a maximum stated maturity date of two years, with an average weighted maturity of 90 days for the total portfolio. Longer maturities may be utilized for bond proceeds, but only if matched to planned expenditures of the funds.

Custodial Credit Risk – Deposits. In the case of time and demand deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or be collateralized by qualified securities pledged by the City's depository in the City's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law limits investments as described in Note I. E. 3.

IV. PROPERTY TAXES AND OTHER RECEIVABLES

A. Property Tax Calendar/Taxes Collected In Advance

The County's property tax is levied and recorded as a receivable each October 1, on the assessed value listed as of the prior January 1, for all real and business property located in the County. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment. The County is prohibited from using taxes collected between October 1 and December 31 until the first day of the budget year for which the taxes are levied. As a result, taxes collected between these dates are shown as restricted cash and deferred revenue on the balance sheets of the General and Debt Service Funds.

The appraisal of property within the County is the responsibility of the Calhoun County Appraisal District as required by legislation passed by the Texas Legislature. The Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the county may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Property taxes attach as an enforceable lien on property as of January 1, following the levy date. Taxes are due by January 31, following the levy date.

B. Receivables

Governmental fund type receivables consist of amounts due for property taxes or amounts due for services (net of allowance for uncollectibles). Any portion of receivables that do not meet the criteria for revenue recognition are recorded as deferred revenue.

Receivables for individual major funds and nonmajor funds in the aggregate at December 31, 2009 were as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes receivable	\$5,561,186	\$ 511,160	\$ 6,072,346
Allowance for uncollectible taxes	<u>(263,346)</u>	<u>(25,559)</u>	<u>(288,905)</u>
	<u>5,297,840</u>	<u>485,601</u>	<u>5,783,441</u>
Accounts receivable	3,224,844	664,195	3,889,039
Allowance for uncollectible	<u>(1,362,686)</u>	<u>(385,842)</u>	<u>(1,748,528)</u>
	<u>1,862,158</u>	<u>278,353</u>	<u>2,140,511</u>
Total	<u>\$ 7,159,998</u>	<u>\$ 763,954</u>	<u>\$ 7,923,952</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Discrete Component Unit

Receivables at December 31, 2009 were as follows:

	<u>MMC</u>
Accounts receivable	\$ 7,313,509
Allowance for uncollectible	<u>(4,299,739)</u>
Total	<u>\$ 3,013,770</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Tax levy receivable			
General Fund	\$ 312,912	\$ 4,975,272	\$ 5,288,184
2003-A Jail Bonds Debt Service	9,764	204,761	214,525
2003-B GO Refinancing Bonds Debt Service	10,052	152,230	162,282
2004 Courthouse Renovation Debt Service	5,034	102,917	107,951
Taxes collected in advance			
General Fund	-	9,733,595	9,733,595
Memorial Medical Plaza Debt Service	-	1	1
2003-A Jail Bonds Debt Service	-	418,049	418,049
2003-B GO Refinancing Bonds Debt Service	-	310,801	310,801
2004 Courthouse Renovation Debt Service	-	210,118	210,118
Fines receivable			
General Fund	799,879	-	799,879
Courthouse Security	2,206	-	2,206
Pretrial Services	1,138	-	1,138
County Clerk Records Management	646	-	646
Records Management and Preservation	13,831	-	13,831
Road and Bridge	260,345	-	260,345
Ambulance fees receivable			
General Fund	180,260	-	180,260
Other revenue collected in advance			
General Fund	-	1,114	1,114
Port O'Connor Community Center	-	2,400	2,400
	<u>\$ 1,596,067</u>	<u>\$ 16,111,258</u>	<u>\$ 17,707,325</u>

Loan Receivable – during the year, the Commissioners Court authorized a short term loan to MMC. Repayment is expected to occur during 2011.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

V. CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB-34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at estimated or actual historical costs. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in governmental-type activities. Donated fixed assets are valued at their estimated fair market value on the date of donation.

The County uses the following criteria to classify capital assets:

- Useful life exceeds one year,
- Cost equals \$1,000 or more for assets acquired by governmental funds,
- Cost equals \$500 or more for assets acquired by proprietary funds.

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.

Depreciation and amortization of capital assets are estimated using the straight line method over estimated useful lives and are charged as an expense against operations for proprietary funds and governmental activities. Accumulated depreciation and amortization are reported for proprietary funds and governmental activities.

The following is a summary of capital asset activity for the year ended December 31, 2009:

	Balance 12/31/2008	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2009
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 1,701,089	\$ 6,812	\$ -	\$ -	\$ 1,707,901
Construction in progress	823,480	1,615,239	-	(236,114)	2,202,605
Total capital assets not being depreciated	<u>2,524,569</u>	<u>1,622,051</u>	<u>-</u>	<u>(236,114)</u>	<u>3,910,506</u>
Capital assets, being depreciated					
Buildings	20,104,106	5,257	-	236,114	20,345,477
Improvements other than buildings	6,050,683	30,350	(14,349)	-	6,066,684
Furniture, fixtures and equipment	10,838,601	1,164,085	(802,660)	-	11,200,026
Infrastructure	17,692,826	-	-	-	17,692,826
Total capital assets being depreciated	<u>54,686,216</u>	<u>1,199,692</u>	<u>(817,009)</u>	<u>236,114</u>	<u>55,305,013</u>
Less accumulated depreciation for:					
Buildings	(3,322,112)	(480,180)	-	-	(3,802,292)
Improvements other than buildings	(3,775,960)	(175,304)	8,301	-	(3,942,963)
Furniture, fixtures and equipment	(6,871,875)	(798,865)	707,025	-	(6,963,715)
Infrastructure	(11,451,613)	(448,500)	-	-	(11,900,113)
Total accumulated depreciation	<u>(25,421,560)</u>	<u>(1,902,849)</u>	<u>715,326</u>	<u>-</u>	<u>(26,609,083)</u>
Total capital assets being depreciated, net	<u>29,264,656</u>	<u>(703,157)</u>	<u>(101,683)</u>	<u>236,114</u>	<u>28,695,930</u>
Governmental activities capital assets, net	<u>\$ 31,789,225</u>	<u>\$ 918,894</u>	<u>\$ (101,683)</u>	<u>\$ -</u>	<u>\$ 32,606,436</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

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

Functions/Programs		
General administration	\$	50,073
Judicial		4,928
Legal		7,444
Financial administration		1,297
Public facilities		73,330
Public safety		473,310
Roads and bridges		737,848
Health and welfare		96,403
Community development		6,241
Culture and recreation		186,438
Sanitation services		11,711
Nondepartmental		<u>253,826</u>
Total expenditures	\$	<u><u>1,902,849</u></u>

Discretely Presented Component Unit

	Balance 12/31/2008	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2009
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 32,143	\$ -	\$ -	\$ -	\$ 32,143
Construction in progress	-	2,033,678	-	(2,033,678)	-
Total capital assets not being depreciated	<u>32,143</u>	<u>2,033,678</u>	<u>-</u>	<u>(2,033,678)</u>	<u>32,143</u>
Capital assets, being depreciated					
Buildings and improvements	8,914,620	18,370	-	276,608	9,209,598
Equipment	11,722,589	153,633	(138,032)	1,757,070	13,495,260
Total capital assets being depreciated	<u>20,637,209</u>	<u>172,003</u>	<u>(138,032)</u>	<u>2,033,678</u>	<u>22,704,858</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,959,852)	(118,537)	-	-	(7,078,389)
Equipment	(10,013,064)	(703,388)	138,032	-	(10,578,420)
Total accumulated depreciation	<u>(16,972,916)</u>	<u>(821,925)</u>	<u>138,032</u>	<u>-</u>	<u>(17,656,809)</u>
Total capital assets being depreciated, net	<u>3,664,293</u>	<u>(649,922)</u>	<u>-</u>	<u>2,033,678</u>	<u>5,048,049</u>
Business-type activities capital assets, net	<u>\$ 3,696,436</u>	<u>\$ 1,383,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,080,192</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

VI. LONG-TERM DEBT

A. General Obligation Debt

The County finances acquisition or construction of facilities with general obligation debt which is repaid by the debt service funds. At December 31, 2009, the County had the following outstanding bonded debt:

<u>Purpose</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 12/31/2009</u>
GOVERNMENTAL TYPE ACTIVITIES DEBT						
General Obligation Bonds:						
Buildings	\$ 8,490,000	2003	2023	\$ 660,000	3.45 % - 4.65%	\$ 6,845,000
Refunding	3,340,000	2003	2011	490,000	2.00 % - 4.00%	965,000
						<u>7,810,000</u>
Certificates of Obligation:						
Buildings	5,890,000	2004	2024	477,000	3.00% - 4.55%	5,485,000
						<u>13,295,000</u>
Bond premium/discount						<u>(37,553)</u>
Total Governmental Type Activities Debt						<u>\$ 13,257,447</u>

Annual debt service requirements to maturity for general debt:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 910,000	\$ 556,984	\$ 1,466,984
2011	910,000	525,359	1,435,359
2012	755,000	490,627	1,245,627
2013	750,000	461,965	1,211,965
2014	780,000	432,603	1,212,603
2015 - 2019	4,410,000	1,662,551	6,072,551
2020 - 2024	4,780,000	615,562	5,395,562
	<u>\$ 13,295,000</u>	<u>\$ 4,745,651</u>	<u>\$ 18,040,651</u>

The County uses its debt service funds to pay its debt obligations.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

B. Obligations under Capital Lease

The County also finances acquisition of equipment through capital leases which are paid by the fund acquiring the underlying asset. At December 31, 2009 the County had the following obligations under capital lease:

\$257,888 capital lease obligation with annual payments of \$56,797 through, November 27, 2009 including interest accruing at 5.06%, secured by equipment with a net book value of \$222,070	\$ 105,518
\$134,370 capital lease obligation with annual payments of \$47,723 through, June 15, 2012 including interest accruing at 3.24%, secured by equipment with a net book value of \$129,891	<u>134,370</u>
	<u>\$ 239,888</u>

Discrete Component Unit

\$1,495,000 capital lease obligations, at varying rates of imputed interest, Collateralized by leased equipment	<u>\$ 1,360,301</u>
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Annual debt service requirements to maturity for capital lease obligations:

Year Ending December 31,	Primary Government	Discrete Component Unit
2010	\$ 104,519	272,263
2011	104,520	272,263
2012	47,723	272,263
2013	-	272,262
2014	-	272,263
2015	-	96,065
	<u>256,762</u>	<u>1,457,379</u>
Less: interest	<u>(16,874)</u>	<u>(97,078)</u>
	<u>\$ 239,888</u>	<u>\$ 1,360,301</u>

D. Schedule of Changes in Long-Term Debt

Description	December 31, 2008	Additions	Retirements	December 31, 2009	Due Within One Year
Primary Government:					
General obligation bonds	\$ 8,620,000	\$ -	\$ (810,000)	\$ 7,810,000	\$ 820,000
Certificates of obligation	5,585,000	-	(100,000)	5,485,000	90,000
Total bonds payable	14,205,000	-	(910,000)	13,295,000	910,000
Bond premium/discount	(40,023)	-	2,470	(37,553)	(2,470)
Capital lease obligation	206,194	134,370	(100,676)	239,888	94,827
Accrued compensated absences	117,130	128,597	(117,130)	128,597	128,597
	<u>\$ 14,488,301</u>	<u>\$ 262,967</u>	<u>\$ (1,125,336)</u>	<u>\$ 13,625,932</u>	<u>\$ 1,130,954</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Discrete Component Unit

Description	December 31, 2008	Additions	Retirements	December 31, 2009	Due Within One Year
Discrete Component Unit:					
Capital lease obligation	\$ -	\$ 1,495,000	\$ (134,699)	\$ 1,360,301	\$ 240,395
Loan payable to primary government	-	500,000	-	500,000	500,000
Accrued compensated absences	310,172	318,620	(310,172)	318,620	318,620
	<u>\$ 310,172</u>	<u>\$ 2,313,620</u>	<u>\$ (444,871)</u>	<u>\$ 2,178,921</u>	<u>\$ 1,059,015</u>

Business-type activities compensated absences are included in accrued liabilities.

VII. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND OPERATING TRANSFERS

Interfund receivables and payables at December 31, 2009 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 120,818	\$ 4,364
Nonmajor governmental type funds	26,640	143,094
Agency funds	<u>142,781</u>	<u>142,781</u>
Total Due From/To Other Funds	<u>\$ 290,239</u>	<u>\$ 290,239</u>

The General Fund provided money to various capital projects funds in advance of revenue receipted from other sources in subsequent years.

Operating transfers during 2009 were as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 626,186	\$ 1,978,480
Nonmajor governmental funds	<u>2,151,554</u>	<u>799,260</u>
	<u>\$ 2,777,740</u>	<u>\$ 2,777,740</u>

Operating transfers were made to provide for road and bridge maintenance, airport maintenance, debt service, capital asset acquisition, and courthouse renovation.

VIII. RETIREMENT COMMITMENTS

A. Plan Description

The County and Memorial Medical Center (MMC) provide retirement, disability, and death benefits for all of their respective full-time employees through nontraditional defined benefit plans in the state-wide Texas

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2009

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 586 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.

The plan provisions are adopted by County Commissioners' Court and the MMC Board, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plans to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County Commissioners' Court within the 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 contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Funding Policy

The County and MMC have elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plans are 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 10.04% and 4.84%, respectively for the County and MMC for 2009.

The contribution rate payable by the employee members for calendar year 2009 is the rate of 7% as adopted by the County Commissioners' Court and MMC's Board. The employee contribution rate and the employer contribution rate may be changed by the County Commissioners' Court and MMC's Board within the options available in the TCDRS Act.

C. Annual Pension Cost

For the fiscal year ended December 31, 2009, the annual pension cost for the TCDRS plans for employees and the employer's actual contributions were \$766,011 and \$457,065, respectively, for the County and MMC.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2006, the basis for determining the contribution rate for calendar year 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Actuarial Valuation Information

	12/31/06	12/31/07	12/31/08
Actuarial valuation date	entry age	entry age	entry age
Actuarial cost method	level percentage of payroll, closed (MMC - open)	level percentage of payroll, closed (MMC - open)	level percentage of payroll, closed (MMC - closed)
Amortization method			
Amortization period in years			
County	15	15	15
MMC	30	30	20
	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr
Asset valuation method	smoothed value	smoothed value	smoothed value
	ESF: Fund value	ESF: Fund value	ESF: Fund value
Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

Schedule of Funding Progress

	12/31/06	12/31/07	12/31/08
County			
Actuarial value of assets	\$ 14,514,659	\$ 16,419,225	\$ 16,775,322
Actuarial accrued liability (AAL)	\$ 16,063,694	\$ 18,003,657	\$ 19,718,818
Unfunded actuarial accrued liability (UAAL)	\$ 1,549,035	\$ 1,584,432	\$ 2,943,496
Funded ratio	90.4%	91.2%	85.1%
Annual covered payroll (actuarial)	\$ 6,584,058	\$ 7,205,502	\$ 7,851,428
UAAL as percentage of covered payroll	23.5%	22.0%	37.5%
MMC			
Actuarial value of assets	\$ 14,542,201	\$ 16,184,485	\$ 16,198,771
Actuarial accrued liability (AAL)	\$ 13,998,317	\$ 15,808,638	\$ 17,473,676
Unfunded actuarial accrued liability (UAAL)	\$ (543,884)	\$ (375,847)	\$ 1,274,905
Funded ratio	103.9%	102.4%	92.7%
Annual covered payroll (actuarial)	\$ 7,992,099	\$ 8,589,014	\$ 8,952,630
UAAL as percentage of covered payroll	-6.8%	-4.4%	14.2%

Trend Information

	12/31/07	12/31/08	12/31/09
Fiscal Year Ended			
Annual Pension Cost (APC)			
County	\$ 745,894	\$ 766,011	\$ 790,155
MMC	\$ 598,155	\$ 626,685	\$ 660,133
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -

IX. RISK MANAGEMENT

Primary Government

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess insurance coverage. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's financial statements.

Discrete Component Unit

MMC participates in an interlocal pool (the "Pool") of approximately 40 Texas rural governmental hospitals sharing risk for workers compensation injuries. The Pool has the right to assess MMC for an amount equal to its original annual contribution in the ase of excess losses associated with any particular year during which MMC participated. The Pool maintains specific excess insurance on a per occurrence basis and also aggregates excess insurance that provide some mitigation of overall member losses. MMC is subject to additional funding assessments based on actual claims paid in excess of expected claim funding.

As of December 31, 2007, the Pool ceased funding for the majority of their participants. The Pool ceased operations in early 2010 and paid patronage out to its prior members. As a result, MMC received approximately \$87,000. MMC has obtained alternate indemnified coverage for subsequent workers compensation claims.

MMC is partially self-insured for employee health claims. Additionally, insurance covers aggregate expenses in excess of \$1,000,000. An estimated liability of \$586,008 has been recorded for claims that are unpaid at December 31, 2009, as well as for those that are incurred but not reported. These estimates are based on an analysis of claims filed subsequently in conjunction with the above noted excess insurance. At year-end, MMC had a stop-loss insurance receivable of \$156,682.

	<u>2009</u>	<u>2008</u>
Liability at beginning of year	\$ 400,000	\$ 426,054
Current year claims and changes in estimates	1,276,983	1,650,035
Claims payments	<u>(1,570,075)</u>	<u>(1,676,089)</u>
Liability at end of year	<u>\$ 106,908</u>	<u>\$ 400,000</u>

X. COMMITMENTS AND CONTINGENCIES

Primary Government and Discrete Component Unit

The County is a party in lawsuits occurring in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of the County's management, their resolution will not have a material adverse effect on the financial condition of the County.

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

Discrete Component Unit

Memorial Medical Center (MMC) is a unit of government covered by the Texas Tort Claims Acts which, by statute, limits its liability to \$100,000 per person/\$300,000 per occurrence. These limits coincide with the malpractice insurance coverage maintained by the MMC. MMC, from time to time, may be subject to claims and suits for other damages as well. In the opinion of management, the ultimate resolution of the above types of legal proceedings will not have a material effect on MMC's financial position or results of operations.

XI. OTHER DISCLOSURES

A. Patient Revenue

Discrete Component Unit

Uncompensated Care – Memorial Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. Additionally, MMC foregoes charges relating to Medicare, Medicaid and other third-party payors. Uncompensated care for the year ended December 31, 2009 was \$20,690,112.

B. Concentrations of Credit Risk / Business Concentrations

Primary Government

Governmental fund type accounts and taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for approving credit and filing property tax liens.

Discrete Component Unit

Memorial Medical Center receivable concentrations are primarily due from Medicare/Medicaid (31%), other third-party payors (21%), and patients (48%).

Suppliers – MMC is dependent on third party provider of emergency care services and a third party supplier for primarily all of its pharmaceutical supplies. Failure to obtain favorable renewal terms or to locate alternative suppliers could result in a future disruption of service to patients.

Physicians - MMC is dependent upon local physicians practicing in its service area to provide admissions (patients) and to utilize the hospital for outpatient services. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on hospital operations.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Prior Year Restatements

The prior year has been restated to report the deferral of prepaid insurance expenses at the government-wide level.

	As Reported 12/31/08 <u>Dr (Cr)</u>	Change <u>Dr (Cr)</u>	As Restated 12/31/08 <u>Dr (Cr)</u>
Government Activities			
Statement of Net Assets			
Prepaid items	\$ -	\$ 184,170	\$ 184,170
Total assets	76,112,288	184,170	76,296,458
Net assets	39,678,784	184,170	39,862,954
Statement of Changes in Net Assets			
Expenses	22,037,132	(48,534)	21,988,598
Change in net assets	(6,283,931)	(48,534)	(6,332,465)
Net assets - beginning	(33,394,853)	(135,636)	(33,530,489)
Net assets - ending	(39,678,784)	(184,170)	(39,862,954)

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

B. Financial Statements of Memorial Medical Center

Statement of Net Assets

ASSETS

Current assets:

Cash and cash equivalents	\$ 811,666
Investments	250,000
Receivables (net of allowances for uncollectibles):	
Accounts	3,013,770
Prepaid items and other current assets	<u>2,566,803</u>
Total current assets	<u>6,642,239</u>

Noncurrent assets

Capital assets :

Land	32,143
Buildings	2,131,209
Equipment	<u>16,371,840</u>
Total noncurrent assets	<u>18,535,192</u>
Total Assets	<u>25,177,431</u>

LIABILITIES

Current liabilities:

Accounts payable	581,242
Accrued and other liabilities	597,386
Unearned revenue	222
Loan payable to primary government	500,000
Current portion of capital lease obligation	240,395
Compensated absences payable	<u>318,620</u>
Total current liabilities	<u>2,237,865</u>

Long-term debt, net of current portion

Capital lease obligation	<u>1,119,906</u>
Total Liabilities	<u>3,357,771</u>

NET ASSETS

Invested in capital assets, net of related debt	3,219,891
Unrestricted	<u>5,144,769</u>
Total Net Assets	<u>\$ 8,364,660</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Statement of Changes in Net Assets

OPERATING REVENUES:	
Patient service revenues (net)	\$ 20,690,112
Other operating revenues	295,640
Total Operating Revenues	<u>20,985,752</u>
OPERATING EXPENSES:	
Operating expenses	21,780,654
Depreciation and amortization	821,925
Total Operating Expenses	<u>22,602,579</u>
Operating Income (Loss)	<u>(1,616,827)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest revenue	28,896
Operating grants and contributions	76,673
Interest expense	(40,872)
Total Non-operating Revenues (Expenses)	<u>64,697</u>
Excess of revenues over expenses before capital grants and contributions	(1,552,130)
Capital grants and contributions	<u>71,550</u>
Increase (decrease) in net assets	(1,480,580)
Net assets, January 1	<u>9,845,240</u>
Net assets, December 31	<u>\$ 8,364,660</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2009

Statement of Cash Flows

Cash Flows from Operating Activities:	
Cash received from patients and third-party payors	\$ 18,818,894
Other receipts and payments from operations, net	295,640
Cash paid to suppliers	(8,846,011)
Cash paid to employees	(9,450,800)
Cash paid for employee benefits and payroll taxes	<u>(2,963,490)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,145,767)</u>
Cash Flows from Non-capital Financing Activities:	
Noncapital grants and contributions	<u>76,673</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>76,673</u>
Cash Flows from Capital and Related Financing Activities:	
Capital grants and contributions	71,550
Proceeds from loan payable	500,000
Principal payments on long-term debt and notes payable	(134,699)
Interest payments on long-term debt and notes payable	(40,872)
Purchase of capital assets	<u>(710,681)</u>
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(314,702)</u>
Cash Flows from Investing Activities:	
Investment earnings	28,896
Sale of investments	<u>2,050,000</u>
Net Cash Provided (Used) for Investing Activities	<u>2,078,896</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(304,900)
Cash and Cash Equivalents at Beginning of Year	<u>1,116,566</u>
Cash and Cash Equivalents at End of Year	<u>\$ 811,666</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ (1,616,827)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation and amortization	821,925
Change in Assets and Liabilities:	
Decrease (Increase) in receivables	(75,608)
Decrease (Increase) in other assets	888,845
Increase (Decrease) in accounts payable and accrued expenses	(368,492)
Increase (Decrease) in third-party payor settlements	(1,795,832)
Increase (Decrease) in other prepaids, deferrals, and accruals	<u>222</u>
Total Adjustments	<u>(528,940)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,145,767)</u>
Noncash capital activities	
Equipment acquired under capital lease obligations	<u>\$ 1,495,000</u>

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CALHOUN COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
<i>Ad valorem taxes</i>	\$ 17,605,000	\$ 17,618,568	\$ 17,810,536	\$ 191,968
<i>Sales taxes</i>	1,000,000	1,000,000	2,390,879	1,390,879
<i>Other taxes</i>	5,000	5,000	11,242	6,242
<i>Intergovernmental</i>	271,020	342,071	495,472	153,401
<i>Charges for services</i>	1,235,900	1,237,060	1,368,150	131,090
<i>Permits and licenses</i>	11,010	11,010	14,839	3,829
<i>Fines and forfeitures</i>	179,000	179,000	270,989	91,989
<i>Interest</i>	600,000	600,000	326,948	(273,052)
<i>Gifts and contributions</i>	6,000	6,000	4,500	(1,500)
<i>Rents and leases</i>	7,000	7,000	13,853	6,853
<i>Miscellaneous</i>	50,000	52,730	277,711	224,981
Total revenues	<u>20,969,930</u>	<u>21,058,439</u>	<u>22,985,119</u>	<u>1,926,680</u>
Expenditures:				
Current:				
<i>General administration</i>	2,067,364	2,001,040	1,741,671	259,369
<i>Judicial</i>	1,354,407	1,384,715	1,286,249	98,466
<i>Legal</i>	669,225	675,422	647,413	28,009
<i>Financial administration</i>	1,035,020	1,051,299	1,017,172	34,127
<i>Public facilities</i>	954,850	981,036	917,299	63,737
<i>Public safety</i>	5,461,785	5,556,184	5,508,821	47,363
<i>Roads and bridges</i>	3,878,519	4,123,718	4,036,363	87,355
<i>Health and welfare</i>	3,585,308	4,023,244	3,759,348	263,896
<i>Community development</i>	188,004	181,884	154,814	27,070
<i>Culture and recreation</i>	555,054	679,630	629,553	50,077
<i>Social services</i>	45,425	45,425	42,030	3,395
<i>Conservation</i>	7,750	7,750	7,750	--
<i>Sanitation services</i>	226,573	191,674	148,283	43,391
Debt service:				
<i>Interest and fiscal charges</i>	111,261	111,261	111,260	1
Total expenditures	<u>20,140,545</u>	<u>21,014,282</u>	<u>20,008,026</u>	<u>1,006,256</u>
Excess (deficiency) of revenues over (under) expenditures	829,385	44,157	2,977,093	2,932,936
Other financing sources (uses):				
<i>Transfers in</i>	600,000	600,000	626,186	26,186
<i>Transfers out</i>	(1,926,350)	(1,978,481)	(1,978,480)	(1)
<i>Gain on sale of capital assets</i>	15,000	78,742	69,247	(9,495)
<i>Capital leases</i>	--	134,370	134,370	--
Total other financing sources (uses)	<u>(1,311,350)</u>	<u>(1,165,369)</u>	<u>(1,148,677)</u>	<u>(16,692)</u>
Net change in fund balances	(481,965)	(1,121,212)	1,828,416	2,949,628
Fund balances, January 1	<u>15,552,109</u>	<u>15,552,109</u>	<u>15,552,109</u>	<u>--</u>
Fund balances, December 31	<u>\$ 15,070,144</u>	<u>\$ 14,430,897</u>	<u>\$ 17,380,525</u>	<u>\$ 2,949,628</u>

CALHOUN COUNTY, TEXAS

*Notes to Required Supplementary Information
December 31, 2009*

Budgetary Data

The County Judge serves as the budget officer for the Commissioners' Court and submits the annual budget for approval where the legal level of control is by function. Following is a summary of the budget procedures:

1. Prior to August 1, the County Judge submits a proposed operating budget to the Commissioners' Court for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage by the Commissioners' Court.
4. No budget amendments can be made without holding public hearings and appropriate action by the Commissioners' Court. The Commissioners' Court may, by order, authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. The Commissioners' Court may issue an order to amend the budget by transferring an amount budgeted for one line item to another budgeted line item without authorizing an emergency expenditure.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service and Capital Projects Funds. No expenditures in excess of budgeted amounts can be made.
6. Budgets are adopted on the GAAP basis of accounting. Amounts shown in the original adopted budget column as beginning fund balance represent estimated available cash. Amounts shown in the final adopted budget column as beginning fund balance represent actual cash available less adjustments for prior year accruals. Annual appropriated budgets are adopted for the general fund, certain special revenue or debt service funds. Capital projects funds are budgeted on a project length basis rather than on a fiscal year basis. All annual appropriations lapse at fiscal year end.

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*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 2,845,996	\$ 1,121,200	\$ 2,790,336	\$ 6,757,532
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Taxes</i>	--	485,601	--	485,601
<i>Accounts</i>	278,204	--	149	278,353
<i>Intergovernmental receivable</i>	34,828	--	4,604	39,432
<i>Due from other funds</i>	5,411	21,229	--	26,640
	<u>3,164,439</u>	<u>1,628,030</u>	<u>2,795,089</u>	<u>7,587,558</u>
Total Assets	\$ 3,164,439	\$ 1,628,030	\$ 2,795,089	\$ 7,587,558
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 30,811	\$ --	\$ 131,867	\$ 162,678
<i>Accrued and other liabilities</i>	8	--	157,849	157,857
<i>Due to other funds</i>	120,816	1	22,277	143,094
<i>Due to others</i>	5,360	--	--	5,360
<i>Deferred revenue</i>	280,566	1,423,727	--	1,704,293
Total Liabilities	<u>437,561</u>	<u>1,423,728</u>	<u>311,993</u>	<u>2,173,282</u>
Fund balances:				
Reserved for:				
<i>Debt service</i>	--	204,302	--	204,302
Unreserved, reported in:				
<i>Special revenue funds</i>	2,726,878	--	--	2,726,878
<i>Capital projects funds</i>	--	--	2,483,096	2,483,096
Total fund balances	<u>2,726,878</u>	<u>204,302</u>	<u>2,483,096</u>	<u>5,414,276</u>
	<u>3,164,439</u>	<u>1,628,030</u>	<u>2,795,089</u>	<u>7,587,558</u>
Total Liabilities & Fund Balances	\$ 3,164,439	\$ 1,628,030	\$ 2,795,089	\$ 7,587,558

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Ad valorem taxes</i>	\$ --	\$ 1,422,604	\$ --	\$ 1,422,604
<i>Other taxes</i>	16,928	--	--	16,928
<i>Intergovernmental</i>	178,784	--	418,708	597,492
<i>Charges for services</i>	132,879	--	--	132,879
<i>Permits and licenses</i>	368,935	--	--	368,935
<i>Fines and forfeitures</i>	343,557	--	--	343,557
<i>Interest</i>	36,098	8,860	3,991	48,949
<i>Gifts and contributions</i>	25,210	--	114,724	139,934
<i>Rents and leases</i>	36,005	--	--	36,005
<i>Miscellaneous</i>	17,293	--	--	17,293
Total revenues	<u>1,155,689</u>	<u>1,431,464</u>	<u>537,423</u>	<u>3,124,576</u>
Expenditures:				
Current:				
<i>General administration</i>	9,142	--	--	9,142
<i>Judicial</i>	5,031	--	--	5,031
<i>Legal</i>	47,624	--	--	47,624
<i>Public facilities</i>	138,472	--	69,239	207,711
<i>Public safety</i>	133,094	--	55,405	188,499
<i>Roads and bridges</i>	17,376	--	1,345,977	1,363,353
<i>Health and welfare</i>	21,000	--	434,286	455,286
<i>Community development</i>	1,466	--	--	1,466
<i>Culture and recreation</i>	79,954	--	107,724	187,678
<i>Sanitation services</i>	17,548	--	--	17,548
<i>Nondepartmental</i>	8,753	--	451,081	459,834
Debt service:				
<i>Principal</i>	--	910,000	--	910,000
<i>Interest and fiscal charges</i>	--	588,155	--	588,155
Total expenditures	<u>479,460</u>	<u>1,498,155</u>	<u>2,463,712</u>	<u>4,441,327</u>
Excess (deficiency) of revenues over (under) expenditures	676,229	(66,691)	(1,926,289)	(1,316,751)
Other financing sources (uses):				
<i>Transfers in</i>	55,945	23,309	2,072,300	2,151,554
<i>Transfers out</i>	(619,290)	(23,309)	(156,661)	(799,260)
Total other financing sources (uses)	<u>(563,345)</u>	<u>--</u>	<u>1,915,639</u>	<u>1,352,294</u>
Net change in fund balances	112,884	(66,691)	(10,650)	35,543
Fund balances, January 1	<u>2,613,994</u>	<u>270,993</u>	<u>2,493,746</u>	<u>5,378,733</u>
Fund balances, December 31	<u>\$ 2,726,878</u>	<u>\$ 204,302</u>	<u>\$ 2,483,096</u>	<u>\$ 5,414,276</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control	Chamber Tourism Center
ASSETS				
<i>Cash and cash equivalents</i>	\$ 79,811	\$ 2,293	\$ 161	\$ 260
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	--	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u>79,811</u>	<u>2,293</u>	<u>161</u>	<u>260</u>
Total Assets	\$ <u>79,811</u>	\$ <u>2,293</u>	\$ <u>161</u>	\$ <u>260</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 8,113	\$ 2,181	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u>8,113</u>	<u>2,181</u>	<u>--</u>	<u>--</u>
Fund balances:				
Unreserved, reported in:				
<i>Special revenue funds</i>	71,698	112	161	260
Total fund balances	<u>71,698</u>	<u>112</u>	<u>161</u>	<u>260</u>
	<u>79,811</u>	<u>2,293</u>	<u>161</u>	<u>260</u>
Total Liabilities & Fund Balances	\$ <u>79,811</u>	\$ <u>2,293</u>	\$ <u>161</u>	\$ <u>260</u>

Coastal Protection	County Child Welfare Board	Court House Security Fund	District Attorney Forfeiture	DA Hot Check
\$ 31,353	\$ 1,062	\$ 168,108	\$ 24,560	\$ 4,226
--	--	2,206	--	--
--	--	--	--	--
--	--	1,048	--	--
<u>\$ 31,353</u>	<u>\$ 1,062</u>	<u>\$ 171,362</u>	<u>\$ 24,560</u>	<u>\$ 4,226</u>
\$ --	\$ --	\$ --	\$ --	\$ 300
--	--	--	--	--
--	--	--	--	9
--	--	--	--	--
--	--	2,206	--	--
--	--	<u>2,206</u>	--	<u>309</u>
31,353	1,062	169,156	24,560	3,917
<u>31,353</u>	<u>1,062</u>	<u>169,156</u>	<u>24,560</u>	<u>3,917</u>
<u>\$ 31,353</u>	<u>\$ 1,062</u>	<u>\$ 171,362</u>	<u>\$ 24,560</u>	<u>\$ 4,226</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	<u>Donations</u>	<u>Family Protection</u>	<u>Graffiti Eradication</u>	<u>Grants</u>
ASSETS				
<i>Cash and cash equivalents</i>	\$ 151,272	\$ 3,197	\$ 8,337	\$ 141,984
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	2	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	34,700
<i>Due from other funds</i>	--	--	--	--
	<u>151,274</u>	<u>3,197</u>	<u>8,337</u>	<u>176,684</u>
Total Assets	\$ <u>151,274</u>	\$ <u>3,197</u>	\$ <u>8,337</u>	\$ <u>176,684</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 4,474	\$ --	\$ --	\$ 15,318
<i>Accrued and other liabilities</i>	8	--	--	--
<i>Due to other funds</i>	--	--	--	112,807
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u>4,482</u>	<u>--</u>	<u>--</u>	<u>128,125</u>
Fund balances:				
Unreserved, reported in:				
<i>Special revenue funds</i>	146,792	3,197	8,337	48,559
Total fund balances	<u>146,792</u>	<u>3,197</u>	<u>8,337</u>	<u>48,559</u>
Total Liabilities & Fund Balances	\$ <u>151,274</u>	\$ <u>3,197</u>	\$ <u>8,337</u>	\$ <u>176,684</u>

Highway 87 FM 1090	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2
\$ 286,069	\$ 46,501	\$ 9,031	\$ 4,259	\$ 4,259
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 286,069</u>	<u>\$ 46,501</u>	<u>\$ 9,031</u>	<u>\$ 4,259</u>	<u>\$ 4,259</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
286,069	46,501	9,031	4,259	4,259
<u>286,069</u>	<u>46,501</u>	<u>9,031</u>	<u>4,259</u>	<u>4,259</u>
<u>\$ 286,069</u>	<u>\$ 46,501</u>	<u>\$ 9,031</u>	<u>\$ 4,259</u>	<u>\$ 4,259</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund
ASSETS				
<i>Cash and cash equivalents</i>	\$ 4,259	\$ 4,259	\$ 53,313	\$ 155,204
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Accounts</i>	--	--	1,137	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u>4,259</u>	<u>4,259</u>	<u>54,450</u>	<u>155,204</u>
Total Assets	\$ <u>4,259</u>	\$ <u>4,259</u>	\$ <u>54,450</u>	\$ <u>155,204</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ 175
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	1,138	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>1,138</u>	<u>175</u>
Fund balances:				
Unreserved, reported in:				
<i>Special revenue funds</i>	4,259	4,259	53,312	155,029
Total fund balances	<u>4,259</u>	<u>4,259</u>	<u>53,312</u>	<u>155,029</u>
Total Liabilities & Fund Balances	\$ <u>4,259</u>	\$ <u>4,259</u>	\$ <u>54,450</u>	\$ <u>155,204</u>

LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation	County Clerk Records Management	Records Management and Preservation
\$ 13,362	\$ 29,282	\$ 4,730	\$ 117,630	\$ 45,177
--	--	--	681	13,832
--	--	--	--	--
--	--	--	--	--
<u>\$ 13,362</u>	<u>\$ 29,282</u>	<u>\$ 4,730</u>	<u>\$ 118,311</u>	<u>\$ 59,009</u>
\$ --	\$ 250	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	2,400	--	646	13,831
--	<u>2,650</u>	--	<u>646</u>	<u>13,831</u>
13,362	26,632	4,730	117,665	45,178
<u>13,362</u>	<u>26,632</u>	<u>4,730</u>	<u>117,665</u>	<u>45,178</u>
<u>\$ 13,362</u>	<u>\$ 29,282</u>	<u>\$ 4,730</u>	<u>\$ 118,311</u>	<u>\$ 59,009</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road Maintenance Precinct #4
ASSETS			
<i>Cash and cash equivalents</i>	\$ 1,265,737	\$ 13,267	\$ 630
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	260,346	--	--
<i>Intergovernmental receivable</i>	--	--	--
<i>Due from other funds</i>	4,363	--	--
	<u>1,530,446</u>	<u>13,267</u>	<u>630</u>
Total Assets	\$ 1,530,446	\$ 13,267	\$ 630
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--
<i>Due to other funds</i>	--	--	--
<i>Due to others</i>	--	--	--
<i>Deferred revenue</i>	260,345	--	--
Total Liabilities	<u>260,345</u>	<u>--</u>	<u>--</u>
Fund balances:			
Unreserved, reported in:			
<i>Special revenue funds</i>	1,270,101	13,267	630
Total fund balances	<u>1,270,101</u>	<u>13,267</u>	<u>630</u>
	<u>1,530,446</u>	<u>13,267</u>	<u>630</u>
Total Liabilities & Fund Balances	\$ 1,530,446	\$ 13,267	\$ 630

Sheriff Forfeited Property	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insurance/ Maintenance	Team Compatability (HAVA)	Election Services Contract
\$ 18,519	\$ 19,399	\$ 63,787	\$ 7,872	\$ 18,623
--	--	--	--	--
--	--	--	128	--
--	--	--	--	--
<u>\$ 18,519</u>	<u>\$ 19,399</u>	<u>\$ 63,787</u>	<u>\$ 8,000</u>	<u>\$ 18,623</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	8,000	--
5,360	--	--	--	--
--	--	--	--	--
<u>5,360</u>	<u>--</u>	<u>--</u>	<u>8,000</u>	<u>--</u>
13,159	19,399	63,787	--	18,623
<u>13,159</u>	<u>19,399</u>	<u>63,787</u>	<u>--</u>	<u>18,623</u>
<u>\$ 18,519</u>	<u>\$ 19,399</u>	<u>\$ 63,787</u>	<u>\$ 8,000</u>	<u>\$ 18,623</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 1,937	\$ 42,266	\$ 2,845,996
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	--	--	278,204
<i>Intergovernmental receivable</i>	--	--	34,828
<i>Due from other funds</i>	--	--	5,411
	<u>1,937</u>	<u>42,266</u>	<u>3,164,439</u>
Total Assets	\$ 1,937	\$ 42,266	\$ 3,164,439
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ 30,811
<i>Accrued and other liabilities</i>	--	--	8
<i>Due to other funds</i>	--	--	120,816
<i>Due to others</i>	--	--	5,360
<i>Deferred revenue</i>	--	--	280,566
Total Liabilities	<u>--</u>	<u>--</u>	<u>437,561</u>
Fund balances:			
Unreserved, reported in:			
<i>Special revenue funds</i>	1,937	42,266	2,641,451
Total fund balances	<u>1,937</u>	<u>42,266</u>	<u>2,726,878</u>
	<u>1,937</u>	<u>42,266</u>	<u>3,164,439</u>
Total Liabilities & Fund Balances	\$ 1,937	\$ 42,266	\$ 3,164,439

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CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control	Chamber Tourism Center
Revenues:				
<i>Other taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	49,103	--	--	--
<i>Charges for services</i>	--	2,065	--	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	1,012	18	2	4
<i>Gifts and contributions</i>	--	--	--	--
<i>Rents and leases</i>	12,000	--	--	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>62,115</u>	<u>2,083</u>	<u>2</u>	<u>4</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	2,181	--	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	138,472	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Community development</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Sanitation services</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>138,472</u>	<u>2,181</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(76,357)	(98)	2	4
Other financing sources (uses):				
<i>Transfers in</i>	52,945	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>52,945</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(23,412)	(98)	2	4
Fund balances, January 1	<u>95,110</u>	<u>210</u>	<u>159</u>	<u>256</u>
Fund balances, December 31	<u>\$ 71,698</u>	<u>\$ 112</u>	<u>\$ 161</u>	<u>\$ 260</u>

Coastal Protection	County Child Welfare Board	Court House Security Fund	District Attorney Forfeiture	DA Hot Check
\$ --	\$ --	\$ --	\$ --	\$ --
31,030	--	--	--	--
--	--	21,505	--	15,060
--	--	--	--	--
--	--	--	10,387	--
323	12	2,351	226	--
--	--	--	--	--
--	--	--	--	--
--	1,050	--	--	--
<u>31,353</u>	<u>1,062</u>	<u>23,856</u>	<u>10,613</u>	<u>16,008</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	21,536	25,426
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	2,057	--	--	--
<u>--</u>	<u>2,057</u>	<u>--</u>	<u>21,536</u>	<u>25,426</u>
31,353	(995)	23,856	(10,923)	(9,418)
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
31,353	(995)	23,856	(10,923)	(9,418)
--	2,057	145,300	35,483	13,335
<u>\$ 31,353</u>	<u>\$ 1,062</u>	<u>\$ 169,156</u>	<u>\$ 24,560</u>	<u>\$ 3,917</u>

CALHOUN COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Donations	Family Protection	Graffiti Eradication	Grants
Revenues:				
<i>Other taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--	80,971
<i>Charges for services</i>	--	690	--	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	2,355	41	125	894
<i>Gifts and contributions</i>	23,910	--	--	--
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	8,482	--	--	--
Total revenues	<u>34,747</u>	<u>731</u>	<u>125</u>	<u>81,865</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	--	--	--	112,845
<i>Roads and bridges</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	21,000
<i>Community development</i>	--	--	--	1,466
<i>Culture and recreation</i>	45,360	--	--	8,301
<i>Sanitation services</i>	--	--	--	17,548
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>45,360</u>	<u>--</u>	<u>--</u>	<u>161,160</u>
Excess (deficiency) of revenues over (under) expenditures	(10,613)	731	125	(79,295)
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(10,613)	731	125	(79,295)
Fund balances, January 1	<u>157,405</u>	<u>2,466</u>	<u>8,212</u>	<u>127,854</u>
Fund balances, December 31	<u>\$ 146,792</u>	<u>\$ 3,197</u>	<u>\$ 8,337</u>	<u>\$ 48,559</u>

Highway 87 FM 1090	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2
\$ --	\$ --	\$ --	\$ 4,232	\$ 4,232
--	--	--	--	--
--	12,866	2,972	--	--
--	--	--	--	--
4,282	602	109	59	59
--	--	--	--	--
--	--	--	--	--
<u>4,282</u>	<u>13,468</u>	<u>3,081</u>	<u>4,291</u>	<u>4,291</u>
--	--	--	--	--
--	2,850	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	4,344	4,344
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>2,850</u>	<u>--</u>	<u>4,344</u>	<u>4,344</u>
4,282	10,618	3,081	(53)	(53)
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4,282	10,618	3,081	(53)	(53)
281,787	35,883	5,950	4,312	4,312
<u>\$ 286,069</u>	<u>\$ 46,501</u>	<u>\$ 9,031</u>	<u>\$ 4,259</u>	<u>\$ 4,259</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund
Revenues:				
<i>Other taxes</i>	\$ 4,232	\$ 4,232	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--	--
<i>Charges for services</i>	--	--	3,273	14,826
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	59	59	775	2,183
<i>Gifts and contributions</i>	--	--	--	--
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>4,291</u>	<u>4,291</u>	<u>4,048</u>	<u>17,009</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	--	--	662
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	4,344	4,344	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Community development</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Sanitation services</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>4,344</u>	<u>4,344</u>	<u>--</u>	<u>662</u>
Excess (deficiency) of revenues over (under) expenditures	(53)	(53)	4,048	16,347
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(53)	(53)	4,048	16,347
Fund balances, January 1	<u>4,312</u>	<u>4,312</u>	<u>49,264</u>	<u>138,682</u>
Fund balances, December 31	<u>\$ 4,259</u>	<u>\$ 4,259</u>	<u>\$ 53,312</u>	<u>\$ 155,029</u>

LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation	County Clerk Records Management	Records Management and Preservation
\$ --	\$ --	\$ --	\$ --	\$ --
7,233	--	--	--	--
--	--	--	45,916	9,263
--	--	--	--	--
206	420	1,356	--	--
--	--	57	1,395	591
--	24,005	--	--	--
--	--	--	--	--
<u>7,439</u>	<u>24,425</u>	<u>1,413</u>	<u>47,311</u>	<u>9,854</u>
--	--	--	5,728	--
--	--	--	--	--
--	--	--	--	--
6,600	--	--	--	--
--	--	--	--	--
--	18,358	--	--	--
--	--	--	--	--
<u>6,600</u>	<u>18,358</u>	<u>--</u>	<u>5,728</u>	<u>--</u>
839	6,067	1,413	41,583	9,854
--	3,000	--	--	--
--	--	--	(19,290)	--
--	<u>3,000</u>	--	<u>(19,290)</u>	--
839	9,067	1,413	22,293	9,854
<u>12,523</u>	<u>17,565</u>	<u>3,317</u>	<u>95,372</u>	<u>35,324</u>
<u>\$ 13,362</u>	<u>\$ 26,632</u>	<u>\$ 4,730</u>	<u>\$ 117,665</u>	<u>\$ 45,178</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road Maintenance Precinct #4
Revenues:			
<i>Other taxes</i>	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	8,473	--	--
<i>Charges for services</i>	--	--	--
<i>Permits and licenses</i>	368,935	--	--
<i>Fines and forfeitures</i>	316,344	--	--
<i>Interest</i>	15,699	199	9
<i>Gifts and contributions</i>	--	--	--
<i>Rents and leases</i>	--	--	--
<i>Miscellaneous</i>	--	--	--
Total revenues	<u>709,451</u>	<u>199</u>	<u>9</u>
Expenditures:			
Current:			
<i>General administration</i>	--	--	--
<i>Judicial</i>	--	--	--
<i>Legal</i>	--	--	--
<i>Public facilities</i>	--	--	--
<i>Public safety</i>	--	--	--
<i>Roads and bridges</i>	--	--	--
<i>Health and welfare</i>	--	--	--
<i>Community development</i>	--	--	--
<i>Culture and recreation</i>	--	--	--
<i>Sanitation services</i>	--	--	--
<i>Nondepartmental</i>	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	709,451	199	9
Other financing sources (uses):			
<i>Transfers in</i>	--	--	--
<i>Transfers out</i>	(600,000)	--	--
Total other financing sources (uses)	<u>(600,000)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	109,451	199	9
Fund balances, January 1	<u>1,160,650</u>	<u>13,068</u>	<u>621</u>
Fund balances, December 31	<u>\$ 1,270,101</u>	<u>\$ 13,267</u>	<u>\$ 630</u>

Sheriff Forfeited Property	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insurance/ Maintenance	Team Compatability (HAVA)	Election Services Contract
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	1,974	--
--	--	--	--	4,443
--	--	--	--	--
15,470	--	--	--	--
86	--	955	--	274
--	--	--	--	--
--	--	--	--	--
--	6,813	--	--	--
<u>15,556</u>	<u>6,813</u>	<u>955</u>	<u>1,974</u>	<u>4,717</u>
--	--	--	--	3,414
--	--	--	--	--
--	--	--	--	--
13,649	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,722	--	1,974	--
<u>13,649</u>	<u>4,722</u>	<u>--</u>	<u>1,974</u>	<u>3,414</u>
1,907	2,091	955	--	1,303
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,907	2,091	955	--	1,303
11,252	17,308	62,832	--	17,320
<u>\$ 13,159</u>	<u>\$ 19,399</u>	<u>\$ 63,787</u>	<u>\$ --</u>	<u>\$ 18,623</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
<i>Other taxes</i>	\$ --	\$ --	\$ 16,928
<i>Intergovernmental</i>	--	--	178,784
<i>Charges for services</i>	--	--	132,879
<i>Permits and licenses</i>	--	--	368,935
<i>Fines and forfeitures</i>	--	--	343,557
<i>Interest</i>	--	657	36,098
<i>Gifts and contributions</i>	--	1,300	25,210
<i>Rents and leases</i>	--	--	36,005
<i>Miscellaneous</i>	--	--	17,293
Total revenues	<u>--</u>	<u>1,957</u>	<u>1,155,689</u>
Expenditures:			
Current:			
<i>General administration</i>	--	--	9,142
<i>Judicial</i>	--	--	5,031
<i>Legal</i>	--	--	47,624
<i>Public facilities</i>	--	--	138,472
<i>Public safety</i>	--	--	133,094
<i>Roads and bridges</i>	--	--	17,376
<i>Health and welfare</i>	--	--	21,000
<i>Community development</i>	--	--	1,466
<i>Culture and recreation</i>	--	7,935	79,954
<i>Sanitation services</i>	--	--	17,548
<i>Nondepartmental</i>	--	--	8,753
Total expenditures	<u>--</u>	<u>7,935</u>	<u>479,460</u>
Excess (deficiency) of revenues over (under) expenditures	--	(5,978)	676,229
Other financing sources (uses):			
<i>Transfers in</i>	--	--	55,945
<i>Transfers out</i>	--	--	(619,290)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(563,345)</u>
Net change in fund balances	--	(5,978)	112,884
Fund balances, January 1	<u>1,937</u>	<u>48,244</u>	<u>2,613,994</u>
Fund balances, December 31	<u>\$ 1,937</u>	<u>\$ 42,266</u>	<u>\$ 2,726,878</u>

CALHOUN COUNTY, TEXAS
AIRPORT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 1	\$ 49,103	\$ 49,102
<i>Interest</i>	1	1,012	1,011
<i>Rents and leases</i>	1,213	12,000	10,787
Total revenues	<u>1,215</u>	<u>62,115</u>	<u>60,900</u>
Expenditures:			
Current:			
<i>Public facilities</i>	138,468	138,472	(4)
Total expenditures	<u>138,468</u>	<u>138,472</u>	<u>(4)</u>
Excess (deficiency) of revenues over (under) expenditures	(137,253)	(76,357)	60,896
Other financing sources (uses):			
<i>Transfers in</i>	52,945	52,945	--
Total other financing sources (uses)	<u>52,945</u>	<u>52,945</u>	<u>--</u>
Net change in fund balances	(84,308)	(23,412)	60,896
Fund balances, January 1	<u>95,110</u>	<u>95,110</u>	<u>--</u>
Fund balances, December 31	<u>\$ 10,802</u>	<u>\$ 71,698</u>	<u>\$ 60,896</u>

CALHOUN COUNTY, TEXAS
 APPELLATE JUDICIAL SYSTEM
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 2,163	\$ 2,065	\$ (98)
<i>Interest</i>	18	18	--
Total revenues	<u>2,181</u>	<u>2,083</u>	<u>(98)</u>
Expenditures:			
Current:			
<i>Judicial</i>	2,181	2,181	--
Total expenditures	<u>2,181</u>	<u>2,181</u>	<u>--</u>
Net change in fund balances	--	(98)	(98)
Fund balances, January 1	<u>210</u>	<u>210</u>	<u>--</u>
Fund balances, December 31	<u>\$ 210</u>	<u>\$ 112</u>	<u>\$ (98)</u>

CALHOUN COUNTY, TEXAS
 COUNTY CHILD WELFARE BOARD FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 1	\$ 12	\$ 11
<i>Miscellaneous</i>	1	1,050	1,049
Total revenues	<u>2</u>	<u>1,062</u>	<u>1,060</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	2,057	2,057	--
Total expenditures	<u>2,057</u>	<u>2,057</u>	<u>--</u>
Net change in fund balances	(2,055)	(995)	1,060
Fund balances, January 1	<u>2,057</u>	<u>2,057</u>	<u>--</u>
Fund balances, December 31	<u>\$ 2</u>	<u>\$ 1,062</u>	<u>\$ 1,060</u>

CALHOUN COUNTY, TEXAS
 COURT HOUSE SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 7,100	\$ 21,505	\$ 14,405
<i>Interest</i>	1,500	2,351	851
Total revenues	<u>8,600</u>	<u>23,856</u>	<u>15,256</u>
Expenditures:			
Current:			
<i>General administration</i>	140,000	--	140,000
Total expenditures	<u>140,000</u>	<u>--</u>	<u>140,000</u>
Net change in fund balances	(131,400)	23,856	155,256
Fund balances, January 1	<u>145,300</u>	<u>145,300</u>	<u>--</u>
Fund balances, December 31	<u>\$ 13,900</u>	<u>\$ 169,156</u>	<u>\$ 155,256</u>

CALHOUN COUNTY, TEXAS
 DISTRICT ATTORNEY FORFEITURE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and forfeitures</i>	\$ 25,295	\$ 10,387	\$ (14,908)
<i>Interest</i>	--	226	226
Total revenues	<u>25,295</u>	<u>10,613</u>	<u>(14,682)</u>
Expenditures:			
Current:			
<i>Legal</i>	42,033	21,536	20,497
Total expenditures	<u>42,033</u>	<u>21,536</u>	<u>20,497</u>
Net change in fund balances	(16,738)	(10,923)	5,815
Fund balances, January 1	<u>35,483</u>	<u>35,483</u>	--
Fund balances, December 31	<u>\$ 18,745</u>	<u>\$ 24,560</u>	<u>\$ 5,815</u>

CALHOUN COUNTY, TEXAS
HIGHWAY 87 FM 1090 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 2,000	\$ 4,282	\$ 2,282
Total revenues	<u>2,000</u>	<u>4,282</u>	<u>2,282</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	279,000	--	279,000
Total expenditures	<u>279,000</u>	<u>--</u>	<u>279,000</u>
Net change in fund balances	(277,000)	4,282	281,282
Fund balances, January 1	<u>281,787</u>	<u>281,787</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,787</u>	<u>\$ 286,069</u>	<u>\$ 281,282</u>

CALHOUN COUNTY, TEXAS
JUSTICE COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 13,094	\$ 12,866	\$ (228)
<i>Interest</i>	601	602	1
Total revenues	<u>13,695</u>	<u>13,468</u>	<u>(227)</u>
Expenditures:			
Current:			
<i>Judicial</i>	48,540	2,850	45,690
<i>Nondepartmental</i>	1	--	1
Total expenditures	<u>48,541</u>	<u>2,850</u>	<u>45,691</u>
Net change in fund balances	(34,846)	10,618	45,464
Fund balances, January 1	<u>35,883</u>	<u>35,883</u>	--
Fund balances, December 31	<u>\$ 1,037</u>	<u>\$ 46,501</u>	<u>\$ 45,464</u>

CALHOUN COUNTY, TEXAS
JUSTICE COURT BUILDING SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 650	\$ 2,972	\$ 2,322
<i>Interest</i>	50	109	59
Total revenues	<u>700</u>	<u>3,081</u>	<u>2,381</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	2,400	--	2,400
Debt service:			
Total expenditures	<u>2,400</u>	<u>--</u>	<u>2,400</u>
Excess (deficiency) of revenues over (under) expenditures	(1,700)	3,081	4,781
Other financing sources (uses):			
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(1,700)	3,081	4,781
Fund balances, January 1	<u>5,950</u>	<u>5,950</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,250</u>	<u>\$ 9,031</u>	<u>\$ 4,781</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #1
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other taxes</i>	\$ 4,345	\$ 4,232	\$ (113)
<i>Interest</i>	10	59	49
Total revenues	<u>4,355</u>	<u>4,291</u>	<u>(64)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,345	4,344	1
Total expenditures	<u>4,345</u>	<u>4,344</u>	<u>1</u>
Net change in fund balances	10	(53)	(63)
Fund balances, January 1	<u>4,312</u>	<u>4,312</u>	--
Fund balances, December 31	<u>\$ 4,322</u>	<u>\$ 4,259</u>	<u>\$ (63)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #2
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-14

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other taxes</i>	\$ 4,345	\$ 4,232	\$ (113)
<i>Interest</i>	10	59	49
Total revenues	<u>4,355</u>	<u>4,291</u>	<u>(64)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,345	4,344	1
Total expenditures	<u>4,345</u>	<u>4,344</u>	<u>1</u>
Net change in fund balances	10	(53)	(63)
Fund balances, January 1	<u>4,312</u>	<u>4,312</u>	--
Fund balances, December 31	<u>\$ 4,322</u>	<u>\$ 4,259</u>	<u>\$ (63)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #3
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other taxes</i>	\$ 4,345	\$ 4,232	\$ (113)
<i>Interest</i>	10	59	49
Total revenues	<u>4,355</u>	<u>4,291</u>	<u>(64)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,345	4,344	1
Total expenditures	<u>4,345</u>	<u>4,344</u>	<u>1</u>
Net change in fund balances	10	(53)	(63)
Fund balances, January 1	<u>4,312</u>	<u>4,312</u>	--
Fund balances, December 31	<u>\$ 4,322</u>	<u>\$ 4,259</u>	<u>\$ (63)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #4
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Other taxes</i>	\$ 4,345	\$ 4,232	\$ (113)
<i>Interest</i>	10	59	49
Total revenues	<u>4,355</u>	<u>4,291</u>	<u>(64)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,345	4,344	1
Total expenditures	<u>4,345</u>	<u>4,344</u>	<u>1</u>
Net change in fund balances	10	(53)	(63)
Fund balances, January 1	<u>4,312</u>	<u>4,312</u>	--
Fund balances, December 31	<u>\$ 4,322</u>	<u>\$ 4,259</u>	<u>\$ (63)</u>

CALHOUN COUNTY, TEXAS
PRETRIAL SERVICES FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-17

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 5,000	\$ 3,273	\$ (1,727)
<i>Interest</i>	200	775	575
Total revenues	<u>5,200</u>	<u>4,048</u>	<u>(1,152)</u>
Net change in fund balances	5,200	4,048	(1,152)
Fund balances, January 1	<u>49,264</u>	<u>49,264</u>	--
Fund balances, December 31	<u>\$ 54,464</u>	<u>\$ 53,312</u>	<u>\$ (1,152)</u>

CALHOUN COUNTY, TEXAS

LAW LIBRARY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-18

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 4,700	\$ 14,826	\$ 10,126
<i>Interest</i>	2,000	2,183	183
Total revenues	<u>6,700</u>	<u>17,009</u>	<u>10,309</u>
Expenditures:			
Current:			
<i>Legal</i>	26,400	662	25,738
Total expenditures	<u>26,400</u>	<u>662</u>	<u>25,738</u>
Net change in fund balances	(19,700)	16,347	36,047
Fund balances, January 1	<u>138,682</u>	<u>138,682</u>	--
Fund balances, December 31	<u>\$ 118,982</u>	<u>\$ 155,029</u>	<u>\$ 36,047</u>

CALHOUN COUNTY, TEXAS
 PORT O'CONNOR COMMUNITY CENTER
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-19

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 100	\$ 420	\$ 320
<i>Rents and leases</i>	8,000	24,005	16,005
Total revenues	<u>8,100</u>	<u>24,425</u>	<u>16,325</u>
Expenditures:			
Current:			
<i>Culture and recreation</i>	27,250	18,358	8,892
Total expenditures	<u>27,250</u>	<u>18,358</u>	<u>8,892</u>
Excess (deficiency) of revenues over (under) expenditures	(19,150)	6,067	25,217
Other financing sources (uses):			
<i>Transfers in</i>	3,000	3,000	--
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>--</u>
Net change in fund balances	(16,150)	9,067	25,217
Fund balances, January 1	<u>17,565</u>	<u>17,565</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,415</u>	<u>\$ 26,632</u>	<u>\$ 25,217</u>

CALHOUN COUNTY, TEXAS
 COUNTY CLERK RECORDS MANAGEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-20

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 20,000	\$ 45,916	\$ 25,916
<i>Interest</i>	500	1,395	895
Total revenues	<u>20,500</u>	<u>47,311</u>	<u>26,811</u>
Expenditures:			
Current:			
<i>General administration</i>	8,249	5,728	2,521
Total expenditures	<u>8,249</u>	<u>5,728</u>	<u>2,521</u>
Excess (deficiency) of revenues over (under) expenditures	12,251	41,583	29,332
Other financing sources (uses):			
<i>Transfers out</i>	(19,290)	(19,290)	--
Total other financing sources (uses)	<u>(19,290)</u>	<u>(19,290)</u>	<u>--</u>
Net change in fund balances	(7,039)	22,293	29,332
Fund balances, January 1	<u>95,372</u>	<u>95,372</u>	<u>--</u>
Fund balances, December 31	<u>\$ 88,333</u>	<u>\$ 117,665</u>	<u>\$ 29,332</u>

CALHOUN COUNTY, TEXAS
 RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-21

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 2,500	\$ 9,263	\$ 6,763
<i>Interest</i>	10	591	581
Total revenues	<u>2,510</u>	<u>9,854</u>	<u>7,344</u>
Expenditures:			
Current:			
<i>General administration</i>	6,500	--	6,500
Total expenditures	<u>6,500</u>	<u>--</u>	<u>6,500</u>
Net change in fund balances	(3,990)	9,854	13,844
Fund balances, January 1	<u>35,324</u>	<u>35,324</u>	<u>--</u>
Fund balances, December 31	<u>\$ 31,334</u>	<u>\$ 45,178</u>	<u>\$ 13,844</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND GENERAL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-22

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 5,000	\$ 8,473	\$ 3,473
<i>Permits and licenses</i>	370,000	368,935	(1,065)
<i>Fines and forfeitures</i>	141,000	316,344	175,344
<i>Interest</i>	1,000	15,699	14,699
Total revenues	<u>517,000</u>	<u>709,451</u>	<u>192,451</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	1	--	1
Total expenditures	<u>1</u>	<u>--</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	516,999	709,451	192,452
Other financing sources (uses):			
<i>Transfers out</i>	(600,000)	(600,000)	--
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>--</u>
Net change in fund balances	(83,001)	109,451	192,452
Fund balances, January 1	<u>1,160,650</u>	<u>1,160,650</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,077,649</u>	<u>\$ 1,270,101</u>	<u>\$ 192,452</u>

CALHOUN COUNTY, TEXAS
 ROAD AND BRIDGE FUND PRECINCT #3
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-23

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 1	\$ 199	\$ 198
Total revenues	<u>1</u>	<u>199</u>	<u>198</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	12,850	--	12,850
Total expenditures	<u>12,850</u>	<u>--</u>	<u>12,850</u>
Net change in fund balances	(12,849)	199	13,048
Fund balances, January 1	<u>13,068</u>	<u>13,068</u>	<u>--</u>
Fund balances, December 31	<u>\$ 219</u>	<u>\$ 13,267</u>	<u>\$ 13,048</u>

CALHOUN COUNTY, TEXAS
ROAD MAINTENANCE FUND PRECINCT #4
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-24

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Interest</i>	\$ 1	\$ 9	\$ 8
Total revenues	<u>1</u>	<u>9</u>	<u>8</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	621	--	621
Total expenditures	<u>621</u>	<u>--</u>	<u>621</u>
Net change in fund balances	(620)	9	629
Fund balances, January 1	<u>621</u>	<u>621</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1</u>	<u>\$ 630</u>	<u>\$ 629</u>

CALHOUN COUNTY, TEXAS
 SHERIFF FORFEITED PROPERTY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-25

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and forfeitures</i>	\$ 11,682	\$ 15,470	\$ 3,788
<i>Interest</i>	--	86	86
Total revenues	<u>11,682</u>	<u>15,556</u>	<u>3,874</u>
Expenditures:			
Current:			
<i>Public safety</i>	22,263	13,649	8,614
Total expenditures	<u>22,263</u>	<u>13,649</u>	<u>8,614</u>
Net change in fund balances	(10,581)	1,907	12,488
Fund balances, January 1	<u>11,252</u>	<u>11,252</u>	--
Fund balances, December 31	<u>\$ 671</u>	<u>\$ 13,159</u>	<u>\$ 12,488</u>

CALHOUN COUNTY, TEXAS
6 MILE PIER/BOAT RAMP INSUR/MAINT (ALCOA) FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-26

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 4,086	\$ --	\$ (4,086)
<i>Interest</i>	1	955	954
Total revenues	<u>4,087</u>	<u>955</u>	<u>(3,132)</u>
Expenditures:			
Current:			
<i>Culture and recreation</i>	63,710	--	63,710
Total expenditures	<u>63,710</u>	<u>--</u>	<u>63,710</u>
Net change in fund balances	(59,623)	955	60,578
Fund balances, January 1	<u>62,832</u>	<u>62,832</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,209</u>	<u>\$ 63,787</u>	<u>\$ 60,578</u>

CALHOUN COUNTY, TEXAS
 TEAM COMPATABILITY (HAVA) FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-27

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ --	\$ 1,974	\$ 1,974
Total revenues	<u> --</u>	<u> 1,974</u>	<u> 1,974</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	6,750	1,974	4,776
Total expenditures	<u> 6,750</u>	<u> 1,974</u>	<u> 4,776</u>
Net change in fund balances	(6,750)	--	6,750
Fund balances, January 1	<u> --</u>	<u> --</u>	<u> --</u>
Fund balances, December 31	<u> \$ (6,750)</u>	<u> \$ --</u>	<u> \$ 6,750</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2009

	Memorial Medical Plaza	2003-A GO Jail Bonds
ASSETS		
<i>Cash and cash equivalents</i>	\$ --	\$ 489,619
<i>Receivables (net of allowances for uncollectibles):</i>		
<i>Taxes</i>	--	214,844
<i>Due from other funds</i>	--	--
	<hr/>	<hr/>
Total Assets	\$ --	\$ 704,463
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Due to other funds</i>	\$ --	\$ --
<i>Deferred revenue</i>	1	632,574
Total Liabilities	<hr/> 1	<hr/> 632,574
Fund balances (deficit):		
<i>Reserved</i>	(1)	71,889
Total fund balances (deficit)	<hr/> (1)	<hr/> 71,889
	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ --	\$ 704,463
	<hr/> <hr/>	<hr/> <hr/>

2003-B GO Refinancing Bonds	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 399,399	\$ 232,182	\$ 1,121,200
162,519	108,238	485,601
--	21,229	21,229
<u>\$ 561,918</u>	<u>\$ 361,649</u>	<u>\$ 1,628,030</u>
\$ --	\$ 1	\$ 1
473,083	318,069	1,423,727
<u>473,083</u>	<u>318,070</u>	<u>1,423,728</u>
88,835	43,579	204,302
<u>88,835</u>	<u>43,579</u>	<u>204,302</u>
<u>\$ 561,918</u>	<u>\$ 361,649</u>	<u>\$ 1,628,030</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Memorial Medical Plaza	2003-A GO Jail Bonds
Revenues:		
<i>Ad valorem taxes</i>	\$ --	\$ 620,746
<i>Interest</i>	--	3,818
Total revenues	<u> --</u>	<u>624,564</u>
Expenditures:		
Current:		
Debt service:		
<i>Principal</i>	--	360,000
<i>Interest and fiscal charges</i>	--	300,637
Total expenditures	<u> --</u>	<u>660,637</u>
Excess (deficiency) of revenues over (under) expenditures	--	(36,073)
Other financing sources (uses):		
<i>Transfers in</i>	--	--
<i>Transfers out</i>	(23,309)	--
Total other financing sources (uses)	<u> (23,309)</u>	<u> --</u>
Net change in fund balances	(23,309)	(36,073)
Fund balances, January 1	<u> 23,308</u>	<u> 107,962</u>
Fund balances (deficit), December 31	<u>\$ (1)</u>	<u>\$ 71,889</u>

2003-B GO Refinancing Bonds	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 459,819	\$ 342,039	\$ 1,422,604
3,094	1,948	8,860
<u>462,913</u>	<u>343,987</u>	<u>1,431,464</u>
450,000	100,000	910,000
51,198	236,320	588,155
<u>501,198</u>	<u>336,320</u>	<u>1,498,155</u>
(38,285)	7,667	(66,691)
23,309	--	23,309
--	--	(23,309)
<u>23,309</u>	<u>--</u>	<u>--</u>
(14,976)	7,667	(66,691)
103,811	35,912	270,993
<u>\$ 88,835</u>	<u>\$ 43,579</u>	<u>\$ 204,302</u>

CALHOUN COUNTY, TEXAS
 MEMORIAL MEDICAL PLAZA
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-30

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
<i>Transfers out</i>	\$ (23,310)	\$ (23,309)	\$ 1
Total other financing sources (uses)	<u>(23,310)</u>	<u>(23,309)</u>	<u>1</u>
Net change in fund balances	(23,310)	(23,309)	1
Fund balances, January 1	<u>23,308</u>	<u>23,308</u>	--
Fund balances (deficit), December 31	<u>\$ --</u>	<u>\$ (1)</u>	<u>\$ 1</u>

CALHOUN COUNTY, TEXAS
 2003-A GO JAIL BONDS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-31

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ 611,800	\$ 620,746	\$ 8,946
<i>Interest</i>	5,000	3,818	(1,182)
Total revenues	<u>616,800</u>	<u>624,564</u>	<u>7,764</u>
Expenditures:			
Debt service:			
<i>Principal</i>	360,000	360,000	--
<i>Interest and fiscal charges</i>	301,814	300,637	1,177
Total expenditures	<u>661,814</u>	<u>660,637</u>	<u>1,177</u>
Net change in fund balances	(45,014)	(36,073)	8,941
Fund balances, January 1	<u>107,962</u>	<u>107,962</u>	--
Fund balances, December 31	<u>\$ 62,948</u>	<u>\$ 71,889</u>	<u>\$ 8,941</u>

CALHOUN COUNTY, TEXAS
 2003-B GO REFINANCING BONDS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-32

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ 452,375	\$ 459,819	\$ 7,444
<i>Interest</i>	4,000	3,094	(906)
Total revenues	<u>456,375</u>	<u>462,913</u>	<u>6,538</u>
Expenditures:			
Debt service:			
<i>Principal</i>	450,000	450,000	--
<i>Interest and fiscal charges</i>	52,375	51,198	1,177
Total expenditures	<u>502,375</u>	<u>501,198</u>	<u>1,177</u>
Excess (deficiency) of revenues over (under) expenditures	(46,000)	(38,285)	7,715
Other financing sources (uses):			
<i>Transfers in</i>	23,310	23,309	(1)
Total other financing sources (uses)	<u>23,310</u>	<u>23,309</u>	<u>(1)</u>
Net change in fund balances	(22,690)	(14,976)	7,714
Fund balances, January 1	<u>103,811</u>	<u>103,811</u>	--
Fund balances, December 31	<u>\$ 81,121</u>	<u>\$ 88,835</u>	<u>\$ 7,714</u>

CALHOUN COUNTY, TEXAS
 2004 COURTHOUSE RENOVATION FUND
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-33

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ 337,534	\$ 342,039	\$ 4,505
<i>Interest</i>	1,000	1,948	948
Total revenues	<u>338,534</u>	<u>343,987</u>	<u>5,453</u>
Expenditures:			
Debt service:			
<i>Principal</i>	100,000	100,000	--
<i>Interest and fiscal charges</i>	237,520	236,320	1,200
Total expenditures	<u>337,520</u>	<u>336,320</u>	<u>1,200</u>
Net change in fund balances	1,014	7,667	6,653
Fund balances, January 1	<u>35,912</u>	<u>35,912</u>	--
Fund balances, December 31	<u>\$ 36,926</u>	<u>\$ 43,579</u>	<u>\$ 6,653</u>

Parking Lot	Road & Bridge #2 Storm Repairs	Road and Bridge Infrastructure	Swan Point Park	Airport Improvements II
\$ 80,544	\$ 17,796	\$ 407,882	\$ 5,096	\$ 50,148
--	--	--	--	--
<u>80,544</u>	<u>17,796</u>	<u>407,882</u>	<u>5,096</u>	<u>50,148</u>
\$ --	\$ --	\$ 45,545	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>45,545</u>	<u>--</u>	<u>--</u>
80,544	17,796	362,337	5,096	50,148
<u>80,544</u>	<u>17,796</u>	<u>362,337</u>	<u>5,096</u>	<u>50,148</u>
\$ <u>80,544</u>	\$ <u>17,796</u>	\$ <u>407,882</u>	\$ <u>5,096</u>	\$ <u>50,148</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2009

	<u>Airport Runway Improvements</u>	<u>Emergency Communication System</u>	<u>Mold Remediation</u>
ASSETS			
<i>Cash and cash equivalents</i>	\$ 292,631	\$ 71,575	\$ 859
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	--	--	--
<i>Intergovernmental receivable</i>	<u>4,604</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 297,235</u>	<u>\$ 71,575</u>	<u>\$ 859</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ 21,515	\$ --
<i>Accrued and other liabilities</i>	--	--	--
<i>Due to other funds</i>	--	--	--
Total Liabilities	<u>--</u>	<u>21,515</u>	<u>--</u>
Fund balances:			
<i>Unreserved</i>	<u>297,235</u>	<u>50,060</u>	<u>859</u>
Total fund balances	<u>297,235</u>	<u>50,060</u>	<u>859</u>
Total Liabilities & Fund Balances	<u>\$ 297,235</u>	<u>\$ 71,575</u>	<u>\$ 859</u>

Haterius Park Boat Ramp	Port Alto Public Beach	Port O'Connor Fire Truck	County Clerk's Records	District Clerk's Records
\$ 36,000	\$ 30,385	\$ 50,000	\$ 19,414	\$ 17,659
--	--	--	--	--
--	--	--	--	--
<u>\$ 36,000</u>	<u>\$ 30,385</u>	<u>\$ 50,000</u>	<u>\$ 19,414</u>	<u>\$ 17,659</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>36,000</u>	<u>30,385</u>	<u>50,000</u>	<u>19,414</u>	<u>17,659</u>
<u>36,000</u>	<u>30,385</u>	<u>50,000</u>	<u>19,414</u>	<u>17,659</u>
<u>\$ 36,000</u>	<u>\$ 30,385</u>	<u>\$ 50,000</u>	<u>\$ 19,414</u>	<u>\$ 17,659</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2009

	Capital Improvement Projects	Courthouse Annex II	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 434,439	\$ 130,927	\$ 2,790,336
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Accounts</i>	--	--	149
<i>Intergovernmental receivable</i>	--	--	4,604
Total Assets	<u>\$ 434,439</u>	<u>\$ 130,927</u>	<u>\$ 2,795,089</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ 10,490	\$ 131,867
<i>Accrued and other liabilities</i>	--	19,797	157,849
<i>Due to other funds</i>	--	--	22,277
Total Liabilities	<u>--</u>	<u>30,287</u>	<u>311,993</u>
Fund balances:			
<i>Unreserved</i>	434,439	100,640	2,483,096
Total fund balances	<u>434,439</u>	<u>100,640</u>	<u>2,483,096</u>
Total Liabilities & Fund Balances	<u>\$ 434,439</u>	<u>\$ 130,927</u>	<u>\$ 2,795,089</u>

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CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Courthouse Renovation	EMS Building	New Jail Building	Olivia/Pt.Alto Fire Dept. Building
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Interest	1,902	--	2,089	--
Gifts and contributions	--	--	--	7,000
Total revenues	<u>1,902</u>	<u>--</u>	<u>2,089</u>	<u>7,000</u>
Expenditures:				
Current:				
Public facilities	--	--	--	--
Public safety	--	--	--	55,405
Roads and bridges	--	--	--	--
Health and welfare	--	434,286	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>--</u>	<u>434,286</u>	<u>--</u>	<u>55,405</u>
Excess (deficiency) of revenues over (under) expenditures	1,902	(434,286)	2,089	(48,405)
Other financing sources (uses):				
Transfers in	--	--	--	54,827
Transfers out	--	(130,475)	--	--
Total other financing sources (uses)	<u>--</u>	<u>(130,475)</u>	<u>--</u>	<u>54,827</u>
Net change in fund balances	1,902	(564,761)	2,089	6,422
Fund balances, January 1	<u>125,071</u>	<u>1,154,016</u>	<u>105,745</u>	<u>100,000</u>
Fund balances, December 31	<u>\$ 126,973</u>	<u>\$ 589,255</u>	<u>\$ 107,834</u>	<u>\$ 106,422</u>

Parking Lot	Road & Bridge #2 Storm Repairs	Road and Bridge Infrastructure	Swan Point Park	Airport Improvements II
\$ --	\$ --	\$ 356,234	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>356,234</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	1,345,977	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	424	--
<u>--</u>	<u>--</u>	<u>1,345,977</u>	<u>424</u>	<u>--</u>
--	--	(989,743)	(424)	--
--	--	1,000,000	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>1,000,000</u>	<u>--</u>	<u>--</u>
--	--	10,257	(424)	--
<u>80,544</u>	<u>17,796</u>	<u>352,080</u>	<u>5,520</u>	<u>50,148</u>
\$ <u>80,544</u>	\$ <u>17,796</u>	\$ <u>362,337</u>	\$ <u>5,096</u>	\$ <u>50,148</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Airport Runway Improvements	Emergency Communication System	Mold Remediation	Haterius Park Boat Ramp
Revenues:				
<i>Intergovernmental</i>	\$ 62,474	\$ --	\$ --	\$ --
<i>Interest</i>	--	--	--	--
<i>Gifts and contributions</i>	--	--	--	--
Total revenues	<u>62,474</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
<i>Public facilities</i>	69,239	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	87,731	--	12,806
Total expenditures	<u>69,239</u>	<u>87,731</u>	<u>--</u>	<u>12,806</u>
Excess (deficiency) of revenues over (under) expenditures	(6,765)	(87,731)	--	(12,806)
Other financing sources (uses):				
<i>Transfers in</i>	244,000	--	--	15,658
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>244,000</u>	<u>--</u>	<u>--</u>	<u>15,658</u>
Net change in fund balances	237,235	(87,731)	--	2,852
Fund balances, January 1	<u>60,000</u>	<u>137,791</u>	<u>859</u>	<u>33,148</u>
Fund balances, December 31	<u>\$ 297,235</u>	<u>\$ 50,060</u>	<u>\$ 859</u>	<u>\$ 36,000</u>

Port Alto Public Beach	Port O'Connor Fire Truck	County Clerk's Records	District Clerk's Records	Capital Improvement Projects
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	22,783	58,050	39,375
--	--	22,783	58,050	39,375
--	--	(22,783)	(58,050)	(39,375)
--	50,000	19,290	58,050	500,000
--	--	--	--	(26,186)
--	50,000	19,290	58,050	473,814
--	50,000	(3,493)	--	434,439
30,385	--	22,907	17,659	--
<u>\$ 30,385</u>	<u>\$ 50,000</u>	<u>\$ 19,414</u>	<u>\$ 17,659</u>	<u>\$ 434,439</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Seadrift Library	Courthouse Annex II	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
<i>Intergovernmental</i>	\$ --	\$ --	\$ 418,708
<i>Interest</i>	--	--	3,991
<i>Gifts and contributions</i>	107,724	--	114,724
Total revenues	<u>107,724</u>	<u>--</u>	<u>537,423</u>
Expenditures:			
Current:			
<i>Public facilities</i>	--	--	69,239
<i>Public safety</i>	--	--	55,405
<i>Roads and bridges</i>	--	--	1,345,977
<i>Health and welfare</i>	--	--	434,286
<i>Culture and recreation</i>	107,724	--	107,724
<i>Nondepartmental</i>	--	229,912	451,081
Total expenditures	<u>107,724</u>	<u>229,912</u>	<u>2,463,712</u>
Excess (deficiency) of revenues over (under) expenditures	--	(229,912)	(1,926,289)
Other financing sources (uses):			
<i>Transfers in</i>	--	130,475	2,072,300
<i>Transfers out</i>	--	--	(156,661)
Total other financing sources (uses)	<u>--</u>	<u>130,475</u>	<u>1,915,639</u>
Net change in fund balances	--	(99,437)	(10,650)
Fund balances, January 1	<u>--</u>	<u>200,077</u>	<u>2,493,746</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 100,640</u>	<u>\$ 2,483,096</u>

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CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2009

	County Clerk Funds	District Clerk Funds	Justice of the Peace Funds	District Attorney Funds
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 183,848	\$ 216,538	\$ 17,867	\$ 14,854
<i>Due from other funds</i>	--	--	--	--
<i>Due from others</i>	--	--	165	--
Total Assets	<u>\$ 183,848</u>	<u>\$ 216,538</u>	<u>\$ 18,032</u>	<u>\$ 14,854</u>
LIABILITIES				
<i>Due to other funds</i>	\$ 3,048	\$ 1,776	\$ 16,154	\$ --
<i>Due to other governments</i>	58	--	1,781	--
<i>Due to others</i>	180,742	214,762	97	14,854
Total Liabilities	<u>\$ 183,848</u>	<u>\$ 216,538</u>	<u>\$ 18,032</u>	<u>\$ 14,854</u>

Tax Collector Funds	Sheriff Funds	County Auditor Funds	County Treasurer Funds	Total Agency Funds (See Exhibit A-7)
\$ 152,585	\$ 154,452	\$ 120,236	\$ 159,930	\$ 1,020,310
--	--	--	142,781	142,781
<u>20,616</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,781</u>
<u>\$ 173,201</u>	<u>\$ 154,452</u>	<u>\$ 120,236</u>	<u>\$ 302,711</u>	<u>\$ 1,183,872</u>
\$ 121,293	\$ 510	\$ --	\$ --	\$ 142,781
49,982	--	--	237,678	289,499
<u>1,926</u>	<u>153,942</u>	<u>120,236</u>	<u>65,033</u>	<u>751,592</u>
<u>\$ 173,201</u>	<u>\$ 154,452</u>	<u>\$ 120,236</u>	<u>\$ 302,711</u>	<u>\$ 1,183,872</u>

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