

**CALHOUN COUNTY, TEXAS**  
*Annual Financial Report*  
*For the Fiscal Year Ended December 31, 2005*

Prepared by

Cindy Mueller  
County Auditor



**TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal.....	i	
List of Principal Officials.....	ii	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report on Financial Statements.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	2	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	17	A-1
Statement of Activities.....	18	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	20	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	23	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	24	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	26	A-6
Statement of Net Assets - Enterprise Fund.....	27	A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Enterprise Fund.....	28	A-8
Statement of Cash Flows - Proprietary Funds.....	29	A-9
Statement of Fiduciary Net Assets - Fiduciary Funds.....	30	A-10
Notes to the Financial Statements .....	31	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	50	B-1
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	54	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	55	C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	56	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	64	C-4
Budgetary Comparison Schedules:		

**Calhoun County, Texas**  
*Annual Financial Report*  
*For The Year Ended December 31, 2005*

**TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibit</u>
Airport Fund.....	73	C-5
Court House Security Fund.....	74	C-6
Highway 87 FM 1090 Fund.....	75	C-7
General HAVA Compliance.....	76	C-8
Lateral Road Fund Precinct #1.....	77	C-9
Lateral Road Fund Precinct #2.....	78	C-10
Lateral Road Fund Precinct #3.....	79	C-11
Lateral Road Fund Precinct #4.....	80	C-12
Law Library Fund.....	81	C-13
Port O'Connor Community Center.....	82	C-14
County Clerk Records Management Fund.....	83	C-15
Records Management and Preservation Fund.....	84	C-16
Road and Bridge Fund General.....	85	C-17
Road and Bridge Fund Precinct #3.....	86	C-18
Road Maintenance Fund Precinct #4.....	87	C-19
 Debt Service Funds:		
Combining Balance Sheet - Nonmajor Debt Service Funds.....	88	C-20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	90	C-21
 Budgetary Comparison Schedules:		
Memorial Medical Plaza.....	92	C-22
2003-A GO Jail Bonds.....	93	C-23
2003-B GO Refinancing Bonds.....	94	C-24
Tax Anticipation Notes Interest and Sinking.....	95	C-25
 Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	96	C-26
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	100	C-27
 Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	104	C-28

*This page intentionally left blank.*

**INTRODUCTORY SECTION**

CINDY MUELLER  
COUNTY AUDITOR, CALHOUN COUNTY  
COUNTY COURTHOUSE ANNEX - 201 W. AUSTIN  
PORT LAVACA, TEXAS 77979  
(361) 553-4610

Honorable Joseph P. Kelly  
Judge, 24<sup>th</sup> Judicial District

Honorable Stephen Williams  
Judge, 135<sup>th</sup> Judicial District

Honorable Skipper Koetter  
Judge, 267<sup>th</sup> 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, 2005.

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 2005 and their report is included in this annual report.

#### GENERAL REMARKS

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

I hereby state that, to the best of my knowledge, this report is a true and correct statement of the financial position of Calhoun County, Texas, as of December 31, 2005, and the results of the County's operations and transactions for the year then ended, in accordance with generally accepted accounting principles applicable to governmental entities, subject to the notes to the financial statements.

Respectfully submitted,

  
Cindy Mueller  
County Auditor

CALHOUN COUNTY, TEXAS  
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS  
December 31, 2005

District Courts

Judge, 24th Judicial District

Joseph P. Kelly  
Victoria County Courthouse  
Victoria, Texas

Judge, 135th Judicial District

Stephen Williams  
Victoria County Courthouse  
Victoria, Texas

Judge, 267th Judicial District

Skipper Koetter  
Victoria County Courthouse  
Victoria, Texas

Criminal District Attorney

Dan W. Heard  
Calhoun County Courthouse  
Port Lavaca, Texas

County Court-at-Law Judge

Alex R. Hernandez  
Calhoun County Courthouse  
Port Lavaca, Texas

County Auditor

Cindy Mueller  
Calhoun County Courthouse Annex  
Port Lavaca, Texas

Elected County Officials

County Judge

Michael J. Pfeifer  
Calhoun County Courthouse  
Port Lavaca, Texas

Commissioner, Precinct One

Roger C. Galvan  
2213 Vail  
Port Lavaca, Texas

Commissioner, Precinct Two

Michael Balajka  
344 Hartman Road  
Port Lavaca, Texas

Commissioner, Precinct Three

Neil E. Fritsch  
701 Willowick Dr.  
Port Lavaca, Texas

Commissioner, Precinct Four

Kenneth Finster  
P.O. Box 640  
Seadrift, Texas

Tax Assessor-Collector

Gloria Ochoa  
Calhoun County Courthouse  
Port Lavaca, Texas

District Clerk

Pamela Martin Hartgrove  
Calhoun County Courthouse  
Port Lavaca, Texas

County Clerk

Anita Fricke  
Calhoun County Courthouse  
Port Lavaca, Texas

County Sheriff

Burnard B. Browning  
Calhoun County Courthouse  
Port Lavaca, Texas

County Treasurer

Rhonda S. Kokena  
Calhoun County Courthouse Annex  
Port Lavaca, Texas



CALHOUN COUNTY, TEXAS  
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS  
December 31, 2005

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

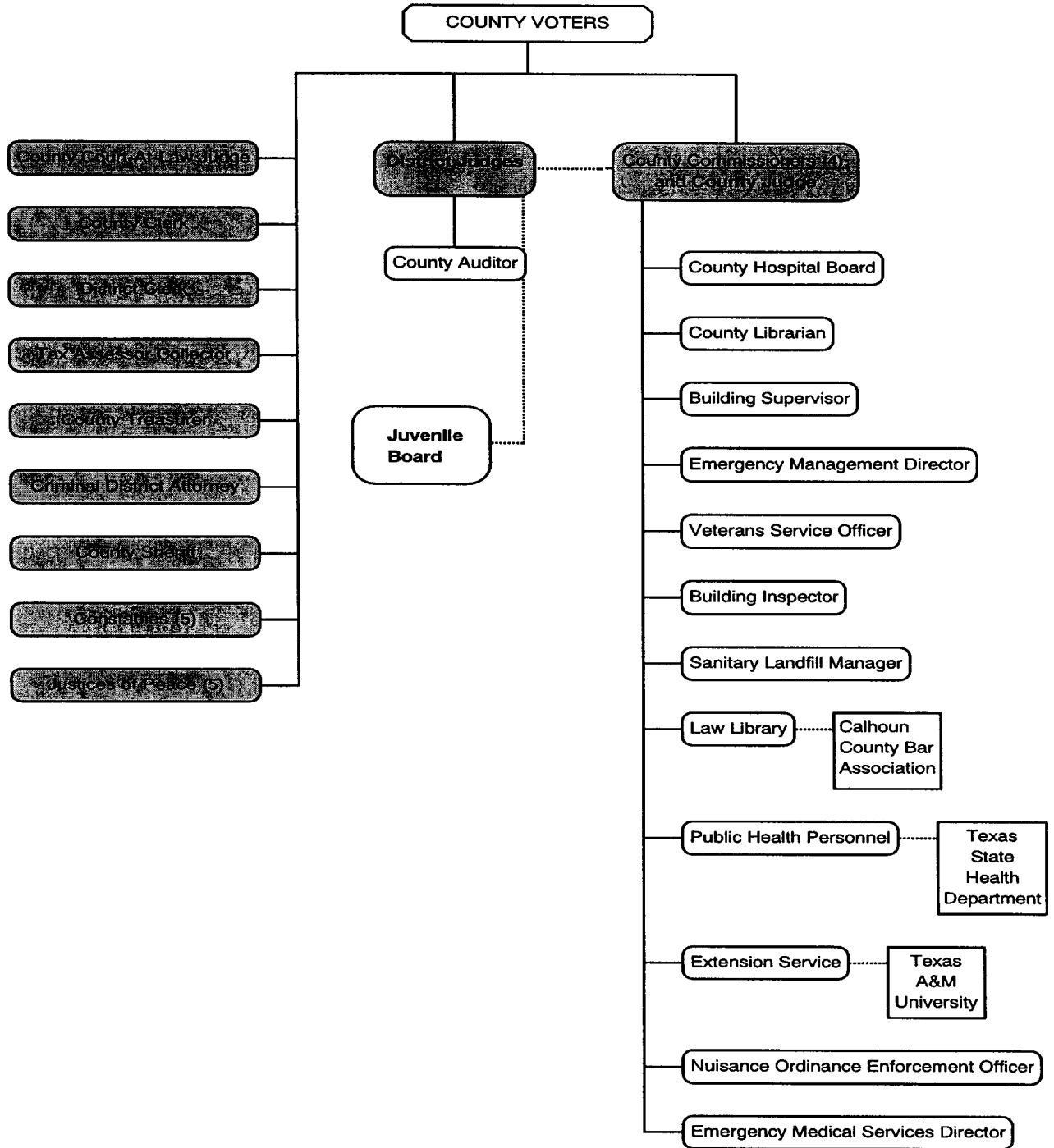
Hospital Administrator (Appointed by  
Board of Memorial Medical Center)

Elwood Currier  
815 N. Virginia  
Port Lavaca, Texas

CALHOUN COUNTY, TEXAS  
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS  
December 31, 2005

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	William D. Harvey 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, 2005



*This page intentionally left blank.*

**FINANCIAL SECTION**

*This page intentionally left blank.*

**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, 2005, 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, 2005. 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, 2005, 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 5, 2006, 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 and budgetary information on pages 2 through 14 and 50 through 51, identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

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

*Rutledge Crain & Company, PC*

May 5, 2006

## 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 \$35,343,077 at the end of the current year.
- During the year, the County's governmental activities expenses were (\$1,611,558) less than the \$20,044,324 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$5,713,190.
- The total cost of County's programs reported in its governmental funds changed from last year as follows:

COUNTY PROGRAMS	
PROGRAM NAME	THIS YEAR
General Administration	632,000
Judicial	1,655,000
Legal	517,425
Financial administration	787,000
Public facilities	2,117,000
Public safety	803,000
Roads and bridges	2,641,000
Health and welfare	3,838,500
Community development	138,250
Culture and recreation	355,000
Social services	45,000
Conservation	69,000
Sanitation services	159,000
Nondepartmental	128,000
Interest and fiscal charges	810,000
Capital Outlay	
Debt service	740,000
<b>Totals</b>	<b>20,044,324</b>

There were no new programs added in the current year.

Major changes in programs included:

- General administration expenditures increased approximately \$373,000 for purchase of election machines with Help America Vote Act grant funds, and decreased approximately \$49,000 for reduction in cost of liability, property and equipment insurance.
- Public facilities expenditures increased approximately \$835,000 for construction costs for courthouse renovation, \$90,000 for costs of operating Memorial Medical Plaza, \$70,000 for hurricane repair/remodeling of the airport building, \$66,000 for fencing and improvements at airport and \$42,000 for capital outlay in Building Maintenance department.



**CALHOUN COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
December 31, 2005

- Public safety expenditures increased approximately \$2,342,000 for construction costs of the new jail and \$129,000 for fire truck for Seadrift Fire Protection department and decreased approximately \$23,000 for reduction in special revenue fund expenditures.
- Road and bridge expenditures decreased approximately \$424,000 as the reconstruction of Ocean Drive necessitated by hurricane Claudette was completed and increased \$296,000 for the second and third of four installments to the State of Texas for Highway 87 right-of-way acquisition.
- Health and welfare program expenditures decreased approximately \$200,000 related to the vehicle replacement plan for the Emergency Medical Services department and \$165,000 for indigent health care.
- Conservation expenditures decreased approximately \$150,000 due to the expiration of a NOAA grant.
- Interest and fiscal charges increased approximately \$305,000 for debt service on the courthouse renovation certificates of obligation issued in 2004 and decreased approximately \$50,000 on new jail bonds, refunding bonds, hospital revenue and tax certificates of obligation and a capital lease for road and bridge equipment.
- Debt service expenditures increased \$30,000 for the 2003 refunding bonds and 1998 combination hospital revenue and tax certificates of obligation and decreased \$15,000 for the 2003 new jail bonds.
- Capital outlay has been reported by program.

**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.

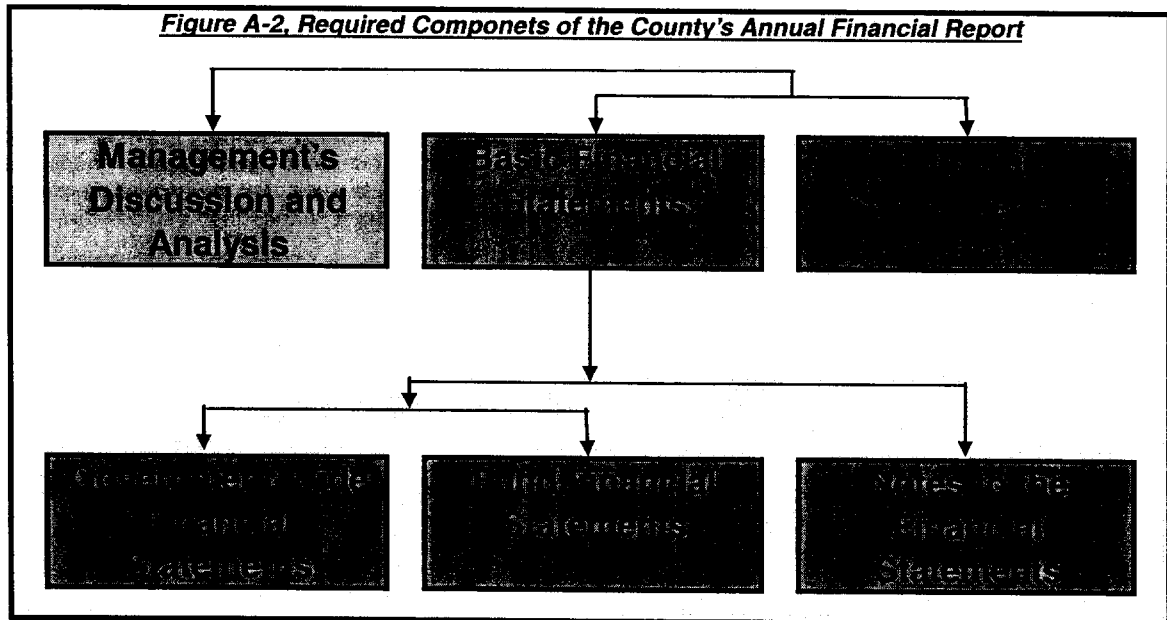
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and support the information in the financial statements.

Figure A-1 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-1**  
**Major features of the County's Government Wide and Fund Financial Statements**

	<b>GOVERNMENT-WIDE</b>	<b>GOVERNMENTAL FUNDS</b>	<b>PROPRIETARY FUNDS</b>	<b>FIDUCIARY FUNDS</b>
	Entire Government (except fiduciary funds) and the County's component units	The portion of the County government that is not proprietary or fiduciary	Activities the County operates similar to private businesses or self-insurance	Instances in which the County's role is primarily that of a trustee or agent
	Statement of Net Assets. Statement of Activities	Statement of Net Assets. Statement of Activities. Statement of Financial Position. Fund Balance	Statement of Net Assets. Statement of Revenues, Expenditures and Changes in Fund Net Assets. Statement of Cash Flows	Statement of Net Assets. Statement of Revenues. Statement of Net Assets
	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets and liabilities that are financial in nature	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
	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.	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.

Figure A-2 shows how the required parts of this annual report are arranged and related one another.



**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:**

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.

**CALHOUN COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
*December 31, 2005*

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, 2005

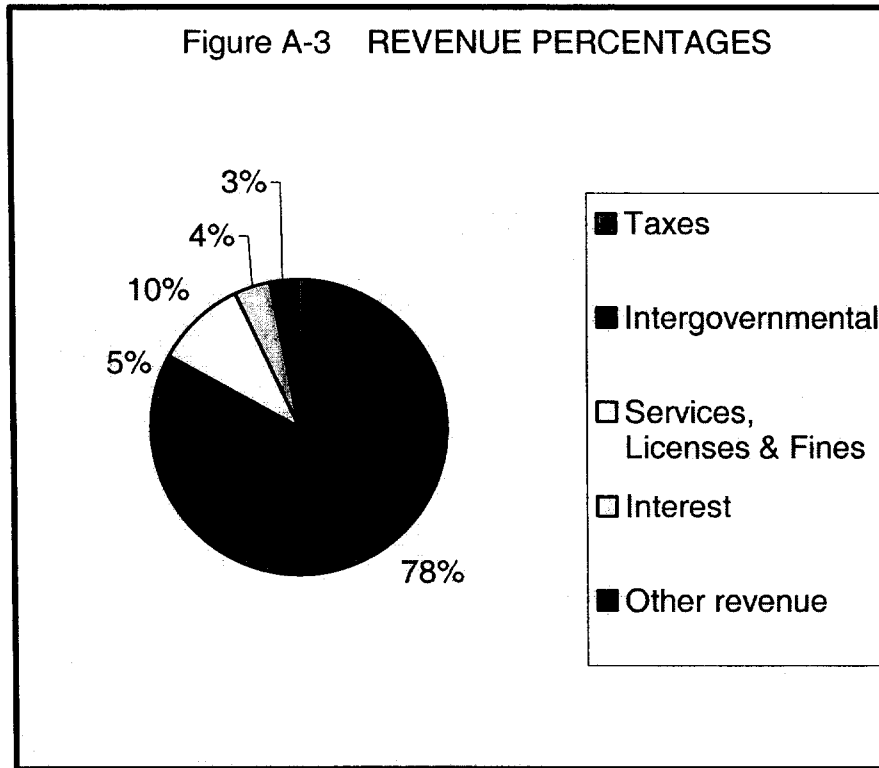
**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE:**

Net assets. The County's combined net assets were \$35,343,077 at the end of the current year. (See Table A-1)

	Governmental Activities		Business-type Activities		Total	Total Percentage
	This Year		This Year			
<b>Current assets</b>						
Cash and cash equivalents	\$16,601,746		\$2,452,627		\$19,054,373	
Receivables (net of allowance for uncollectibles)	6,118,333		2,430,904		8,549,237	
Intergovernmental receivable	1,008,233				1,008,233	
Inventories	117,573				117,573	
Prepaid items and other current assets	157,200		1,001,536		1,158,736	
Restricted assets:						
Cash and cash equivalents	409,841				409,841	
Deferred charges	10,223				10,223	
<b>Total current assets</b>	<b>24,432,849</b>		<b>5,885,067</b>		<b>30,317,916</b>	
<b>Noncurrent assets</b>						
<b>Capital assets (net, where applicable, of accumulated depreciation)</b>						
Land	1,908,280				1,908,280	
Construction in progress	2,887,233				2,887,233	
Buildings	6,011,323				6,011,323	
Improvements	2,288,752				2,288,752	
Equipment	3,257,537				3,257,537	
Infrastructure	8,862,282				8,862,282	
<b>Total noncurrent assets</b>	<b>23,215,407</b>				<b>23,215,407</b>	
<b>Total assets</b>	<b>47,648,256</b>		<b>5,885,067</b>		<b>53,533,323</b>	
<b>Current Liabilities</b>						
Accounts payable	1,052,300		779,142		1,831,442	
Accrued and other liabilities	868,283		2,212,272		3,080,555	
Due to other governments	317,353				317,353	
Due to others	182,579				182,579	
Unearned revenue	15,284,343		1,001,536		16,285,879	
<b>Total current liabilities</b>	<b>17,595,858</b>		<b>4,003,950</b>		<b>21,599,808</b>	
<b>Noncurrent Liabilities</b>						
Due in one year	901,253		481,000		1,382,253	
Due in more than one year	2,027,700,123		1,071,537		2,028,771,660	
<b>Total noncurrent liabilities</b>	<b>2,028,601,376</b>		<b>1,552,537</b>		<b>2,030,153,913</b>	
<b>Total Liabilities</b>	<b>19,624,459</b>		<b>5,556,487</b>		<b>25,180,946</b>	
<b>Net assets</b>						
Invested in capital assets, net of related debt	17,396,667		4,759,224		22,155,891	
Restricted for:						
Debt service	409,841				409,841	
Capital projects	6,358,730				6,358,730	
Unrestricted	2,017,357		4,401,058		6,418,415	
<b>Total net assets</b>	<b>\$26,182,735</b>		<b>\$9,160,282</b>		<b>\$35,343,017</b>	

Approximately 6.05% or \$409,481 the County's restricted net assets represents amounts restricted for debt service while the remaining 93.95% or \$6,358,730 is restricted for capital projects. Of the \$6,358,730 restricted for capital projects, the new jail construction accounts for \$5,101,327 or 80.23% and the courthouse mold remediation/renovation accounts for \$1,066,369 or 16.77%. The \$2,017,357 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 \$20,232,644. A significant portion, \$15,860,029, of the County's revenue comes from taxes. An analysis of the revenue percentages is shown in Figure A-3 below.



**Governmental Activities**

There was no change in the County's tax rate per \$100 valuation, while general fund tax rates increased by \$0.0014 or 0.30% and debt service tax rates decreased by (\$0.0014) or (2.63)%. Assessed valuation this year was \$2,847,394,274 and last year's assessed valuation was \$2,823,922,827, an increase of \$23,471,447 or 0.83%. Total ad valorem taxes for this year amounted to \$14,774,345 while total ad valorem taxes for last year amounted to \$14,699,878, or an increase of \$74,467 or 0.51%.

**CALHOUN COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
 December 31, 2005

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

Table A-2 County's Program Revenues					Total Percentage Change	
Programs	Governmental Activities		Business-type Activities			Total
	This Year		This Year			This Year
General administration	\$611,491		\$0		\$611,491	
Judicial	262,067				262,067	
Legal	46,069				46,069	
Financial administration	67,616				67,616	
Public facilities	77,035				77,035	
Public safety	68,835				68,835	
Roads and bridges	22,000				22,000	
Health and welfare						
Community development						
Culture and recreation	10,000				10,000	
Social services						
Conservation						
Sanitation services	74,000				74,000	
Nondepartmental						
<b>Total Revenues</b>	<b>\$1,382,103</b>		<b>\$0</b>		<b>\$1,382,103</b>	

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

Table A-3 County's General Revenues					Total Percentage Change	
Programs	Governmental Activities		Business-type Activities			Total
	This Year		This Year			This Year
Advalorem taxes	\$15,705,945				\$15,705,945	
Sales Taxes	1,061,161				1,061,161	
Other Taxes	24,623				24,623	
Unrestricted investment earnings	755,179		40,134		795,313	
Miscellaneous	166,075				166,075	
Loss on asset sales	(75,982)		(26,111)		(1,021,093)	
Transfers						
<b>Total Revenues</b>	<b>\$16,705,901</b>		<b>\$14,023</b>		<b>\$16,709,924</b>	

**CALHOUN COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
 December 31, 2005

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.

<b>Function</b>	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>This Year</b>	<b>2004</b>	<b>This Year</b>	<b>2004</b>
General administration	\$1,851,489	1,740,109	1,740,109	1,740,109
Judicial	25,000	25,000	25,000	25,000
Legal	1,726,489	1,759,176	1,759,176	1,759,176
Financial administration	1,000,000	1,000,000	1,000,000	1,000,000
Public facilities	1,000,000	1,000,000	1,000,000	1,000,000
Public safety	1,000,000	1,000,000	1,000,000	1,000,000
Roads and bridges	1,000,000	1,000,000	1,000,000	1,000,000
Health and welfare	1,000,000	1,000,000	1,000,000	1,000,000
Community development	1,000,000	1,000,000	1,000,000	1,000,000
Culture and recreation	1,000,000	1,000,000	1,000,000	1,000,000
Social services	1,000,000	1,000,000	1,000,000	1,000,000
Conservation	1,000,000	1,000,000	1,000,000	1,000,000
Sanitation services	1,000,000	1,000,000	1,000,000	1,000,000
Nondepartmental	1,000,000	1,000,000	1,000,000	1,000,000
Interest and fiscal charges	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total costs</b>	<b>\$16,432,768</b>	<b>16,094,845</b>	<b>16,094,845</b>	<b>16,094,845</b>

***Business-type Activities***

Revenues of the County's business-type activities (Memorial Medical Center, a hospital) showed an increase of \$1,473,206 or 7.77% over last year and an increase in expenses of \$954,376 or 4.97%. Total revenues for the current year were \$20,395,203 and total expenses were \$20,173,935 resulting in net income of \$221,268 for the current year as compared to a net loss for the prior year of (\$297,562), a net income increase of \$518,830 or 125.68%.

***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

Revenues from governmental fund types totaled \$20,232,644, an increase of \$205,222 over the preceding year. The increase in local revenues is primarily a result of federal and state Help America Vote Act grants for voting machines. Expenditures from government fund types totaled \$24,654,484, an increase of \$2,894,536 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 9 times. The original budget revenues amounted to \$15,135,120 and the final budget revenues amounted to \$15,197,508 or an increase of \$62,388 in revenues. Significant items causing the revenue budget increase were approximately \$39,000 in miscellaneous revenues comprised primarily of insurance settlements for casualty losses and workers compensation claims and proceeds from sale of salvage from the courthouse under renovation. The original budget expenditures amounted to \$15,888,750 and the final budget expenditures amounted to \$17,158,913 or an increase of \$1,270,163 in expenditures. Significant items causing the expenditure



## **CALHOUN COUNTY, TEXAS**

### *Management's Discussion and Analysis*

*December 31, 2005*

budget increases were a \$860,000 increase in indigent healthcare, a \$200,000 increase for personnel, gasoline and repairs in the Sheriff's Department, a \$64,000 increase in Road and Bridge Departments for land, vehicles, gasoline and supplies, a \$50,000 increase for Memorial Medical Plaza utilities and a \$50,000 reduction in transfers out due to County match for HAVA grant not being needed.

Significant variances between budgeted and actual revenues were primarily favorable. It is the County's policy to budget uncertain revenue sources very conservatively. For example, sales tax revenues can change significantly if the state determines during its audit of businesses and industries that sales taxes were remitted on items that should not have been taxed; the County must then refund the excess, usually in the form of reductions in future allocations.

- Ad valorem tax revenues unfavorable variance of approximately \$69,000 resulted tax collections being less than anticipated.
- Intergovernmental revenues are volatile, subject to change from year to year based on state and federal funding levels. Favorable variances in this category are comprised of approximately \$98,000 tobacco settlement, \$28,000 FEMA Hurricane Rita disaster funds, \$28,000 judiciary reimbursement, \$26,000 federal pass-through grants for the health department, \$17,000 federal pass-through grant for emergency management, \$15,000 indigent defense grant, and \$11,000 interlocal street maintenance.
- Charges for services varied favorably as follows: \$95,000 Emergency Medical Service fees, \$68,000 County Clerk fees, \$30,000 in Sheriff fees and prisoner lodging, \$24,000 service fee on collection of court costs for the state, and \$21,000 in collections by the Health Department for testing/shots.
- Interest earned on the County's deposits exceeded the estimate due to an increase in the interest rate and an increase in investments.
- Rents and leases collected were greater than budgeted as a result of the County taking over operation of Memorial Medical Plaza from Memorial Medical Center.

The following were significant variances between expenditure budgets and actual expenditures:

- In General Administration, approximately \$60,000 was not needed for property and liability insurance premiums and \$20,000 was not needed for telephone services.
- Judicial expenditures were less than budgeted by approximately \$14,000 in juvenile detention services, \$43,000 related to personnel vacancies and \$23,000 unexpended for jurors and court services.
- Public Facilities expenditures were under budget primarily because the courthouse is under renovation.
- Public Safety favorable expenditure variance of approximately \$600,000 was due to a delay in the opening of the New Jail and accompanying employment vacancies in the Sheriff's Department.
- The variance in Roads and Bridges is a result of employment vacancies, actual costs of group and workers compensation insurance less than estimates, and cyclical variations in the need for supplies and materials.
- Health and Welfare variance was due to the unpredictable nature of indigent healthcare expenditures; expenditures for the final months of the year were less than estimated at time budget was amended.

**CALHOUN COUNTY, TEXAS**  
*Management's Discussion and Analysis*  
 December 31, 2005

A General Fund budget analysis follows in Table A-5.

Table A-5 Budget Analysis				
General Fund	Original Budget	Budget Revisions	Actual	Variance with Original Budget
<b>REVENUES:</b>				
AD VALOREM TAXES		\$15,822	\$13,250,424	\$13,234,602
SALES TAXES			1,061,161	1,061,161
OTHER TAXES			10,207	10,207
INTERGOVERNMENTAL		3,000	309,833	306,833
CHARGES FOR SERVICES		1,480	918,723	917,243
PERMITS AND LICENSES			14,631	14,631
FINES AND FORFEITURES			242,787	242,787
INTEREST			358,189	358,189
GIFTS AND CONTRIBUTIONS			6,280	6,280
RENTS AND LEASES			241,264	241,264
MISCELLANEOUS			20,859	20,859
<b>TOTAL REVENUES</b>			<b>16,584,128</b>	<b>16,584,128</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL ADMINISTRATION		20,770	1,260,803	1,240,033
JUDICIAL		16,350	1,003,612	987,262
LEGAL		1,035	461,650	460,615
FINANCIAL ADMINISTRATION		27,100	787,394	760,294
PUBLIC FACILITIES		58,322	743,600	685,278
PUBLIC SAFETY		206,270	4,186,993	3,980,723
ROADS AND BRIDGES		69,000	3,020,166	2,951,166
HEALTH AND WELFARE		860,500	3,338,530	2,478,030
COMMUNITY DEVELOPMENT		60	168,251	168,191
CULTURE AND RECREATION		5,150	494,787	489,637
SOCIAL SERVICES		125	45,155	45,030
CONSERVATION		1,000	7,750	6,750
SANITATION SERVICES		135	159,046	158,911
<b>DEBT SERVICE:</b>				
INTEREST AND FISCAL CHARGES			10,091	10,091
<b>TOTAL EXPENDITURES</b>		<b>1,270,165</b>	<b>15,628,028</b>	<b>14,357,863</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>		<b>(1,207,715)</b>	<b>876,100</b>	<b>954,385</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN		19,228	819,227	799,999
TRANSFERS OUT		31,487	(48,513)	(80,000)
GAIN ON SALE OF FIXED ASSETS		5,446	18,948	13,502
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(9,813)</b>	<b>589,662</b>	<b>499,751</b>
<b>NET CHANGE IN FUND BALANCES</b>	(1,207,715)	(\$1,151,614)	\$1,465,762	\$2,736,004

**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
Land			
Buildings			
Improvements			
Furniture, Fixtures & Equipment			
Leased Assets			
Construction in Progress			
Infrastructure			
<b>Total</b>			

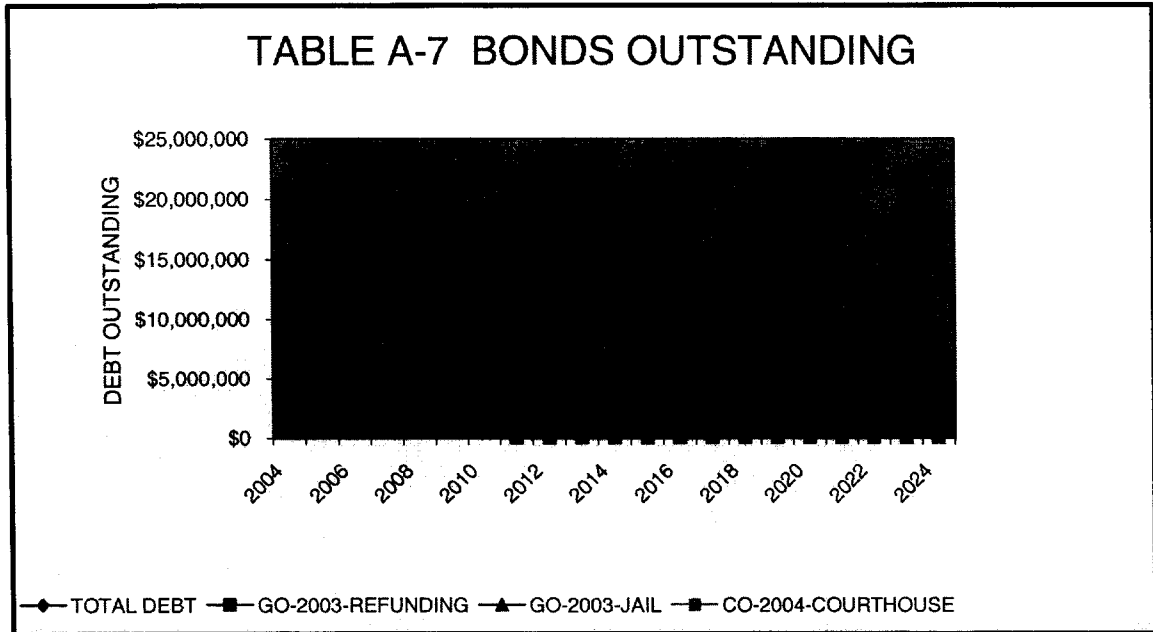
The County is, at present, involved in the construction of a new 144 bed jail at an anticipated total cost of approximately \$8,500,000 and a project for mold remediation and renovation of the County Courthouse at an anticipated total cost of \$6,000,000. More detail information concerning the County's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

**Long Term Debt**

At year end the County had \$18,565,000 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 issued no new bonds during the year.

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

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



**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Appraised value used for this year's budget was \$2,847,394,274 while \$3,000,147,386 was used for next year's budget preparation. This represents an increase of \$152,753,112 or 5.36%. General fund tax rates for next year were set at \$0.4678, an increase of \$0.0014 or 0.30% over this year's general fund tax rate of \$0.4664

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 2007. Tax abatements coming on the tax rolls are estimated for the year 2007 at \$585,000,000 and for the year 2008 at \$76,500,000.

**Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Cindy Mueller, County Auditor, 201 W. Austin Street, Port Lavaca, Texas 77979.

**BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank*

**CALHOUN COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2005**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 16,601,746	\$ 2,452,657	\$ 19,054,403
<i>Receivables (net of allowances for uncollectibles):</i>	6,118,763	2,430,304	8,549,067
<i>Intergovernmental receivable</i>	1,000,234	-	1,000,234
<i>Inventories</i>	117,579	-	117,579
<i>Prepaid items and other current assets</i>	157,200	604,546	761,746
Restricted assets:			
<i>Cash and cash equivalents</i>	8,968,527	14,140	8,982,667
<i>Deferred charges</i>	318,240	-	318,240
Capital assets (net, where applicable, of accumulated depreciation)			
<i>Land</i>	1,806,280	32,143	1,838,423
<i>Construction in progress</i>	9,887,286	-	9,887,286
<i>Buildings</i>	5,015,268	2,806,573	7,821,841
<i>Improvements other than buildings</i>	2,268,752	-	2,268,752
<i>Furniture, fixtures and equipment</i>	3,254,566	3,146,208	6,400,774
<i>Infrastructure</i>	6,862,282	-	6,862,282
<b>Total Assets</b>	<b>62,376,723</b>	<b>11,486,571</b>	<b>73,863,294</b>
<b>LIABILITIES</b>			
<i>Accounts payable</i>	1,052,800	279,342	1,332,142
<i>Accrued and other liabilities</i>	968,264	821,247	1,789,511
<i>Due to other governments</i>	317,386	-	317,386
<i>Due to others</i>	182,678	-	182,678
<i>Unearned revenue</i>	15,063,165	-	15,063,165
Noncurrent liabilities:			
<i>Due in one year</i>	909,598	358,055	1,267,653
<i>Due in more than one year</i>	17,700,037	867,645	18,567,682
<b>Total Liabilities</b>	<b>36,193,928</b>	<b>2,326,289</b>	<b>38,520,217</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	17,396,867	4,759,224	22,156,091
Restricted For:			
Debt Service	409,841	-	409,841
Capital Projects	6,358,730	-	6,358,730
Unrestricted	2,017,357	4,401,058	6,418,415
<b>Total Net Assets</b>	<b>\$ 26,182,795</b>	<b>\$ 9,160,282</b>	<b>\$ 35,343,077</b>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<i>General administration</i>	\$ 1,351,600	\$ 283,467	\$ 12,220	\$ 315,804
<i>Judicial</i>	1,021,263	206,395	55,692	--
<i>Legal</i>	510,844	46,089	--	--
<i>Financial administration</i>	786,969	87,615	--	--
<i>Public facilities</i>	773,873	18,831	1,560	56,744
<i>Public safety</i>	4,293,571	114,344	58,937	115,650
<i>Roads and bridges</i>	3,908,191	673,119	18,044	33,479
<i>Health and welfare</i>	3,423,178	757,517	187,592	--
<i>Community development</i>	147,527	--	--	--
<i>Culture and recreation</i>	549,515	10,165	60,849	123,599
<i>Social services</i>	45,469	--	--	--
<i>Conservation</i>	69,568	--	--	--
<i>Sanitation services</i>	178,462	14,294	--	--
<i>Nondepartmental</i>	583,945	21,992	64,425	--
<i>Interest and fiscal charges</i>	788,791	--	--	--
<b>Total governmental activities</b>	<u>18,432,766</u>	<u>2,233,828</u>	<u>459,319</u>	<u>645,276</u>
<b>Business-type Activities:</b>				
Memorial Medical Center	20,137,824	20,236,550	118,519	--
<b>Total Primary Government</b>	<u>\$ 38,570,590</u>	<u>\$ 22,470,378</u>	<u>\$ 577,838</u>	<u>\$ 645,276</u>

General Revenues:  
*Ad valorem taxes*  
*Sales taxes*  
*Other taxes*  
*Unrestricted Investment Earnings*  
*Miscellaneous*  
*Loss 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>
\$ (740,109)		\$ (740,109)
(759,176)		(759,176)
(464,755)		(464,755)
(699,354)		(699,354)
(696,738)		(696,738)
(4,004,640)		(4,004,640)
(3,183,549)		(3,183,549)
(2,478,069)		(2,478,069)
(147,527)		(147,527)
(354,902)		(354,902)
(45,469)		(45,469)
(69,568)		(69,568)
(164,168)		(164,168)
(497,528)		(497,528)
(788,791)		(788,791)
<u>(15,094,343)</u>		<u>(15,094,343)</u>
-	\$ <u>217,245</u>	<u>217,245</u>
<u>(15,094,343)</u>	<u>217,245</u>	<u>(14,877,098)</u>
14,774,345	--	14,774,345
1,061,161	--	1,061,161
24,523	--	24,523
755,179	40,134	795,313
166,075	--	166,075
<u>(75,382)</u>	<u>(36,111)</u>	<u>(111,493)</u>
<u>16,705,901</u>	<u>4,023</u>	<u>16,709,924</u>
1,611,558	221,268	1,832,826
24,571,237	8,939,014	33,510,251
<u>\$ 26,182,795</u>	<u>\$ 9,160,282</u>	<u>\$ 35,343,077</u>

**CALHOUN COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Courthouse Renovation</u>
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 5,676,072	\$ 5,243,411
<i>Receivables (net of allowances for uncollectibles):</i>		
<i>Taxes</i>	4,158,110	--
<i>Accounts</i>	1,297,865	70,000
<i>Intergovernmental receivable</i>	871,060	--
<i>Due from other funds</i>	601,287	--
<i>Inventories</i>	114,719	--
<i>Prepaid items and other current assets</i>	465	--
<i>Restricted assets:</i>		
<i>Cash and cash equivalents</i>	8,968,402	--
 <b>Total Assets</b>	 <b>\$ 21,687,980</b>	 <b>\$ 5,313,411</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
<i>Accounts payable</i>	\$ 648,024	\$ 194,091
<i>Accrued and other liabilities</i>	397,515	17,992
<i>Due to other funds</i>	--	1
<i>Due to other governments</i>	297,385	--
<i>Due to others</i>	172,726	--
<i>Deferred revenue</i>	14,459,140	--
<b>Total Liabilities</b>	<b>15,974,790</b>	<b>212,084</b>
 <i>Fund balances:</i>		
<i>Reserved for:</i>		
<i>Debt service</i>	--	--
<i>Inventory</i>	114,719	--
<i>Unreserved, reported in:</i>		
General fund	5,598,471	--
Special revenue funds	--	--
Capital projects funds	--	5,101,327
<b>Total fund balances</b>	<b>5,713,190</b>	<b>5,101,327</b>
 <b>Total Liabilities &amp; Fund Balances</b>	 <b>\$ 21,687,980</b>	 <b>\$ 5,313,411</b>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

New Jail Building	Other Governmental Funds	Total Governmental Funds
\$ 1,577,996	\$ 4,104,268	\$ 16,601,747
-	463,519	4,621,629
427	128,842	1,497,134
-	129,173	1,000,233
-	538	601,825
-	2,860	117,579
-	-	465
-	125	8,968,527
<u>\$ 1,578,423</u>	<u>\$ 4,829,325</u>	<u>\$ 33,409,139</u>
\$ 191,003	\$ 19,675	\$ 1,052,793
321,051	103	736,661
-	601,824	601,825
-	20,001	317,386
-	9,952	182,678
-	1,687,039	16,146,179
<u>512,054</u>	<u>2,338,594</u>	<u>19,037,522</u>
-	395,283	395,283
-	2,860	117,579
-	-	5,598,471
-	1,901,554	1,901,554
1,066,369	191,034	6,358,730
<u>1,066,369</u>	<u>2,490,731</u>	<u>14,371,617</u>
<u>\$ 1,578,423</u>	<u>\$ 4,829,325</u>	<u>\$ 33,409,139</u>

*This page intentionally left blank*

**CALHOUN COUNTY, TEXAS**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2005*

Total fund balances - governmental funds balance sheet	\$ 14,371,617
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.	29,094,434
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	213,073
Payables for bond principal which are not due in the current period are not reported in the funds.	(18,517,567)
Payables for bond interest which are not due in the current period are not reported in the funds.	(231,612)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(92,068)
Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds.	474,975
Revenue recognition for certain receivables is deferred in the funds.	<u>869,942</u>
Net assets of governmental activities - statement of net assets	<u>\$ 26,182,795</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, 2005

	General Fund	Courthouse Renovation
<b>Revenues:</b>		
<i>Ad valorem taxes</i>	\$ 13,250,424	\$ --
<i>Sales taxes</i>	1,061,161	--
<i>Other taxes</i>	10,207	--
<i>Intergovernmental</i>	309,833	--
<i>Charges for services</i>	918,723	--
<i>Permits and licenses</i>	14,631	--
<i>Fines and forfeitures</i>	242,787	--
<i>Interest</i>	358,189	177,880
<i>Gifts and contributions</i>	6,250	--
<i>Rents and leases</i>	241,264	--
<i>Miscellaneous</i>	90,659	78,598
<b>Total revenues</b>	<u>16,504,128</u>	<u>256,478</u>
<b>Expenditures:</b>		
<b>Current:</b>		
<i>General administration</i>	1,260,803	--
<i>Judicial</i>	1,003,612	--
<i>Legal</i>	461,650	--
<i>Financial administration</i>	787,394	--
<i>Public facilities</i>	743,800	1,205,380
<i>Public safety</i>	4,186,993	--
<i>Roads and bridges</i>	3,020,166	--
<i>Health and welfare</i>	3,338,530	--
<i>Community development</i>	168,251	--
<i>Culture and recreation</i>	434,787	--
<i>Social services</i>	45,155	--
<i>Conservation</i>	7,750	--
<i>Sanitation services</i>	159,046	--
<i>Nondepartmental</i>	--	--
<b>Debt service:</b>		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	10,091	--
<b>Total expenditures</b>	<u>15,628,028</u>	<u>1,205,380</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>876,100</b>	<b>(948,902)</b>
<b>Other financing sources (uses):</b>		
<i>Transfers in</i>	619,227	--
<i>Transfers out</i>	(48,513)	--
<i>Gain on sale of capital assets</i>	18,948	--
<b>Total other financing sources (uses)</b>	<u>589,662</u>	<u>--</u>
<b>Net change in fund balances</b>	<b>1,465,762</b>	<b>(948,902)</b>
<b>Fund balances, January 1</b>	<u>4,247,428</u>	<u>6,050,229</u>
<b>Fund balances, December 31</b>	<u>\$ 5,713,190</u>	<u>\$ 5,101,327</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

New Jail Building	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,543,624	\$ 14,794,048
--	--	1,061,161
--	14,316	24,523
--	607,148	916,981
--	114,282	1,033,005
--	633,646	648,277
--	128,817	371,604
131,239	87,871	755,179
--	138,940	145,190
--	12,935	254,199
566	58,654	228,477
<u>131,805</u>	<u>3,340,233</u>	<u>20,232,644</u>
--	373,472	1,634,275
--	6,170	1,009,782
--	55,775	517,425
--	--	787,394
--	168,657	2,117,837
4,707,065	145,848	9,039,906
--	611,284	3,631,450
--	--	3,338,530
--	--	168,251
--	22,210	456,997
--	--	45,155
--	61,818	69,568
--	--	159,046
--	128,109	128,109
--	740,000	740,000
--	800,668	810,759
<u>4,707,065</u>	<u>3,114,011</u>	<u>24,654,484</u>
(4,575,260)	226,222	(4,421,840)
--	48,513	667,740
--	(619,227)	(667,740)
--	--	18,948
<u>--</u>	<u>(570,714)</u>	<u>18,948</u>
(4,575,260)	(344,492)	(4,402,892)
<u>5,641,629</u>	<u>2,835,223</u>	<u>18,774,509</u>
<u>\$ 1,066,369</u>	<u>\$ 2,490,731</u>	<u>\$ 14,371,617</u>

**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, 2005*

Net change in fund balances - total governmental funds	\$ (4,402,892)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	7,224,422
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,724,085)
The gain or loss on the sale of capital assets is not reported in the funds.	(105,187)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(112,936)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(41,324)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	740,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	11,556
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(6,563)
(Increase) decrease in accrued interest from beginning of period to end of period.	16,975
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>736</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 1,600,702</u>

The accompanying notes are an integral part of this statement.



**CALHOUN COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**ENTERPRISE FUND**  
**DECEMBER 31, 2005**

	Enterprise Fund <u>Memorial Medical Center</u>
<b>ASSETS</b>	
Current assets:	
<i>Cash and cash equivalents</i>	\$ 2,452,657
Receivables (net of allowances for uncollectibles):	
<i>Accounts</i>	2,430,304
<i>Prepaid items and other current assets</i>	604,546
Total current assets	<u>5,487,507</u>
Noncurrent assets	
Restricted assets:	
<i>Cash and cash equivalents</i>	14,140
Capital assets :	
<i>Land</i>	32,143
<i>Buildings</i>	2,806,573
<i>Equipment</i>	3,146,208
	<u>5,984,924</u>
Total Assets	<u>11,486,571</u>
<b>LIABILITIES</b>	
Current liabilities:	
<i>Accounts payable</i>	279,342
<i>Accrued and other liabilities</i>	821,247
<i>Capital leases payable - current portion</i>	358,055
Total current liabilities	<u>1,458,644</u>
Noncurrent liabilities:	
<i>Capital leases payable</i>	867,645
Total noncurrent liabilities	<u>867,645</u>
Total Liabilities	<u>2,326,289</u>
<b>NET ASSETS</b>	
<i>Invested in Capital Assets, Net of Related Debt</i>	4,759,224
Unrestricted	4,401,058
Total Net Assets	<u>\$ 9,160,282</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Enterprise Fund <u>Memorial Medical Center</u>
<b>OPERATING REVENUES:</b>	
<i>Patient service revenues (net)</i>	\$ 20,081,390
<i>Other operating revenues</i>	155,160
<b>Total Operating Revenues</b>	<u>20,236,550</u>
<b>OPERATING EXPENSES:</b>	
<i>Operating expenses</i>	18,709,228
<i>Depreciation and amortization</i>	1,369,194
<b>Total Operating Expenses</b>	<u>20,078,422</u>
<b>Operating Income (Loss)</b>	<u>158,128</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
<i>Interest revenue</i>	40,134
<i>Interest expense</i>	(59,402)
<i>Loss on sale of capital assets</i>	(36,111)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(55,379)</u>
<b>Net Income (Loss) before Capital Contributions and Transfers</b>	<u>102,749</u>
<b>CAPITAL CONTRIBUTIONS:</b>	
<i>Capital contributions</i>	118,519
<b>Total Capital Contributions</b>	<u>118,519</u>
<b>Increase (decrease) in net assets</b>	221,268
<b>Net assets, January 1</b>	<u>8,939,014</u>
<b>Net assets, December 31</b>	<u>\$ 9,160,282</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, 2005**

	Enterprise Fund Memorial Medical Center
<b>Cash Flows from Operating Activities:</b>	
Cash received from patients and third-party payors	\$ 20,439,140
Other receipts and payments from operations, net	155,160
Cash paid to suppliers	(9,506,331)
Cash paid to employees	(7,494,607)
Cash paid for employee benefits and payroll taxes	(1,776,925)
Net Cash Provided (Used) by Operating Activities	<u>1,816,437</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Noncapital grants and contributions	118,519
Net Cash Provided (Used) by Non-capital Financing Activities	<u>118,519</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Principal payments on long-term debt and notes payable	(346,987)
Interest payments on long-term debt and notes payable	(59,402)
Purchase of capital assets	(511,931)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(918,320)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment earnings	40,134
Net Cash Provided (Used) for Investing Activities	<u>40,134</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,056,770
Cash and Cash Equivalents at Beginning of Year	<u>1,410,027</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,466,797</u>
<b>Reconciliation of Cash and Cash Equivalents to Balance Sheet</b>	
Cash and cash equivalents	\$ 2,452,667
Restricted cash and cash equivalents	<u>14,140</u>
	<u>\$ 2,466,807</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 158,128
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	1,369,194
Change in Assets and Liabilities:	
Decrease (Increase) in receivables	387,474
Decrease (Increase) in other assets	149,245
Increase (Decrease) in accounts payable and accrued expenses	(217,880)
Increase (Decrease) in third-party payor settlements	(29,724)
Total Adjustments	<u>1,658,309</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,816,437</u>

The accompanying notes are an integral part of this statement.

**CALHOUN COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2005**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Assets:	
<i>Cash and cash equivalents</i>	\$ 1,001,518
<i>Intergovernmental receivable</i>	108,403
<i>Due from other funds</i>	104,612
<i>Due from others</i>	<u>30,587</u>
<b>Total Assets</b>	<b>\$ <u>1,245,120</u></b>
<b>LIABILITIES</b>	
<i>Accounts payable</i>	\$ 1,426
<i>Due to other funds</i>	104,612
<i>Due to other governments</i>	303,767
<i>Due to others</i>	<u>835,315</u>
<b>Total Liabilities</b>	<b>\$ <u>1,245,120</u></b>

The accompanying notes are an integral part of this statement.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting"* provides guidance on accounting standards to be applied by proprietary funds. 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, 2005

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 later 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, 2005 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, 2005*

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 2005, 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 and 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 - 50 years
Improvements other than buildings	45 years
Equipment	5 - 20 years
Leased assets	3 - 7 years
Infrastructure	35 - 40 years

**6. Compensated Absences**

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

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

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:

- 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.
- 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.
- 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.”

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	\$ 309,489
Deferred loss on refunding	8,750
Prepaid insurance	<u>156,736</u>
	<u>\$ 474,975</u>

Revenue recognition for certain receivables is deferred in the funds:

JP fines receivable	\$ 584,663
County Court fines receivable	56,007
District Court fines receivable	90,414
Ambulance revenue	<u>138,858</u>
	<u>\$ 869,942</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	\$ (19,701)
JP fines	(40,151)
County Court fines	28,489
District Court fines	(90,830)
Ambulance revenue	<u>9,257</u>
	<u>\$ (112,936)</u>

Expense recognition is deferred to future periods.

Change in prepaid insurance	<u>\$ (41,324)</u>
-----------------------------	--------------------

**III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES**

**A. Deposits**

At year end, the carrying amount of the County's cash and cash equivalents was \$29,038,588 and the bank balance was \$29,845,654. The bank balance was collateralized with securities held by the County's depository's agent in the County's name. At year end, the County's depository had pledged securities, with a par value of \$76,435,120 and fair value of \$75,737,675.

The County's deposits are classified as follows at December 31, 2005:

Unrestricted for general government use	\$ 19,054,403
Unrestricted, held for third parties	1,001,518
Restricted for use in next fiscal year.	<u>8,982,667</u>
	<u>\$ 29,038,588</u>

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

**B. Investments**

During 2005, 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.

**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.

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

Receivables for individual major funds and nonmajor funds in the aggregate at December 31, 2005 were as follows:

	General	Courthouse Renovation	New Jail Building	Business- Type Activities	Nonmajor Funds	Total
Taxes receivable	\$ 4,376,958	\$ -	\$ -	\$ -	\$ 487,917	\$ 4,864,875
Allowance for uncollectible taxes	(218,848)	-	-	-	(24,398)	(243,246)
	<u>4,158,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,519</u>	<u>4,621,629</u>
Accounts receivable	2,122,514	70,000	427	4,405,347	301,807	6,900,095
Allowance for uncollectible	(824,649)	-	-	(1,975,043)	(172,965)	(2,972,657)
	<u>1,297,865</u>	<u>70,000</u>	<u>427</u>	<u>2,430,304</u>	<u>128,842</u>	<u>3,927,438</u>
Total	<u>\$ 5,455,975</u>	<u>\$ 70,000</u>	<u>\$ 427</u>	<u>\$ 2,430,304</u>	<u>\$ 592,361</u>	<u>\$ 8,549,067</u>

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

	Unavailable	Unearned	Total
Current tax levy receivable			
General Fund	\$ 198,515	\$ 3,892,319	\$ 4,090,834
Memorial Medical Center Debt Service	3,587	83,078	86,665
2003-A Jail Bonds Debt Service	5,114	150,211	155,325
2003-B GO Refinancing Bonds Debt Service	4,020	130,071	134,091
2004 Courthouse Renovation Debt Service	1,837	83,078	84,915
Delinquent property taxes receivable			
General Fund	-	-	-
Taxes collected in advance			
General Fund	-	9,625,707	9,625,707
Memorial Medical Center Debt Service	-	203,708	203,708
2003-A Jail Bonds Debt Service	-	368,320	368,320
2003-B GO Refinancing Bonds Debt Service	-	318,936	318,936
2004 Courthouse Renovation Debt Service	-	203,708	203,708
Fines receivable			
General Fund	602,280	-	602,280
Courthouse Security	583	-	583
Pretrial Services	3,625	-	3,625
Records Management and Preservation	3,021	-	3,021
Road and Bridge	121,575	-	121,575
Ambulance fees receivable			
General Fund	138,857	-	138,857
Other revenue collected in advance			
General Fund	-	1,462	1,462
Port O'Connor Community Center	-	900	900
Dist. Attny. Gun Violence Prosecution Program	-	1,667	1,667
	<u>\$ 1,083,014</u>	<u>\$ 15,063,165</u>	<u>\$ 16,146,179</u>

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
*December 31, 2005*

Reported in funds financial statements as:

Deferred revenue	\$ 5,425,800
Taxes collected in advance	10,720,379
Total	<u>\$ 16,146,179</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, 2005

The following is a summary of capital asset activity for the year ended December 31, 2005:

	Balance 12/31/2004	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2005
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,749,144	\$ 57,136	\$ -	\$ -	\$ 1,806,280
Construction in progress	4,824,016	5,916,385	-	(853,115)	9,887,286
<b>Total capital assets not being depreciated</b>	<b>6,573,160</b>	<b>5,973,521</b>	<b>-</b>	<b>(853,115)</b>	<b>11,693,566</b>
Capital assets, being depreciated					
Buildings	10,640,134	114,851	-	-	10,754,985
Improvements other than buildings	5,293,909	154,597	-	184,739	5,633,245
Furniture, fixtures and equipment	8,859,466	909,542	(176,365)	-	9,592,643
Infrastructure	16,252,851	71,912	-	668,376	16,993,139
<b>Total capital assets being depreciated</b>	<b>41,046,360</b>	<b>1,250,902</b>	<b>(176,365)</b>	<b>853,115</b>	<b>42,974,012</b>
Less accumulated depreciation for:					
Buildings	(5,242,454)	(497,263)	-	-	(5,739,717)
Improvements other than buildings	(3,200,957)	(163,536)	-	-	(3,364,493)
Furniture, fixtures and equipment	(5,856,325)	(629,250)	147,498	-	(6,338,077)
Infrastructure	(9,696,823)	(434,034)	-	-	(10,130,857)
<b>Total accumulated depreciation</b>	<b>(23,996,559)</b>	<b>(1,724,083)</b>	<b>147,498</b>	<b>-</b>	<b>(25,573,144)</b>
<b>Total capital assets being depreciated, net</b>	<b>17,049,801</b>	<b>(473,181)</b>	<b>(28,867)</b>	<b>853,115</b>	<b>17,400,868</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 23,622,961</b>	<b>\$ 5,500,340</b>	<b>\$ (28,867)</b>	<b>\$ -</b>	<b>\$ 29,094,434</b>

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

Functions/Programs	
General administration	\$ 15,681
Judicial	13,754
Legal	8,285
Financial administration	1,954
Public facilities	22,098
Public safety	231,936
Roads and bridges	614,739
Health and welfare	87,989
Community development	5,599
Culture and recreation	177,703
Social services	24,278
Sanitation services	19,377
Nondepartmental	500,690
<b>Total expenditures</b>	<b>\$ 1,724,083</b>

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

	Balance 12/31/2004	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2005
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 32,143	\$ -	\$ -	\$ -	\$ 32,143
Capital assets, being depreciated:					
Buildings and improvements	8,837,745	33,372	-	-	8,871,117
Equipment	12,158,945	478,377	(364,786)	930,200	13,202,736
Leased assets	2,029,900	-	-	(930,200)	1,099,700
Total capital assets being depreciated	<u>23,026,590</u>	<u>511,749</u>	<u>(364,786)</u>	<u>-</u>	<u>23,173,553</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,737,824)	(326,720)	-	-	(6,064,544)
Equipment	(9,003,620)	(851,204)	328,765	-	(9,526,059)
Leased assets	(1,438,991)	(191,178)	-	-	(1,630,169)
Total accumulated depreciation	<u>(16,180,435)</u>	<u>(1,369,102)</u>	<u>328,765</u>	<u>-</u>	<u>(17,220,772)</u>
Total capital assets being depreciated, net	<u>6,846,155</u>	<u>(857,353)</u>	<u>(36,021)</u>	<u>-</u>	<u>5,952,781</u>
Business-type activities capital assets, net	<u>\$ 6,878,298</u>	<u>\$ (857,353)</u>	<u>\$ (36,021)</u>	<u>\$ -</u>	<u>\$ 5,984,924</u>

**Construction commitments**

During 2004, the County began construction of a new jail. In 2005 the County began mold remediation and renovation of the county courthouse. The County is also participating in the Highway 87 expansion with the Texas Department of Transportation (TxDOT).

Description	Commitment	Cost Incurred	Remainder
Courthouse renovation	\$ 5,810,276	\$ 1,276,860	\$ 4,533,416
New county jail	8,099,700	6,928,176	1,171,524
Highway 87 expansion	<u>1,500,000</u>	<u>1,204,237</u>	<u>295,763</u>
	<u>\$ 15,409,976</u>	<u>\$ 9,409,273</u>	<u>\$ 6,000,703</u>

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

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

**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, 2005, 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 12/31/2005</u>
<b>GOVERNMENTAL TYPE ACTIVITIES DEBT</b>						
General Obligation Bonds:						
Buildings	\$ 8,490,000	2003	2023	\$ 660,000	3.45 % - 4.65%	\$ 8,135,000
Bond premium/discount						9,078
Refunding	3,340,000	2003	2011	490,000	2.00 % - 4.00%	<u>2,615,000</u>
						<u>10,759,078</u>
Certificates of Obligation:						
Buildings	3,130,000	1996	2006	293,000	4.35% - 7.00%	1,925,000
Buildings	5,890,000	2004	2024	477,000	3.00% - 4.55%	5,890,000
Bond premium/discount						(56,511)
						<u>7,758,489</u>
Total Governmental Type Activities Debt						<u>\$ 18,517,567</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>
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	1,155,000	605,467	1,760,467
2011 - 2015	4,810,000	2,388,253	7,198,253
2016 - 2020	4,590,000	1,477,954	6,067,954
2021 - 2024	<u>3,785,000</u>	<u>398,316</u>	<u>4,183,316</u>
	<u>\$ 18,565,000</u>	<u>\$ 7,671,042</u>	<u>\$ 26,236,042</u>

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



**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

**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, 2005 the County had the following obligations under capital lease:

**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 \$988,598. \$ 1,225,700

Annual debt service requirements to maturity for capital lease obligations:

Year Ending December 31,	Business-Type Activities
2006	\$ 390,816
2007	390,816
2008	327,247
2009	149,940
2010	36,770
	<u>1,295,589</u>
Less: interest	<u>(69,889)</u>
	<u>\$ 1,225,700</u>

**D. Schedule of Changes in Long-Term Debt**

Description	December 31, 2004	Additions	Retirements	December 31, 2005	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 11,304,582	\$ -	\$ (545,504)	\$ 10,759,078	\$ 570,504
Certificates of obligation	7,950,515	-	(192,026)	7,758,489	247,026
Total bonds payable	<u>19,255,097</u>	-	<u>(737,530)</u>	<u>18,517,567</u>	<u>817,530</u>
Capital lease obligation	11,556	-	(11,556)	-	-
Accrued compensated absences	92,801	-	(733)	92,068	92,068
	<u>\$ 19,359,454</u>	<u>\$ -</u>	<u>\$ (749,819)</u>	<u>\$ 18,609,635</u>	<u>\$ 909,598</u>
<b>Business-type activities</b>					
Capital lease obligation	\$ 1,572,687	\$ -	\$ (346,987)	\$ 1,225,700	\$ 358,055
Accrued compensated absences	310,109	-	(17,779)	292,330	292,330
	<u>\$ 1,882,796</u>	<u>\$ -</u>	<u>\$ (364,766)</u>	<u>\$ 1,518,030</u>	<u>\$ 650,385</u>

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

**CALHOON COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

**VII. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND OPERATING TRANSFERS**

Interfund receivables and payables at December 31, 2005 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 601,287	\$ -
Courthouse Renovation	-	1
Nonmajor governmental type funds	203	601,489
Total Due From/To Other Funds	<u>\$ 601,490</u>	<u>\$ 601,490</u>

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

Operating transfers during 2005 were as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 619,227	\$ 48,513
Nonmajor governmental funds	48,513	619,227
	<u>\$ 667,740</u>	<u>\$ 667,740</u>

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

**VIII. RETIREMENT COMMITMENTS**

**A. Plan Description**

The County and Memorial Medical Center (MMC) provide retirement, disability, and death benefits for all of their respective full-time employees through nontraditional defined benefit plans in the state-wide Texas 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 559 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-2034.

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

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

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

**B. Funding Policy**

The County and MMC have elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plans are funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 9.50% and 4.27%, respectively for the County and MMC for 2005.

The contribution rate payable by the employee members for calendar year 2005 is the rate of 7% as adopted by the County Commissioners' Court and MMC's Board. The employee contribution rate and the employer contribution rate may be changed by the County Commissioners' Court and MMC's Board within the options available in the TCDRS Act.

**C. Annual Pension Cost**

For the fiscal year ended December 31, 2005, the annual pension cost for the TCDRS plans for employees and the employer's actual contributions were \$506,318 and \$431,223, respectively, for the County and MMC.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2003, the basis for determining the contribution rate for calendar year 2005. The December 31, 2004 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

	<u>12/31/02</u>	<u>12/31/03</u>	<u>12/31/04</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
Amortization period in years			
County	20	20	20
MMC	30	30	30
Asset valuation method	long-term	long-term	long-term
	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%

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

**Schedule of Funding Progress**

Actuarial valuation date	12/31/02	12/31/03	12/31/04
<b>County</b>			
Actuarial value of assets	\$ 9,326,584	\$ 10,480,204	\$ 11,376,655
Actuarial accrued liability (AAL)	\$ 11,265,573	\$ 12,342,465	\$ 13,328,007
Unfunded actuarial accrued liability (UAAL)	\$ 1,938,989	\$ 1,862,261	\$ 1,951,352
Funded ratio	82.8%	84.9%	85.4%
Annual covered payroll (actuarial)	\$ 4,915,031	\$ 5,296,682	\$ 5,237,650
UAAL as percentage of covered payroll	39.5%	35.2%	37.3%
<b>MMC</b>			
Actuarial value of assets	\$ 9,559,421	\$ 10,510,221	\$ 11,575,171
Actuarial accrued liability (AAL)	\$ 8,637,802	\$ 9,455,283	\$ 10,464,422
Unfunded actuarial accrued liability (UAAL)	\$ (921,619)	\$ (1,054,938)	\$ (1,110,749)
Funded ratio	110.7%	111.2%	110.6%
Annual covered payroll (actuarial)	\$ 5,948,927	\$ 6,352,220	\$ 6,029,716
UAAL as percentage of covered payroll	-15.5%	-16.6%	-18.4%

**Trend Information**

Fiscal Year Ended	12/31/03	12/31/04	12/31/05
<b>Annual Pension Cost (APC)</b>			
County	\$ 483,273	\$ 495,645	\$ 506,318
MMC	\$ 444,293	\$ 422,081	\$ 431,223
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -

**IX. RISK MANAGEMENT**

The County and MMC are 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.

MMC participates in an interlocal pool (the "Pool") of approximately 34 Texas rural governmental hospitals sharing risk for workers compensation injuries. The Pool calculates a minimum pool contribution which is funded initially for participation and additionally calculates an expected level of claim development both based on payroll and claim estimates of MMC. If MMC experiences claim losses above this claim expectation, the required pool contribution may increase up to a second threshold. The pool may also assess supplementary assessments to member hospitals not to exceed 100% of annual payment for any previous year MMC was a participant. The Pool maintains specific excess insurance on a per occurrence basis and also aggregates excess insurance that provide some mitigation of overall member losses. However, it is not possible to determine if these changes will be sufficient to maintain the loss pool without additional assessments to MMC. At December 31, 2005, MMC does not believe that a reserve for any assessments is necessary.

MMC is partially self-insured for employee health claims. Additionally, insurance covers aggregate expenses in excess of \$1,000,000. An estimated liability of \$150,000 has been recorded for claims that are unpaid at December 31, 2005, as well as for those that are incurred but not reported. These estimates are based on an analysis of claims filed subsequent in conjunction with the above noted excess insurance.

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

	<u>2005</u>	<u>2004</u>
Liability at beginning of year	131,053	\$ 210,000
Current year claims and changes in estimates	1,066,631	1,008,011
Claims payments	<u>(1,047,684)</u>	<u>(1,086,958)</u>
Liability at end of year	<u>\$ 150,000</u>	<u>\$ 131,053</u>

**X. COMMITMENTS AND CONTINGENCIES**

The County and Memorial Medical Center (MMC) are parties 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 and MMC's management, their resolution will not have a material adverse effect on the financial condition of the County or MMC.

MMC leases various equipment and facilities under operating leases expiring at various dates through October 2010. Total rental expense in 2005 for all operating leases was approximately \$365,579.

MMC has 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 \$205,037 under these agreements with an unamortized balance due at December 31, 2005 of \$77,493.

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, 2005 was \$17,420,230.

**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.

**CALHOUN COUNTY, TEXAS**  
*Notes to Basic Financial Statements*  
 December 31, 2005

**C. Restatement of Prior Periods**

Beginning net assets for governmental activities has been restated to record road and bridge inventory and to defer revenue from a tax levy intended to finance operations of the following year.

	<u>As Reported</u> <u>12/31/04</u>	<u>Adjustments</u>	<u>As Restated</u> <u>12/31/04</u>
<b>GOVERNMENTAL ACTIVITIES</b>			
Inventories	\$ -	\$ 75,625	\$ 75,625
Unearned revenue	10,143,511	4,257,767	14,401,278
<b>Net Assets</b>			
Restricted for:			
Debt service	347,095	33,892	380,987
Unrestricted	6,820,883	(4,216,036)	2,604,847
<b>GOVERNMENTAL ACTIVITIES</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 1,989,520	\$ 10,533	\$ 2,000,053
<b>General Revenues</b>			
Ad valorem taxes	14,768,039	(68,161)	14,699,878
Change in Net Assets	1,616,201	(57,628)	1,558,573
Net Assets - Beginning	27,137,180	(4,124,516)	23,012,664
Net Assets - Ending	28,753,381	(4,182,144)	24,571,237

**REQUIRED SUPPLEMENTARY INFORMATION**

**CALHOUN COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT B-1**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Ad valorem taxes</i>	\$ 13,300,000	\$ 13,318,820	\$ 13,250,424	\$ (68,396)
<i>Sales taxes</i>	600,000	600,000	1,061,161	461,161
<i>Other taxes</i>	10,000	10,000	10,207	207
<i>Intergovernmental</i>	79,500	82,545	309,833	227,288
<i>Charges for services</i>	671,520	673,413	918,723	245,310
<i>Permits and licenses</i>	11,500	11,500	14,631	3,131
<i>Fines and forfeitures</i>	250,000	250,000	242,787	(7,213)
<i>Interest</i>	200,000	200,000	358,189	158,189
<i>Gifts and contributions</i>	4,000	4,000	6,250	2,250
<i>Rents and leases</i>	6,900	6,900	241,264	234,364
<i>Miscellaneous</i>	1,700	40,330	90,659	50,329
<b>Total revenues</b>	<u>15,135,120</u>	<u>15,197,508</u>	<u>16,504,128</u>	<u>1,306,620</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>General administration</i>	1,320,843	1,341,630	1,260,803	80,827
<i>Judicial</i>	1,076,431	1,086,826	1,003,612	83,214
<i>Legal</i>	466,592	477,923	461,650	16,273
<i>Financial administration</i>	800,854	828,034	787,394	40,640
<i>Public facilities</i>	794,861	853,183	743,800	109,383
<i>Public safety</i>	4,593,015	4,799,862	4,186,993	612,869
<i>Roads and bridges</i>	3,163,112	3,232,424	3,020,166	212,258
<i>Health and welfare</i>	2,784,105	3,644,624	3,338,530	306,094
<i>Community development</i>	194,698	194,754	168,251	26,503
<i>Culture and recreation</i>	443,773	448,924	434,787	14,137
<i>Social services</i>	47,819	47,944	45,155	2,789
<i>Conservation</i>	7,750	7,750	7,750	--
<i>Sanitation services</i>	183,122	183,260	159,046	24,214
<b>Debt service:</b>				
<i>Interest and fiscal charges</i>	11,775	11,775	10,091	1,684
<b>Total expenditures</b>	<u>15,888,750</u>	<u>17,158,913</u>	<u>15,628,028</u>	<u>1,530,885</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(753,630)</b>	<b>(1,961,405)</b>	<b>876,100</b>	<b>2,837,505</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	600,000	619,228	619,227	(1)
<i>Transfers out</i>	(80,000)	(48,513)	(48,513)	--
<i>Gain on sale of fixed assets</i>	(28,000)	(22,554)	18,948	41,502
<b>Total other financing sources (uses)</b>	<u>492,000</u>	<u>548,161</u>	<u>589,662</u>	<u>(41,501)</u>
<b>Net change in fund balances</b>	<b>(261,630)</b>	<b>(1,413,244)</b>	<b>1,465,762</b>	<b>2,879,006</b>
<b>Fund balances, January 1</b>	<u>4,247,428</u>	<u>4,247,428</u>	<u>4,247,428</u>	<u>--</u>
<b>Fund balances, December 31</b>	<u>\$ 3,985,798</u>	<u>\$ (2,834,184)</u>	<u>\$ 5,713,190</u>	<u>\$ 2,879,006</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.

*This page intentionally left blank.*

**SUPPLEMENTARY INFORMATION – NON-MAJOR COMBINING  
AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2005**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 1,941,519	\$ 1,410,233	\$ 752,516	\$ 4,104,268
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Taxes</i>	--	463,519	--	463,519
<i>Accounts</i>	128,842	--	--	128,842
<i>Intergovernmental receivable</i>	1,365	77,075	50,733	129,173
<i>Due from other funds</i>	203	--	335	538
<i>Inventories</i>	2,860	--	--	2,860
<i>Restricted assets:</i>				
<i>Cash and cash equivalents</i>	--	125	--	125
<b>Total Assets</b>	<b><u>\$ 2,074,789</u></b>	<b><u>\$ 1,950,952</u></b>	<b><u>\$ 803,584</u></b>	<b><u>\$ 4,829,325</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable</i>	\$ 14,606	\$ --	\$ 5,069	\$ 19,675
<i>Accrued and other liabilities</i>	103	--	--	103
<i>Due to other funds</i>	14,343	1	587,480	601,824
<i>Due to other governments</i>	--	--	20,001	20,001
<i>Due to others</i>	9,952	--	--	9,952
<i>Deferred revenue</i>	131,371	1,555,668	--	1,687,039
<b>Total Liabilities</b>	<b><u>170,375</u></b>	<b><u>1,555,669</u></b>	<b><u>612,550</u></b>	<b><u>2,338,594</u></b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
<i>Debt service</i>	--	395,283	--	395,283
<i>Inventory</i>	2,860	--	--	2,860
<b>Unreserved, reported in:</b>				
<i>Special revenue funds</i>	1,901,554	--	--	1,901,554
<i>Capital projects funds</i>	--	--	191,034	191,034
<b>Total fund balances</b>	<b><u>1,904,414</u></b>	<b><u>395,283</u></b>	<b><u>191,034</u></b>	<b><u>2,490,731</u></b>
<b>Total Liabilities &amp; Fund Balances</b>	<b><u>\$ 2,074,789</u></b>	<b><u>\$ 1,950,952</u></b>	<b><u>\$ 803,584</u></b>	<b><u>\$ 4,829,325</u></b>

**CALHOUN COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenues:</b>				
<i>Ad valorem taxes</i>	\$ --	\$ 1,543,624	\$ --	\$ 1,543,624
<i>Other taxes</i>	14,316	--	--	14,316
<i>Intergovernmental</i>	303,805	--	303,343	607,148
<i>Charges for services</i>	114,282	--	--	114,282
<i>Permits and licenses</i>	633,646	--	--	633,646
<i>Fines and forfeitures</i>	128,817	--	--	128,817
<i>Interest</i>	64,350	23,521	--	87,871
<i>Gifts and contributions</i>	23,290	--	115,650	138,940
<i>Rents and leases</i>	12,935	--	--	12,935
<i>Miscellaneous</i>	57,671	9	974	58,654
<b>Total revenues</b>	<u>1,353,112</u>	<u>1,567,154</u>	<u>419,967</u>	<u>3,340,233</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>General administration</i>	283,951	--	89,521	373,472
<i>Judicial</i>	6,170	--	--	6,170
<i>Legal</i>	55,775	--	--	55,775
<i>Public facilities</i>	97,272	--	71,385	168,657
<i>Public safety</i>	16,685	--	129,163	145,848
<i>Roads and bridges</i>	606,245	--	5,039	611,284
<i>Culture and recreation</i>	22,210	--	--	22,210
<i>Conservation</i>	--	--	61,818	61,818
<i>Nondepartmental</i>	128,109	--	--	128,109
<b>Debt service:</b>				
<i>Principal</i>	--	740,000	--	740,000
<i>Interest and fiscal charges</i>	--	800,668	--	800,668
<b>Total expenditures</b>	<u>1,216,417</u>	<u>1,540,668</u>	<u>356,926</u>	<u>3,114,011</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	136,695	26,486	63,041	226,222
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	47,000	--	1,513	48,513
<i>Transfers out</i>	(618,852)	(375)	--	(619,227)
<b>Total other financing sources (uses)</b>	<u>(571,852)</u>	<u>(375)</u>	<u>1,513</u>	<u>(570,714)</u>
<b>Net change in fund balances</b>	(435,157)	26,111	64,554	(344,492)
<b>Fund balances, January 1</b>	<u>2,339,571</u>	<u>369,172</u>	<u>126,480</u>	<u>2,835,223</u>
<b>Fund balances, December 31</b>	<u>\$ 1,904,414</u>	<u>\$ 395,283</u>	<u>\$ 191,034</u>	<u>\$ 2,490,731</u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2005**

	District Attorney Funds	Sheriff Funds	Special Airport Fund	Appellate Judicial System
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 1,667	\$ 827	\$ 11,979	\$ 2,128
<i>Accounts receivable (net of allowances for uncollectibles)</i>	--	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Inventories</i>	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,667</u>	<u>\$ 827</u>	<u>\$ 11,979</u>	<u>\$ 2,128</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ 1,104	\$ 2,128
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	827	--	--
<i>Deferred revenue</i>	1,667	--	--	--
Total Liabilities	<hr/> <u>1,667</u>	<hr/> <u>827</u>	<hr/> <u>1,104</u>	<hr/> <u>2,128</u>
Fund balances:				
Reserved for:				
<i>Inventory</i>	--	--	--	--
Unreserved, reported in:				
Special revenue funds	--	--	10,875	--
Total fund balances	<hr/> <u>--</u>	<hr/> <u>--</u>	<hr/> <u>10,875</u>	<hr/> <u>--</u>
Total Liabilities & Fund Balances	<u>\$ 1,667</u>	<u>\$ 827</u>	<u>\$ 11,979</u>	<u>\$ 2,128</u>

C.A.W.S. Animal Control	Chamber Tourism Center	Court House Security Fund	District Attorney Forfeiture	DA Hot Check
\$ 140	\$ 224	\$ 172,456	\$ 36,680	\$ 10,952
--	--	584	--	--
--	--	--	203	--
--	--	--	--	--
<u>140</u>	<u>224</u>	<u>173,040</u>	<u>36,883</u>	<u>10,952</u>
\$ --	\$ --	\$ --	\$ 5,383	\$ 341
--	--	--	--	--
--	--	--	--	55
--	--	583	--	--
--	--	<u>583</u>	<u>5,383</u>	<u>396</u>
--	--	--	--	--
<u>140</u>	<u>224</u>	<u>172,457</u>	<u>31,500</u>	<u>10,556</u>
<u>140</u>	<u>224</u>	<u>172,457</u>	<u>31,500</u>	<u>10,556</u>
<u>\$ 140</u>	<u>\$ 224</u>	<u>\$ 173,040</u>	<u>\$ 36,883</u>	<u>\$ 10,952</u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2005**

	<u>Donations</u>	<u>Family Protection</u>	<u>Graffiti Eradication</u>	<u>Grants</u>
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 138,665	\$ 467	\$ 7,194	\$ 51,095
<i>Accounts receivable (net of allowances for uncollectibles)</i>	--	--	--	--
<i>Intergovernmental receivable</i>	--	225	--	1,140
<i>Due from other funds</i>	--	--	--	--
<i>Inventories</i>	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>138,665</u>	\$ <u>692</u>	\$ <u>7,194</u>	\$ <u>52,235</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ 544	\$ --	\$ --	\$ 174
<i>Accrued and other liabilities</i>	96	--	--	--
<i>Due to other funds</i>	--	--	--	14,085
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<hr/> 640	<hr/> --	<hr/> --	<hr/> 14,259
Fund balances:				
Reserved for:				
<i>Inventory</i>	--	--	--	--
Unreserved, reported in:				
Special revenue funds	<hr/> 138,025	<hr/> 692	<hr/> 7,194	<hr/> 37,976
Total fund balances	<hr/> 138,025	<hr/> 692	<hr/> 7,194	<hr/> 37,976
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ <u>138,665</u>	\$ <u>692</u>	\$ <u>7,194</u>	\$ <u>52,235</u>



Highway 87 FM 1090	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2
\$ 524,166	\$ 20,424	\$ 293	\$ 3,636	\$ 3,636
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 524,166</u>	<u>\$ 20,424</u>	<u>\$ 293</u>	<u>\$ 3,636</u>	<u>\$ 3,636</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
524,166	20,424	293	3,636	3,636
<u>524,166</u>	<u>20,424</u>	<u>293</u>	<u>3,636</u>	<u>3,636</u>
<u>\$ 524,166</u>	<u>\$ 20,424</u>	<u>\$ 293</u>	<u>\$ 3,636</u>	<u>\$ 3,636</u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2005**

	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 3,636	\$ 3,636	\$ 6,748	\$ 80,955
<i>Accounts receivable (net of allowances for uncollectibles)</i>	--	--	3,625	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Inventories</i>	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 3,636</u>	<u>\$ 3,636</u>	<u>\$ 10,373</u>	<u>\$ 80,955</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	3,625	--
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	--	--	3,625	--
Fund balances:				
Reserved for:				
<i>Inventory</i>	--	--	--	--
Unreserved, reported in:				
Special revenue funds	3,636	3,636	6,748	80,955
Total fund balances	<hr/>	<hr/>	<hr/>	<hr/>
	3,636	3,636	6,748	80,955
Total Liabilities & Fund Balances	<u>\$ 3,636</u>	<u>\$ 3,636</u>	<u>\$ 10,373</u>	<u>\$ 80,955</u>

LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation	County Clerk Records Management	Records Management and Preservation
\$ 12,248 6	\$ 5,878	\$ 513	\$ 112,600 29	\$ 77,343 3,022
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 12,254</u>	<u>\$ 5,878</u>	<u>\$ 513</u>	<u>\$ 112,629</u>	<u>\$ 80,365</u>
\$ 80	\$ 1,955	\$ --	\$ 1,901	\$ 823
--	--	--	--	--
--	--	--	--	--
--	900	--	--	3,021
<u>80</u>	<u>2,855</u>	<u>--</u>	<u>1,901</u>	<u>3,844</u>
--	--	--	--	--
12,174	3,023	513	110,728	76,521
<u>12,174</u>	<u>3,023</u>	<u>513</u>	<u>110,728</u>	<u>76,521</u>
<u>\$ 12,254</u>	<u>\$ 5,878</u>	<u>\$ 513</u>	<u>\$ 112,629</u>	<u>\$ 80,365</u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2005**

	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road Maintenance Precinct #4	Sheriff Forfeited Property
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 535,925	\$ 11,448	\$ 14,799	\$ 24,810
<i>Accounts receivable (net of allowances for uncollectibles)</i>	121,576	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Inventories</i>	--	--	--	2,860
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<b><u>\$ 657,501</u></b>	<b><u>\$ 11,448</u></b>	<b><u>\$ 14,799</u></b>	<b><u>\$ 27,670</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	203
<i>Due to others</i>	--	--	--	9,125
<i>Deferred revenue</i>	121,575	--	--	--
<b>Total Liabilities</b>	<u>121,575</u>	<u>          </u>	<u>          </u>	<u>9,328</u>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
<i>Inventory</i>	--	--	--	2,860
<b>Unreserved, reported in:</b>				
Special revenue funds	535,926	11,448	14,799	15,482
<b>Total fund balances</b>	<u>535,926</u>	<u>11,448</u>	<u>14,799</u>	<u>18,342</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities &amp; Fund Balances</b>	<b><u>\$ 657,501</u></b>	<b><u>\$ 11,448</u></b>	<b><u>\$ 14,799</u></b>	<b><u>\$ 27,670</u></b>

Sheriff Jail Division	Election Services Contract	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 10,528	\$ 3,011	\$ 1,937	\$ 48,875	\$ 1,941,519
--	--	--	--	128,842
--	--	--	--	1,365
--	--	--	--	203
--	--	--	--	2,860
<u>\$ 10,528</u>	<u>\$ 3,011</u>	<u>\$ 1,937</u>	<u>\$ 48,875</u>	<u>\$ 2,074,789</u>
\$ --	\$ 173	\$ --	\$ --	\$ 14,606
--	7	--	--	103
--	--	--	--	14,343
--	--	--	--	9,952
--	--	--	--	131,371
<u>--</u>	<u>180</u>	<u>--</u>	<u>--</u>	<u>170,375</u>
--	--	--	--	2,860
<u>10,528</u>	<u>2,831</u>	<u>1,937</u>	<u>48,875</u>	<u>1,901,554</u>
<u>10,528</u>	<u>2,831</u>	<u>1,937</u>	<u>48,875</u>	<u>1,904,414</u>
<u>\$ 10,528</u>	<u>\$ 3,011</u>	<u>\$ 1,937</u>	<u>\$ 48,875</u>	<u>\$ 2,074,789</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Sheriff Funds	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control
<b>Revenues:</b>				
<i>Other taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	1,560	--	--
<i>Charges for services</i>	--	--	1,960	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	--	1,864	33	1
<i>Gifts and contributions</i>	--	--	--	--
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	--	10,452	--	--
<b>Total revenues</b>	<u>--</u>	<u>13,876</u>	<u>1,993</u>	<u>1</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	2,128	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	--	97,272	--	--
<i>Public safety</i>	128	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
<b>Debt service:</b>				
<b>Total expenditures</b>	<u>128</u>	<u>97,272</u>	<u>2,128</u>	<u>--</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(128)	(83,396)	(135)	1
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	--	47,000	--	--
<i>Transfers out</i>	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>47,000</u>	<u>--</u>	<u>--</u>
<b>Net change in fund balances</b>	(128)	(36,396)	(135)	1
<b>Fund balances, January 1</b>	128	47,271	135	139
<b>Fund balances, December 31</b>	<u>\$ --</u>	<u>\$ 10,875</u>	<u>\$ --</u>	<u>\$ 140</u>

CCISD/Seadrift/ County Road Project	Chamber Tourism Center	Court House Security Fund	District Attorney Forfeiture	DA Hot Check
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	17,035	--	25,023
--	--	--	--	--
--	1	5,440	3,380	--
--	--	--	640	--
--	--	--	--	269
--	--	--	--	--
44,854	--	--	--	61
<u>44,854</u>	<u>1</u>	<u>22,475</u>	<u>4,020</u>	<u>25,353</u>
--	--	25,417	--	--
--	--	--	--	--
--	--	--	21,740	34,035
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
44,854	--	--	--	--
<u>44,854</u>	<u>--</u>	<u>25,417</u>	<u>21,740</u>	<u>34,035</u>
--	1	(2,942)	(17,720)	(8,682)
--	--	--	--	--
(14,852)	--	--	--	--
<u>(14,852)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(14,852)	1	(2,942)	(17,720)	(8,682)
14,852	223	175,399	49,220	19,238
<u>14,852</u>	<u>223</u>	<u>175,399</u>	<u>49,220</u>	<u>19,238</u>
\$ <u><u>--</u></u>	\$ <u><u>224</u></u>	\$ <u><u>172,457</u></u>	\$ <u><u>31,500</u></u>	\$ <u><u>10,556</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, 2005

	Donations	Family Protection	Graffiti Eradication	Grants
<b>Revenues:</b>				
<i>Other taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--	58,640
<i>Charges for services</i>	--	660	--	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	4,084	2	222	1,707
<i>Gifts and contributions</i>	14,071	--	--	8,000
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	2,066	--	--	--
<b>Total revenues</b>	<u>20,221</u>	<u>662</u>	<u>222</u>	<u>68,347</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<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>	4,784	--	--	--
<i>Nondepartmental</i>	--	--	--	82,374
<b>Debt service:</b>				
<b>Total expenditures</b>	<u>4,784</u>	<u>--</u>	<u>--</u>	<u>82,374</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>15,437</b>	<b>662</b>	<b>222</b>	<b>(14,027)</b>
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	(4,000)	--	--	--
<b>Total other financing sources (uses)</b>	<u>(4,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net change in fund balances</b>	<b>11,437</b>	<b>662</b>	<b>222</b>	<b>(14,027)</b>
<b>Fund balances, January 1</b>	<u>126,588</u>	<u>30</u>	<u>6,972</u>	<u>52,003</u>
<b>Fund balances, December 31</b>	<u>\$ 138,025</u>	<u>\$ 692</u>	<u>\$ 7,194</u>	<u>\$ 37,976</u>



Highway 87 FM 1090	General HAVA Compliance	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1
\$ --	\$ --	\$ --	\$ --	\$ 3,579
--	238,193	--	--	--
--	--	8,943	293	--
--	--	--	--	--
26,589	--	555	--	114
--	--	--	--	--
--	--	--	--	--
<u>26,589</u>	<u>238,193</u>	<u>9,498</u>	<u>293</u>	<u>3,693</u>
--	238,193	--	--	--
--	--	4,042	--	--
--	--	--	--	--
--	--	--	--	--
591,525	--	--	--	3,680
--	--	--	--	--
--	--	--	--	--
<u>591,525</u>	<u>238,193</u>	<u>4,042</u>	<u>--</u>	<u>3,680</u>
(564,936)	--	5,456	293	13
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(564,936)	--	5,456	293	13
1,089,102	--	14,968	--	3,623
<u>\$ 524,166</u>	<u>\$ --</u>	<u>\$ 20,424</u>	<u>\$ 293</u>	<u>\$ 3,636</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Lateral Road Fund Precinct #2	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services
<b>Revenues:</b>				
Other taxes	\$ 3,579	\$ 3,579	\$ 3,579	\$ --
Intergovernmental	--	--	--	--
Charges for services	--	--	--	6,742
Permits and licenses	--	--	--	--
Fines and forfeitures	--	--	--	--
Interest	114	114	114	6
Gifts and contributions	--	--	--	--
Rents and leases	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>3,693</u>	<u>3,693</u>	<u>3,693</u>	<u>6,748</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General administration	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Public facilities	--	--	--	--
Public safety	--	--	--	--
Roads and bridges	3,680	3,680	3,680	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
<b>Debt service:</b>				
Total expenditures	<u>3,680</u>	<u>3,680</u>	<u>3,680</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	13	13	13	6,748
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	13	13	13	6,748
Fund balances, January 1	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,636</u>	<u>\$ 3,636</u>	<u>\$ 3,636</u>	<u>\$ 6,748</u>

Law Library Fund	LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation	County Clerk Records Management
\$ --	\$ --	\$ --	\$ --	\$ --
--	5,412	--	--	--
13,810	--	--	--	29,703
--	--	--	--	--
2,250	302	187	507	--
--	--	--	6	3,218
--	--	12,935	--	--
178	--	60	--	--
<u>16,238</u>	<u>5,714</u>	<u>13,182</u>	<u>513</u>	<u>32,921</u>
--	--	--	--	12,245
--	--	--	--	--
--	--	--	--	--
--	6,566	--	--	--
--	--	--	--	--
--	--	16,766	--	--
--	--	--	--	--
<u>--</u>	<u>6,566</u>	<u>16,766</u>	<u>--</u>	<u>12,245</u>
16,238	(852)	(3,584)	513	20,676
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
16,238	(852)	(3,584)	513	20,676
<u>64,717</u>	<u>13,026</u>	<u>6,607</u>	<u>--</u>	<u>90,052</u>
<u>\$ 80,955</u>	<u>\$ 12,174</u>	<u>\$ 3,023</u>	<u>\$ 513</u>	<u>\$ 110,728</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Records Management and Preservation	Road and Bridge Fund General	Road and Bridge Fund Precinct #3
<b>Revenues:</b>			
<i>Other taxes</i>	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--
<i>Charges for services</i>	7,637	--	--
<i>Permits and licenses</i>	--	633,646	--
<i>Fines and forfeitures</i>	--	114,449	--
<i>Interest</i>	2,304	11,813	353
<i>Gifts and contributions</i>	--	--	--
<i>Rents and leases</i>	--	--	--
<i>Miscellaneous</i>	--	--	--
<b>Total revenues</b>	<u>9,941</u>	<u>759,908</u>	<u>353</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<i>General administration</i>	4,208	--	--
<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>	--	--	--
<b>Total expenditures</b>	<u>4,208</u>	<u>--</u>	<u>--</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,733</b>	<b>759,908</b>	<b>353</b>
<b>Other financing sources (uses):</b>			
<i>Transfers in</i>	--	--	--
<i>Transfers out</i>	--	(600,000)	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>(600,000)</u>	<u>--</u>
<b>Net change in fund balances</b>	<b>5,733</b>	<b>159,908</b>	<b>353</b>
<b>Fund balances, January 1</b>	<u>70,788</u>	<u>376,018</u>	<u>11,095</u>
<b>Fund balances, December 31</b>	<u>\$ 76,521</u>	<u>\$ 535,926</u>	<u>\$ 11,448</u>

Road Maintenance Precinct #4	Sheriff Forfeited Property	Sheriff Jail Division	Election Services Contract
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	2,476
--	10,481	--	--
456	309	--	17
--	--	--	--
--	--	--	--
--	--	--	--
<u>456</u>	<u>10,790</u>	<u>--</u>	<u>2,493</u>
--	--	--	3,888
--	--	--	--
--	--	--	--
--	9,991	--	--
--	--	--	--
--	--	--	--
--	--	881	--
<u>--</u>	<u>9,991</u>	<u>881</u>	<u>3,888</u>
456	799	(881)	(1,395)
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
456	799	(881)	(1,395)
<u>14,343</u>	<u>17,543</u>	<u>11,409</u>	<u>4,226</u>
<u>\$ 14,799</u>	<u>\$ 18,342</u>	<u>\$ 10,528</u>	<u>\$ 2,831</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
<b>Revenues:</b>			
<i>Other taxes</i>	\$ --	\$ --	\$ 14,316
<i>Intergovernmental</i>	--	--	303,805
<i>Charges for services</i>	--	--	114,282
<i>Permits and licenses</i>	--	--	633,646
<i>Fines and forfeitures</i>	--	--	128,817
<i>Interest</i>	30	1,505	64,350
<i>Gifts and contributions</i>	--	950	23,290
<i>Rents and leases</i>	--	--	12,935
<i>Miscellaneous</i>	--	--	57,671
<b>Total revenues</b>	<u>30</u>	<u>2,455</u>	<u>1,353,112</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<i>General administration</i>	--	--	283,951
<i>Judicial</i>	--	--	6,170
<i>Legal</i>	--	--	55,775
<i>Public facilities</i>	--	--	97,272
<i>Public safety</i>	--	--	16,685
<i>Roads and bridges</i>	--	--	606,245
<i>Culture and recreation</i>	--	660	22,210
<i>Nondepartmental</i>	--	--	128,109
<b>Debt service:</b>			
<b>Total expenditures</b>	<u>--</u>	<u>660</u>	<u>1,216,417</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>30</b>	<b>1,795</b>	<b>136,695</b>
<b>Other financing sources (uses):</b>			
<i>Transfers in</i>	--	--	47,000
<i>Transfers out</i>	--	--	(618,852)
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>(571,852)</u>
<b>Net change in fund balances</b>	<b>30</b>	<b>1,795</b>	<b>(435,157)</b>
<b>Fund balances, January 1</b>	<u>1,907</u>	<u>47,080</u>	<u>2,339,571</u>
<b>Fund balances, December 31</b>	<u>\$ 1,937</u>	<u>\$ 48,875</u>	<u>\$ 1,904,414</u>

**CALHOUN COUNTY, TEXAS**  
**AIRPORT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-5**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ 1,560	\$ 1,560
<i>Interest</i>	--	622	1,864	1,242
<i>Rents and leases</i>	--	1,562	--	(1,562)
<i>Miscellaneous</i>	--	21,352	10,452	(10,900)
Total revenues	--	23,536	13,876	(9,660)
Expenditures:				
Current:				
<i>Public facilities</i>	28,239	107,528	97,272	10,256
Total expenditures	28,239	107,528	97,272	10,256
Excess (deficiency) of revenues over (under) expenditures	(28,239)	(83,992)	(83,396)	596
Other financing sources (uses):				
<i>Transfers in</i>	17,000	47,000	47,000	--
Total other financing sources (uses)	17,000	47,000	47,000	--
Net change in fund balances	(11,239)	(36,992)	(36,396)	596
Fund balances, January 1	47,271	47,271	47,271	--
Fund balances, December 31	\$ 36,032	\$ 10,279	\$ 10,875	\$ 596

**CALHOUN COUNTY, TEXAS**  
 COURT HOUSE SECURITY FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 17,035	\$ 17,035
<i>Interest</i>	--	--	5,440	5,440
Total revenues	--	--	22,475	22,475
Expenditures:				
Current:				
<i>General administration</i>	3,001	28,419	25,417	3,002
Total expenditures	3,001	28,419	25,417	3,002
Net change in fund balances	(3,001)	(28,419)	(2,942)	25,477
Fund balances, January 1	175,399	175,399	175,399	--
Fund balances, December 31	\$ 172,398	\$ 146,980	\$ 172,457	\$ 25,477



**CALHOUN COUNTY, TEXAS**  
HIGHWAY 87 FM 1090 FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 26,589	\$ 26,589
Total revenues	<u>--</u>	<u>--</u>	<u>26,589</u>	<u>26,589</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	1,094,238	1,390,000	591,525	798,475
Total expenditures	<u>1,094,238</u>	<u>1,390,000</u>	<u>591,525</u>	<u>798,475</u>
Net change in fund balances	(1,094,238)	(1,390,000)	(564,936)	825,064
Fund balances, January 1	<u>1,089,102</u>	<u>1,089,102</u>	<u>1,089,102</u>	<u>--</u>
Fund balances, December 31	<u><u>\$ (5,136)</u></u>	<u><u>\$ (300,898)</u></u>	<u><u>\$ 524,166</u></u>	<u><u>\$ 825,064</u></u>

**CALHOUN COUNTY, TEXAS**  
 GENERAL HAVA COMPLIANCE  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ 238,193	\$ 238,193	\$ --
Total revenues	<u>    --</u>	<u>  238,193</u>	<u>  238,193</u>	<u>    --</u>
Expenditures:				
Current:				
<i>General administration</i>	--	238,193	238,193	--
Total expenditures	<u>    --</u>	<u>  238,193</u>	<u>  238,193</u>	<u>    --</u>
Net change in fund balances	--	--	--	--
Fund balances, January 1	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
Fund balances, December 31	<u><u>    --</u></u>	<u><u>    --</u></u>	<u><u>    --</u></u>	<u><u>    --</u></u>

**CALHOUN COUNTY, TEXAS**  
**LATERAL ROAD FUND PRECINCT #1**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,800	\$ 3,800	\$ 3,579	\$ (221)
<i>Interest</i>	--	--	114	114
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,693</u>	<u>(107)</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Net change in fund balances	--	--	13	13
Fund balances, January 1	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	--
Fund balances, December 31	<u>\$ 3,623</u>	<u>\$ 3,623</u>	<u>\$ 3,636</u>	<u>\$ 13</u>

**CALHOUN COUNTY, TEXAS**  
**LATERAL ROAD FUND PRECINCT #2**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,800	\$ 3,800	\$ 3,579	\$ (221)
<i>Interest</i>	--	--	114	114
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,693</u>	<u>(107)</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	3,800	3,800	3,680	120
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Net change in fund balances	--	--	13	13
Fund balances, January 1	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	--
Fund balances, December 31	<u>\$ 3,623</u>	<u>\$ 3,623</u>	<u>\$ 3,636</u>	<u>\$ 13</u>

**CALHOUN COUNTY, TEXAS**  
**LATERAL ROAD FUND PRECINCT #3**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,800	\$ 3,800	\$ 3,579	\$ (221)
<i>Interest</i>	--	--	114	114
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,693</u>	<u>(107)</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Net change in fund balances	--	--	13	13
Fund balances, January 1	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	--
Fund balances, December 31	<u>\$ 3,623</u>	<u>\$ 3,623</u>	<u>\$ 3,636</u>	<u>\$ 13</u>

**CALHOUN COUNTY, TEXAS**  
*LATERAL ROAD FUND PRECINCT #4*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED DECEMBER 31, 2005*

**EXHIBIT C-12**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Other taxes</i>	\$ 3,800	\$ 3,800	\$ 3,579	\$ (221)
<i>Interest</i>	--	--	114	114
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>3,693</u>	<u>(107)</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	3,800	3,800	3,680	120
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,680</u>	<u>120</u>
Net change in fund balances	--	--	13	13
Fund balances, January 1	<u>3,623</u>	<u>3,623</u>	<u>3,623</u>	--
Fund balances, December 31	<u>\$ 3,623</u>	<u>\$ 3,623</u>	<u>\$ 3,636</u>	<u>\$ 13</u>

**CALHOUN COUNTY, TEXAS**  
**LAW LIBRARY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-13**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 13,810	\$ 13,810
<i>Interest</i>	--	--	2,250	2,250
<i>Miscellaneous</i>	--	--	178	178
Total revenues	<u>--</u>	<u>--</u>	<u>16,238</u>	<u>16,238</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 balances	(16,589)	(16,589)	16,238	32,827
Fund balances, January 1	<u>64,717</u>	<u>64,717</u>	<u>64,717</u>	<u>--</u>
Fund balances, December 31	<u>\$ 48,128</u>	<u>\$ 48,128</u>	<u>\$ 80,955</u>	<u>\$ 32,827</u>

**CALHOUN COUNTY, TEXAS**  
**PORT O'CONNOR COMMUNITY CENTER**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-14**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<i>Interest</i>	\$ --	\$ --	\$ 187	\$ 187
<i>Rents and leases</i>	4,000	10,272	12,935	2,663
<i>Miscellaneous</i>	--	--	60	60
<b>Total revenues</b>	<u>4,000</u>	<u>10,272</u>	<u>13,182</u>	<u>2,910</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>Culture and recreation</i>	12,167	16,879	16,766	113
<b>Total expenditures</b>	<u>12,167</u>	<u>16,879</u>	<u>16,766</u>	<u>113</u>
<b>Net change in fund balances</b>	(8,167)	(6,607)	(3,584)	3,023
<b>Fund balances, January 1</b>	<u>6,607</u>	<u>6,607</u>	<u>6,607</u>	<u>--</u>
<b>Fund balances, December 31</b>	<u><u>\$ (1,560)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 3,023</u></u>	<u><u>\$ 3,023</u></u>



**CALHOUN COUNTY, TEXAS**  
 COUNTY CLERK RECORDS MANAGEMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 29,703	\$ 29,703
<i>Interest</i>	--	--	3,218	3,218
Total revenues	<u>--</u>	<u>--</u>	<u>32,921</u>	<u>32,921</u>
Expenditures:				
Current:				
<i>General administration</i>	<u>67,830</u>	<u>67,930</u>	<u>12,245</u>	<u>55,685</u>
Total expenditures	<u>67,830</u>	<u>67,930</u>	<u>12,245</u>	<u>55,685</u>
Net change in fund balances	(67,830)	(67,930)	20,676	88,606
Fund balances, January 1	<u>90,052</u>	<u>90,052</u>	<u>90,052</u>	<u>--</u>
Fund balances, December 31	<u>\$ 22,222</u>	<u>\$ 22,122</u>	<u>\$ 110,728</u>	<u>\$ 88,606</u>

**CALHOUN COUNTY, TEXAS**  
**RECORDS MANAGEMENT AND PRESERVATION FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-16**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Charges for services</i>	\$ --	\$ --	\$ 7,637	\$ 7,637
<i>Interest</i>	--	--	2,304	2,304
<b>Total revenues</b>	<u>--</u>	<u>--</u>	<u>9,941</u>	<u>9,941</u>
Expenditures:				
Current:				
<i>General administration</i>	6,500	6,500	4,208	2,292
<b>Total expenditures</b>	<u>6,500</u>	<u>6,500</u>	<u>4,208</u>	<u>2,292</u>
<b>Net change in fund balances</b>	(6,500)	(6,500)	5,733	12,233
Fund balances, January 1	<u>70,788</u>	<u>70,788</u>	<u>70,788</u>	<u>--</u>
Fund balances, December 31	<u>\$ 64,288</u>	<u>\$ 64,288</u>	<u>\$ 76,521</u>	<u>\$ 12,233</u>

**CALHOUN COUNTY, TEXAS**  
ROAD AND BRIDGE FUND GENERAL  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Permits and licenses</i>	\$ 435,000	\$ 435,000	\$ 633,646	\$ 198,646
<i>Fines and forfeitures</i>	60,000	60,000	114,449	54,449
<i>Interest</i>	7,500	7,500	11,813	4,313
Total revenues	<u>502,500</u>	<u>502,500</u>	<u>759,908</u>	<u>257,408</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	502,499	502,499	759,908	257,409
Other financing sources (uses):				
<i>Transfers out</i>	(600,000)	(600,000)	(600,000)	--
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>--</u>
Net change in fund balances	(97,501)	(97,501)	159,908	257,409
Fund balances, January 1	<u>376,018</u>	<u>376,018</u>	<u>376,018</u>	<u>--</u>
Fund balances, December 31	<u>\$ 278,517</u>	<u>\$ 278,517</u>	<u>\$ 535,926</u>	<u>\$ 257,409</u>

**CALHOUN COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND PRECINCT #3**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-18**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 353	\$ 353
Total revenues	<u>--</u>	<u>--</u>	<u>353</u>	<u>353</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	10,825	11,094	--	11,094
Total expenditures	<u>10,825</u>	<u>11,094</u>	<u>--</u>	<u>11,094</u>
Net change in fund balances	(10,825)	(11,094)	353	11,447
Fund balances, January 1	<u>11,095</u>	<u>11,095</u>	<u>11,095</u>	<u>--</u>
Fund balances, December 31	<u>\$ 270</u>	<u>\$ 1</u>	<u>\$ 11,448</u>	<u>\$ 11,447</u>

**CALHOUN COUNTY, TEXAS**  
**ROAD MAINTENANCE FUND PRECINCT #4**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-19**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Interest</i>	\$ --	\$ --	\$ 456	\$ 456
Total revenues	<u>--</u>	<u>--</u>	<u>456</u>	<u>456</u>
Expenditures:				
Current:				
<i>Roads and bridges</i>	13,994	14,343	--	14,343
Total expenditures	<u>13,994</u>	<u>14,343</u>	<u>--</u>	<u>14,343</u>
Net change in fund balances	(13,994)	(14,343)	456	14,799
Fund balances, January 1	<u>14,343</u>	<u>14,343</u>	<u>14,343</u>	<u>--</u>
Fund balances, December 31	<u>\$ 349</u>	<u>\$ --</u>	<u>\$ 14,799</u>	<u>\$ 14,799</u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**DECEMBER 31, 2005**

	<u>Memorial Medical Plaza</u>	<u>2003-A GO Jail Bonds</u>
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 309,235	\$ 528,867
<i>Taxes receivable</i>	87,248	156,340
<i>Intergovernmental receivable</i>	14,628	25,762
Restricted assets:		
<i>Cash and cash equivalents</i>	<u>          --</u>	<u>          40</u>
<b>Total Assets</b>	<b><u>\$ 411,111</u></b>	<b><u>\$ 711,009</u></b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Due to other funds</i>	\$ --	\$ --
<i>Deferred revenue</i>	<u>290,373</u>	<u>523,645</u>
<b>Total Liabilities</b>	<b><u>290,373</u></b>	<b><u>523,645</u></b>
Fund balances:		
Reserved for:		
<i>Debt service</i>	<u>120,738</u>	<u>187,364</u>
<b>Total fund balances</b>	<b><u>120,738</u></b>	<b><u>187,364</u></b>
<b>Total Liabilities &amp; Fund Balances</b>	<b><u>\$ 411,111</u></b>	<b><u>\$ 711,009</u></b>

2003-B GO Refinancing Bonds	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 360,422	\$ 211,709	\$ 1,410,233
135,017	84,914	463,519
22,402	14,283	77,075
<u>—</u>	<u>85</u>	<u>125</u>
<u>\$ 517,841</u>	<u>\$ 310,991</u>	<u>\$ 1,950,952</u>
\$ —	\$ 1	\$ 1
453,028	288,622	1,555,668
<u>453,028</u>	<u>288,623</u>	<u>1,555,669</u>
64,813	22,368	395,283
<u>64,813</u>	<u>22,368</u>	<u>395,283</u>
<u>\$ 517,841</u>	<u>\$ 310,991</u>	<u>\$ 1,950,952</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Memorial Medical Plaza	2003-A GO Jail Bonds
Revenues:		
<i>Ad valorem taxes</i>	\$ 294,949	\$ 513,072
<i>Interest</i>	6,292	8,578
<i>Miscellaneous</i>	--	--
Total revenues	<u>301,241</u>	<u>521,650</u>
Expenditures:		
Debt service:		
<i>Principal</i>	195,000	170,000
<i>Interest and fiscal charges</i>	96,853	339,137
Total expenditures	<u>291,853</u>	<u>509,137</u>
Excess (deficiency) of revenues over (under) expenditures	9,388	12,513
Other financing sources (uses):		
<i>Transfers out</i>	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Net change in fund balances	9,388	12,513
Fund balances, January 1	<u>111,350</u>	<u>174,851</u>
Fund balances, December 31	<u>\$ 120,738</u>	<u>\$ 187,364</u>



EXHIBIT C-21

2003-B GO Refinancing Bonds	Tax Anticipation Notes Interest and Sinking	2004 Courthouse Renovation	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 466,662	\$ --	\$ 268,941	\$ 1,543,624
6,915	--	1,736	23,521
9	--	--	9
<u>473,586</u>	<u>--</u>	<u>270,677</u>	<u>1,567,154</u>
375,000	--	--	740,000
88,993	--	275,685	800,668
<u>463,993</u>	<u>--</u>	<u>275,685</u>	<u>1,540,668</u>
9,593	--	(5,008)	26,486
--	(375)	--	(375)
<u>--</u>	<u>(375)</u>	<u>--</u>	<u>(375)</u>
9,593	(375)	(5,008)	26,111
55,220	375	27,376	369,172
<u>64,813</u>	<u>--</u>	<u>22,368</u>	<u>395,283</u>

**CALHOUN COUNTY, TEXAS**  
**MEMORIAL MEDICAL PLAZA**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-22**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 292,753	\$ 292,753	\$ 294,949	\$ 2,196
<i>Interest</i>	--	--	6,292	6,292
Total revenues	<u>292,753</u>	<u>292,753</u>	<u>301,241</u>	<u>8,488</u>
Expenditures:				
Current:				
<i>Principal</i>	195,000	195,000	195,000	--
<i>Interest and fiscal charges</i>	97,753	97,753	96,853	900
Total expenditures	<u>292,753</u>	<u>292,753</u>	<u>291,853</u>	<u>900</u>
Net change in fund balances	--	--	9,388	9,388
Fund balances, January 1	<u>111,350</u>	<u>111,350</u>	<u>111,350</u>	--
Fund balances, December 31	<u>\$ 111,350</u>	<u>\$ 111,350</u>	<u>\$ 120,738</u>	<u>\$ 9,388</u>

**CALHOUN COUNTY, TEXAS**  
 2003-A GO JAIL BONDS  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2005

EXHIBIT C-23

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 510,314	\$ 510,314	\$ 513,072	\$ 2,758
<i>Interest</i>	--	--	8,578	8,578
Total revenues	<u>510,314</u>	<u>510,314</u>	<u>521,650</u>	<u>11,336</u>
Expenditures:				
Debt service:				
<i>Principal</i>	170,000	170,000	170,000	--
<i>Interest and fiscal charges</i>	340,314	340,314	339,137	1,177
Total expenditures	<u>510,314</u>	<u>510,314</u>	<u>509,137</u>	<u>1,177</u>
Net change in fund balances	--	--	12,513	12,513
Fund balances, January 1	<u>174,851</u>	<u>174,851</u>	<u>174,851</u>	--
Fund balances, December 31	<u>\$ 174,851</u>	<u>\$ 174,851</u>	<u>\$ 187,364</u>	<u>\$ 12,513</u>

**CALHOUN COUNTY, TEXAS**  
**2003-B GO REFINANCING BONDS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**EXHIBIT C-24**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 465,150	\$ 465,150	\$ 466,662	\$ 1,512
<i>Interest</i>	--	--	6,915	6,915
<i>Miscellaneous</i>	--	--	9	9
Total revenues	<u>465,150</u>	<u>465,150</u>	<u>473,586</u>	<u>8,436</u>
Expenditures:				
Debt service:				
<i>Principal</i>	375,000	375,000	375,000	--
<i>Interest and fiscal charges</i>	<u>90,150</u>	<u>90,150</u>	<u>88,993</u>	<u>1,157</u>
Total expenditures	<u>465,150</u>	<u>465,150</u>	<u>463,993</u>	<u>1,157</u>
Net change in fund balances	--	--	9,593	9,593
Fund balances, January 1	<u>55,220</u>	<u>55,220</u>	<u>55,220</u>	--
Fund balances, December 31	<u>\$ 55,220</u>	<u>\$ 55,220</u>	<u>\$ 64,813</u>	<u>\$ 9,593</u>

**CALHOUN COUNTY, TEXAS**

TAX ANTICIPATION NOTES INTEREST AND SINKING

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2005

**EXHIBIT C-25**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
<i>Transfers out</i>	\$ --	\$ (375)	\$ (375)	\$ --
Total other financing sources (uses)	<u>    --</u>	<u>   (375)</u>	<u>   (375)</u>	<u>    --</u>
Net change in fund balances	--	(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><u>    --</u></u>	<u><u>    --</u></u>	<u><u>    --</u></u>

**CALHOUN COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2005**

	<u>Coastal Improvements</u>	<u>EMS Building</u>	<u>Parking Lot</u>	<u>Pct. 1 Road Reconstruction</u>
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ --	\$ 19,196	\$ 80,544	\$ 403,570
<i>Intergovernmental receivable</i>	50,733	--	--	--
<i>Due from other funds</i>	--	--	--	335
<b>Total Assets</b>	<u>\$ 50,733</u>	<u>\$ 19,196</u>	<u>\$ 80,544</u>	<u>\$ 403,905</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
<i>Accounts payable</i>	\$ 5,069	\$ --	\$ --	\$ --
<i>Due to other funds</i>	50,815	--	--	384,219
<i>Due to other governments</i>	--	--	--	20,001
<b>Total Liabilities</b>	<u>55,884</u>	<u>--</u>	<u>--</u>	<u>404,220</u>
<b>Fund balances (deficits):</b>				
<b>Unreserved</b>	<u>(5,151)</u>	<u>19,196</u>	<u>80,544</u>	<u>(315)</u>
<b>Total fund balances (deficits)</b>	<u>(5,151)</u>	<u>19,196</u>	<u>80,544</u>	<u>(315)</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u>\$ 50,733</u>	<u>\$ 19,196</u>	<u>\$ 80,544</u>	<u>\$ 403,905</u>

Road & Bridge #2 Storm Repairs	Road and Bridge Infrastructure	Swan Point Park	Airport Improvements II	Mold Remediation
\$ 17,796	\$ 32,732	\$ 74,720	\$ 59,566	\$ 859
--	--	--	--	--
<u>17,796</u>	<u>32,732</u>	<u>74,720</u>	<u>59,566</u>	<u>859</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	62,000	90,446	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>62,000</u>	<u>90,446</u>	<u>--</u>
17,796	32,732	12,720	(30,880)	859
<u>17,796</u>	<u>32,732</u>	<u>12,720</u>	<u>(30,880)</u>	<u>859</u>
<u>\$ 17,796</u>	<u>\$ 32,732</u>	<u>\$ 74,720</u>	<u>\$ 59,566</u>	<u>\$ 859</u>

**CALHOUN COUNTY, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2005

	Haterius Park Boat Ramp	Port Alto Public Beach	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 33,148	\$ 30,385	\$ 752,516
<i>Intergovernmental receivable</i>	--	--	50,733
<i>Due from other funds</i>	--	--	335
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 33,148</b>	<b>\$ 30,385</b>	<b>\$ 803,584</b>
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable</i>	\$ --	\$ --	\$ 5,069
<i>Due to other funds</i>	--	--	587,480
<i>Due to other governments</i>	--	--	20,001
<b>Total Liabilities</b>	<hr/>	<hr/>	<hr/>
	--	--	612,550
	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficits):</b>			
<b>Unreserved</b>	<hr/>	<hr/>	<hr/>
	33,148	30,385	191,034
<b>Total fund balances (deficits)</b>	<hr/>	<hr/>	<hr/>
	33,148	30,385	191,034
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 33,148</b>	<b>\$ 30,385</b>	<b>\$ 803,584</b>
	<hr/>	<hr/>	<hr/>



*This page intentionally left blank.*

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Coastal Improvements	Election Machines	Lighthouse	EMS Building
<b>Revenues:</b>				
<i>Intergovernmental</i>	\$ 123,599	\$ 89,521	\$ --	\$ --
<i>Gifts and contributions</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	974	--
<b>Total revenues</b>	<u>123,599</u>	<u>89,521</u>	<u>974</u>	<u>--</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<i>General administration</i>	--	89,521	--	--
<i>Public facilities</i>	--	--	974	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Conservation</i>	61,818	--	--	--
<b>Total expenditures</b>	<u>61,818</u>	<u>89,521</u>	<u>974</u>	<u>--</u>
 Excess (deficiency) of revenues over (under) expenditures:	 61,781	 --	 --	 --
<b>Other financing sources (uses):</b>				
<i>Transfers in</i>	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Net change in fund balances	 61,781	 --	 --	 --
 Fund balances (deficits), January 1	 <u>(66,932)</u>	 <u>--</u>	 <u>--</u>	 <u>19,196</u>
 Fund balances (deficits), December 31	 <u>\$ (5,151)</u>	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ 19,196</u>

<u>Parking Lot</u>	<u>Pct. 1 Road Reconstruction</u>	<u>Pct. 1 Road Reconstruction</u>	<u>Road &amp; Bridge #2 Storm Repairs</u>	<u>Road and Bridge Infrastructure</u>
\$ --	\$ 30,065	\$ 3,414	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>30,065</u>	<u>3,414</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	1,625	3,414	--	--
<u>--</u>	<u>1,625</u>	<u>3,414</u>	<u>--</u>	<u>--</u>
--	28,440	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	28,440	--	--	--
<u>80,544</u>	<u>(28,755)</u>	<u>--</u>	<u>17,796</u>	<u>32,732</u>
<u>\$ 80,544</u>	<u>\$ (315)</u>	<u>\$ --</u>	<u>\$ 17,796</u>	<u>\$ 32,732</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Swan Point Park	Airport Improvements II	Mold Remediation
Revenues:			
<i>Intergovernmental</i>	\$ --	\$ 56,744	\$ --
<i>Gifts and contributions</i>	--	--	--
<i>Miscellaneous</i>	--	--	--
Total revenues	<u>--</u>	<u>56,744</u>	<u>--</u>
Expenditures:			
Current:			
<i>General administration</i>	--	--	--
<i>Public facilities</i>	--	66,472	3,939
<i>Public safety</i>	--	--	--
<i>Roads and bridges</i>	--	--	--
<i>Conservation</i>	--	--	--
Total expenditures	<u>--</u>	<u>66,472</u>	<u>3,939</u>
Excess (deficiency) of revenues over (under) expenditures	--	(9,728)	(3,939)
Other financing sources (uses):			
<i>Transfers in</i>	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(9,728)	(3,939)
Fund balances (deficits), January 1	<u>12,720</u>	<u>(21,152)</u>	<u>4,798</u>
Fund balances (deficits), December 31	<u>\$ 12,720</u>	<u>\$ (30,880)</u>	<u>\$ 859</u>

Haterius Park Boat Ramp	Port Alto Public Beach	Seadrift Fire Truck	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 303,343
--	--	115,650	115,650
--	--	--	974
<u>--</u>	<u>--</u>	<u>115,650</u>	<u>419,967</u>
--	--	--	89,521
--	--	--	71,385
--	--	129,163	129,163
--	--	--	5,039
--	--	--	61,818
<u>--</u>	<u>--</u>	<u>129,163</u>	<u>356,926</u>
--	--	(13,513)	63,041
--	--	1,513	1,513
<u>--</u>	<u>--</u>	<u>1,513</u>	<u>1,513</u>
--	--	(12,000)	64,554
<u>33,148</u>	<u>30,385</u>	<u>12,000</u>	<u>126,480</u>
<u>\$ 33,148</u>	<u>\$ 30,385</u>	<u>\$ --</u>	<u>\$ 191,034</u>

**CALHOUN COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2005

	County Clerk Funds	District Clerk Funds	Justice of the Peace Funds	District Attorney Funds
<b>ASSETS</b>				
Assets:				
<i>Cash and cash equivalents</i>	\$ 157,070	\$ 203,771	\$ 15,914	\$ 21,113
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Due from others</i>	--	--	--	--
<b>Total Assets</b>	<b>\$ 157,070</b>	<b>\$ 203,771</b>	<b>\$ 15,914</b>	<b>\$ 21,113</b>
<b>LIABILITIES</b>				
<i>Accounts payable</i>	\$ --	\$ --	\$ 985	\$ --
<i>Due to other funds</i>	--	--	12,561	--
<i>Due to other governments</i>	--	--	2,368	--
<i>Due to others</i>	157,070	203,771	--	21,113
<b>Total Liabilities</b>	<b>\$ 157,070</b>	<b>\$ 203,771</b>	<b>\$ 15,914</b>	<b>\$ 21,113</b>

Tax Collector Funds	Sheriff Funds	County Auditor Funds	County Treasurer Funds	Total Agency Funds (See Exhibit A-10)
\$ 120,409	\$ 117,459	\$ 321,794	\$ 43,988	\$ 1,001,518
108,403	--	--	--	108,403
--	300	--	104,312	104,612
30,587	--	--	--	30,587
<u>\$ 259,399</u>	<u>\$ 117,759</u>	<u>\$ 321,794</u>	<u>\$ 148,300</u>	<u>\$ 1,245,120</u>
\$ --	\$ --	\$ --	\$ 441	\$ 1,426
90,491	1,560	--	--	104,612
168,888	--	--	132,511	303,767
20	116,199	321,794	15,348	835,315
<u>\$ 259,399</u>	<u>\$ 117,759</u>	<u>\$ 321,794</u>	<u>\$ 148,300</u>	<u>\$ 1,245,120</u>

