

CALHOUN COUNTY, TEXAS
Basic Financial Statements
For the Fiscal Year Ended December 31, 2004

Prepared by

Ben H. Comiskey, Jr., CPA
County Auditor

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BEN H. COMISKEY, JR., C.P.A.
COUNTY AUDITOR, CALHOUN COUNTY
COUNTY COURTHOUSE ANNEX - 201 W. AUSTIN
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, 2004.

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

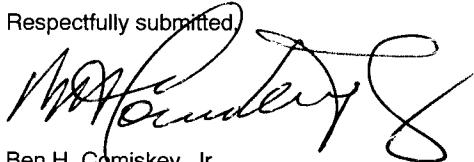
The Calhoun County Commissioners' Court selected the firm of Rutledge Crain & Company, PC, Certified Public Accountants, to make an independent audit for the fiscal year 2004 and their report is included in this annual report.

GENERAL REMARKS

I wish to express my appreciation for the cooperation given me by the members of the 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, 2004, 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,



Ben H. Comiskey, Jr.
County Auditor

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2004

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

Ben H. Comiskey, Jr., C.P.A.
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

Michael Balajka
344 Hartman Road
Port Lavaca, Texas

Commissioner, Precinct Three

W. H. Floyd III
702 Brookhollow 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, 2004

Elected Precinct Officials

Justice of Peace, Precinct One

Celestine V. Menchaca
P.O. Box 254
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

Gregory Falcon
1500 Avalon
Port Lavaca, Texas

Constable, Precinct Two

Kenneth W. Wenske
1521 W. Jackson
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

Virgil Redding
P.O. Box 486
Port O'Connor, Texas

Appointed Personnel

Building Inspector

Melvin O. Strong
Calhoun County Courthouse
Port Lavaca, Texas

Building Superintendent

Charles V. Crober
Calhoun County Courthouse
Port Lavaca, Texas

Chief Probation Officer

Claudine Saenz
Calhoun County Courthouse Annex
Port Lavaca, Texas

Juvenile Probation Officer

Cynthia L. Rains
Calhoun County Courthouse Annex
Port Lavaca, Texas

Veterans Service Officer

John H. Clegg., Jr.
502 Tommy Drive
Port Lavaca, Texas

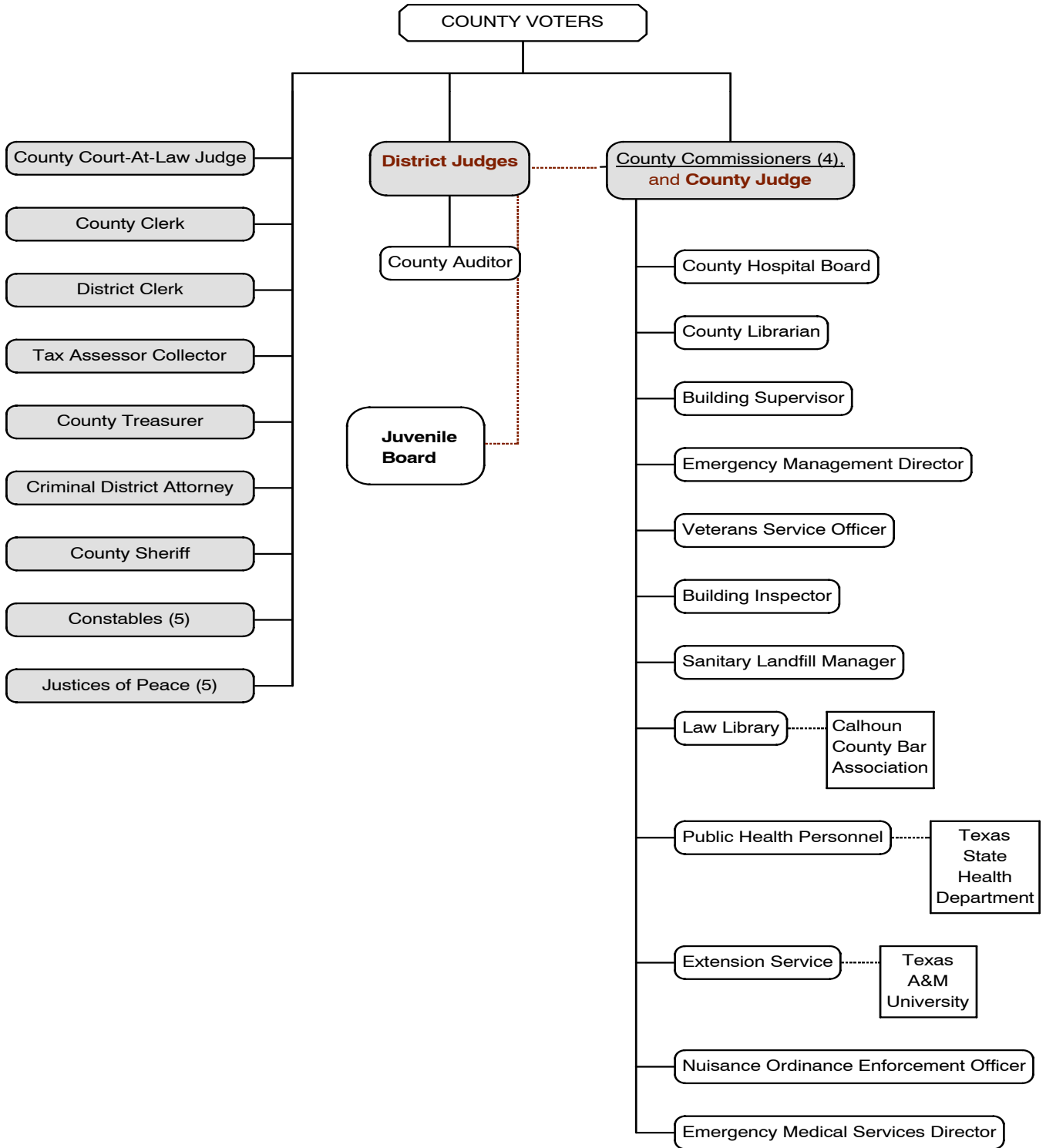
Hospital Administrator (Appointed by
Board of Memorial Medical Center)

Elwood Currier
815 N. Virginia
Port Lavaca, Texas

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2004

County Agricultural Agent	Allen Z. Matthies P.O. Box 86 Port Lavaca, Texas
County CEAFCs Agent	Alexsis N. Trott P.O. Box 86 Port Lavaca, Texas
County Marine Agent	Vacant 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	Kenneth W. Wenske 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, 2003



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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 business-type activities, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of and for the year ended December 31, 2004, 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of Memorial Medical Center ("MMC"), which statements reflect 100% of the assets and revenues of the County's business-type activities as of and for the year ended December 31, 2004. Those statements were audited by other auditors whose report has been furnished to us, and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 business-type activities, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2005, on our consideration of Calhoun County, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis identified as Required Supplementary Information in the table of contents is not a required part of the basic financial statements but is 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 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.


May 13, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Calhoun County's annual financial report presents our discussion and analysis of the County's financial performance during the current year. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS:

- The County's total combined net assets were \$33,100,210 at the end of the current year.
- During the year, the County's governmental activities expenses were (\$1,656,506) less than the \$19,919,779 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$4,989,652 .
- The total cost of the County's programs changed from last year as follows:

COUNTY PROGRAMS			
PROGRAM NAME	LAST YEAR	THIS YEAR	CHANGE
General Administration	\$1,146,067	\$1,305,857	\$159,790
Judicial	\$980,253	\$946,173	(\$34,080)
Legal	\$490,593	\$527,321	\$36,728
Financial administration	\$746,456	\$789,016	\$42,560
Public facilities	\$573,515	\$629,423	\$55,908
Public safety	\$4,344,682	\$4,226,336	(\$118,346)
Roads and bridges	\$3,176,256	\$3,911,819	\$735,563
Health and welfare	\$2,816,940	\$3,707,146	\$890,206
Community development	\$149,377	\$133,027	(\$16,350)
Culture and recreation	\$452,529	\$456,515	\$3,986
Social services	\$44,049	\$41,968	(\$2,081)
Conservation	\$7,750	\$205,772	\$198,022
Sanitation services	\$209,056	\$177,366	(\$31,690)
Nondepartmental	\$826,853	\$2,998,912	\$2,172,059
Interest and fiscal charges	\$324,270	\$551,432	\$227,162
Capital Outlay	\$1,091,806	\$426,865	(\$664,941)
Debt service	\$1,345,000	\$725,000	(\$620,000)
Current refunding escrow	\$3,278,587	\$0	(\$3,278,587)
Totals	\$22,004,039	\$21,759,948	(\$244,091)

There were no new programs added in the current year.

Major changes in programs included:

- General administration expenses increased approximately \$25,000 for the Economic Development Committee, \$14,000 for appraisals of the hospital and plaza required for insurance purposes, \$56,000 for additional employee, imaging, hardware and software in the County Clerk's department, \$30,000 for 2004 general election expenses and \$30,000 for increased cost of liability, property and equipment insurance.
- Road and bridge expenditures increased approximately \$429,000 for the reconstruction of Ocean Drive necessitated by hurricane Claudette and \$296,000 for the first of four installments to the State of Texas for Highway 87 right-of-way acquisition.
- Health and welfare program expenditures increased approximately \$215,000 for the purchase of vehicles and equipment for the Emergency Medical Service Department and \$530,000 for indigent health care.

CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2004

- Nondepartmental expenditures increased approximately \$1,700,000 for construction costs of the new jail.
- Interest and fiscal charges increased approximately \$317,000 for debt service on the new jail bonds and decreased approximately \$126,000 as a result of the refunding bonds issued in 2003.
- Debt service expenditures decreased in the current year due to the 1996 Tax Anticipation Notes being retired in 2003.
- Current refunding escrow is not applicable for this year; last year's amount was related to the refunding of the 1990 and 1993 hospital bond issues.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts of the government*, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and support the information in the financial statements.

Figure A-1 shows how the required parts of this annual report are arranged and related one another.

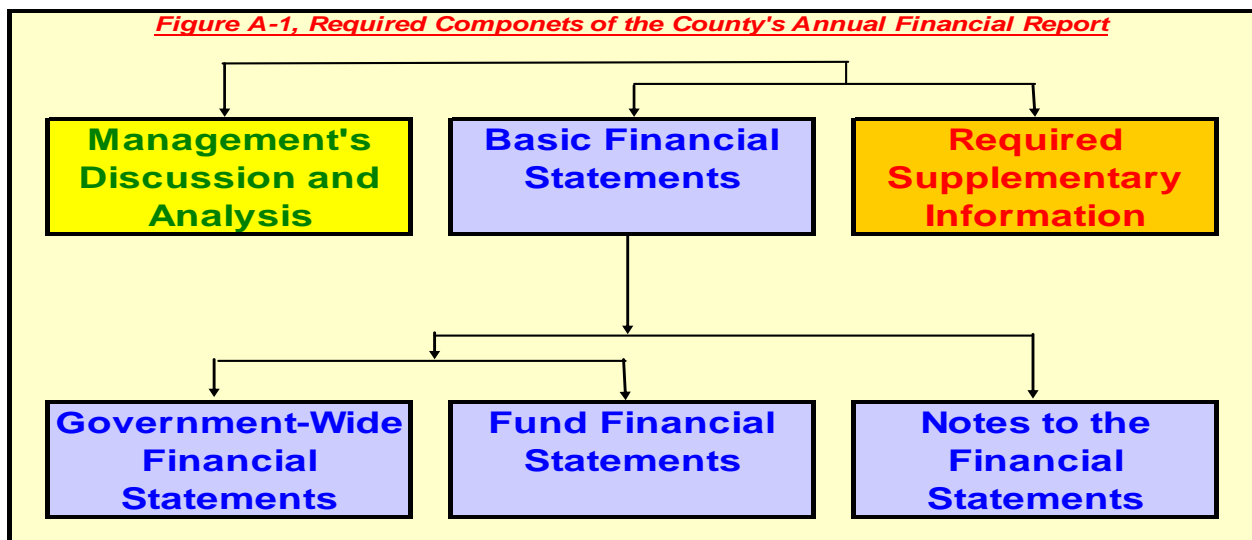


Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major features of the County's Government Wide and Fund Financial Statements

TYPE OF STATEMENT	GOVERNMENT-WIDE	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	FIDUCIARY FUNDS
<i>Scope</i>	Entire Government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses or self insurance	Instances in which the County is the trustee or agent for someone else's resources
<i>Required Financial Statements</i>	Statement of Net Assets. Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures and Fund Balances	Statement of Net Assets, Statement of Revenues, Expenditures and Changes in Fund Net Assets, Statement of Cash Flows	Statement of Net Assets, Statement of Changes in Fiduciary Net Assets.
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Types of accountability information</i>	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be used up and liabilities that become due during the year or soon thereafter. No capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities both short term and long-term; the County's funds do not currently include capital assets, although they can.
<i>Types of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

Government-wide Statements:

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets (the difference between the County's assets and liabilities) are one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements:

CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2004

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioners' Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

CALHOUN COUNTY, TEXAS
Management's Discussion and Analysis
 December 31, 2004

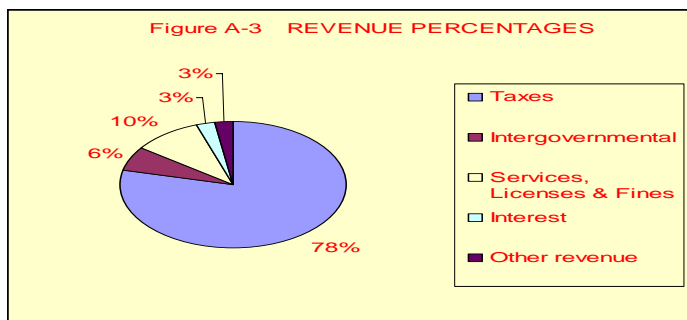
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE:

Net assets. The County's combined net assets were \$33,100,210 the end of the current year. (See Table A-1)

Table A-1 County's Net Assets							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	This Year	Last Year	This Year	Last Year	This Year	Last Year	
Current assets							
Cash and cash equivalents	\$21,104,717	\$8,024,303	\$1,396,096	\$935,379	\$22,500,813	\$8,959,682	151.13%
Receivables (net of allowance for uncollectibles)	\$5,895,202	\$6,037,020	\$2,797,795	\$2,790,536	\$8,692,997	\$8,827,556	-1.52%
Intergovernmental receivable	\$276,464	\$385,958	\$0	\$0	\$276,464	\$385,958	-28.37%
Internal balances	\$1,732	\$0	\$0	\$0	\$1,732	\$0	100.00%
Prepaid items and other current assets	\$209,425	\$182,679	\$753,791	\$820,527	\$963,216	\$1,003,206	-3.99%
Restricted assets:							
Cash and cash equivalents	\$8,918,686	\$17,221,058	\$13,931	\$13,701	\$8,932,617	\$17,234,759	-48.17%
Deferred charges	\$355,544	\$13,126	\$0	\$0	\$355,544	\$13,126	2608.70%
Total current assets	\$36,761,770	\$31,864,144	\$4,961,613	\$4,560,143	\$41,723,383	\$36,424,287	14.55%
Noncurrent assets							
Capital assets (net, where applicable, of accumulated depreciation)							
Land	\$1,739,244	\$1,736,805	\$0	\$32,143	\$1,739,244	\$1,768,948	-1.68%
Construction in progress	\$4,824,016	\$2,410,388	\$0	\$0	\$4,824,016	\$2,410,388	100.13%
Buildings	\$5,397,680	\$6,528,743	\$0	\$3,456,014	\$5,397,680	\$9,984,757	-45.94%
Improvements	\$2,091,978	\$1,001,616	\$0	\$0	\$2,091,978	\$1,001,616	108.86%
Equipment	\$3,079,461	\$3,027,988	\$6,878,298	\$3,850,679	\$9,957,759	\$6,878,667	44.76%
Infrastructure	\$6,556,028	\$6,762,206	\$0	\$0	\$6,556,028	\$6,762,206	-3.05%
Total noncurrent assets	\$23,688,407	\$21,467,746	\$6,878,298	\$7,338,836	\$30,566,705	\$28,806,582	6.11%
Total assets	\$60,450,177	\$53,331,890	\$11,839,911	\$11,898,979	\$72,290,088	\$65,230,869	10.82%
Current Liabilities							
Accounts payable	\$1,022,691	\$923,455	\$525,485	\$542,885	\$1,548,176	\$1,466,340	5.58%
Accrued and other liabilities	\$777,423	\$481,309	\$482,875	\$745,777	\$1,260,298	\$1,227,086	2.71%
Due to other governments	\$292,895	\$283,507	\$0	\$0	\$292,895	\$283,507	3.31%
Due to others	\$134,324	\$89,141	\$0	\$0	\$134,324	\$89,141	50.69%
Unearned revenue	\$14,711,935	\$9,784,328	\$0	\$0	\$14,711,935	\$9,784,328	50.36%
Total current liabilities	\$16,939,268	\$11,561,740	\$1,008,360	\$1,288,662	\$17,947,628	\$12,850,402	39.67%
Noncurrent Liabilities							
Due in one year	\$841,887	\$816,676	\$657,697	\$521,622	\$0	\$0	0.00%
Due in more than one year	\$18,517,567	\$13,455,591	\$1,225,099	\$852,119	\$19,742,666	\$14,307,710	37.99%
Total noncurrent liabilities	\$19,359,454	\$14,272,267	\$1,882,796	\$1,373,741	\$19,742,666	\$14,307,710	37.99%
Total Liabilities	\$36,298,722	\$25,834,007	\$2,891,156	\$2,662,403	\$37,690,294	\$27,158,112	38.78%
Net assets							
Invested in capital assets, net of related debt	\$4,421,754	\$15,128,826	\$5,305,611	\$6,249,738	\$9,727,365	\$21,378,564	-54.50%
Restricted for:							
Debt service	\$369,171	\$547,410	\$0	\$0	\$369,171	\$547,410	-32.56%
Capital projects	\$11,850,634	\$8,827,374	\$0	\$0	\$11,850,634	\$8,827,374	34.25%
Unrestricted	\$7,509,896	\$2,994,273	\$3,643,144	\$2,986,838	\$11,153,040	\$5,981,111	86.47%
Total net assets	\$24,151,455	\$27,497,883	\$8,948,755	\$9,236,576	\$33,100,210	\$36,734,459	-9.89%

Approximately 3.02% or \$369,171 of the County's restricted net assets represents amounts restricted for debt service while the remaining 96.98% or \$11,850,634 is restricted for capital projects. Of the \$11,850,634 restricted for capital projects, the new jail construction accounts for \$7,841,671 or 66.17%. The \$7,509,896 of unrestricted net assets represents resources available to fund the programs of the County next year.

Changes in net assets. The County's total revenues were \$19,919,779. A significant portion, \$15,719,445, of the County's revenue comes from taxes. An analysis of the revenue percentages is shown in Figure A-3 below.



CALHOUN COUNTY, TEXAS
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Governmental Activities

Total property tax rates increased by \$0.0000 or 0.00% per \$100 valuation, while general fund tax rates decreased(\$0.0003) or -0.06% and debt service tax rates increased by \$0.0003 or 0.55% . Assessed valuation for this year was \$2,847,394,274 and last year's assessed valuation was \$2,823,922,827 or an increase of \$23,471,447 or 0.83% . Total ad valorem taxes for this year amounted to \$15,815,338 while total ad valorem taxes for last year amounted to \$15,368,750 , or an increase of (\$446,588) or -2.91%.

Table A-2 below shows an analysis of the County's program revenues.

Table A-2							
County's Program Revenues							
Programs	Governmental Activities		Business-type Activities		Total		Total Percentage
	This Year	Last Year	This Year	Last Year	This Year	Last Year	Change
General administration	\$250,891	\$224,960	\$0	\$0	\$250,891	\$224,960	11.53%
Judicial	\$18,875	\$742,606	\$0	\$0	\$18,875	\$742,606	-83.99%
Legal	\$122,100	\$73,084	\$0	\$0	\$122,100	\$73,084	67.07%
Financial administration	\$154,178	\$186,091	\$0	\$0	\$154,178	\$186,091	-17.15%
Public facilities	\$10,193	\$19,314	\$0	\$0	\$10,193	\$19,314	-47.22%
Public safety	\$269,661	\$433,712	\$0	\$0	\$269,661	\$433,712	-37.82%
Roads and bridges	\$1,074,690	\$677,471	\$0	\$0	\$1,074,690	\$677,471	58.63%
Health and welfare	\$617,622	\$162,892	\$18,808,813	\$19,003,907	\$19,426,435	\$19,166,799	1.35%
Community development	\$7,405	\$2,149	\$0	\$0	\$7,405	\$2,149	244.58%
Culture and recreation	\$372,400	\$605,556	\$0	\$0	\$372,400	\$605,556	-38.50%
Social services	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Conservation	\$114,326	\$42,500	\$0	\$0	\$114,326	\$42,500	169.00%
Sanitation services	\$14,378	\$16,108	\$0	\$0	\$14,378	\$16,108	-10.74%
Nondepartmental	\$182,255	\$401,998	\$0	\$0	\$182,255	\$401,998	-54.66%
Total Revenues	\$3,308,974	\$3,588,441	\$18,808,813	\$19,003,907	\$22,117,787	\$22,592,348	-2.10%

Table A-3 below shows an analysis of the County's general revenues.

Table A-3							
County's General Revenues							
Programs	Governmental Activities		Business-type Activities		Total		Total Percentage
	This Year	Last Year	This Year	Last Year	This Year	Last Year	Change
Advalorem taxes	\$14,790,320	\$12,060,179	\$0	\$0	\$14,790,320	\$12,060,179	22.64%
Sales Taxes	\$904,694	\$897,871	\$0	\$0	\$904,694	\$897,871	0.76%
Other Taxes	\$24,431	\$24,596	\$0	\$0	\$24,431	\$24,596	-0.67%
Unrestricted investment earnings	\$537,288	\$526,290	\$20,371	\$38,695	\$557,659	\$564,985	-1.30%
Miscellaneous	\$358,652	\$184,503	\$0	\$0	\$358,652	\$184,503	94.39%
Gain on asset sales	(\$4,374)	\$5,334	\$0	\$0	(\$4,374)	\$5,334	-182.00%
Transfers	(\$206)	\$0	\$0	\$0	(\$206)	\$0	0.00%
Total Revenues	\$16,610,805	\$13,698,773	\$20,371	\$38,695	\$16,631,176	\$13,737,468	21.06%

CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2004

Table A-4, below, presents the cost of each of the County's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by intergovernmental revenues as well as local tax dollars.

Table A-4						
County's Functions Costs						
Function	Total Cost of Services			Net Cost of Services		
	This Year	Last Year	Percentage Change	This Year	Last Year	Percentage Change
General administration	\$1,258,605	\$1,137,098	10.69%	\$1,007,714	\$912,138	10.48%
Judicial	\$958,117	\$995,951	-3.80%	\$839,242	\$253,345	231.26%
Legal	\$535,262	\$502,834	6.45%	\$413,162	\$429,750	-3.86%
Financial administration	\$795,361	\$754,762	5.38%	\$641,183	\$568,671	12.75%
Public facilities	\$634,323	\$574,343	10.44%	\$624,130	\$555,029	12.45%
Public safety	\$4,356,454	\$4,507,879	-3.36%	\$4,086,793	\$4,074,167	0.31%
Roads and bridges	\$3,939,476	\$3,741,337	5.30%	\$2,864,789	\$3,063,866	-6.50%
Health and welfare	\$3,590,479	\$3,316,685	8.26%	\$2,972,857	\$3,153,793	-5.74%
Community development	\$136,266	\$152,735	-10.78%	\$128,861	\$150,586	-14.43%
Culture and recreation	\$546,058	\$565,946	-3.51%	\$173,658	(\$39,610)	-538.42%
Social services	\$65,603	\$65,362	0.37%	\$65,603	\$65,362	0.37%
Conservation	\$24,307	\$7,750	213.64%	(\$90,019)	(\$34,750)	159.05%
Sanitation services	\$168,030	\$217,229	-22.65%	\$153,652	\$201,121	-23.60%
Nondepartmental	\$588,863	\$221,269	166.13%	\$406,608	(\$180,729)	-324.98%
Other	\$1,950	\$0	0.00%	\$1,950	\$0	0.00%
Interest and fiscal charges	\$664,119	\$417,990	58.88%	\$664,119	\$417,990	58.88%
Total costs	\$18,263,273	\$17,179,170	6.31%	\$14,954,302	\$13,590,729	10.03%

Business-type Activities

Revenues of the County's business-type activities (Memorial Medical Center, a hospital) showed an increase of \$202,598 or 1.09% over last year and a decrease in expenses of (\$478,104) or -2.43%. Total revenues for the current year were \$18,829,184 and total expenses were \$19,219,559 resulting in net loss of (\$390,375) for the current year as compared to a net loss for the prior year of (\$1,071,077) or a reduction in loss of \$680,702 or -63.55%.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues from governmental fund types totaled \$19,837,731 an increase of \$2,748,533 over the preceding year. The increase in local revenues is a result of a general fund tax rate increase from \$.3970 to \$.4667 per hundred dollars of valuation. Expenditures from government fund types totaled \$21,759,948 a decrease of (\$246,230) over the preceding year. The change in local expenditures is explained in the FINANCIAL HIGHLIGHTS shown on the first page of this discussion

General Fund Budgetary Highlights

Over the course of the year the County revised its General Fund budget 8 times. The original budget expenditures amounted to \$14,790,320 and the final budget expenditures amounted to \$12,060,179 or an increase of \$2,730,141 in expenditures. Significant items causing the budget increases were a \$723,000 increase in indigent healthcare, a \$200,000 increase in the farming out of prisoners due to the closing of the jail by the Texas Department of Corrections, a \$83,000 increase in the operation of the Juvenile Probation Department due to a reduction in State funding, a \$58,000 increase in Commissioners Court expenditures due to various property appraisals and increase in legal expenditures and a \$166,000 increase in Road and Bridge expenditures mostly caused by extraordinary repairs caused by hurricane Claudette.

CALHOUN COUNTY, TEXAS
Management's Discussion and Analysis
 December 31, 2004

A General Fund departmental (excluding debt service) budget analysis follows in Table A-5.

Table A-5 Budget Analysis				
General Fund Department	Final Budget	Original Budget	Budget Revisions	Revision Percentages
ADULT PROBATION	\$7,101	\$7,101	\$0	0.00%
AID TO AGING	\$20,000	\$20,000	\$0	0.00%
AMBULANCE OPERATIONS-GENERAL	\$8,500	\$8,500	\$0	0.00%
AMBULANCE OPERATIONS-MAGNOLIA BEACH	\$730	\$2,601	(\$ 1,871)	-71.93%
AMBULANCE OPERATIONS-OLIVIA/PORT ALTO	\$2,500	\$2,500	\$0	0.00%
AMBULANCE OPERATIONS-POINT COMFORT	\$2,001	\$2,001	\$0	0.00%
AMBULANCE OPERATIONS-PORT O'CONNOR	\$2,250	\$2,250	\$0	0.00%
AMBULANCE OPERATIONS-SEADRIFT	\$2,550	\$2,550	\$0	0.00%
BUILDING MAINTENANCE	\$782,463	\$788,546	(\$6,083)	-0.77%
COMMISSIONERS COURT	\$262,958	\$204,508	\$58,450	28.58%
CONSTABLE-PRECINCT #1	\$15,180	\$14,230	\$950	6.68%
CONSTABLE-PRECINCT #2	\$15,576	\$14,564	\$1,012	6.95%
CONSTABLE-PRECINCT #3	\$14,208	\$14,189	\$19	0.13%
CONSTABLE-PRECINCT #4	\$14,089	\$14,116	(\$27)	-0.19%
CONSTABLE-PRECINCT #5	\$14,174	\$14,030	\$144	1.03%
CONTINGENCIES	\$4,952	\$189,119	(\$184,167)	-97.38%
COUNTY AUDITOR	\$224,522	\$224,508	\$14	0.01%
COUNTY CLERK	\$368,246	\$362,943	\$5,303	1.46%
COUNTY COURT	\$5,750	\$5,750	\$0	0.00%
COUNTY COURT-AT-LAW	\$234,629	\$229,285	\$5,344	2.33%
COUNTY JUDGE	\$129,549	\$141,585	(\$12,036)	-8.50%
COUNTY TAX COLLECTOR	\$234,375	\$219,490	\$14,885	6.78%
COUNTY TREASURER	\$161,773	\$160,170	\$1,603	1.00%
CRIME VICTIMS ASSISTANCE	\$28,500	\$28,500	\$0	0.00%
DEBT SERVICE	\$21,865	\$20,183	\$1,682	8.33%
DISTRICT ATTORNEY	\$448,608	\$401,467	\$47,141	11.74%
DISTRICT CLERK	\$272,784	\$264,314	\$8,470	3.20%
DISTRICT COURT	\$150,465	\$135,314	\$15,151	11.20%
ELECTIONS	\$100,712	\$77,051	\$23,661	30.71%
EMERGENCY MANAGEMENT	\$74,387	\$71,974	\$2,413	3.35%
EMERGENCY MEDICAL SERVICES	\$1,441,201	\$1,429,030	\$12,171	0.85%
EXTENSION SERVICE	\$174,986	\$166,568	\$8,418	5.05%
FIRE PROTECTION-MAGNOLIA BEACH	\$10,055	\$7,501	\$2,554	34.05%
FIRE PROTECTION-OLIVIA/PORT ALTO	\$7,501	\$7,501	\$0	0.00%
FIRE PROTECTION-POINT COMFORT	\$15,000	\$15,000	\$0	0.00%
FIRE PROTECTION-PORT LAVACA	\$100,001	\$100,001	\$0	0.00%
FIRE PROTECTION-PORT O'CONNOR	\$7,502	\$7,502	\$0	0.00%
FIRE PROTECTION-SEADRIFT	\$7,501	\$7,501	\$0	0.00%
FLOOD PLAIN ADMINISTRATION	\$8,030	\$8,060	(\$30)	-0.37%
HEALTH DEPARTMENT	\$320,372	\$316,108	\$4,264	1.35%
HIGHWAY PATROL	\$42,498	\$42,508	(\$10)	-0.02%
HISTORICAL COMMISSION	\$5,802	\$5,802	\$0	0.00%
INDIGENT HEALTH CARE	\$1,858,406	\$1,135,500	\$722,906	63.66%
JAIL OPERATIONS	\$1,940,939	\$1,738,279	\$202,660	11.66%
JUSTICE OF PEACE-PRECINCT #1	\$53,814	\$52,698	\$1,116	2.12%
JUSTICE OF PEACE-PRECINCT #2	\$74,683	\$72,565	\$2,118	2.92%
JUSTICE OF PEACE-PRECINCT #3	\$55,876	\$54,568	\$1,308	2.40%
JUSTICE OF PEACE-PRECINCT #4	\$65,814	\$64,869	\$945	1.46%
JUSTICE OF PEACE-PRECINCT #5	\$59,650	\$57,960	\$1,690	2.92%
JUSTICE OF THE PEACE-GENERAL	\$1,573	\$1,504	\$69	4.59%
JUVENILE BOOT CAMP	\$10,109	\$3,946	\$6,163	156.18%
JUVENILE COURT	\$118,031	\$118,078	(\$47)	-0.04%
JUVENILE PROBATION	\$129,222	\$46,050	\$83,172	180.61%
LIBRARY	\$373,953	\$345,446	\$28,507	8.25%
MISCELLANEOUS	\$444,965	\$420,000	\$24,965	5.94%
MUSEUM	\$52,758	\$48,111	\$4,647	9.66%
NUISANCE ORDINANCE ENFORCEMENT	\$57,099	\$54,335	\$2,764	5.09%
ROAD AND BRIDGE-PRECINCT #1	\$663,275	\$595,665	\$67,610	11.35%
ROAD AND BRIDGE-PRECINCT #2	\$686,022	\$652,218	\$33,804	5.18%
ROAD AND BRIDGE-PRECINCT #3	\$662,922	\$643,574	\$19,348	3.01%
ROAD AND BRIDGE-PRECINCT #4	\$1,368,082	\$1,322,044	\$46,038	3.48%
SHERIFF	\$1,822,537	\$1,644,423	\$178,114	10.83%
SOIL AND WATER CONSERVATION	\$7,750	\$7,750	\$0	0.00%
TAX APPRAISAL DISTRICT	\$166,481	\$166,481	\$0	0.00%
VETERANS SERVICES	\$22,969	\$22,772	\$197	0.87%
WASTE MANAGEMENT	\$188,267	\$151,943	\$36,324	23.91%
TOTALS	\$16,651,043	\$15,177,200	\$1,473,843	9.71%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the current year the County had invested in a broad range of capital assets, including land, buildings, equipment, infrastructure and other. (See Table A-6).

Description	Governmental Activities		Business-type Activities		Total	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Land	\$1,739,245	\$1,736,805	\$32,143	\$32,143	\$1,771,388	\$1,768,948
Buildings	\$5,397,680	\$6,528,743	\$3,099,921	\$3,456,014	\$8,497,601	\$9,984,757
Improvements	\$2,091,978	\$1,001,616	\$0	\$0	\$2,091,978	\$1,001,616
Furniture, Fixtures & Equipment	\$3,079,461	\$3,027,988	\$2,329,325	\$2,761,581	\$5,408,786	\$5,789,569
Leased Assets	\$0	\$0	\$1,416,909	\$1,089,098	\$1,416,909	\$1,089,098
Construction in Progress	\$4,824,016	\$2,410,388	\$0	\$0	\$4,824,016	\$2,410,388
Infrastructure	\$6,556,028	\$6,762,206	\$0	\$0	\$6,556,028	\$6,762,206
Total	\$23,688,408	\$21,467,746	\$6,878,298	\$7,338,836	\$30,566,706	\$28,806,582

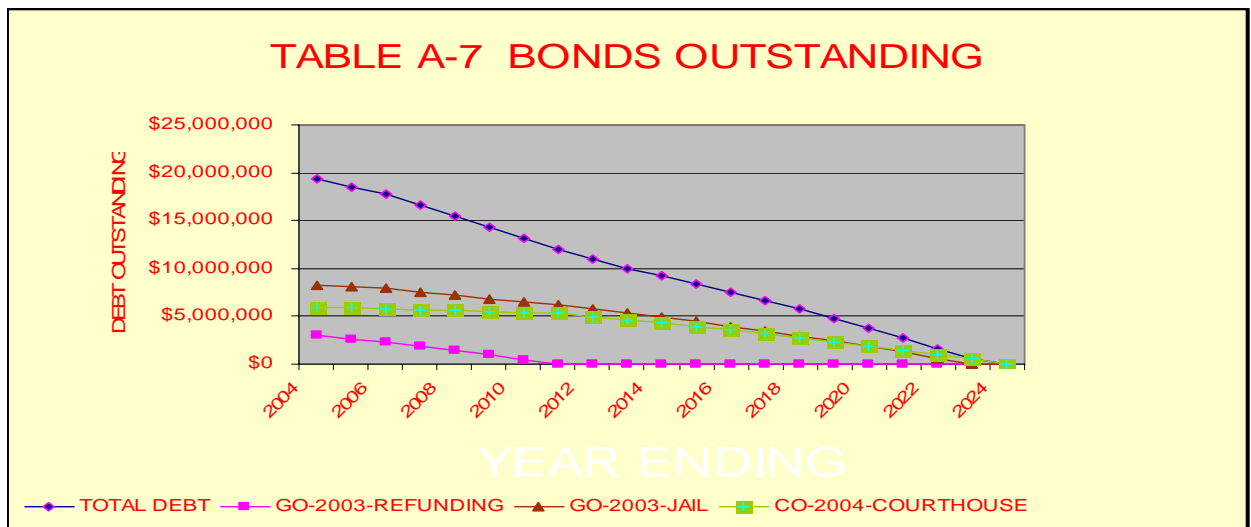
The County is at present involved in the construction of a new 144 bed jail at an anticipated total cost of approximately \$8,500,000 and a project for mold remediation and renovation of the County Courthouse at an anticipated total cost of \$6,000,000. More detail information concerning the County's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year end the County had \$19,305,000 in bonds outstanding as shown in Table A-7. More detailed information about the County's debt is presented in the notes to the financial statements. The County sold \$5,890,000 in certificates of obligation during the current year for the renovation of the County Courthouse.

The County's bonds presently carry "AAA" ratings (insured) with underlying ratings as follows:

Moody's Investor Services A1
 Standard & Poor's A+



CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2004

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for this year's budget was \$2,823,922,827 while \$2,847,394,274 was used for next year's budget preparation. This represents an increase of \$23,471,447 or 0.83%. General fund tax rates for next year were set at \$0.4664 decreased of (\$0.0003) or -0.06% over this year's general fund tax rate of \$0.4667 .

The Commissioners' Court is trying to maintain a level amount in expenditures while increasing taxes in order to maintain a balanced budget or increase the fund balance slightly until the next tax abatement comes on the rolls in the year 2006. Tax abatements coming on the tax rolls are estimated for the year 2006 at \$90,900,000, for the year 2007 at \$585,000,000 and for the year 2008 at \$76,500,000.

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CALHOUN COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
<i>Cash and cash equivalents</i>	\$ 8,724,432	\$ 1,396,096	\$ 10,120,528
<i>Receivables (net of allowances for uncollectibles):</i>	5,891,977	2,788,054	8,680,031
<i>Intergovernmental receivable</i>	314,527	--	314,527
<i>Prepaid items and other current assets</i>	209,425	753,791	963,216
Restricted assets:			
<i>Cash and cash equivalents</i>	21,294,864	13,931	21,308,795
<i>Deferred charges</i>	355,544	--	355,544
Capital assets (net, where applicable, of accumulated depreciation)			
<i>Land</i>	1,739,244	32,143	1,771,387
<i>Construction in progress</i>	4,824,016	--	4,824,016
<i>Buildings</i>	5,397,680	3,099,921	8,497,601
<i>Improvements other than buildings</i>	2,091,978	--	2,091,978
<i>Furniture, fixtures and equipment</i>	3,079,461	3,746,234	6,825,695
<i>Infrastructure</i>	6,556,028	--	6,556,028
Total Assets	<u>60,479,176</u>	<u>11,830,170</u>	<u>72,309,346</u>
LIABILITIES			
<i>Accounts payable</i>	1,022,690	525,485	1,548,175
<i>Accrued and other liabilities</i>	777,423	482,875	1,260,298
<i>Due to other governments</i>	287,053	--	287,053
<i>Due to others</i>	135,664	--	135,664
<i>Unearned revenue</i>	10,143,511	--	10,143,511
Noncurrent liabilities:			
<i>Due in one year</i>	841,887	657,697	1,499,584
<i>Due in more than one year</i>	18,517,567	1,225,099	19,742,666
Total Liabilities	<u>31,725,795</u>	<u>2,891,156</u>	<u>34,616,951</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	9,882,378	5,305,611	15,187,989
Restricted For:			
Debt Service	347,095	--	347,095
Capital Projects	11,703,025	--	11,703,025
Unrestricted	6,820,883	3,633,403	10,454,286
Total Net Assets	<u>\$ 28,753,381</u>	<u>\$ 8,939,014</u>	<u>\$ 37,692,395</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
<i>General administration</i>	\$ 1,258,605	\$ 250,861	\$ 30	\$ --
<i>Judicial</i>	960,067	263,099	51,034	--
<i>Legal</i>	535,262	96,100	24,333	--
<i>Financial administration</i>	795,361	154,178	--	--
<i>Public facilities</i>	634,323	9,160	1,033	--
<i>Public safety</i>	4,356,454	214,541	75,412	--
<i>Roads and bridges</i>	3,939,476	423,581	1,000	400,250
<i>Health and welfare</i>	3,590,479	495,496	122,126	--
<i>Community development</i>	136,266	7,405	--	--
<i>Culture and recreation</i>	546,058	22,280	11,545	338,575
<i>Social services</i>	65,603	--	--	--
<i>Conservation</i>	24,307	--	--	130,257
<i>Sanitation services</i>	168,030	14,378	--	--
<i>Nondepartmental</i>	588,863	38,441	145,629	--
<i>Interest and fiscal charges</i>	664,119	--	--	--
Total governmental activities	<u>18,263,273</u>	<u>1,989,520</u>	<u>432,142</u>	<u>869,082</u>
Business-type Activities:				
Memorial Medical Center	19,219,559	18,799,072	102,554	--
Total Primary Government	<u>\$ 37,482,832</u>	<u>\$ 20,788,592</u>	<u>\$ 534,696</u>	<u>\$ 869,082</u>

General Revenues:
Ad valorem taxes
Sales taxes
Other taxes
Unrestricted Investment Earnings
Miscellaneous
Gain on Sale of Capital Assets
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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,007,714)		\$ (1,007,714)
(645,934)		(645,934)
(414,829)		(414,829)
(641,183)		(641,183)
(624,130)		(624,130)
(4,066,501)		(4,066,501)
(3,114,645)		(3,114,645)
(2,972,857)		(2,972,857)
(128,861)		(128,861)
(173,658)		(173,658)
(65,603)		(65,603)
105,950		105,950
(153,652)		(153,652)
(404,793)		(404,793)
(664,119)		(664,119)
<u>(14,972,529)</u>		<u>(14,972,529)</u>
--	\$ (317,933)	(317,933)
<u>(14,972,529)</u>	<u>(317,933)</u>	<u>(15,290,462)</u>
14,768,039	--	14,768,039
904,694	--	904,694
24,431	--	24,431
537,288	20,371	557,659
358,652	--	358,652
(4,374)	--	(4,374)
<u>16,588,730</u>	<u>20,371</u>	<u>16,609,101</u>
1,616,201	(297,562)	1,318,639
27,137,180	9,236,576	36,373,756
<u>\$ 28,753,381</u>	<u>\$ 8,939,014</u>	<u>\$ 37,692,395</u>

CALHOUN COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General Fund	Courthouse Renovation
ASSETS		
<i>Cash and cash equivalents</i>	\$ 4,078,534	\$ 6,102,915
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	4,049,502	--
<i>Accounts</i>	1,184,373	--
<i>Intergovernmental receivable</i>	293,510	--
<i>Due from other funds</i>	728,689	--
<i>Prepaid items and other current assets</i>	465	--
Restricted assets:		
<i>Cash and cash equivalents</i>	8,899,226	--
 Total Assets	 <u>\$ 19,234,299</u>	 <u>\$ 6,102,915</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 412,482	\$ 52,685
<i>Accrued and other liabilities</i>	391,931	--
<i>Due to other funds</i>	11,969	1
<i>Due to other governments</i>	287,053	--
<i>Due to others</i>	128,713	--
<i>Deferred revenue</i>	13,830,348	--
Total Liabilities	<u>15,062,496</u>	<u>52,686</u>
Fund balances:		
Reserved for:		
<i>Interfund loans</i>	87,500	--
Unreserved, reported in:		
<i>General fund</i>	4,084,303	--
<i>Special revenue funds</i>	--	--
<i>Debt service funds</i>	--	--
<i>Capital projects funds</i>	--	6,050,229
Total fund balances	<u>4,171,803</u>	<u>6,050,229</u>
 Total Liabilities, & Fund Balances	 <u>\$ 19,234,299</u>	 <u>\$ 6,102,915</u>

The accompanying notes are an integral part of this statement.

<u>New Jail Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,273,264	\$ 4,645,893	\$ 21,100,606
--	459,653	4,509,155
--	198,449	1,382,822
--	21,017	314,527
--	5,551	734,240
--	10,900	11,365
--	19,460	8,918,686
<u>\$ 6,273,264</u>	<u>\$ 5,360,923</u>	<u>\$ 36,971,401</u>
\$ 528,181	\$ 29,343	\$ 1,022,691
103,454	239	495,624
--	722,270	734,240
--	--	287,053
--	6,951	135,664
--	1,766,897	15,597,245
<u>631,635</u>	<u>2,525,700</u>	<u>18,272,517</u>
--	--	87,500
--	--	4,084,303
--	2,339,572	2,339,572
--	369,171	369,171
5,641,629	126,480	11,818,338
<u>5,641,629</u>	<u>2,835,223</u>	<u>18,698,884</u>
<u>\$ 6,273,264</u>	<u>\$ 5,360,923</u>	<u>\$ 36,971,401</u>

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CALHOUN COUNTY, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004*

Total fund balances - governmental funds balance sheet	\$ 18,698,884
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.	23,688,408
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	4,620,158
Payables for bond principal which are not due in the current period are not reported in the funds.	(19,266,653)
Payables for bond interest which are not due in the current period are not reported in the funds.	(281,799)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(92,802)
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.	553,604
Revenue recognition for certain receivables is deferred in the funds.	<u>833,581</u>
Net assets of governmental activities - statement of net assets	<u>\$ 28,753,381</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, 2004

	General Fund	Courthouse Renovation
Revenues:		
<i>Ad valorem taxes</i>	\$ 13,134,964	\$ --
<i>Sales taxes</i>	904,694	--
<i>Other taxes</i>	10,095	--
<i>Intergovernmental</i>	238,244	--
<i>Charges for services</i>	934,988	--
<i>Permits and licenses</i>	16,738	--
<i>Fines and forfeitures</i>	336,375	--
<i>Interest</i>	251,564	47,682
<i>Gifts and contributions</i>	5,833	--
<i>Rents and leases</i>	56,078	--
<i>Miscellaneous</i>	296,908	--
Total revenues	<u>16,186,481</u>	<u>47,682</u>
Expenditures:		
Current:		
<i>General administration</i>	1,240,367	--
<i>Judicial</i>	944,223	--
<i>Legal</i>	451,700	--
<i>Financial administration</i>	789,016	--
<i>Public facilities</i>	584,961	--
<i>Public safety</i>	4,144,484	--
<i>Roads and bridges</i>	3,158,376	--
<i>Health and welfare</i>	3,707,146	--
<i>Community development</i>	133,027	--
<i>Culture and recreation</i>	406,121	--
<i>Social services</i>	41,968	--
<i>Conservation</i>	7,750	--
<i>Sanitation services</i>	177,366	--
<i>Nondepartmental</i>	6,969	369,891
Capital outlay	--	--
Debt service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	21,864	--
Total expenditures	<u>15,815,338</u>	<u>369,891</u>
Excess (deficiency) of revenues over (under) expenditures	371,143	(322,209)
Other financing sources (uses):		
<i>Operating transfers in</i>	678,563	--
<i>Operating transfers out</i>	(67,107)	--
<i>Gain on sale of fixed assets</i>	54,530	--
<i>Proceeds of bonds</i>	--	5,890,000
<i>Bond premium</i>	--	23,212
<i>Bond discount</i>	--	(82,697)
Total other financing sources (uses)	<u>665,986</u>	<u>5,830,515</u>
Net change in fund balances	1,037,129	5,508,306
Fund balances, January 1	<u>3,134,674</u>	<u>541,923</u>
Fund balances, December 31	<u>\$ 4,171,803</u>	<u>\$ 6,050,229</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

New Jail Building	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,513,990	\$ 14,648,954
--	--	904,694
--	14,336	24,431
--	990,032	1,228,276
--	131,355	1,066,343
--	503,349	520,087
--	257,673	594,048
157,847	80,195	537,288
--	67,914	73,747
--	13,943	70,021
7,000	55,624	359,532
<u>164,847</u>	<u>3,628,411</u>	<u>20,027,421</u>
--	65,490	1,305,857
--	1,950	946,173
--	75,621	527,321
--	--	789,016
--	44,462	629,423
--	81,852	4,226,336
--	753,443	3,911,819
--	--	3,707,146
--	--	133,027
--	50,394	456,515
--	--	41,968
--	198,022	205,772
--	--	177,366
2,364,889	257,163	2,998,912
--	426,865	426,865
--	725,000	725,000
--	529,568	551,432
<u>2,364,889</u>	<u>3,209,830</u>	<u>21,759,948</u>
(2,200,042)	418,581	(1,732,527)
--	77,946	756,509
--	(689,402)	(756,509)
--	--	54,530
--	--	5,890,000
--	--	23,212
--	--	(82,697)
<u>--</u>	<u>(611,456)</u>	<u>5,885,045</u>
(2,200,042)	(192,875)	4,152,518
<u>7,841,671</u>	<u>3,028,098</u>	<u>14,546,366</u>
<u>\$ 5,641,629</u>	<u>\$ 2,835,223</u>	<u>\$ 18,698,884</u>

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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, 2004*

Net change in fund balances - total governmental funds	\$ 4,152,518
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	4,562,861
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,692,783)
The gain or loss on the sale of capital assets is not reported in the funds.	(58,905)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	141,159
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(284,737)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	15,411
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	18,949
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	725,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds	(28,554)
(Increase) decrease in accrued interest from beginning of period to end of period.	(103,082)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(1,125)
Net Proceeds from the sale of bonds are reported in the funds but not in the SOA.	<u>(5,830,511)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 1,616,201</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUND

DECEMBER 31, 2004

	Enterprise Fund <u>Memorial Medical Center</u>
ASSETS	
Current assets:	
<i>Cash and cash equivalents</i>	\$ 1,396,096
Receivables (net of allowances for uncollectibles):	
<i>Accounts</i>	2,788,054
<i>Prepaid items and other current assets</i>	753,791
Total current assets	<u>4,937,941</u>
Noncurrent assets	
Restricted assets:	
<i>Cash and cash equivalents</i>	13,931
Capital assets (net, where applicable, of accumulated depreciation) :	
<i>Land</i>	32,143
<i>Equipment</i>	6,846,155
Total Assets	<u>11,830,170</u>
LIABILITIES	
Current liabilities:	
<i>Accounts payable</i>	525,485
<i>Accrued and other liabilities</i>	482,875
<i>Compensated absences payable</i>	310,109
<i>Capital leases payable - current portion</i>	347,588
Total current liabilities	<u>1,666,057</u>
Noncurrent liabilities:	
<i>Capital leases payable</i>	1,225,099
Total noncurrent liabilities	<u>1,225,099</u>
Total Liabilities	<u>2,891,156</u>
NET ASSETS	
<i>Invested in capital assets, net of related debt</i>	5,305,611
<i>Unrestricted</i>	3,633,403
Total Net Assets	<u>\$ 8,939,014</u>

CALHOUN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET ASSETS - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Enterprise Fund <u>Memorial Medical Center</u>
OPERATING REVENUES:	
Patient service revenues (net)	\$ 18,385,062
Other operating revenues	414,010
Total Operating Revenues	<u>18,799,072</u>
OPERATING EXPENSES:	
Operating expenses	17,751,338
Depreciation and amortization	1,421,181
Total Operating Expenses	<u>19,172,519</u>
Operating Loss	<u>(373,447)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest revenue	20,371
Interest expense	(47,040)
Total Non-operating Revenues (Expenses)	<u>(26,669)</u>
Net Income (Loss) before Capital Contributions	<u>(400,116)</u>
CAPITAL CONTRIBUTIONS	
Capital contributions	102,554
Total Capital Contributions	<u>102,554</u>
Decrease in Net Assets	(297,562)
Net assets, January 1	<u>9,236,576</u>
Net assets, December 31	<u>\$ 8,939,014</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004

	Enterprise Fund <u>Memoral Medical Center</u>
Cash Flows from Operating Activities:	
Cash received from patients and third-party payors	\$ 18,148,920
Other receipts and payments from operations, net	414,010
Cash paid to suppliers	(8,732,312)
Cash paid to employees	(7,133,371)
Cash paid for employee benefits and payroll taxes	(1,835,131)
Net Cash Provided (Used) by Operating Activities	<u>862,116</u>
Cash Flows from Non-capital Financing Activities:	
Noncapital grants and contributions	102,554
Net Cash Provided (Used) by Non-capital Financing Activities	<u>102,554</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on long-term debt and notes payable	(342,411)
Interest payments on long-term debt and notes payable	(47,040)
Purchase of capital assets	(134,643)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(524,094)</u>
Cash Flows from Investing Activities:	
Investment earnings	20,371
Net Cash Provided (Used) for Investing Activities	<u>20,371</u>
Net Increase (Decrease) in Cash and Cash Equivalents	460,947
Cash and Cash Equivalents at Beginning of Year	<u>949,080</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,410,027</u>
Reconciliation of Cash and Cash Equivalents to Balance Sheet	
Cash and cash equivalents	\$ 1,396,096
Restricted cash and cash equivalents	<u>13,931</u>
	<u>\$ 1,410,027</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (373,447)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	1,421,181
Change in Assets and Liabilities:	
Decrease (Increase) in receivables	(58,255)
Decrease (Increase) in other assets	66,736
Increase (Decrease) in accounts payable and accrued expenses	(16,212)
Increase (Decrease) in third-party payor settlements	(177,887)
Total Adjustments	<u>1,235,563</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 862,116</u>
Schedule of Noncash Capital and Related Financing Activities:	
Cost of new equipment under capital leases	\$ 826,000
New obligations under capital leases	<u>(826,000)</u>
	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2004

	Agency Funds
ASSETS	
Assets:	
<i>Cash and cash equivalents</i>	\$ 782,094
<i>Intergovernmental receivable</i>	171,463
<i>Due from other funds</i>	44,008
<i>Due from others</i>	144
	<hr/>
Total Assets	\$ 997,709
LIABILITIES	
<i>Accounts payable</i>	\$ 30,804
<i>Due to other funds</i>	44,008
<i>Due to other governments</i>	249,879
<i>Due to others</i>	673,018
	<hr/>
Total Liabilities	\$ 997,709

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2004

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. 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."

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. There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the financial statements present the County only.

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

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2004

component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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 proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund and Courthouse Renovation and New Jail Building capital projects funds meet criteria as *major governmental funds*. Each fund is reported in separate columns in the fund financial statements. 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, 2004 are intended to finance the County's budget for the fiscal year beginning January 1, 2005; 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.

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements
December 31, 2004

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.

The Courthouse Renovation capital projects fund accounts for the resources received and expended for the renovation of the county courthouse. Proceeds were provided from insurance proceeds received during 2003 and proceeds from certificates of obligation issued during 2004.

The New Jail Building capital project fund accounts for the resources received and expended for the construction of the County's new jail. Resources were provided from proceeds of bonds issued during 2003.

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. The County's only proprietary fund is Memorial Medical Center, 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 enterprise 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 2004, 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 \$5,000 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 - 40 years
Improvements other than buildings	45 years
Equipment	5 - 20 years
Leased assets	5 - 7 years
Infrastructure	35 - 40 years

Infrastructure assets include assets acquired prior to June 30, 1980 through the current period.

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.

Per GASB-34 Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements. The General Fund and MMC Proprietary Fund typically have been used to liquidate the liability for compensated absences.

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, 2004

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

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	\$ 340,231
Deferred loss on refunding	15,313
Prepaid insurance	<u>198,060</u>
	\$ <u>553,604</u>

Revenue recognition for certain receivables is deferred in the funds:

JP fines receivable	\$ 414,030
County Court fines receivable	27,519
District Court fines receivable	<u>392,032</u>
	\$ <u>833,581</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. Government funds report capital expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimate useful lives and reported as depreciation expense. The details of the difference are as follows:

Certain revenues are not recorded in the funds.

Deferred property tax revenue	\$ (22,075)
JP fines	(28,998)
County Court fines	(22,878)
District Court fines	<u>(210,786)</u>
	\$ <u>(284,737)</u>

Expense recognition is deferred to future periods.

Change in prepaid insurance	\$ <u>15,411</u>
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III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

A. Deposits

At year end, the carrying amount of the County's cash and cash equivalents was \$32,211,417 (including \$21,308,795 restricted) and the bank balance was \$32,837,407. The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by County or by its agent in the County's name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts. At year end, the County's depository had pledged securities, with a par value of \$73,722,584 and fair value of \$74,656,162.

The County's deposits are classified as follows at December 31, 2004:

<u>Category</u>	
1	\$ -
2	32,837,407
3	<u>-</u>
Total	<u>\$ 32,837,407</u>

Cash is restricted for the following purposes at December 31, 2004

Restricted for use in next fiscal year.	\$ 8,918,685
Restricted for capital asset construction/construction	<u>12,376,179</u>
	<u>\$ 21,294,864</u>

B. Investments

During 2004, the County's investing activities were limited to certificates of deposit which are classified as deposits.

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.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

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, 2004 were as follows:

	General	Business- Type Activities	Nonmajor Funds	Total
Taxes receivable	\$ 4,262,634	\$ -	\$ 503,475	\$ 4,766,109
Allowance for uncollectible taxes	<u>(213,132)</u>	<u>-</u>	<u>(43,822)</u>	<u>(256,954)</u>
	<u>4,049,502</u>	<u>-</u>	<u>459,653</u>	<u>4,509,155</u>
Accounts receivable	2,103,230	5,018,413	329,483	7,451,126
Allowance for uncollectible	<u>(918,857)</u>	<u>(2,230,359)</u>	<u>(131,034)</u>	<u>(3,280,250)</u>
	<u>1,184,373</u>	<u>2,788,054</u>	<u>198,449</u>	<u>4,170,876</u>
Total	<u>\$ 5,233,875</u>	<u>\$ 2,788,054</u>	<u>\$ 658,102</u>	<u>\$ 8,680,031</u>

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 \$5,000 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.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

The following is a summary of capital asset activity for the year ended December 31, 2004:

	Balance 12/31/2003	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2004
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 1,736,805	\$ 2,439	\$ -	\$ -	\$ 1,739,244
Construction in progress	2,410,388	3,352,042	-	(938,414)	4,824,016
Total capital assets not being depreciated	4,147,193	3,354,481	-	(938,414)	6,563,260
Capital assets, being depreciated					
Buildings	10,656,564	-	(16,430)	-	10,640,134
Improvements other than buildings	4,089,726	285,143	(1,912)	919,978	5,292,935
Furniture, fixtures and equipment	8,580,932	729,322	(374,468)	-	8,935,786
Infrastructure	16,040,502	193,913	-	18,436	16,252,851
Total capital assets being depreciated	39,367,724	1,208,378	(392,810)	938,414	41,121,706
Less accumulated depreciation for:					
Buildings	(4,710,342)	(532,112)	-	-	(5,242,454)
Improvements other than buildings	(3,093,053)	(109,269)	1,365	-	(3,200,957)
Furniture, fixtures and equipment	(5,533,479)	(632,875)	310,029	-	(5,856,325)
Infrastructure	(9,278,295)	(418,528)	-	-	(9,696,823)
Total accumulated depreciation	(22,615,169)	(1,692,784)	311,394	-	(23,996,559)
Total capital assets being depreciated, net	16,752,555	(484,406)	(81,416)	938,414	17,125,147
Governmental activities capital assets, net	<u>\$ 20,899,748</u>	<u>\$ 2,870,075</u>	<u>\$ (81,416)</u>	<u>\$ -</u>	<u>\$ 23,688,407</u>

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

Functions/Programs	
General administration	\$ 4,990
Judicial	15,666
Legal	7,941
Financial administration	6,651
Public facilities	17,786
Public safety	234,089
Roads and bridges	607,080
Health and welfare	83,058
Community development	2,740
Culture and recreation	131,142
Social services	23,635
Sanitation services	20,215
Nondepartmental	537,791
Total expenditures	<u>\$ 1,692,784</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

	Balance 12/31/2003	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2004
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 32,143	\$ -	\$ -	\$ -	\$ 32,143
Capital assets, being depreciated					
Buildings and improvements	8,837,745	-	-	-	8,837,745
Equipment	11,198,303	970,381	(9,739)	-	12,158,945
Leased assets	2,029,900	-	-	-	2,029,900
Total capital assets being depreciated	<u>22,065,948</u>	<u>970,381</u>	<u>(9,739)</u>	<u>-</u>	<u>23,026,590</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,381,731)	(356,093)	-	-	(5,737,824)
Equipment	(8,436,722)	(566,898)	-	-	(9,003,620)
Leased assets	(940,802)	(498,189)	-	-	(1,438,991)
Total accumulated depreciation	<u>(14,759,255)</u>	<u>(1,421,180)</u>	<u>-</u>	<u>-</u>	<u>(16,180,435)</u>
Total capital assets being depreciated, net	<u>7,306,693</u>	<u>(450,799)</u>	<u>(9,739)</u>	<u>-</u>	<u>6,846,155</u>
Business-type activities capital assets, net	<u>\$ 7,338,836</u>	<u>\$ (450,799)</u>	<u>\$ (9,739)</u>	<u>\$ -</u>	<u>\$ 6,878,298</u>

Construction commitments

During 2004, the County began construction of a new jail costing approximately \$8,500,000 (\$2,069,000 incurred through December 31, 2004). In addition, the County issued \$5,890,000 in certificates of obligation to be used for mold remediation and renovation of the county courthouse with an estimated cost of \$6,000,000 (\$136,000 incurred through December 31, 2004). The County is also participating in the Highway 87 expansion with the Texas Department of Transportation (TxDOT). The County has contributed \$613,000 of a \$1,500,000 commitment.

Land acquisition and building construction/renovation are being financed by bond proceeds.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

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, 2004, 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>Average Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 9/30/2003</u>
GOVERNMENTAL TYPE ACTIVITIES DEBT						
General Obligation Bonds:						
Buildings	\$ 8,490,000	2003	2023	\$ 647,000	3.45 % - 4.65%	\$ 8,305,000
Bond premium/discount						9,582
Refunding	3,340,000	2003	2011	482,000	2.00 % - 4.00%	<u>2,990,000</u>
						<u>11,304,582</u>
Certificates of Obligation:						
Buildings	3,130,000	1996	2006	290,000	4.35% - 7.00%	2,120,000
Buildings	5,890,000	2004	2024	290,000	3.00% - 4.55%	5,890,000
Bond premium/discount						<u>(59,485)</u>
						<u>7,950,515</u>
Total Governmental Type Activities Debt						<u>\$ 19,255,097</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>
2005	\$ 740,000	\$ 798,852	\$ 1,538,852
2006	820,000	746,857	1,566,857
2007	1,125,000	722,264	1,847,264
2008	1,135,000	685,547	1,820,547
2009	1,145,000	646,384	1,791,384
2010 - 2014	5,150,000	2,591,877	7,741,877
2015 - 2019	4,410,000	1,662,551	6,072,551
2020 - 2024	<u>4,780,000</u>	<u>592,129</u>	<u>5,372,129</u>
	<u>\$ 19,305,000</u>	<u>\$ 8,446,461</u>	<u>\$ 27,751,461</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

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, 2004 the County had the following obligations under capital lease:

Governmental-Type Activities

\$88,192 due in monthly instalments of \$1,682, including interest accruing at 5.62%, maturing in July, 2005 and secured by equipment costing \$88,192. \$ 11,556

Business-Type Activities

Various lease obligations are due at varying rates of imputed interest and are collateralized by equipment with a net amortized cost of \$1,416,909. 1,572,647

\$ 1,584,203

Annual debt service requirements to maturity for capital lease obligations:

Year Ending December 31,	Governmental Activities	Business-Type Activities	Total
2005	\$ 11,773	\$ 390,816	\$ 402,589
2006	-	390,816	390,816
2007	-	390,816	390,816
2008	-	327,247	327,247
2008	-	185,647	185,647
	<u>11,773</u>	<u>1,685,342</u>	<u>1,697,115</u>
Less: interest	<u>(217)</u>	<u>(112,695)</u>	<u>(112,912)</u>
	<u>\$ 11,556</u>	<u>\$ 1,572,647</u>	<u>\$ 1,584,203</u>

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

D. Schedule of Changes in Long-Term Debt

Description	December 31, 2003	Additions	Retirements	December 31, 2004	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 11,840,085	\$ -	\$ (535,503)	\$ 11,304,582	\$ 545,504
Certificates of obligation	2,310,000	5,830,515	(190,000)	7,950,515	192,026
Total bonds payable	14,150,085	5,830,515	(725,503)	19,255,097	737,530
Capital lease obligation	30,505	-	(18,949)	11,556	11,556
Accrued compensated absences	91,677	1,124		92,801	92,801
	<u>\$ 14,272,267</u>	<u>\$ 5,831,639</u>	<u>\$ (744,452)</u>	<u>\$ 19,359,454</u>	<u>\$ 841,887</u>
Business-type activities					
Capital lease obligation	\$ 1,089,098	\$ 826,000	\$ (342,411)	\$ 1,572,687	\$ 347,588
Accrued compensated absences	284,643	25,466	-	310,109	310,109
	<u>\$ 1,373,741</u>	<u>\$ 851,466</u>	<u>\$ (342,411)</u>	<u>\$ 1,882,796</u>	<u>\$ 657,697</u>

VII. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND OPERATING TRANSFERS

Interfund receivables and payables at December 31, 2004 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 728,689	\$ 11,969
Courthouse Renovation	-	1
Nonmajor governmental type funds	5,551	722,270
Total Due From/To Other Funds	<u>\$ 734,240</u>	<u>\$ 734,240</u>

Operating transfers during 2004 were as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 678,563	\$ 67,107
Nonmajor governmental funds	77,946	689,402
	<u>\$ 756,509</u>	<u>\$ 756,509</u>

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

CALHOUN COUNTY, TEXAS

*Notes to Basic Financial Statements
December 31, 2004*

VIII. RETIREMENT COMMITMENTS

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 553 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 the County Commissioners' Court, 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 plan 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 has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 9.12% for 2004.

The contribution rate payable by the employee members for calendar year 2004 is the rate of 7% as adopted by the County Commissioners' Court. The employee contribution rate and the employer contribution rate may be changed by the County Commissioners' Court within the options available in the TCDRS Act.

C. Annual Pension Cost

For the County's fiscal year ended December 31, 2004, the annual pension cost for the TCDRS plan for its employees was \$495,645 and the actual contributions were \$495,645.

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, 2002, the basis for determining the contribution rate for calendar year 2004. The December 31, 2003 actuarial valuation is the most recent valuation.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
 December 31, 2004

Actuarial Valuation Information

	<u>12/31/01</u>	<u>12/31/02</u>	<u>12/31/03</u>
Actuarial valuation date	entry age	entry age	entry age
Actuarial cost method	level percentage	level percentage	level percentage of
Amortization method	of payroll, open	of payroll, open	payroll, open
	20	20	20
Amortization period in years	long-term	long-term	long-term
Asset valuation method	appreciation with	appreciation with	appreciation with
	adjustment	adjustment	adjustment
Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.5%	5.5%	5.5%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

Schedule of Funding Progress

	<u>12/31/01</u>	<u>12/31/02</u>	<u>12/31/03</u>
Actuarial valuation date			
Actuarial value of assets	\$ 9,517,698	\$ 9,326,584	\$ 10,480,204
Actuarial accrued liability (AAL)	\$ 11,152,619	\$ 11,265,573	\$ 12,342,465
Unfunded actuarial accrued liability (UAAL)	\$ 1,634,921	\$ 1,938,989	\$ 1,862,261
Funded ratio	85.3%	82.8%	84.9%
Annual covered payroll (actuarial)	\$ 4,348,756	\$ 4,915,031	\$ 5,296,682
UAAL as percentage of covered payroll	37.6%	39.5%	35.2%

Trend Information

	<u>12/31/02</u>	<u>12/31/03</u>	<u>12/31/04</u>
Fiscal Year Ended			
Annual Pension Cost (APC)	\$ 436,168	\$ 483,273	\$ 495,645
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -

IX. RISK MANAGEMENT

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.

X. COMMITMENTS AND CONTINGENCIES

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.

CALHOUN COUNTY, TEXAS

*Notes to Basic Financial Statements
December 31, 2004*

During 2000 through 2003, Memorial Medical Center entered into minimum income guarantees with physicians in return for their continued practice in the surrounding area. The physicians repay the advances when their net income exceeds agreed minimums. Unpaid advances may be forgiven for practice continued beyond the initial term. MMC has advanced \$312,215 under these agreements with an unamortized balance due at December 31, 2004 of \$126,505.

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.

XI. OTHER DISCLOSURES

A. Patient Revenue

Uncompensated Care – Memorial Medical Center patient revenue is reported net of adjustments for Medicare and Medicaid contractual adjustments, other third-party payors, and charity care. Uncompensated care for the year ended December 31, 2004 was \$14,974,630.

B. Concentrations of Credit Risk / Business Concentrations

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. Memorial Medical Center receivable concentrations are primarily due from Medicare/Medicaid (37%), other third-party payors (31%), and patients (32%).

Suppliers – MMC is dependent on a 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.

C. Subsequent Events

During March, 2004 the County Commissioners' Court approved a contract (approximately \$6,950,000) to construct a new county jail.

D. Restatement of Prior Periods

Beginning net assets for governmental activities has been restated for an error in recording accumulated depreciation as of December 31, 2002. This correction has no effect on operations for the year ended December 31, 2003.

	As Reported 12/31/03	Adjustments	As Restated 12/31/03
Capital assets - net of accumulated depreciation	\$ 21,467,746	\$ (568,000)	\$ 20,899,746
Unearned revenue	\$ 9,784,328	\$ 207,297	\$ 9,991,625
Net Assets - Ending	\$ 27,497,883	\$ (360,703)	\$ 27,137,180

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CALHOUN COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 13,290,000	\$ 13,305,131	\$ 13,134,964	\$ (170,167)
<i>Sales taxes</i>	600,000	600,000	904,694	304,694
<i>Other taxes</i>	7,000	7,000	10,095	3,095
<i>Intergovernmental</i>	153,500	174,945	238,244	63,299
<i>Charges for services</i>	668,835	668,840	934,988	266,148
<i>Permits and licenses</i>	14,000	14,000	16,738	2,738
<i>Fines and forfeitures</i>	243,500	245,422	336,375	90,953
<i>Interest</i>	200,000	200,000	251,564	51,564
<i>Gifts and contributions</i>	4,000	4,000	5,833	1,833
<i>Rents and leases</i>	9,000	9,000	56,078	47,078
<i>Miscellaneous</i>	8,300	70,293	296,908	226,615
Total revenues	<u>15,198,135</u>	<u>15,346,228</u>	<u>16,186,481</u>	<u>840,253</u>
Expenditures:				
Current:				
<i>General administration</i>	1,395,206	1,311,382	1,240,367	71,015
<i>Judicial</i>	1,056,905	1,093,069	944,223	148,846
<i>Legal</i>	429,967	477,108	451,700	25,408
<i>Financial administration</i>	770,649	787,151	789,016	(1,865)
<i>Public facilities</i>	788,546	782,463	584,961	197,502
<i>Public safety</i>	3,832,811	4,312,709	4,144,484	168,225
<i>Roads and bridges</i>	3,213,501	3,380,301	3,158,376	221,925
<i>Health and welfare</i>	2,901,040	3,638,510	3,707,146	(68,636)
<i>Community development</i>	166,568	174,986	133,027	41,959
<i>Culture and recreation</i>	399,359	432,513	406,121	26,392
<i>Social services</i>	42,772	42,969	41,968	1,001
<i>Conservation</i>	7,750	7,750	7,750	--
<i>Sanitation services</i>	151,943	188,267	177,366	10,901
<i>Nondepartmental</i>	--	--	6,969	(6,969)
Debt service:				
<i>Interest and fiscal charges</i>	20,183	21,865	21,864	1
Total expenditures	<u>15,177,200</u>	<u>16,651,043</u>	<u>15,815,338</u>	<u>835,705</u>
Excess (deficiency) of revenues over (under) expenditures	20,935	(1,304,815)	371,143	1,675,958
Other financing sources (uses):				
<i>Operating transfers in</i>	600,000	678,357	678,563	206
<i>Operating transfers out</i>	--	(67,107)	(67,107)	--
<i>Gain on sale of fixed assets</i>	--	--	54,530	54,530
Total other financing sources (uses)	<u>600,000</u>	<u>611,250</u>	<u>665,986</u>	<u>54,734</u>
Net change in fund balance	620,935	(693,565)	1,037,129	1,730,694
Fund balances, January 1	<u>3,134,674</u>	<u>3,134,674</u>	<u>3,134,674</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,755,609</u>	<u>\$ 2,441,109</u>	<u>\$ 4,171,803</u>	<u>\$ 1,730,694</u>

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 fund. 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. 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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CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 2,347,778	\$ 1,408,671	\$ 889,444	\$ 4,645,893
Receivables (net of allowances for uncollectibles):				
<i>Taxes</i>	--	459,653	--	459,653
<i>Accounts</i>	198,449	--	--	198,449
<i>Intergovernmental receivable</i>	3,246	--	17,771	21,017
<i>Due from other funds</i>	551	--	5,000	5,551
<i>Prepaid items and other current assets</i>	10,900	--	--	10,900
Restricted assets:				
<i>Cash and cash equivalents</i>	--	19,460	--	19,460
 Total Assets	 <u>\$ 2,560,924</u>	 <u>\$ 1,887,784</u>	 <u>\$ 912,215</u>	 <u>\$ 5,360,923</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 14,458	\$ --	\$ 14,885	\$ 29,343
<i>Accrued and other liabilities</i>	239	--	--	239
<i>Due to other funds</i>	1,486	1	720,783	722,270
<i>Due to others</i>	6,951	--	--	6,951
<i>Deferred revenue</i>	198,218	1,518,612	50,067	1,766,897
Total Liabilities	<u>221,352</u>	<u>1,518,613</u>	<u>785,735</u>	<u>2,525,700</u>
Fund balances:				
<i>Unreserved, undesignated</i>	<u>2,339,572</u>	<u>369,171</u>	<u>126,480</u>	<u>2,835,223</u>
Total fund balances	<u>2,339,572</u>	<u>369,171</u>	<u>126,480</u>	<u>2,835,223</u>
 Total Liabilities, & Fund Balances	 <u>\$ 2,560,924</u>	 <u>\$ 1,887,784</u>	 <u>\$ 912,215</u>	 <u>\$ 5,360,923</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Ad valorem taxes</i>	\$ --	\$ 1,513,990	\$ --	\$ 1,513,990
<i>Other taxes</i>	14,336	--	--	14,336
<i>Intergovernmental</i>	123,767	--	866,265	990,032
<i>Charges for services</i>	131,355	--	--	131,355
<i>Permits and licenses</i>	503,349	--	--	503,349
<i>Fines and forfeitures</i>	257,673	--	--	257,673
<i>Interest</i>	58,243	21,952	--	80,195
<i>Gifts and contributions</i>	63,283	--	4,631	67,914
<i>Rents and leases</i>	13,943	--	--	13,943
<i>Miscellaneous</i>	43,546	1	12,077	55,624
Total revenues	<u>1,209,495</u>	<u>1,535,943</u>	<u>882,973</u>	<u>3,628,411</u>
Expenditures:				
Current:				
<i>General administration</i>	65,490	--	--	65,490
<i>Judicial</i>	1,950	--	--	1,950
<i>Legal</i>	75,621	--	--	75,621
<i>Public facilities</i>	44,462	--	--	44,462
<i>Public safety</i>	81,852	--	--	81,852
<i>Roads and bridges</i>	310,455	--	442,988	753,443
<i>Culture and recreation</i>	50,394	--	--	50,394
<i>Conservation</i>	--	--	198,022	198,022
<i>Nondepartmental</i>	181,099	--	76,064	257,163
Capital outlay	--	--	426,865	426,865
Debt service:				
<i>Principal</i>	--	725,000	--	725,000
<i>Interest and fiscal charges</i>	--	529,568	--	529,568
Total expenditures	<u>811,323</u>	<u>1,254,568</u>	<u>1,143,939</u>	<u>3,209,830</u>
Excess (deficiency) of revenues over (under) expenditures	398,172	281,375	(260,966)	418,581
Other financing sources (uses):				
<i>Operating transfers in</i>	54,107	1,839	22,000	77,946
<i>Operating transfers out</i>	(609,025)	(2,045)	(78,332)	(689,402)
Total other financing sources (uses)	<u>(554,918)</u>	<u>(206)</u>	<u>(56,332)</u>	<u>(611,456)</u>
Net change in fund balances	(156,746)	281,169	(317,298)	(192,875)
Fund balances, January 1	<u>2,496,318</u>	<u>88,002</u>	<u>443,778</u>	<u>3,028,098</u>
Fund balances, December 31	<u>\$ 2,339,572</u>	<u>\$ 369,171</u>	<u>\$ 126,480</u>	<u>\$ 2,835,223</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control	CCISD/Seadrift/ County Road Project
ASSETS				
<i>Cash and cash equivalents</i>	\$ 35,896	\$ 1,086	\$ 139	\$ 14,852
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	1,562	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Prepaid items</i>	10,900	--	--	--
	<u>48,358</u>	<u>1,086</u>	<u>139</u>	<u>14,852</u>
Total Assets	<u>\$ 48,358</u>	<u>\$ 1,086</u>	<u>\$ 139</u>	<u>\$ 14,852</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 418	\$ 951	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	669	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u>1,087</u>	<u>951</u>	<u>--</u>	<u>--</u>
Fund balances:				
<i>Unreserved, undesignated</i>	47,271	135	139	14,852
Total fund balances	<u>47,271</u>	<u>135</u>	<u>139</u>	<u>14,852</u>
Total Liabilities, & Fund Balances	<u>\$ 48,358</u>	<u>\$ 1,086</u>	<u>\$ 139</u>	<u>\$ 14,852</u>

Chamber Tourism Center	Court House Security Fund	District Attorney Forfeiture	DA Hot Check	Donations
\$ 223	\$ 175,398	\$ 48,708	\$ 19,327	\$ 126,930
--	--	--	--	--
--	--	512	--	--
--	--	--	551	--
--	--	--	--	--
<u>\$ 223</u>	<u>\$ 175,398</u>	<u>\$ 49,220</u>	<u>\$ 19,878</u>	<u>\$ 126,930</u>
\$ --	\$ --	\$ --	\$ 374	\$ 143
--	--	--	--	199
--	--	--	266	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>640</u>	<u>342</u>
223	175,398	49,220	19,238	126,588
<u>223</u>	<u>175,398</u>	<u>49,220</u>	<u>19,238</u>	<u>126,588</u>
<u>\$ 223</u>	<u>\$ 175,398</u>	<u>\$ 49,220</u>	<u>\$ 19,878</u>	<u>\$ 126,930</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Family Protection	Graffiti Eradication	Grants	Highway 87 FM 1090
ASSETS				
<i>Cash and cash equivalents</i>	\$ 30	\$ 6,973	\$ 52,250	\$ 1,089,103
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	--	--	--	--
<i>Intergovernmental receivable</i>	--	--	2,734	--
<i>Due from other funds</i>	--	--	--	--
<i>Prepaid items</i>	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 30</u>	<u>\$ 6,973</u>	<u>\$ 54,984</u>	<u>\$ 1,089,103</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ 2,981	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>--</u>	<u>--</u>	<u>2,981</u>	<u>--</u>
Fund balances:				
<i>Unreserved, undesignated</i>	30	6,973	52,003	1,089,103
Total fund balances	<hr/> 30	<hr/> 6,973	<hr/> 52,003	<hr/> 1,089,103
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, & Fund Balances	<u>\$ 30</u>	<u>\$ 6,973</u>	<u>\$ 54,984</u>	<u>\$ 1,089,103</u>

Justice Court Technology	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4
\$ 20,968	\$ 3,623	\$ 3,623	\$ 3,623	\$ 3,623
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>20,968</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>
\$ <u>20,968</u>	\$ <u>3,623</u>	\$ <u>3,623</u>	\$ <u>3,623</u>	\$ <u>3,623</u>
\$ 6,000	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>6,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>14,968</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>
<u>14,968</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>
\$ <u>20,968</u>	\$ <u>3,623</u>	\$ <u>3,623</u>	\$ <u>3,623</u>	\$ <u>3,623</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Law Library Fund	LEOSE Education	Port O'Conner Community Center	County Clerk Records Management
ASSETS				
<i>Cash and cash equivalents</i>	\$ 64,717	\$ 12,691	\$ 7,056	\$ 90,034
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	--	335	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Prepaid items</i>	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 64,717</u>	<u>\$ 13,026</u>	<u>\$ 7,056</u>	<u>\$ 90,034</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ 448	\$ --
<i>Accrued and other liabilities</i>	--	--	--	(18)
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u> </u>	<u> </u>	<u>448</u>	<u>(18)</u>
Fund balances:				
<i>Unreserved, undesignated</i>	64,717	13,026	6,608	90,052
Total fund balances	<u>64,717</u>	<u>13,026</u>	<u>6,608</u>	<u>90,052</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, & Fund Balances	<u>\$ 64,717</u>	<u>\$ 13,026</u>	<u>\$ 7,056</u>	<u>\$ 90,034</u>

Records Management and Preservation	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road Maintenance Precinct #4	Sheriff Forfeited Property
\$ 71,427	\$ 376,017	\$ 11,095	\$ 14,343	\$ 26,998
--	196,552	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>71,427</u>	<u>572,569</u>	<u>11,095</u>	<u>14,343</u>	<u>26,998</u>
\$ 639	\$ --	\$ --	\$ --	\$ 2,504
--	--	--	--	--
--	--	--	--	--
--	--	--	--	6,951
--	196,551	--	--	--
<u>639</u>	<u>196,551</u>	<u>--</u>	<u>--</u>	<u>9,455</u>
70,788	376,018	11,095	14,343	17,543
<u>70,788</u>	<u>376,018</u>	<u>11,095</u>	<u>14,343</u>	<u>17,543</u>
<u>\$ 71,427</u>	<u>\$ 572,569</u>	<u>\$ 11,095</u>	<u>\$ 14,343</u>	<u>\$ 26,998</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	Sheriff Jail Division	Dist. Attny. Gun Violence Pros. Prg.	Election Services Contract
ASSETS			
<i>Cash and cash equivalents</i>	\$ 11,409	\$ 1,667	\$ 4,283
Receivables (net of allowances for uncollectibles):			
<i>Accounts</i>	--	--	--
<i>Intergovernmental receivable</i>	--	--	--
<i>Due from other funds</i>	--	--	--
<i>Prepaid items</i>	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 11,409</u>	<u>\$ 1,667</u>	<u>\$ 4,283</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	58
<i>Due to other funds</i>	--	--	--
<i>Due to others</i>	--	--	--
<i>Deferred revenue</i>	--	1,667	--
Total Liabilities	<u> </u>	<u>1,667</u>	<u>58</u>
Fund balances:			
<i>Unreserved, undesignated</i>	11,409	--	4,225
Total fund balances	<u>11,409</u>	<u> </u>	<u>4,225</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, & Fund Balances	<u>\$ 11,409</u>	<u>\$ 1,667</u>	<u>\$ 4,283</u>

Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Sheriff Inmate Property	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 2,458	\$ 47,080	\$ 128	\$ 2,347,778
--	--	--	198,449
--	--	--	3,246
--	--	--	551
--	--	--	10,900
<u>\$ 2,458</u>	<u>\$ 47,080</u>	<u>\$ 128</u>	<u>\$ 2,560,924</u>
\$ --	\$ --	\$ --	\$ 14,458
--	--	--	239
551	--	--	1,486
--	--	--	6,951
--	--	--	198,218
<u>551</u>	<u>--</u>	<u>--</u>	<u>221,352</u>
1,907	47,080	128	2,339,572
<u>1,907</u>	<u>47,080</u>	<u>128</u>	<u>2,339,572</u>
<u>\$ 2,458</u>	<u>\$ 47,080</u>	<u>\$ 128</u>	<u>\$ 2,560,924</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control	CCISD/Seadrift/ County Road Project
Revenues:				
Other taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	1,910	--	--
Permits and licenses	--	--	--	--
Fines and forfeitures	--	--	--	--
Interest	701	20	--	--
Gifts and contributions	--	--	--	--
Rents and leases	1,663	--	--	--
Miscellaneous	38,530	--	--	--
Total revenues	<u>40,894</u>	<u>1,930</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
General administration	--	--	--	--
Judicial	--	1,950	--	--
Legal	--	--	--	--
Public facilities	44,462	--	--	--
Public safety	--	--	--	--
Roads and bridges	--	--	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>44,462</u>	<u>1,950</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(3,568)	(20)	--	--
Other financing sources (uses):				
Operating transfers in	45,107	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>45,107</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	41,539	(20)	--	--
Fund balances, January 1	<u>5,732</u>	<u>155</u>	<u>139</u>	<u>14,852</u>
Fund balances, December 31	<u>\$ 47,271</u>	<u>\$ 135</u>	<u>\$ 139</u>	<u>\$ 14,852</u>

Chamber Tourism Center	Court House Security Fund	District Attorney Forfeiture	DA Hot Check	Donations
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	20,629	--	25,452	--
--	--	--	--	--
--	--	51,864	--	--
--	3,980	527	--	3,125
--	--	--	--	6,691
--	--	--	--	--
--	--	--	2,146	2,240
<u>--</u>	<u>24,609</u>	<u>52,391</u>	<u>27,598</u>	<u>12,056</u>
--	--	--	--	--
--	--	--	--	--
--	--	4,924	37,364	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	10,810
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>4,924</u>	<u>37,364</u>	<u>10,810</u>
--	24,609	47,467	(9,766)	1,246
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>(9,000)</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>(9,000)</u>	<u>--</u>	<u>--</u>
--	24,609	38,467	(9,766)	1,246
<u>223</u>	<u>150,789</u>	<u>10,753</u>	<u>29,004</u>	<u>125,342</u>
<u>\$ 223</u>	<u>\$ 175,398</u>	<u>\$ 49,220</u>	<u>\$ 19,238</u>	<u>\$ 126,588</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Family Protection	Flood Control Fund Precinct 1	Graffiti Eradication	Grants
Revenues:				
<i>Other taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--	93,314
<i>Charges for services</i>	30	--	60	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	--	--	169	1,597
<i>Gifts and contributions</i>	--	--	--	50,500
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	--	255	--	--
Total revenues	<u>30</u>	<u>255</u>	<u>229</u>	<u>145,411</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>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	160,229
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>160,229</u>
Excess (deficiency) of revenues over (under) expenditures	30	255	229	(14,818)
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	--	--
<i>Operating transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	30	255	229	(14,818)
Fund balances, January 1	<u>--</u>	<u>(255)</u>	<u>6,744</u>	<u>66,821</u>
Fund balances, December 31	<u>\$ 30</u>	<u>\$ --</u>	<u>\$ 6,973</u>	<u>\$ 52,003</u>

Highway 87 FM 1090	Justice Court Technology	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2	Lateral Road Fund Precinct #3
\$ --	\$ --	\$ 3,584	\$ 3,584	\$ 3,584
--	--	--	--	--
--	12,953	--	--	--
--	--	--	--	--
--	--	--	--	--
32,417	469	90	90	90
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>32,417</u>	<u>13,422</u>	<u>3,674</u>	<u>3,674</u>	<u>3,674</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
295,763	--	3,673	3,673	3,673
--	--	--	--	--
--	20,870	--	--	--
<u>295,763</u>	<u>20,870</u>	<u>3,673</u>	<u>3,673</u>	<u>3,673</u>
(263,346)	(7,448)	1	1	1
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(263,346)	(7,448)	1	1	1
<u>1,352,449</u>	<u>22,416</u>	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>
<u>\$ 1,089,103</u>	<u>\$ 14,968</u>	<u>\$ 3,623</u>	<u>\$ 3,623</u>	<u>\$ 3,623</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Lateral Road Fund Precinct #4	Law Library Fund	LEOSE Education	Port O'Conner Community Center
Revenues:				
Other taxes	\$ 3,584	\$ --	\$ --	\$ --
Intergovernmental	--	--	5,758	--
Charges for services	--	13,705	--	--
Permits and licenses	--	--	--	--
Fines and forfeitures	--	--	--	--
Interest	90	1,373	203	276
Gifts and contributions	--	--	--	--
Rents and leases	--	--	--	12,280
Miscellaneous	--	--	329	--
Total revenues	<u>3,674</u>	<u>15,078</u>	<u>6,290</u>	<u>12,556</u>
Expenditures:				
Current:				
General administration	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public facilities	--	--	--	--
Public safety	--	--	3,669	--
Roads and bridges	3,673	--	--	--
Culture and recreation	--	--	--	14,206
Nondepartmental	--	--	--	--
Total expenditures	<u>3,673</u>	<u>--</u>	<u>3,669</u>	<u>14,206</u>
Excess (deficiency) of revenues over (under) expenditures	1	15,078	2,621	(1,650)
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1	15,078	2,621	(1,650)
Fund balances, January 1	<u>3,622</u>	<u>49,639</u>	<u>10,405</u>	<u>8,258</u>
Fund balances, December 31	<u>\$ 3,623</u>	<u>\$ 64,717</u>	<u>\$ 13,026</u>	<u>\$ 6,608</u>

County Clerk Records Management	Records Management and Preservation	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road and Bridge Fund Precinct #4
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
27,650	13,413	--	--	--
--	--	503,349	--	--
--	--	120,052	--	--
2,623	1,557	6,016	270	--
--	--	--	--	--
--	--	--	--	--
46	--	--	--	--
<u>30,319</u>	<u>14,970</u>	<u>629,417</u>	<u>270</u>	<u>--</u>
46,407	3,543	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>46,407</u>	<u>3,543</u>	<u>--</u>	<u>--</u>	<u>--</u>
(16,088)	11,427	629,417	270	--
--	--	--	--	--
--	--	(600,000)	--	(25)
--	--	(600,000)	--	(25)
(16,088)	11,427	29,417	270	(25)
106,140	59,361	346,601	10,825	25
<u>\$ 90,052</u>	<u>\$ 70,788</u>	<u>\$ 376,018</u>	<u>\$ 11,095</u>	<u>\$ --</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Road Maintenance Precinct #4	Sheriff Forfeited Property	Sheriff Jail Division	Dist. Attny. Gun Violence Pros. Prg.
Revenues:				
Other taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	24,333
Charges for services	--	--	--	--
Permits and licenses	--	--	--	--
Fines and forfeitures	--	85,757	--	--
Interest	349	614	200	--
Gifts and contributions	--	--	--	--
Rents and leases	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>349</u>	<u>86,371</u>	<u>200</u>	<u>24,333</u>
Expenditures:				
Current:				
General administration	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	33,333
Public facilities	--	--	--	--
Public safety	--	77,569	--	--
Roads and bridges	--	--	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>--</u>	<u>77,569</u>	<u>--</u>	<u>33,333</u>
Excess (deficiency) of revenues over (under) expenditures	349	8,802	200	(9,000)
Other financing sources (uses):				
Operating transfers in	--	--	--	9,000
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,000</u>
Net change in fund balances	349	8,802	200	--
Fund balances, January 1	<u>13,994</u>	<u>8,741</u>	<u>11,209</u>	<u>--</u>
Fund balances, December 31	<u>\$ 14,343</u>	<u>\$ 17,543</u>	<u>\$ 11,409</u>	<u>\$ --</u>

Election Services Contract	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Sheriff Inmate Property	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ --	\$ 14,336
--	362	--	--	123,767
15,553	--	--	--	131,355
--	--	--	--	503,349
--	--	--	--	257,673
--	102	1,295	--	58,243
--	1,238	4,854	--	63,283
--	--	--	--	13,943
--	--	--	--	43,546
<u>15,553</u>	<u>1,702</u>	<u>6,149</u>	<u>--</u>	<u>1,209,495</u>
15,540	--	--	--	65,490
--	--	--	--	1,950
--	--	--	--	75,621
--	--	--	--	44,462
--	614	--	--	81,852
--	--	--	--	310,455
--	--	25,378	--	50,394
--	--	--	--	181,099
<u>15,540</u>	<u>614</u>	<u>25,378</u>	<u>--</u>	<u>811,323</u>
13	1,088	(19,229)	--	398,172
--	--	--	--	54,107
--	--	--	--	(609,025)
--	--	--	--	(554,918)
13	1,088	(19,229)	--	(156,746)
<u>4,212</u>	<u>819</u>	<u>66,309</u>	<u>128</u>	<u>2,496,318</u>
<u>\$ 4,225</u>	<u>\$ 1,907</u>	<u>\$ 47,080</u>	<u>\$ 128</u>	<u>\$ 2,339,572</u>

CALHOUN COUNTY, TEXAS

EXHIBIT C-5

AIRPORT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 701	\$ 701
<i>Rents and leases</i>	--	--	1,663	1,663
<i>Miscellaneous</i>	--	27,631	38,530	10,899
Total revenues	--	27,631	40,894	13,263
Expenditures:				
Current:				
<i>Public facilities</i>	26,939	78,570	44,462	34,108
Total expenditures	26,939	78,570	44,462	34,108
Excess (deficiency) of revenues over (under) expenditures	(26,939)	(50,939)	(3,568)	47,371
Other financing sources (uses):				
<i>Operating transfers in</i>	18,240	45,107	45,107	--
Total other financing sources (uses)	18,240	45,107	45,107	--
Net change in fund balance	(8,699)	(5,832)	41,539	47,371
Fund balances, January 1	5,732	5,732	5,732	--
Fund balances, December 31	\$ (2,967)	\$ (100)	\$ 47,271	\$ 47,371

CALHOUN COUNTY, TEXAS
 COURT HOUSE SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 20,629	\$ 20,629
<i>Interest</i>	--	--	3,980	3,980
Total revenues	--	--	24,609	24,609
Expenditures:				
Current:				
<i>General administration</i>	3,001	3,001	--	3,001
Total expenditures	3,001	3,001	--	3,001
Net change in fund balance	(3,001)	(3,001)	24,609	27,610
Fund balances, January 1	150,789	150,789	150,789	--
Fund balances, December 31	\$ 147,788	\$ 147,788	\$ 175,398	\$ 27,610

CALHOUN COUNTY, TEXAS

HIGHWAY 87 FM 1090 FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 32,417	\$ 32,417
Total revenues	<u>--</u>	<u>--</u>	<u>32,417</u>	<u>32,417</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	1,250,000	1,250,000	295,763	954,237
Total expenditures	<u>1,250,000</u>	<u>1,250,000</u>	<u>295,763</u>	<u>954,237</u>
Net change in fund balance	(1,250,000)	(1,250,000)	(263,346)	986,654
Fund balances, January 1	<u>1,352,449</u>	<u>1,352,449</u>	<u>1,352,449</u>	<u>--</u>
Fund balances, December 31	<u>\$ 102,449</u>	<u>\$ 102,449</u>	<u>\$ 1,089,103</u>	<u>\$ 986,654</u>

CALHOUN COUNTY, TEXAS

LATERAL ROAD FUND PRECINCT #1
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,600	\$ 3,600	\$ 3,584	\$ (16)
<i>Interest</i>	--	--	90	90
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,674</u>	<u>74</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Total expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Net change in fund balance	(250)	(250)	1	251
Fund balances, January 1	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,372</u>	<u>\$ 3,372</u>	<u>\$ 3,623</u>	<u>\$ 251</u>

CALHOUN COUNTY, TEXAS

LATERAL ROAD FUND PRECINCT #2
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,600	\$ 3,600	\$ 3,584	\$ (16)
<i>Interest</i>	--	--	90	90
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,674</u>	<u>74</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Total expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Net change in fund balance	(250)	(250)	1	251
Fund balances, January 1	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,372</u>	<u>\$ 3,372</u>	<u>\$ 3,623</u>	<u>\$ 251</u>

CALHOUN COUNTY, TEXAS

LATERAL ROAD FUND PRECINCT #3

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,600	\$ 3,600	\$ 3,584	\$ (16)
<i>Interest</i>	--	--	90	90
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,674</u>	<u>74</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Total expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Net change in fund balance	(250)	(250)	1	251
Fund balances, January 1	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,372</u>	<u>\$ 3,372</u>	<u>\$ 3,623</u>	<u>\$ 251</u>

CALHOUN COUNTY, TEXAS

LATERAL ROAD FUND PRECINCT #4

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,600	\$ 3,600	\$ 3,584	\$ (16)
<i>Interest</i>	--	--	90	90
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,674</u>	<u>74</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Total expenditures	<u>3,850</u>	<u>3,850</u>	<u>3,673</u>	<u>177</u>
Net change in fund balance	(250)	(250)	1	251
Fund balances, January 1	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>	--
Fund balances, December 31	<u>\$ 3,372</u>	<u>\$ 3,372</u>	<u>\$ 3,623</u>	<u>\$ 251</u>

CALHOUN COUNTY, TEXAS

EXHIBIT C-12

LAW LIBRARY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 13,705	\$ 13,705
<i>Interest</i>	--	--	1,373	1,373
Total revenues	<u>--</u>	<u>--</u>	<u>15,078</u>	<u>15,078</u>
Expenditures:				
Current:				
<i>Legal</i>	16,589	16,589	--	16,589
Total expenditures	<u>16,589</u>	<u>16,589</u>	<u>--</u>	<u>16,589</u>
Net change in fund balance	(16,589)	(16,589)	15,078	31,667
Fund balances, January 1	<u>49,639</u>	<u>49,639</u>	<u>49,639</u>	<u>--</u>
Fund balances, December 31	<u>\$ 33,050</u>	<u>\$ 33,050</u>	<u>\$ 64,717</u>	<u>\$ 31,667</u>

CALHOUN COUNTY, TEXAS
 PORT O'CONNOR COMMUNITY CENTER
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ --	\$ --	\$ 276	\$ 276
Rents and leases	4,000	7,500	12,280	4,780
Total revenues	<u>4,000</u>	<u>7,500</u>	<u>12,556</u>	<u>5,056</u>
Expenditures:				
Current:				
Culture and recreation	4,460	15,667	14,206	1,461
Total expenditures	<u>4,460</u>	<u>15,667</u>	<u>14,206</u>	<u>1,461</u>
Net change in fund balance	(460)	(8,167)	(1,650)	6,517
Fund balances, January 1	<u>8,258</u>	<u>8,258</u>	<u>8,258</u>	--
Fund balances, December 31	<u>\$ 7,798</u>	<u>\$ 91</u>	<u>\$ 6,608</u>	<u>\$ 6,517</u>

CALHOUN COUNTY, TEXAS

COUNTY CLERK RECORDS MANAGEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ 100	\$ 27,650	\$ 27,550
<i>Interest</i>	--	--	2,623	2,623
<i>Miscellaneous</i>	--	--	46	46
Total revenues	<u>--</u>	<u>100</u>	<u>30,319</u>	<u>30,219</u>
Expenditures:				
Current:				
<i>General administration</i>	47,930	68,030	46,407	21,623
Total expenditures	<u>47,930</u>	<u>68,030</u>	<u>46,407</u>	<u>21,623</u>
Net change in fund balance	(47,930)	(67,930)	(16,088)	51,842
Fund balances, January 1	<u>106,140</u>	<u>106,140</u>	<u>106,140</u>	<u>--</u>
Fund balances, December 31	<u>\$ 58,210</u>	<u>\$ 38,210</u>	<u>\$ 90,052</u>	<u>\$ 51,842</u>

CALHOUN COUNTY, TEXAS

RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 13,413	\$ 13,413
<i>Interest</i>	--	--	1,557	1,557
Total revenues	<u>--</u>	<u>--</u>	<u>14,970</u>	<u>14,970</u>
Expenditures:				
Current:				
<i>General administration</i>	6,500	6,500	3,543	2,957
Total expenditures	<u>6,500</u>	<u>6,500</u>	<u>3,543</u>	<u>2,957</u>
Net change in fund balance	(6,500)	(6,500)	11,427	17,927
Fund balances, January 1	<u>59,361</u>	<u>59,361</u>	<u>59,361</u>	<u>--</u>
Fund balances, December 31	<u>\$ 52,861</u>	<u>\$ 52,861</u>	<u>\$ 70,788</u>	<u>\$ 17,927</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND GENERAL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Permits and licenses</i>	\$ 365,000	\$ 365,000	\$ 503,349	\$ 138,349
<i>Fines and forfeitures</i>	50,000	50,000	120,052	70,052
<i>Interest</i>	5,000	5,000	6,016	1,016
Total revenues	<u>420,000</u>	<u>420,000</u>	<u>629,417</u>	<u>209,417</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	1	1	--	1
Total expenditures	<u>1</u>	<u>1</u>	<u>--</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	419,999	419,999	629,417	209,418
Other financing sources (uses):				
<i>Operating transfers out</i>	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>--</u>
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>--</u>
Net change in fund balance	(180,001)	(180,001)	29,417	209,418
Fund balances, January 1	<u>346,601</u>	<u>346,601</u>	<u>346,601</u>	<u>--</u>
Fund balances, December 31	<u>\$ 166,600</u>	<u>\$ 166,600</u>	<u>\$ 376,018</u>	<u>\$ 209,418</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND PRECINCT #3
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 270	\$ 270
Total revenues	<u>--</u>	<u>--</u>	<u>270</u>	<u>270</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	--	10,825	--	10,825
Total expenditures	<u>--</u>	<u>10,825</u>	<u>--</u>	<u>10,825</u>
Net change in fund balance	--	(10,825)	270	11,095
Fund balances, January 1	<u>--</u>	<u>10,825</u>	<u>10,825</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11,095</u>	<u>\$ 11,095</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND PRECINCT #4
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
<i>Roads and bridges</i>	\$ 20,000	\$ --	\$ --	\$ --
Total expenditures	<u>20,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other financing sources (uses):				
<i>Operating transfers out</i>	--	(25)	(25)	--
Total other financing sources (uses)	<u>--</u>	<u>(25)</u>	<u>(25)</u>	<u>--</u>
Net change in fund balance	(20,000)	(25)	(25)	--
Fund balances, January 1	<u>25</u>	<u>25</u>	<u>25</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ (19,975)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

CALHOUN COUNTY, TEXAS
 ROAD MAINTENANCE FUND PRECINCT #4
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 349	\$ 349
Total revenues	<u>--</u>	<u>--</u>	<u>349</u>	<u>349</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	--	13,994	--	13,994
Total expenditures	<u>--</u>	<u>13,994</u>	<u>--</u>	<u>13,994</u>
Net change in fund balance	--	(13,994)	349	14,343
Fund balances, January 1	<u>--</u>	<u>13,994</u>	<u>13,994</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 14,343</u>	<u>\$ 14,343</u>

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CALHOUN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2004

	Memorial Medical Plaza	2003-A GO Jail Bonds
ASSETS		
<i>Cash and cash equivalents</i>	\$ 309,314	\$ 519,410
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	89,328	153,371
Restricted assets:		
<i>Cash and cash equivalents</i>	3,627	6,309
 Total Assets	<u>\$ 402,269</u>	<u>\$ 679,090</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Due to other funds</i>	\$ --	\$ --
<i>Deferred revenue</i>	290,920	504,239
Total Liabilities	<u>290,920</u>	<u>504,239</u>
 Fund balances:		
<i>Unreserved, undesignated</i>	111,349	174,851
Total fund balances	<u>111,349</u>	<u>174,851</u>
 Total Liabilities, & Fund Balances	<u>\$ 402,269</u>	<u>\$ 679,090</u>

2003-B GO Refinancing Bonds	Tax Anticipation Notes Interest and Sinking	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 369,378	\$ 375	\$ 210,194	\$ 1,408,671
138,500	--	78,454	459,653
<u>5,869</u>	<u>--</u>	<u>3,655</u>	<u>19,460</u>
<u>\$ 513,747</u>	<u>\$ 375</u>	<u>\$ 292,303</u>	<u>\$ 1,887,784</u>
\$ --	\$ --	\$ 1	\$ 1
<u>458,527</u>	<u>--</u>	<u>264,926</u>	<u>1,518,612</u>
<u>458,527</u>	<u>--</u>	<u>264,927</u>	<u>1,518,613</u>
<u>55,220</u>	<u>375</u>	<u>27,376</u>	<u>369,171</u>
<u>55,220</u>	<u>375</u>	<u>27,376</u>	<u>369,171</u>
<u>\$ 513,747</u>	<u>\$ 375</u>	<u>\$ 292,303</u>	<u>\$ 1,887,784</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Hospital Debt Service	Memorial Medical Plaza	Hospital Refinancing Debt Service
Revenues:			
<i>Ad valorem taxes</i>	\$ --	\$ 396,982	\$ --
<i>Interest</i>	--	6,202	--
<i>Miscellaneous</i>	--	--	--
Total revenues	<u> --</u>	<u> 403,184</u>	<u> --</u>
Expenditures:			
Debt service:			
<i>Principal</i>	--	190,000	--
<i>Interest and fiscal charges</i>	--	105,640	--
Total expenditures	<u> --</u>	<u> 295,640</u>	<u> --</u>
Excess (deficiency) of revenues over (under) expenditures	--	107,544	--
Other financing sources (uses):			
<i>Operating transfers in</i>	--	--	1,839
<i>Operating transfers out</i>	(2,045)	--	--
Total other financing sources (uses)	<u> (2,045)</u>	<u> --</u>	<u> 1,839</u>
Net change in fund balances	(2,045)	107,544	1,839
Fund balances, January 1	<u> 2,045</u>	<u> 3,805</u>	<u> (1,839)</u>
Fund balances, December 31	<u> \$ --</u>	<u> \$ 111,349</u>	<u> \$ --</u>

2003-A GO Jail Bonds	2003-B GO Refinancing Bonds	Tax Anticipation Notes Interest and Sinking	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 667,683	\$ 449,315	\$ --	\$ 10	\$ 1,513,990
9,308	6,317	--	125	21,952
--	1	--	--	1
<u>676,991</u>	<u>455,633</u>	<u>--</u>	<u>135</u>	<u>1,535,943</u>
185,000	350,000	--	--	725,000
354,513	96,656	--	(27,241)	529,568
<u>539,513</u>	<u>446,656</u>	<u>--</u>	<u>(27,241)</u>	<u>1,254,568</u>
137,478	8,977	--	27,376	281,375
--	--	--	--	1,839
--	--	--	--	(2,045)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(206)</u>
137,478	8,977	--	27,376	281,169
37,373	46,243	375	--	88,002
<u>\$ 174,851</u>	<u>\$ 55,220</u>	<u>\$ 375</u>	<u>\$ 27,376</u>	<u>\$ 369,171</u>

CALHOUN COUNTY, TEXAS
 MEMORIAL MEDICAL PLAZA
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-22

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 400,800	\$ 400,800	\$ 396,982	\$ (3,818)
<i>Interest</i>	--	--	6,202	6,202
Total revenues	<u>400,800</u>	<u>400,800</u>	<u>403,184</u>	<u>2,384</u>
Expenditures:				
Debt service:				
<i>Principal</i>	295,000	295,000	190,000	105,000
<i>Interest and fiscal charges</i>	105,800	105,800	105,640	160
Total expenditures	<u>400,800</u>	<u>400,800</u>	<u>295,640</u>	<u>105,160</u>
Net change in fund balance	--	--	107,544	107,544
Fund balances, January 1	<u>3,805</u>	<u>3,805</u>	<u>3,805</u>	--
Fund balances, December 31	<u>\$ 3,805</u>	<u>\$ 3,805</u>	<u>\$ 111,349</u>	<u>\$ 107,544</u>

CALHOUN COUNTY, TEXAS

EXHIBIT C-23

2003-A GO JAIL BONDS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 677,624	\$ 677,624	\$ 667,683	\$ (9,941)
<i>Interest</i>	--	--	9,308	9,308
Total revenues	<u>677,624</u>	<u>677,624</u>	<u>676,991</u>	<u>(633)</u>
Expenditures:				
Debt service:				
<i>Principal</i>	250,000	250,000	185,000	65,000
<i>Interest and fiscal charges</i>	427,624	427,624	354,513	73,111
Total expenditures	<u>677,624</u>	<u>677,624</u>	<u>539,513</u>	<u>138,111</u>
Net change in fund balance	--	--	137,478	137,478
Fund balances, January 1	<u>37,373</u>	<u>37,373</u>	<u>37,373</u>	--
Fund balances, December 31	<u>\$ 37,373</u>	<u>\$ 37,373</u>	<u>\$ 174,851</u>	<u>\$ 137,478</u>

CALHOUN COUNTY, TEXAS

2003-B GO REFINANCING BONDS

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-24

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 454,059	\$ 454,059	\$ 449,315	\$ (4,744)
<i>Interest</i>	--	--	6,317	6,317
<i>Miscellaneous</i>	--	--	1	1
Total revenues	<u>454,059</u>	<u>454,059</u>	<u>455,633</u>	<u>1,574</u>
Expenditures:				
Debt service:				
<i>Principal</i>	345,000	350,000	350,000	--
<i>Interest and fiscal charges</i>	109,059	104,059	96,656	7,403
Total expenditures	<u>454,059</u>	<u>454,059</u>	<u>446,656</u>	<u>7,403</u>
Net change in fund balance	--	--	8,977	8,977
Fund balances, January 1	<u>46,243</u>	<u>46,243</u>	<u>46,243</u>	--
Fund balances, December 31	<u>\$ 46,243</u>	<u>\$ 46,243</u>	<u>\$ 55,220</u>	<u>\$ 8,977</u>

CALHOUN COUNTY, TEXAS

TAX ANTICIPATION NOTES INTEREST AND SINKING
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2004

EXHIBIT C-25

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
<i>Interest and fiscal charges</i>	\$ --	\$ 375	\$ --	\$ 375
Total expenditures	<u> --</u>	<u> 375</u>	<u> --</u>	<u> 375</u>
Net change in fund balance	--	(375)	--	375
Fund balances, January 1	<u> --</u>	<u> 375</u>	<u> 375</u>	<u> --</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 375</u>	<u>\$ 375</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2004

	Coastal Improvements	Little League Park Storm Repair	EMS Building	Road & Bridge #1 Piers Storm Rep
ASSETS				
<i>Cash and cash equivalents</i>	\$ 77,138	\$ 64	\$ 19,196	\$ 22
<i>Intergovernmental receivable</i>	15,930	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 93,068</u>	<u>\$ 64</u>	<u>\$ 19,196</u>	<u>\$ 22</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to other funds</i>	160,000	64	--	22
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u>160,000</u>	<u>64</u>	<u>--</u>	<u>22</u>
Fund balances (deficit):				
<i>Unreserved, undesignated</i>	(66,932)	--	19,196	--
Total fund balances	<u>(66,932)</u>	<u>--</u>	<u>19,196</u>	<u>--</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, & Fund Balances	<u>\$ 93,068</u>	<u>\$ 64</u>	<u>\$ 19,196</u>	<u>\$ 22</u>

air	Road & Bridge #1 Bulkhead Storm Repair	Parking Lot	Pct. 1 Road Reconstruction	Pct. 1 Road Reconstruction	Road & Bridge #2 Storm Repairs
	\$ 10	\$ 80,544	\$ 408,656	\$ 33,371	\$ 17,797
	--	--	--	26	--
	--	--	--	--	--
	<u>\$ 10</u>	<u>\$ 80,544</u>	<u>\$ 408,656</u>	<u>\$ 33,397</u>	<u>\$ 17,797</u>
	\$ --	\$ --	\$ 3,125	\$ 9,375	\$ --
	10	--	384,219	24,022	--
	--	--	50,067	--	--
	<u>10</u>	<u>--</u>	<u>437,411</u>	<u>33,397</u>	<u>--</u>
	--	80,544	(28,755)	--	17,797
	--	<u>80,544</u>	<u>(28,755)</u>	--	<u>17,797</u>
	<u>\$ 10</u>	<u>\$ 80,544</u>	<u>\$ 408,656</u>	<u>\$ 33,397</u>	<u>\$ 17,797</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2004

	Road and Bridge Infrastructure	Swan Point Park	Airport Improvements II
ASSETS			
<i>Cash and cash equivalents</i>	\$ 32,732	\$ 74,720	\$ 69,294
<i>Intergovernmental receivable</i>	--	--	1,815
<i>Due from other funds</i>	--	--	--
Total Assets	<u>\$ 32,732</u>	<u>\$ 74,720</u>	<u>\$ 71,109</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ 1,815
<i>Due to other funds</i>	--	62,000	90,446
<i>Deferred revenue</i>	--	--	--
Total Liabilities	<u>--</u>	<u>62,000</u>	<u>92,261</u>
Fund balances (deficit):			
<i>Unreserved, undesignated</i>	<u>32,732</u>	<u>12,720</u>	<u>(21,152)</u>
Total fund balances	<u>32,732</u>	<u>12,720</u>	<u>(21,152)</u>
Total Liabilities, & Fund Balances	<u>\$ 32,732</u>	<u>\$ 74,720</u>	<u>\$ 71,109</u>

Mold Remediation	Haterius Park Boat Ramp	Port Alto Public Beach	Seadrift Fire Truck	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
\$ 368	\$ 33,148	\$ 30,384	\$ 12,000	\$ 889,444
--	--	--	--	17,771
<u>5,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,000</u>
<u>\$ 5,368</u>	<u>\$ 33,148</u>	<u>\$ 30,384</u>	<u>\$ 12,000</u>	<u>\$ 912,215</u>
\$ 570	\$ --	\$ --	\$ --	\$ 14,885
--	--	--	--	720,783
--	--	--	--	50,067
<u>570</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>785,735</u>
4,798	33,148	30,384	12,000	126,480
<u>4,798</u>	<u>33,148</u>	<u>30,384</u>	<u>12,000</u>	<u>126,480</u>
<u>\$ 5,368</u>	<u>\$ 33,148</u>	<u>\$ 30,384</u>	<u>\$ 12,000</u>	<u>\$ 912,215</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Coastal Improvements	Lighthouse	Little League Park Storm Repair	EMS Building
Revenues:				
<i>Intergovernmental</i>	\$ 130,257	\$ 333,944	\$ --	\$ --
<i>Gifts and contributions</i>	--	4,631	--	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>130,257</u>	<u>338,575</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	--	--	--	--
<i>Conservation</i>	198,022	--	--	--
<i>Nondepartmental</i>	--	--	5,075	--
Capital outlay	--	426,865	--	--
Total expenditures	<u>198,022</u>	<u>426,865</u>	<u>5,075</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(67,765)	(88,290)	(5,075)	--
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	--	--
<i>Operating transfers out</i>	--	--	(64)	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(64)</u>	<u>--</u>
Net change in fund balances	(67,765)	(88,290)	(5,139)	--
Fund balances (deficit), January 1	<u>833</u>	<u>88,290</u>	<u>5,139</u>	<u>19,196</u>
Fund balances (deficit), December 31	<u><u>\$ (66,932)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 19,196</u></u>

Magnolia Beach Erosion Project	Road & Bridge #1 Piers Storm Repair	Road & Bridge #1 Bulkhead Storm Repair	Parking Lot	Pct. 1 Road Reconstruction
\$ --	\$ --	\$ --	\$ --	\$ 286,748
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>286,748</u>
--	--	--	--	315,503
--	--	--	--	--
--	39,325	7,110	--	--
--	--	--	--	--
<u>--</u>	<u>39,325</u>	<u>7,110</u>	<u>--</u>	<u>315,503</u>
--	(39,325)	(7,110)	--	(28,755)
--	--	--	--	--
(78,235)	(22)	(11)	--	--
<u>(78,235)</u>	<u>(22)</u>	<u>(11)</u>	<u>--</u>	<u>--</u>
(78,235)	(39,347)	(7,121)	--	(28,755)
<u>78,235</u>	<u>39,347</u>	<u>7,121</u>	<u>80,544</u>	<u>--</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 80,544</u>	<u>\$ (28,755)</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Road & Bridge #1 Road Signs Storm Repair	Pct. 1 Road Reconstruction	Road & Bridge #2 Storm Repairs	Road and Bridge Infrastructure
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ 113,501	\$ --	\$ --
<i>Gifts and contributions</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	12,077	--
Total revenues	<u>--</u>	<u>113,501</u>	<u>12,077</u>	<u>--</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	13,984	113,501	--	--
<i>Conservation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	7,485	--
Capital outlay	--	--	--	--
Total expenditures	<u>13,984</u>	<u>113,501</u>	<u>7,485</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(13,984)	--	4,592	--
Other financing sources (uses):				
<i>Operating transfers in</i>	--	--	--	--
<i>Operating transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(13,984)	--	4,592	--
Fund balances (deficit), January 1	<u>13,984</u>	<u>--</u>	<u>13,205</u>	<u>32,732</u>
Fund balances (deficit), December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 17,797</u>	<u>\$ 32,732</u>

	Swan Point Park	Swan Point Road Storm Repair	Airport Improvements II	Mold Remediation	Haterius Park Boat Ramp
\$	--	\$ --	\$ 1,815	\$ --	\$ --
	--	--	--	--	--
	--	--	--	--	--
	--	--	1,815	--	--
	--	--	--	--	--
	--	5,516	1,815	8,734	--
	--	--	--	--	--
	--	5,516	1,815	8,734	--
	--	(5,516)	--	(8,734)	--
	--	--	--	10,000	--
	--	--	--	--	--
	--	--	--	10,000	--
	--	(5,516)	--	1,266	--
	12,720	5,516	(21,152)	3,532	33,148
\$	<u>12,720</u>	<u>--</u>	<u>(21,152)</u>	<u>4,798</u>	<u>33,148</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Port Alto Public Beach	Seadrift Fire Truck	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:			
<i>Intergovernmental</i>	\$ --	\$ --	\$ 866,265
<i>Gifts and contributions</i>	--	--	4,631
<i>Miscellaneous</i>	--	--	12,077
Total revenues	<u> --</u>	<u> --</u>	<u>882,973</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	--	--	442,988
<i>Conservation</i>	--	--	198,022
<i>Nondepartmental</i>	1,004	--	76,064
Capital outlay	--	--	426,865
Total expenditures	<u>1,004</u>	<u> --</u>	<u>1,143,939</u>
Excess (deficiency) of revenues over (under) expenditures	(1,004)	--	(260,966)
Other financing sources (uses):			
<i>Operating transfers in</i>	--	12,000	22,000
<i>Operating transfers out</i>	--	--	(78,332)
Total other financing sources (uses)	<u> --</u>	<u>12,000</u>	<u>(56,332)</u>
Net change in fund balances	(1,004)	12,000	(317,298)
Fund balances (deficit), January 1	<u>31,388</u>	<u> --</u>	<u>443,778</u>
Fund balances (deficit), December 31	<u>\$ 30,384</u>	<u>\$ 12,000</u>	<u>\$ 126,480</u>

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CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2004

	County Clerk Funds	District Clerk Funds	Justice of the Peace Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
<i>Cash and cash equivalents</i>	\$ 141,046	\$ 66,020	\$ 700
<i>Intergovernmental receivable</i>	--	--	--
<i>Due from other funds</i>	--	--	--
<i>Due from others</i>	39	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 141,085</u>	<u>\$ 66,020</u>	<u>\$ 700</u>
LIABILITIES			
<i>Accounts payable</i>	\$ --	\$ --	\$ 2,156
<i>Due to other funds</i>	2,223	1,275	--
<i>Due to other governments</i>	--	--	--
<i>Due to others</i>	138,862	64,745	(1,456)
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 141,085</u>	<u>\$ 66,020</u>	<u>\$ 700</u>

District Attorney Funds	Tax Collector Funds	Sheriff Funds	County Auditor Funds	County Treasurer Funds
\$ 15,749	\$ (8,834)	\$ 223,382	\$ 256,503	\$ 75,728
--	171,463	--	--	--
--	--	--	--	42,433
--	105	--	--	--
<u>\$ 15,749</u>	<u>\$ 162,734</u>	<u>\$ 223,382</u>	<u>\$ 256,503</u>	<u>\$ 118,161</u>
\$ --	\$ --	\$ --	\$ --	\$ 28,647
--	38,936	1,575	--	--
--	123,778	36,400	--	76,326
15,749	20	185,407	256,503	13,188
<u>\$ 15,749</u>	<u>\$ 162,734</u>	<u>\$ 223,382</u>	<u>\$ 256,503</u>	<u>\$ 118,161</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2004

	Bail Bond Fees	State Traffic Fees	Total Agency Funds (See Exhibit A-10)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 1,472	\$ 10,328	\$ 782,094
<i>Intergovernmental receivable</i>	--	--	171,463
<i>Due from other funds</i>	1,575	--	44,008
<i>Due from others</i>	--	--	144
	<u>3,047</u>	<u>10,328</u>	<u>997,709</u>
Total Assets	<u>\$ 3,047</u>	<u>\$ 10,328</u>	<u>\$ 997,709</u>
LIABILITIES			
<i>Accounts payable</i>	\$ --	\$ --	\$ 30,803
<i>Due to other funds</i>	--	--	44,009
<i>Due to other governments</i>	3,047	10,328	249,879
<i>Due to others</i>	--	--	673,018
	<u>3,047</u>	<u>10,328</u>	<u>997,709</u>
Total Liabilities	<u>\$ 3,047</u>	<u>\$ 10,328</u>	<u>\$ 997,709</u>