

CALHOUN COUNTY, TEXAS
Annual Financial Report
For the Fiscal Year Ended December 31, 2011

Prepared by

Cindy Mueller,
County Auditor

CALHOUN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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INTRODUCTORY SECTION

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

Honorable Joseph P. Kelly
Judge, 24th Judicial District

Honorable Stephen Williams
Judge, 135th Judicial District

Honorable Skipper Koetter
Judge, 267th Judicial District

Honorable Members of Commissioners Court
Calhoun County, Texas

Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Vernon's Texas Codes Annotated – Local Government Code, Title 3, Subtitle B, Chapter 84, I submit herewith the annual financial report of the government of Calhoun County, Texas for the fiscal year ended December 31, 2011.

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

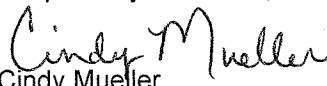
The Calhoun County Commissioners Court selected the firm of Rutledge Crain & Company, PC, Certified Public Accountants, to make an independent audit for the fiscal year 2011 and their report is included in this annual report.

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, 2011, 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, 2011

District Courts

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

Elected County Officials

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

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2011

Elected Precinct Officials

Justice of Peace, Precinct One	Hope D. Kurtz 113 Milwaukee Port Lavaca, Texas
Justice of Peace, Precinct Two	James W. Duckett P.O. Box 1307 Port Lavaca, Texas
Justice of Peace, Precinct Three	Gary W. Noska P.O. Box 543 Point Comfort, Texas
Justice of Peace, Precinct Four	James Dworaczyk P.O. Box 141 Seadrift, Texas
Justice of Peace, Precinct Five	Nancy J. Pomykal P.O. Box 454 Port O'Connor, Texas
Constable, Precinct One	Eugene Menchaca 218 Suncrest Drive Port Lavaca, Texas
Constable, Precinct Two	William Billings 1539 School Road Port Lavaca, Texas
Constable, Precinct Three	Bruce A. Blevins 826 Westwood Port Lavaca, Texas
Constable, Precinct Four	Fritz G. Wilke 1911-A Sweetwater Road Port Lavaca, Texas
Constable, Precinct Five	Vacant

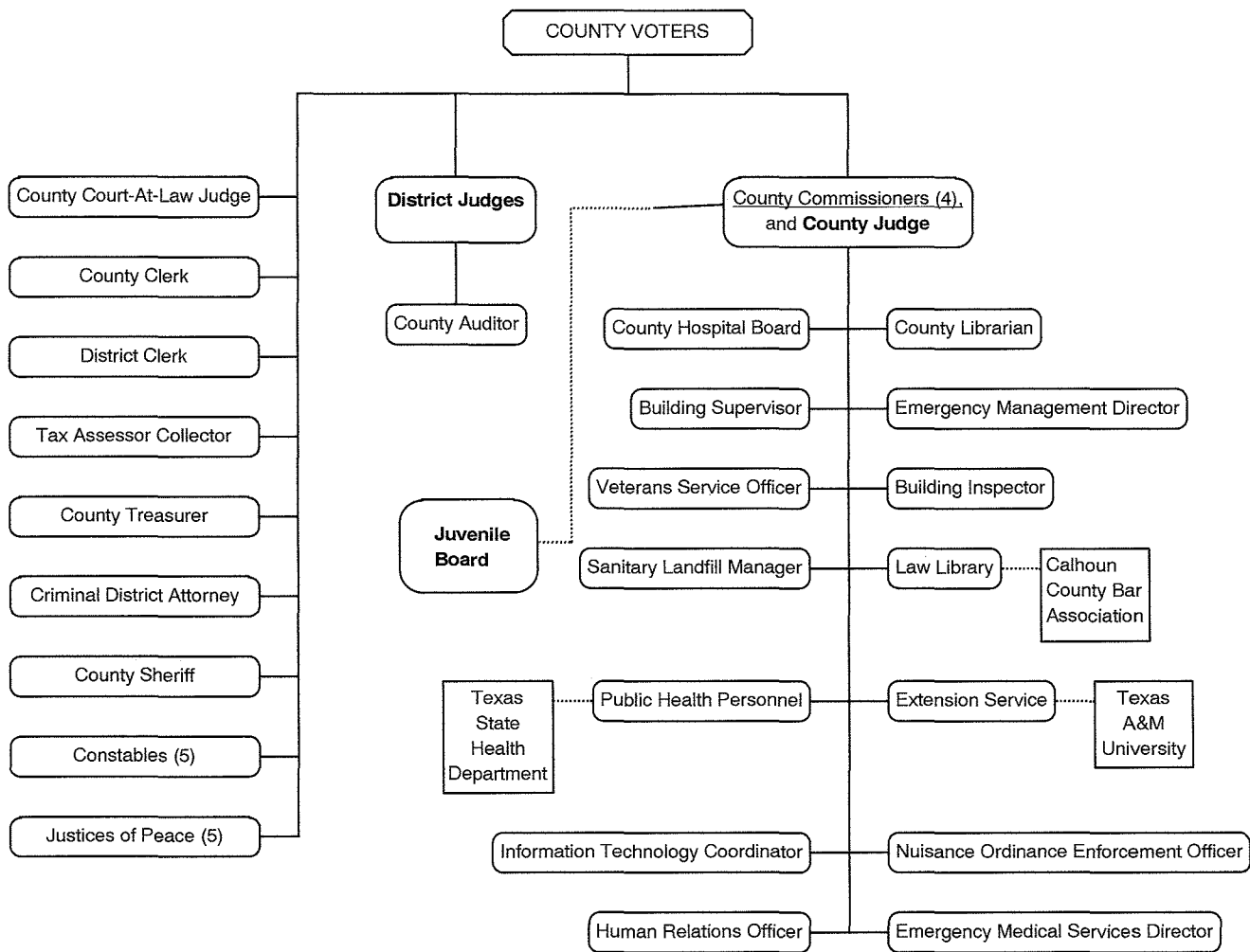
Appointed Personnel

Building Inspector	LaDonna Thigpen Calhoun County Courthouse Port Lavaca, Texas
Building Superintendent	Charles V. Crober Calhoun County Courthouse Port Lavaca, Texas
Chief Probation Officer	Jeanine Callihan Calhoun County Courthouse Annex Port Lavaca, Texas
Juvenile Probation Officer	Luis Leija Calhoun County Courthouse Annex Port Lavaca, Texas
Veterans Service Officer	Jose R. Pena 1904 Shofner Drive Port Lavaca, Texas
Hospital Administrator (Appointed by Board of Memorial Medical Center)	Jason Anglin 815 N. Virginia Port Lavaca, Texas

CALHOUN COUNTY, TEXAS
DIRECTORY OF OFFICIALS AND DEPARTMENT HEADS
December 31, 2011

County Agricultural Agent	Vacant P.O. Box 86 Port Lavaca, Texas
County CEAFCs Agent	Vacant P.O. Box 86 Port Lavaca, Texas
County Marine Agent	Rhonda D. Cummins P.O. Box 86 Port Lavaca, Texas
County 4H/Youth Agent	Charles L. Seely, Jr. P.O. Box 86 Port Lavaca, Texas
County Librarian	Noemi Cruz 200 W. Mahan Port Lavaca, Texas
County Librarian, Seadrift	Roberta A. Bess Seadrift Library Seadrift, Texas
County Librarian, Point Comfort	Anna G. Bradley Point Comfort Library Point Comfort, Texas
County Librarian, Port O'Connor	Shirley H. Gordon Port O'Connor Library Port O'Connor, Texas
County Health Officer	Bain C. Cate, M.D. 117 West Ash Port Lavaca, Texas
County Waste Management Supervisor	Patricia Kalisek Rosenbaum Road Port Lavaca, Texas
County Election Administrator	Dora E. Garcia Calhoun County Courthouse Port Lavaca, Texas
County Nuisance Ordinance enforcement Officer	Bruce A. Blevins Calhoun County Courthouse Port Lavaca, Texas
Emergency Medical Services Director	Henry J. Barber 705 CR101 Port Lavaca, Texas

CALHOUN COUNTY ORGANIZATION CHART
December 31, 2011



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FINANCIAL SECTION

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Calhoun County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discrete component unit, Memorial Medical Center ("MMC"), which statements reflect 100% of the assets and revenues of the County's discretely presented component unit as of and for the year ended December 31, 2011. Those statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for MMC, is based solely on the report of the other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, Texas as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



June 14, 2012

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Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Calhoun County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ❖ The assets of the County exceeded its liabilities at the close of the fiscal year ended December 31, 2011, by \$47,575,250 (net assets). Of this amount, \$23,065,834 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- ❖ The unassigned portion of the General Fund balance at the end of the year was \$17,984,876 or 97% of total General Fund expenditures and transfers out.
- ❖ The County's governmental funds reported combined ending fund balances of \$22,323,244 an increase of \$148,032 in comparison to the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements can be found on pages 15-17 of this report.

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

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

CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2011

(Unaudited)

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

The County maintains 68 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is a major fund. Data from the other 67 funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. Memorial Medical Center (MMC), the County's discrete component unit, is a proprietary fund used to account for the activities of the county hospital. The financial statements of MMC are presented as supplementary information on pages 118-120.

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

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

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

CALHOUN COUNTY, TEXAS*Management's Discussion and Analysis**December 31, 2011**(Unaudited)***GOVERNMENT-WIDE FINANCIAL ANALYSIS**

At the end of fiscal year 2011, the County's net assets (assets exceeding liabilities) totaled \$47,575,250. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

Net Assets. The largest portion of the County's net assets, \$23,149,075 or 49%, reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$1,360,341 or 3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$23,065,834 or 48%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Assets

	2011	2010	Change
Current and other assets	\$ 41,477,065	\$ 40,760,485	\$ 716,580
Capital assets (net of accumulated depreciation)	34,965,293	34,343,287	622,006
Total assets	<u>76,442,358</u>	<u>75,103,772</u>	<u>1,338,586</u>
Current and other liabilities	17,107,272	16,364,648	742,624
Long-term liabilities	11,759,836	12,852,388	(1,092,552)
Total liabilities	<u>28,867,108</u>	<u>29,217,036</u>	<u>(349,928)</u>
Net assets:			
Invested in capital assets, net of related debt	23,149,075	21,423,439	1,725,636
Restricted	1,360,341	1,510,877	(150,536)
Unrestricted debt	23,065,834	22,952,420	113,414
Total net assets	<u>\$ 47,575,250</u>	<u>\$ 45,886,736</u>	<u>\$ 1,688,514</u>

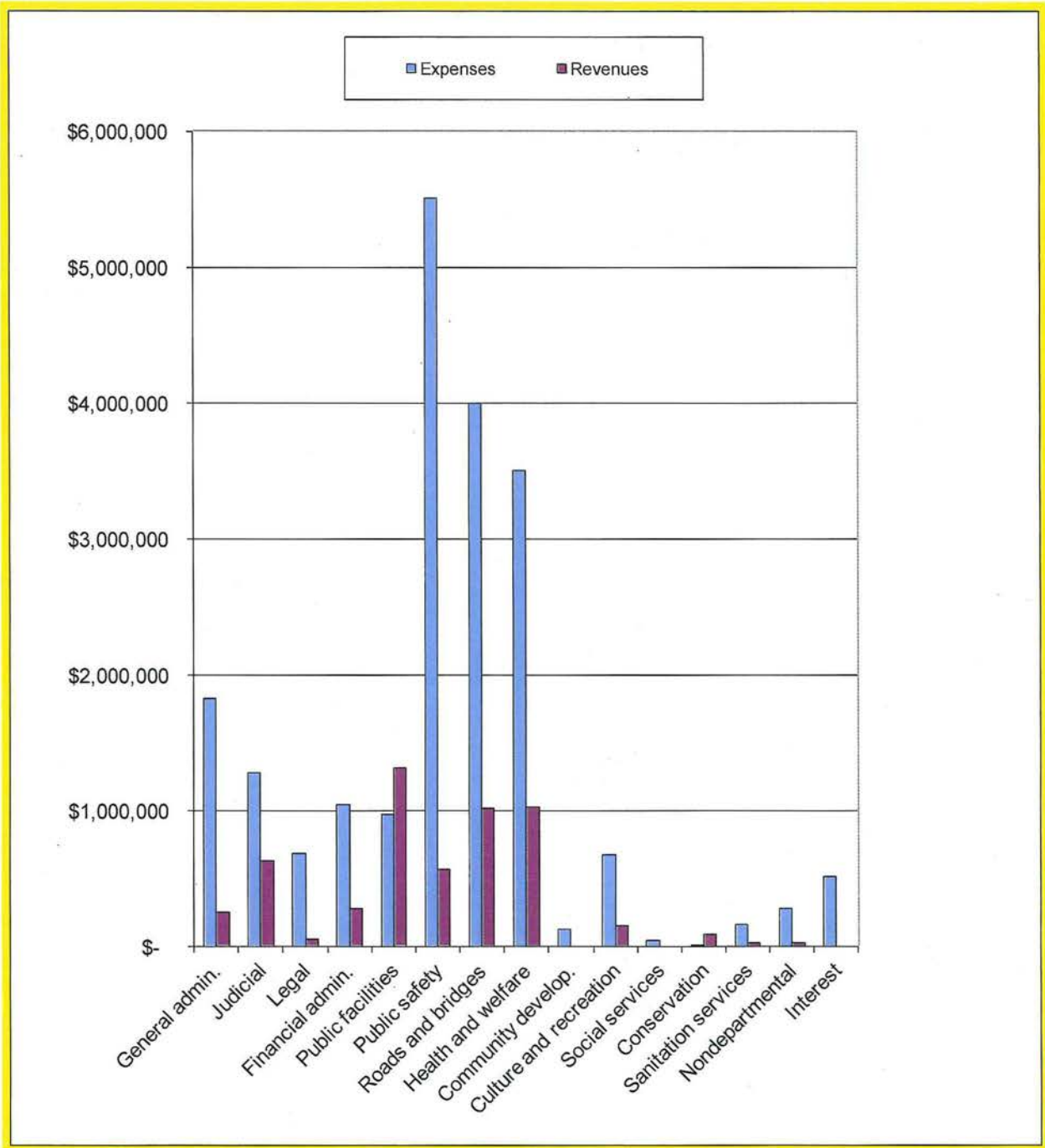
CALHOUN COUNTY, TEXAS
Management's Discussion and Analysis
 December 31, 2011
 (Unaudited)

Changes in Net Assets. The net assets of the County increased by \$1,688,514 for the fiscal year ended December 31, 2011. Table 2 provides an analysis of revenues and expenditures comprising the increase.

Table 2
 Changes in Net Assets

	2011	2010	Change
Revenues:			
Net Program Revenues:			
Charges for services	\$ 2,931,265	\$ 2,540,505	\$ 390,760
Operating grants and contributions	932,249	620,927	311,322
Capital grants and contributions	1,536,419	1,622,929	(86,510)
General Revenues:			
Property taxes	14,250,020	16,237,616	(1,987,596)
Sales taxes	2,193,566	2,046,452	147,114
Other taxes	12,890	28,272	(15,382)
Unrestricted investments earnings	205,112	402,750	(197,638)
Miscellaneous	222,330	155,444	66,886
Total revenues	<u>22,283,851</u>	<u>23,654,895</u>	<u>(1,371,044)</u>
Expenses:			
General administration	1,823,793	1,792,899	30,894
Judicial	1,272,390	1,356,510	(84,120)
Legal	678,650	698,116	(19,466)
Financial administration	1,042,429	1,039,490	2,939
Public facilities	967,369	1,000,186	(32,817)
Public safety	5,516,087	5,630,199	(114,112)
Roads and bridges	3,997,198	4,353,277	(356,079)
Health and welfare	3,505,147	3,357,545	147,602
Community development	123,063	121,644	1,419
Culture and recreation	674,412	736,295	(61,883)
Social services	41,133	41,874	(741)
Conservation	7,750	7,750	-
Sanitation services	160,841	137,942	22,899
Nondepartmental	277,542	547,769	(270,227)
Interest on long-term debt	507,533	662,507	(154,974)
Total expenses	<u>20,595,337</u>	<u>21,484,003</u>	<u>(888,666)</u>
Change in net assets	1,688,514	2,170,892	<u>\$ (482,378)</u>
Net assets - beginning	45,886,736	43,715,844	
Net assets - ending	<u>\$ 47,575,250</u>	<u>\$ 45,886,736</u>	

Program Expenses and Revenues



The cost of the county's programs exceeded program revenues of \$5,399,933 by \$15,195,404, as illustrated above. Program revenues amounted to 26% of program costs.

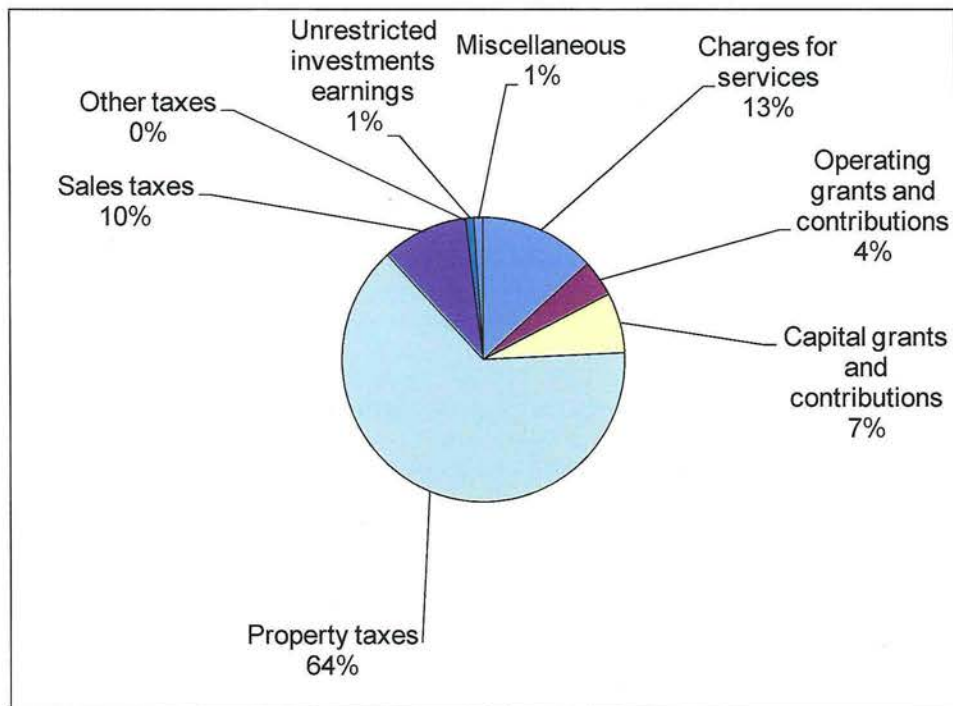
CALHOUN COUNTY, TEXAS

Management's Discussion and Analysis

December 31, 2011

(Unaudited)

Revenues by Source



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$22,323,244, an increase of \$148,032 from 2010.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the General Fund unassigned fund balance was \$18,043,573. The fund balance increased by \$323,282 during the current fiscal year. Although revenues decreased 4% from the prior year, total revenues this year exceeded expenditures and other financing uses.

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

During the year there was an \$884,233 positive variance between the final amended budget and actual expenditures, comprised primarily of the following:

- \$347,002 positive variance with budgeted General Administration expenditures related to personnel vacancies and services.
- \$111,114 positive variance with budgeted Judicial expenditures for court services.
- \$144,022 positive variance with budgeted Public Safety expenditures related to personnel vacancies.
- \$105,326 positive variance with from budgeted Health and Welfare expenditures for indigent health care and as a result of personnel vacancies.

The key factors in the \$1,380,833 positive budget variance in total revenues were increases in taxes and charges for services.

The positive budget variances resulted in \$2,265,066 excess of revenues over expenditures.

CALHOUN COUNTY, TEXAS*Management's Discussion and Analysis**December 31, 2011**(Unaudited)***Capital Assets and Debt Administration**

Capital Assets. The County's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$34,965,293 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Table 3
Capital Assets at Year End
Net of Accumulated Depreciation

	Balance 12/31/11	Balance 12/31/10
Capital assets, not being depreciated:		
Land	\$1,758,119	\$1,707,901
Construction in progress	1,221,025	4,206,073
Capital assets, being depreciated		
Buildings	17,095,246	16,072,731
Improvements other than buildings	4,683,289	1,954,843
Furniture, fixtures and equipment	4,798,526	4,551,436
Infrastructure	5,409,088	5,850,303
	<u>\$34,965,293</u>	<u>\$34,343,287</u>

Additional information on Capital Assets is available on page 33.

Debt Administration.

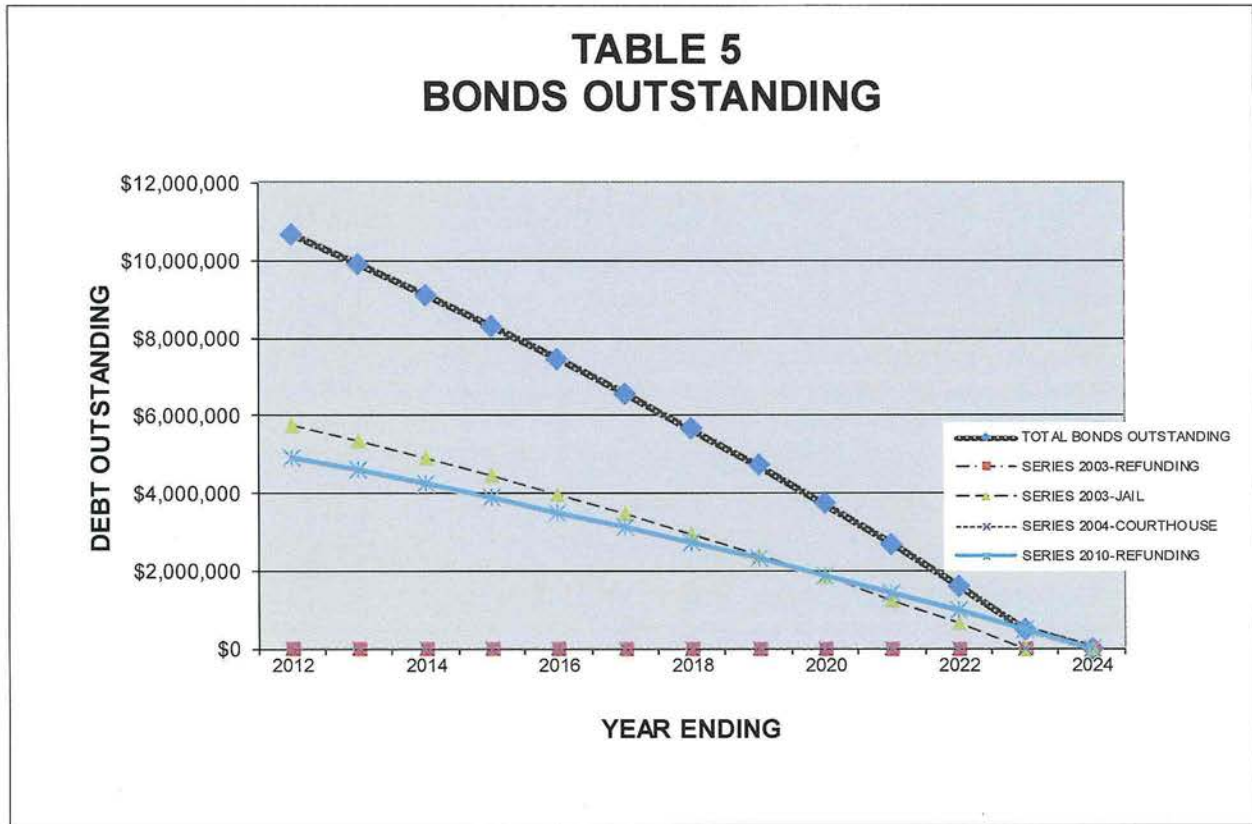
Table 4
Long-Term Debt at Year End

	12/31/11	12/31/10
GOVERNMENTAL ACTIVITIES:		
General obligation bonds	\$11,090,000	\$11,975,000
Certificates of obligation	345,000	435,000
Bond premium/discount	262,328	269,577
Capital lease obligation	118,890	240,271
Compensated absences payable	136,012	131,805
Deferred amount from refunding	(192,394)	(199,265)
	<u>\$11,759,836</u>	<u>\$12,852,388</u>

General obligation bonds outstanding include \$6,170,000 for jail construction, \$4,920,000 general obligation refunding bonds and \$345,000 certificates of obligation for courthouse renovation. The County's bonds presently carry "AAA" ratings (insured) with underlying ratings as follows: Moody's Investor Services Aa2 and Standard & Poor's AA-. Table 5 illustrates annual changes in bonds outstanding. Capital lease obligations are for road equipment and are payable from annual appropriations of the General Fund. Information about compensated absences may be found on page 27.

Additional information on Long-Term Debt is available on page 35.

**TABLE 5
 BONDS OUTSTANDING**



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2012 budget increased 9% from 2011. The Commissioners Court maintained the same total tax rate of \$0.4900, resulting in a .9% increase in the General Fund tax rate. Projected use of fund balance is \$272,000, while maintaining an estimated fund balance of 70% of expenditures at the end of the fiscal year.

Appraised values are expected to increase slightly for the year 2013.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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CALHOUN COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Primary Government Governmental Activities	Component Unit
ASSETS		
<i>Cash and cash equivalents</i>	\$ 21,870,645	1,445,277
<i>Investments</i>	--	500,000
<i>Receivables (net of allowances for uncollectibles):</i>	7,867,391	2,308,902
<i>Intergovernmental receivable</i>	1,588,474	--
<i>Inventories</i>	195,686	564,040
<i>Prepaid items and other current assets</i>	117,394	516,685
<i>Loan to component unit</i>	500,000	--
Restricted assets:		
<i>Cash and cash equivalents</i>	9,130,956	--
<i>Deferred charges</i>	206,519	--
Capital assets (net, where applicable, of accumulated depreciation)		
<i>Land</i>	1,758,119	32,143
<i>Construction in progress</i>	1,221,025	44,966
<i>Buildings</i>	17,095,246	1,700,582
<i>Improvements other than buildings</i>	4,683,289	--
<i>Furniture, fixtures and equipment</i>	4,798,526	2,701,291
<i>Infrastructure</i>	5,409,088	--
Total Assets	76,442,358	9,813,886
LIABILITIES		
<i>Accounts payable</i>	487,843	936,536
<i>Accrued and other liabilities</i>	590,652	1,469,034
<i>Due to primary government</i>	--	500,000
<i>Due to other governments</i>	595,058	--
<i>Due to others</i>	594,157	--
<i>Unearned revenue</i>	14,839,562	--
Noncurrent liabilities:		
<i>Due in one year</i>	967,826	228,258
<i>Due in more than one year</i>	10,792,010	655,329
Total Liabilities	28,867,108	3,789,157
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	23,149,075	3,595,395
Restricted For:		
Debt Service	202,481	--
Capital Projects	1,157,860	36,813
Unrestricted	23,065,834	2,392,521
Total Net Assets	\$ 47,575,250	6,024,729

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
<i>General administration</i>	\$ 1,823,793	\$ 248,629	\$ 1,533	\$ --
<i>Judicial</i>	1,272,390	516,083	109,177	--
<i>Legal</i>	678,650	46,144	--	--
<i>Financial administration</i>	1,042,429	279,417	--	--
<i>Public facilities</i>	967,369	18,609	20,738	1,268,778
<i>Public safety</i>	5,516,087	193,475	259,676	112,275
<i>Roads and bridges</i>	3,997,198	669,881	309,562	36,017
<i>Health and welfare</i>	3,505,147	880,143	141,360	--
<i>Community development</i>	123,063	--	--	--
<i>Culture and recreation</i>	674,412	27,249	71,890	50,000
<i>Social services</i>	41,133	--	--	--
<i>Conservation</i>	7,750	--	17,617	69,349
<i>Sanitation services</i>	160,841	25,608	--	--
<i>Nondepartmental</i>	277,542	26,027	696	--
<i>Interest and fiscal charges</i>	507,533	--	--	--
Total governmental activities	<u>20,595,337</u>	<u>2,931,265</u>	<u>932,249</u>	<u>1,536,419</u>
Total Primary Government	<u>\$ 20,595,337</u>	<u>\$ 2,931,265</u>	<u>\$ 932,249</u>	<u>\$ 1,536,419</u>
 COMPONENT UNIT:				
Memorial Medical Center	<u>\$ 21,251,282</u>	<u>\$ 18,864,384</u>	<u>\$ 1,642,699</u>	<u>\$ 36,813</u>

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

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

	Governmental Activities	Component Unit	
\$	(1,573,631)		
	(647,130)		
	(632,506)		
	(763,012)		
	340,756		
	(4,950,661)		
	(2,981,738)		
	(2,483,644)		
	(123,063)		
	(525,273)		
	(41,133)		
	79,216		
	(135,233)		
	(250,819)		
	(507,533)		
	(15,195,404)		
	(15,195,404)		
		\$ (707,386)	
	14,250,020	--	
	2,193,566	--	
	12,890	--	
	205,112	6,784	
	222,330	--	
	16,883,918	6,784	
	1,688,514	(700,602)	
	45,886,736	6,725,331	
\$	47,575,250	\$ 6,024,729	

CALHOUN COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
<i>Cash and cash equivalents</i>	\$ 17,176,765	\$ 4,644,193	\$ 21,820,958
<i>Receivables (net of allowances for uncollectibles):</i>			
<i>Taxes</i>	4,891,495	400,140	5,291,635
<i>Accounts</i>	2,295,227	280,529	2,575,756
<i>Intergovernmental receivable</i>	1,213,163	375,312	1,588,475
<i>Due from other funds</i>	836,815	14,988	851,803
<i>Inventories</i>	195,686	--	195,686
<i>Prepaid items and other current assets</i>	58,697	--	58,697
<i>Loan to component unit</i>	500,000	--	500,000
Restricted assets:			
<i>Cash and cash equivalents</i>	8,438,203	692,753	9,130,956
Total Assets	<u>\$ 35,606,051</u>	<u>\$ 6,407,915</u>	<u>\$ 42,013,966</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 466,664	\$ 21,180	\$ 487,844
<i>Accrued and other liabilities</i>	407,304	13,582	420,886
<i>Due to other funds</i>	14,988	836,815	851,803
<i>Due to other governments</i>	595,058	--	595,058
<i>Due to others</i>	529,590	14,884	544,474
<i>Deferred revenue</i>	15,353,188	1,437,469	16,790,657
Total Liabilities	<u>17,366,792</u>	<u>2,323,930</u>	<u>19,690,722</u>
Fund balances:			
<i>Nonspendable</i>	254,383	--	254,383
<i>Restricted</i>	--	3,117,132	3,117,132
<i>Assigned</i>	2,000,000	970,853	1,170,853
<i>Unassigned</i>	15,984,876	(4,000)	15,980,876
Total fund balances	<u>18,239,259</u>	<u>4,083,985</u>	<u>22,323,244</u>
Total Liabilities & Fund Balances	<u>\$ 35,606,051</u>	<u>\$ 6,407,915</u>	<u>\$ 42,013,966</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total fund balances - governmental funds balance sheet	\$ 22,323,244
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.	34,965,293
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	401,379
Payables for bond principal which are not due in the current period are not reported in the funds.	(11,504,934)
Payables for capital leases which are not due in the current period are not reported in the funds.	(118,890)
Payables for bond interest which are not due in the current period are not reported in the funds.	(169,762)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(136,012)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	265,216
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,251,161
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	<u>298,555</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 47,575,250</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, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
<i>Ad valorem taxes</i>	\$ 13,046,027	\$ 1,185,101	\$ 14,231,128
<i>Sales taxes</i>	2,193,566	--	2,193,566
<i>Other taxes</i>	12,890	--	12,890
<i>Intergovernmental</i>	596,866	1,665,531	2,262,397
<i>Charges for services</i>	1,610,462	343,030	1,953,492
<i>Permits and licenses</i>	15,243	371,165	386,408
<i>Fines and forfeitures</i>	275,623	146,273	421,896
<i>Interest</i>	179,730	25,382	205,112
<i>Gifts and contributions</i>	--	139,794	139,794
<i>Sale of assets</i>	25,074	--	25,074
<i>Rents and leases</i>	15,621	25,700	41,321
<i>Miscellaneous</i>	191,672	71,761	263,433
Total revenues	<u>18,162,774</u>	<u>3,973,737</u>	<u>22,136,511</u>
Expenditures:			
Current:			
<i>General administration</i>	1,515,994	41,170	1,557,164
<i>Judicial</i>	1,227,475	15,358	1,242,833
<i>Legal</i>	642,368	31,380	673,748
<i>Financial administration</i>	1,039,286	--	1,039,286
<i>Public facilities</i>	868,849	1,192,147	2,060,996
<i>Public safety</i>	5,067,717	383,964	5,451,681
<i>Roads and bridges</i>	3,434,165	17,136	3,451,301
<i>Health and welfare</i>	3,726,774	6,749	3,733,523
<i>Community development</i>	122,260	--	122,260
<i>Culture and recreation</i>	506,932	115,946	622,878
<i>Social services</i>	41,133	--	41,133
<i>Conservation</i>	7,750	--	7,750
<i>Sanitation services</i>	149,071	--	149,071
<i>Nondepartmental</i>	--	298,384	298,384
Debt service:			
<i>Principal</i>	--	975,000	975,000
<i>Interest and fiscal charges</i>	130,863	430,608	561,471
Total expenditures	<u>18,480,637</u>	<u>3,507,842</u>	<u>21,988,479</u>
Excess (deficiency) of revenues over (under) expenditures	(317,863)	465,895	148,032
Other financing sources (uses):			
<i>Transfers in</i>	828,144	463,658	1,291,802
<i>Transfers out</i>	(186,999)	(1,104,803)	(1,291,802)
Total other financing sources (uses)	<u>641,145</u>	<u>(641,145)</u>	<u>--</u>
Net change in fund balances	323,282	(175,250)	148,032
Fund balances, January 1	<u>17,915,977</u>	<u>4,259,235</u>	<u>22,175,212</u>
Fund balances, December 31	<u>\$ 18,239,259</u>	<u>\$ 4,083,985</u>	<u>\$ 22,323,244</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds	\$ 148,032
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,576,179
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,994,718)
The gain or loss on the sale of capital assets is not reported in the funds.	(12,496)
Donations of capital assets increase net assets in the SOA but not in the funds.	53,072
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	18,891
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(225,610)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	975,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	121,381
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(33,941)
(Increase) decrease in accrued interest from beginning of period to end of period.	(33,526)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(4,205)
Certain ambulance receivables are deferred in the funds. This is the change in these amounts this year.	16,093
Uncollected court fines are not recorded as revenue in the funds.	84,361
Change in net assets of governmental activities - Statement of Activities	\$ <u>1,688,514</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2011

	Agency Funds
ASSETS	
<i>Cash and cash equivalents</i>	\$ 778,831
Receivables (net of allowances for uncollectibles):	
<i>Intergovernmental receivable</i>	126,010
<i>Due from other funds</i>	140,421
<i>Due from others</i>	<u>20,616</u>
Total Assets	\$ <u>1,065,878</u>
LIABILITIES	
<i>Due to other funds</i>	\$ 140,421
<i>Due to other governments</i>	251,715
<i>Due to others</i>	<u>673,742</u>
Total Liabilities	\$ <u>1,065,878</u>

The accompanying notes are an integral part of this statement.

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2011

and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

C. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied and due October 1, 2011 are intended to finance the County's budget for the fiscal year beginning January 1, 2011; accordingly, recognition of revenue from this levy has been deferred to the next fiscal year.

CALHOUN COUNTY, TEXAS
Notes to Basic Financial Statements
December 31, 2011

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

E. Assets, liabilities, and net assets or equity

1. Cash and cash equivalents

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

2. Interest Capitalization

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

Expenditures for the capital asset have been made.

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

Interest cost is being incurred.

The amount of interest cost to be capitalized is based on the weighted average amount of accumulated expenditures for the period multiplied by the interest rate for the obligation incurred specifically to finance the construction of the capital asset net of interest earned on funds borrowed to finance the project. During 2011, MMC capitalized no interest.

3. Investments

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

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

4. Receivables and Payables

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

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

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

5. Capital Assets

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

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

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

6. Compensated Absences

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

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

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

7. Fund Equity

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

- 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.”

CALHOUN COUNTY, TEXAS
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Governmental funds classify fund balances as follows:

- a. **Nonspendable Fund Balances** – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.
- b. **Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.
- c. **Committed Fund Balance** – Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court (the “Court”) through legislation, resolution or ordinance, unless the Court removes or changes the specified use by taking the same type of action used to commit the amounts.
- d. **Assigned Fund Balance** – Amounts that are constrained by the Court, or by another county official or the finance division to which the Court has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.
- e. **Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the County’s General Fund or as deficits in other governmental funds.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The County fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

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	General Fund	Nonmajor Funds	Total
Fund Balances:			
Nonspendable:			
Inventory	\$ 195,686	\$ -	\$ 195,686
Prepaid items	58,697	-	58,697
Restricted for:			
Airport operations	-	64,144	64,144
Capital projects	-	191,007	191,007
Culture and recreation	-	149,934	149,934
Debt service	-	171,521	171,521
Election services	-	37,088	37,088
Justice administration	-	344,355	344,355
Legal administration	-	200,457	200,457
Preservation	-	251,330	251,330
Public facilities	-	23,499	23,499
Public safety	-	102,465	102,465
Road & bridge maintenance	-	1,467,236	1,467,236
Other purposes	-	114,096	114,096
Assigned to:			
Capital projects	-	970,853	970,853
Loan to MMC	500,000	-	500,000
Future loan to MMC	1,500,000	-	1,500,000
Unassigned:	15,984,876	(4,000)	15,980,876
	<u>\$ 18,239,259</u>	<u>\$ 4,083,985</u>	<u>\$ 22,323,244</u>

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. 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/liabilities which are not available to pay for current-period expenditures and are deferred in the funds:

Deferred bond issue costs	\$ 206,519
Prepaid expenses	<u>58,697</u>
	<u>\$ 265,216</u>

- B. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net assets as reported in the government-wide statement of activities. The details of the difference are as follows:

Expenses not requiring the use of current financial resources are not reported as expenditures in the funds:

Amortization of prepaid insurance	\$ <u>225,610</u>
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III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

A. Deposits and Investments

At year end, the carrying amount of the County's cash and cash equivalents was \$33,225,709 (including \$778,831 for agency funds and \$1,445,277 for MMC) and the bank balance was \$33,953,974. 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 \$46,969,245 and fair value of \$49,246,316.

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

During 2011, the County's investing activities were limited to certificates of deposit which are classified as cash.

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

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

Custodial Credit Risk – Deposits. In the case of time and demand deposits, this is the risk that in the event of a bank failure, the 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 be collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

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

IV. PROPERTY TAXES AND OTHER RECEIVABLES

A. Property Tax Calendar/Taxes Collected In Advance

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

The appraisal of property within the County is the responsibility of the Calhoun County Appraisal District as required by legislation passed by the Texas Legislature. The Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the county may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through

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various appeals and, if necessary, legal action. Property taxes attach as an enforceable lien on property as of January 1, following the levy date. Taxes are due by January 31, following the levy date.

B. Receivables

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

Receivables for individual major funds and nonmajor funds in the aggregate and for the discrete component unit at December 31, 2011 were as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Primary Government</u>	<u>DCU</u>
Taxes receivable	\$ 5,149,055	\$ 421,200	\$ 5,570,255	\$ -
Allowance for uncollectible taxes	<u>(257,560)</u>	<u>(21,060)</u>	<u>(278,620)</u>	<u>-</u>
	<u>4,891,495</u>	<u>400,140</u>	<u>5,291,635</u>	<u>-</u>
Accounts receivable	5,046,466	638,040	5,684,506	6,386,902
Allowance for uncollectible accounts	<u>(2,751,239)</u>	<u>(357,511)</u>	<u>(3,108,750)</u>	<u>(4,078,000)</u>
	<u>2,295,227</u>	<u>280,529</u>	<u>2,575,756</u>	<u>2,308,902</u>
Total	<u>\$ 7,186,722</u>	<u>\$ 680,669</u>	<u>\$ 7,867,391</u>	<u>\$ 2,308,902</u>

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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
Tax levy receivable			
General Fund	\$ 370,423	\$ 4,502,275	\$ 4,872,698
2003-A Jail Bonds Debt Service	12,192	193,922	206,114
2003-B GO Refinancing Bonds Debt Service	11,166	-	11,166
2004 Courthouse Renovation Debt Service	7,599	118,160	125,759
2010 Refunding	-	55,464	55,464
Taxes collected in advance			
General Fund	-	9,209,995	9,209,995
2003-A Jail Bonds Debt Service	-	396,812	396,812
2004 Courthouse Renovation Debt Service	-	245,451	245,451
2010 Refunding	-	114,544	114,544
Fines receivable			
General Fund	970,602	-	970,602
County and District Court Technology	405	-	405
Courthouse Security	14,350	-	14,350
Drug/DWI Court Program	2,561	-	2,561
Juvenile Case Manager	4,331	-	4,331
Justice Court Technology	12,202	-	12,202
Justice Court Building Security	1,815	-	1,815
Pretrial Services	1,441	-	1,441
District Clerk Records Management/Preservation	891	-	891
County Clerk Records Management	1,460	-	1,460
Records Management and Preservation	15,764	-	15,764
Road and Bridge	225,338	-	225,338
Ambulance fees receivable			
General Fund	298,555	-	298,555
Other revenue collected in advance			
General Fund	-	1,339	1,339
Port O'Connor Community Center	-	1,600	1,600
	<u>\$ 1,951,095</u>	<u>\$ 14,839,562</u>	<u>\$ 16,790,657</u>

Loan Receivable – Commissioners Court authorized a short term loan to MMC in 2010. Repayment is expected to occur during 2012. The balance at December 31, 2011 was \$500,000.

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Notes to Basic Financial Statements
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V. CAPITAL ASSETS

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

The County uses the following criteria to classify capital assets:

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

The following is a summary of capital asset activity for the year ended December 31, 2011:

	Balance 12/31/2010	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2011
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 1,707,900	\$ -	\$ -	\$ 50,219	\$ 1,758,119
Construction in progress	4,206,074	1,474,624	-	(4,459,673)	1,221,025
Total capital assets not being depreciated	5,913,974	1,474,624	-	(4,409,454)	2,979,144
Capital assets, being depreciated					
Buildings	20,350,788	1,195	-	1,504,552	21,856,535
Improvements other than buildings	6,075,414	12,195	-	2,878,080	8,965,689
Furniture, fixtures and equipment	11,961,636	1,129,237	(248,337)	26,822	12,869,358
Infrastructure	18,206,729	12,000	-	-	18,218,729
Total capital assets being depreciated	56,594,598	1,154,627	(248,337)	4,409,454	61,910,311
Less accumulated depreciation for:					
Buildings	(4,278,057)	(483,232)	-	-	(4,761,289)
Improvements other than buildings	(4,120,571)	(161,829)	-	-	(4,282,400)
Furniture, fixtures and equipment	(7,410,231)	(896,442)	235,841	-	(8,070,832)
Infrastructure	(12,356,426)	(453,215)	-	-	(12,809,641)
Total accumulated depreciation	(28,165,285)	(1,994,718)	235,841	-	(29,924,162)
Total capital assets being depreciated, net	28,429,313	(840,091)	(12,496)	4,409,454	31,986,149
Governmental activities capital assets, net	<u>\$ 34,343,287</u>	<u>\$ 634,533</u>	<u>\$ (12,496)</u>	<u>\$ -</u>	<u>\$ 34,965,293</u>

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

Functions/Programs	
General administration	\$ 54,847
Judicial	39,514
Legal	4,902
Financial administration	1,444
Public facilities	73,863
Public safety	500,528
Roads and bridges	783,846
Health and welfare	101,369
Community development	803
Culture and recreation	170,057
Sanitation services	11,770
Nondepartmental	251,775
	<hr/>
Total expenditures	<u>\$ 1,994,718</u>

Discretely Presented Component Unit

	Balance 12/31/2010	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/2011
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 32,143	\$ -	\$ -	\$ -	\$ 32,143
Construction in progress	-	44,966	-	-	44,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	32,143	44,966	-	-	77,109
Capital assets, being depreciated					
Buildings and improvements	9,209,598	-	-	-	9,209,598
Equipment	13,657,613	1,003,092	-	-	14,660,705
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	22,867,211	1,003,092	-	-	23,870,303
Less accumulated depreciation for:					
Buildings and improvements	(7,293,703)	(215,313)	-	-	(7,509,016)
Equipment	(11,254,945)	(704,469)	-	-	(11,959,414)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(18,548,648)	(919,782)	-	-	(19,468,430)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	4,318,563	83,310	-	-	4,401,873
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Business-type activities capital assets, net	<u>\$ 4,350,706</u>	<u>\$ 128,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,478,982</u>

CALHOUN COUNTY, TEXAS
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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, 2011, the County had the following outstanding bonded debt:

Purpose	Original Amount	Year of Issue	Final Maturity	Average Annual Payment	Interest Rate	Balance 12/31/2011
GOVERNMENTAL TYPE ACTIVITIES DEBT						
General Obligation Bonds:						
Buildings	\$ 8,490,000	2003	2023	\$ 668,000	3.45 % - 4.65%	\$ 6,170,000
Refunding	4,985,000	2010	2024	467,000	2.00 % - 4.00%	4,920,000
						<u>11,090,000</u>
Certificates of Obligation:						
Buildings	5,890,000	2004	2024	233,000	3.00% - 4.55%	345,000
						<u>11,435,000</u>
Bond premium/discount						<u>282,328</u>
Total Governmental Type Activities Debt						<u><u>\$ 11,697,328</u></u>

Annual debt service requirements to maturity for general debt:

Year Ending December 31,	Principal	Interest	Total
2012	\$ 755,000	445,082	1,200,082
2013	770,000	416,420	1,186,420
2014	795,000	393,158	1,188,158
2015	825,000	368,898	1,193,898
2016	850,000	339,547	1,189,547
2017 - 2021	4,750,000	1,189,513	5,939,513
2022 - 2024	2,690,000	204,383	2,894,383
	<u>\$ 11,435,000</u>	<u>\$ 3,357,001</u>	<u>\$ 14,792,001</u>

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

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Notes to Basic Financial Statements
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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, 2011 the County had the following obligations under capital lease:

\$134,370 capital lease obligation with annual payments of \$47,723 through, June 15, 2012 including interest accruing at 3.24%, secured by equipment with a net book value of \$129,891	\$ 46,225
\$121,325 capital lease obligation with annual payments of \$26,115 through, November 14, 2014 including interest accruing at 3.75%, secured by equipment with a net book value of \$121,325	<u>72,665</u>
	<u>\$ 118,890</u>
Discrete Component Unit	
\$1,495,000 capital lease obligations, at varying rates of imputed interest, Collateralized by leased equipment	<u>\$ 883,587</u>

Annual debt service requirements to maturity for capital lease obligations:

Year Ending December 31,	Primary Government	Discrete Component Unit
2012	\$ 73,838	\$ 249,575
2013	26,115	272,262
2014	25,946	272,263
2015	-	136,330
	<u>125,899</u>	<u>930,430</u>
Less: interest	<u>(7,009)</u>	<u>(46,843)</u>
	<u>\$ 118,890</u>	<u>\$ 883,587</u>

C. Schedule of Changes in Long-Term Debt

Description	December 31, 2010	Additions	Retirements	December 31, 2011	Due Within One Year
Primary Government:					
General obligation bonds	\$ 11,975,000	\$ -	\$ (885,000)	\$ 11,090,000	\$ 410,000
Certificates of obligation	435,000	-	(90,000)	345,000	345,000
Total bonds payable	<u>12,410,000</u>	-	<u>(975,000)</u>	<u>11,435,000</u>	<u>755,000</u>
Bond premium/discount	269,577	-	(7,249)	262,328	7,249
Capital lease obligation	240,271	-	(121,381)	118,890	69,565
Accrued compensated absences	131,807	-	4,205	136,012	136,012
Deferred amount from refunding	<u>(199,265)</u>	-	<u>6,871</u>	<u>(192,394)</u>	<u>-</u>
	<u>\$ 12,852,390</u>	<u>\$ -</u>	<u>\$ (1,092,554)</u>	<u>\$ 11,759,836</u>	<u>\$ 967,826</u>

CALHOUN COUNTY, TEXAS
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Discrete Component Unit

Description	December 31, 2010	Additions	Retirements	December 31, 2011	Due Within One Year
Discrete Component Unit:					
Capital lease obligation	\$ 1,125,394	\$ -	\$ (241,807)	\$ 883,587	\$ 228,258
	<u>\$ 1,125,394</u>	<u>\$ -</u>	<u>\$ (241,807)</u>	<u>\$ 883,587</u>	<u>\$ 228,258</u>

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

VII. INTERFUND RECEIVABLES, PAYABLE BALANCES, AND OPERATING TRANSFERS

Interfund receivables and payables at December 31, 2011 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 836,815	\$ (14,988)
Nonmajor governmental type funds	14,988	(836,815)
Agency funds	<u>140,421</u>	<u>(140,421)</u>
Total Due From/To Other Funds	<u>\$ 992,224</u>	<u>\$ (992,224)</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 2011 were as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 828,144	\$ (186,999)
Nonmajor governmental funds	<u>463,658</u>	<u>(1,104,803)</u>
	<u>\$ 1,291,802</u>	<u>\$ (1,291,802)</u>

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

CALHOUN COUNTY, TEXAS

Notes to Basic Financial Statements

December 31, 2011

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 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-2034.

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

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

B. Funding Policy

The County and MMC have elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plans are funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.37% and 7.19%, respectively for the County and MMC for 2011.

The contribution rate payable by the employee members for calendar year 2011 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.

For the fiscal year ended December 31, 2011, the annual pension cost for the TCDRS plans for employees and the employer's actual contributions were \$840,825 and \$565,712, 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, 2009, the basis for determining the contribution rate for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

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Actuarial Valuation Information

	12/31/08	12/31/09	12/31/10
Actuarial valuation date	entry age	entry age	entry age
Actuarial cost method	level percentage of payroll, closed (MMC - closed)	level percentage of payroll, closed (MMC - closed)	level percentage of payroll, closed (MMC - closed)
Amortization method			
Amortization period in years			
County	20	20	20
MMC	20	20	20
	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr smoothed
Asset valuation method	smoothed value	smoothed value	value
	ESF: Fund value	ESF: Fund value	ESF: Fund value
Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

Schedule of Funding Progress

	12/31/08	12/31/09	12/31/10
Actuarial valuation date			
County			
Actuarial value of assets	\$ 16,775,322	\$ 19,031,083	\$ 20,295,379
Actuarial accrued liability (AAL)	\$ 19,718,818	\$ 21,879,783	\$ 23,397,752
Unfunded actuarial accrued liability (UAAL)	\$ 2,943,496	\$ 2,848,700	\$ 3,102,373
Funded ratio	85.1%	87.0%	86.7%
Annual covered payroll (actuarial)	\$ 7,851,428	\$ 8,121,592	\$ 8,103,312
UAAL as percentage of covered payroll	37.5%	35.1%	38.3%
MMC			
Actuarial value of assets	\$ 16,198,771	\$ 17,433,357	\$ 18,348,643
Actuarial accrued liability (AAL)	\$ 17,473,676	\$ 18,700,370	\$ 19,726,385
Unfunded actuarial accrued liability (UAAL)	\$ 1,274,905	\$ 1,267,013	\$ 1,377,742
Funded ratio	92.7%	93.2%	93.0%
Annual covered payroll (actuarial)	\$ 8,952,630	\$ 9,433,820	\$ 8,340,424
UAAL as percentage of covered payroll	14.2%	13.4%	16.5%

Trend Information

	12/31/09	12/31/10	12/31/11
Fiscal Year Ended			
Annual Pension Cost (APC)			
County	\$ 790,155	\$ 863,509	\$ 840,825
MMC	\$ 565,788	\$ 603,847	\$ 565,712
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	\$ -	\$ -	\$ -

IX. RISK MANAGEMENT

Primary Government

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

Discrete Component Unit

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

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

MMC is partially self-insured for employee health claims. Additionally, insurance covers aggregate expenses in excess of \$1,000,000. An estimated liability of \$285,000 has been recorded for claims that are unpaid at December 31, 2011, as well as for those that are incurred but not reported. These estimates are based on an analysis of claims filed subsequently in conjunction with the above noted excess insurance. At year-end, MMC had a stop-loss insurance receivable of \$156,682.

	<u>2011</u>	<u>2010</u>
Liability at beginning of year	\$ 285,000	\$ 106,908
Current year claims and changes in estimates	818,061	971,750
Claims payments	<u>(958,061)</u>	<u>(793,658)</u>
Liability at end of year	<u>\$ 145,000</u>	<u>\$ 285,000</u>

X. COMMITMENTS AND CONTINGENCIES

Primary Government and Discrete Component Unit

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

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

Discrete Component Unit

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

XI. OTHER DISCLOSURES

A. Patient Revenue

Discrete Component Unit

Uncompensated Care – Memorial Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. Additionally, MMC foregoes charges relating to Medicare, Medicaid and other third-party payers. The cost of charity care during 2011 was \$878,847.

B. Concentrations of Credit Risk / Business Concentrations

Primary Government

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

C. Discrete Component Unit

Net Patient Service Revenue – MMC has agreements with third-party payers that provide for payments at amounts different than its established rates with Medicare, and Medicaid which provided approximately 62% of revenue. Agreements also exist with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations

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

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

XII. SUBSEQUENT EVENTS

During April 2012, the County issued \$5,480,000 of Series 2012, General Obligation Refunding Bonds which were used to refund Series 2003A General Obligation Bonds due from 2014 through 2023 and will be repaid over 2012 through 2023.

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REQUIRED SUPPLEMENTARY INFORMATION

CALHOUN COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Ad valorem taxes</i>	\$ 12,712,000	\$ 12,742,210	\$ 13,046,027	\$ 303,817
<i>Sales taxes</i>	2,000,000	2,000,000	2,193,566	193,566
<i>Other taxes</i>	5,000	5,000	12,890	7,890
<i>Intergovernmental</i>	195,020	502,082	596,866	94,784
<i>Charges for services</i>	932,000	932,000	1,610,462	678,462
<i>Permits and licenses</i>	8,010	8,010	15,243	7,233
<i>Fines and forfeitures</i>	169,000	169,000	275,623	106,623
<i>Interest</i>	300,000	300,000	179,730	(120,270)
<i>Sale of assets</i>	10,001	28,202	25,074	(3,128)
<i>Rents and leases</i>	8,000	8,000	15,621	7,621
<i>Miscellaneous</i>	68,963	87,437	191,672	104,235
Total revenues	<u>16,407,994</u>	<u>16,781,941</u>	<u>18,162,774</u>	<u>1,380,833</u>
Expenditures:				
Current:				
<i>General administration</i>	1,853,439	1,862,996	1,515,994	347,002
<i>Judicial</i>	1,296,310	1,338,589	1,227,475	111,114
<i>Legal</i>	642,008	656,043	642,368	13,675
<i>Financial administration</i>	1,023,499	1,060,965	1,039,286	21,679
<i>Public facilities</i>	878,422	915,278	868,849	46,429
<i>Public safety</i>	5,003,330	5,211,739	5,067,717	144,022
<i>Roads and bridges</i>	3,452,936	3,445,916	3,434,165	11,751
<i>Health and welfare</i>	3,264,076	3,832,100	3,726,774	105,326
<i>Community development</i>	171,907	172,297	122,260	50,037
<i>Culture and recreation</i>	498,971	511,485	506,932	4,553
<i>Social services</i>	45,492	45,502	41,133	4,369
<i>Conservation</i>	7,750	7,750	7,750	--
<i>Sanitation services</i>	172,884	173,267	149,071	24,196
Debt service:				
<i>Interest and fiscal charges</i>	104,521	130,943	130,863	80
Total expenditures	<u>18,415,545</u>	<u>19,364,870</u>	<u>18,480,637</u>	<u>884,233</u>
Excess (deficiency) of revenues over (under) expenditures	(2,007,551)	(2,582,929)	(317,863)	2,265,066
Other financing sources (uses):				
<i>Transfers in</i>	800,000	828,145	828,144	(1)
<i>Transfers out</i>	(9,000)	(185,857)	(186,999)	(1,142)
Total other financing sources (uses)	<u>791,000</u>	<u>642,288</u>	<u>641,145</u>	<u>(1,143)</u>
Net change in fund balances	(1,216,551)	(1,940,641)	323,282	2,263,923
Fund balances, January 1	<u>16,000,000</u>	<u>17,313,869</u>	<u>17,915,977</u>	<u>602,108</u>
Fund balances, December 31	<u>\$ 14,783,449</u>	<u>\$ 15,373,228</u>	<u>\$ 18,239,259</u>	<u>\$ 2,866,031</u>

CALHOUN COUNTY, TEXAS

*Notes to Required Supplementary Information
December 31, 2011*

A. Budgetary Data

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

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

B. Funds With Deficit Balances

At year end, Pct #1 Ocean Drive Improvements capital projects fund had a deficit fund balance of \$4,000.

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

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 2,921,163	\$ 168,159	\$ 1,554,871	\$ 4,644,193
<i>Receivables (net of allowances for uncollectibles):</i>				
<i>Taxes</i>	--	400,140	--	400,140
<i>Accounts</i>	280,529	--	--	280,529
<i>Intergovernmental receivable</i>	223,168	65,737	86,407	375,312
<i>Due from other funds</i>	14,944	44	--	14,988
<i>Restricted assets:</i>				
<i>Cash and cash equivalents</i>	--	692,753	--	692,753
Total Assets	\$ 3,439,804	\$ 1,326,833	\$ 1,641,278	\$ 6,407,915
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
<i>Accounts payable</i>	\$ 10,042	\$ --	\$ 11,138	\$ 21,180
<i>Accrued and other liabilities</i>	5,131	--	8,451	13,582
<i>Due to other funds</i>	372,985	1	463,829	836,815
<i>Due to others</i>	14,884	--	--	14,884
<i>Deferred revenue</i>	282,158	1,155,311	--	1,437,469
Total Liabilities	685,200	1,155,312	483,418	2,323,930
<i>Fund balances:</i>				
<i>Restricted</i>	2,754,604	171,521	191,007	3,117,132
<i>Assigned</i>	--	--	970,853	970,853
<i>Unassigned</i>	--	--	(4,000)	(4,000)
Total fund balances	2,754,604	171,521	1,157,860	4,083,985
Total Liabilities & Fund Balances	\$ 3,439,804	\$ 1,326,833	\$ 1,641,278	\$ 6,407,915

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Ad valorem taxes</i>	\$ --	\$ 1,185,101	\$ --	\$ 1,185,101
<i>Intergovernmental</i>	300,087	--	1,365,444	1,665,531
<i>Charges for services</i>	343,030	--	--	343,030
<i>Permits and licenses</i>	371,165	--	--	371,165
<i>Fines and forfeitures</i>	146,273	--	--	146,273
<i>Interest</i>	17,457	7,885	--	25,342
<i>Gifts and contributions</i>	93,367	--	46,427	139,794
<i>Rents and leases</i>	25,700	--	--	25,700
<i>Miscellaneous</i>	71,801	--	--	71,801
Total revenues	<u>1,368,880</u>	<u>1,192,986</u>	<u>1,411,871</u>	<u>3,973,737</u>
Expenditures:				
Current:				
<i>General administration</i>	41,170	--	--	41,170
<i>Judicial</i>	15,358	--	--	15,358
<i>Legal</i>	31,380	--	--	31,380
<i>Public facilities</i>	27,003	--	1,165,144	1,192,147
<i>Public safety</i>	383,964	--	--	383,964
<i>Roads and bridges</i>	17,136	--	--	17,136
<i>Health and welfare</i>	--	--	6,749	6,749
<i>Culture and recreation</i>	78,219	--	37,727	115,946
<i>Nondepartmental</i>	14,412	--	283,972	298,384
Debt service:				
<i>Principal</i>	--	975,000	--	975,000
<i>Interest and fiscal charges</i>	--	430,608	--	430,608
Total expenditures	<u>608,642</u>	<u>1,405,608</u>	<u>1,493,592</u>	<u>3,507,842</u>
Excess (deficiency) of revenues over (under) expenditures	760,238	(212,622)	(81,721)	465,895
Other financing sources (uses):				
<i>Transfers in</i>	53,414	221,925	188,319	463,658
<i>Transfers out</i>	(835,750)	(221,925)	(47,128)	(1,104,803)
Total other financing sources (uses)	<u>(782,336)</u>	<u>--</u>	<u>141,191</u>	<u>(641,145)</u>
Net change in fund balances	(22,098)	(212,622)	59,470	(175,250)
Fund balances, January 1	<u>2,776,702</u>	<u>384,143</u>	<u>1,098,390</u>	<u>4,259,235</u>
Fund balances, December 31	<u>\$ 2,754,604</u>	<u>\$ 171,521</u>	<u>\$ 1,157,860</u>	<u>\$ 4,083,985</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Special Airport Fund	Appellate Judicial System	Coastal Protection	County & District Court Technology
ASSETS				
<i>Cash and cash equivalents</i>	\$ 68,788	\$ 2,401	\$ 33,392	\$ 351
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	--	--	--	405
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u>68,788</u>	<u>2,401</u>	<u>33,392</u>	<u>756</u>
Total Assets	\$ <u>68,788</u>	\$ <u>2,401</u>	\$ <u>33,392</u>	\$ <u>756</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 4,644	\$ 2,216	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	405
Total Liabilities	<u>4,644</u>	<u>2,216</u>	<u>--</u>	<u>405</u>
Fund balances:				
<i>Restricted</i>	64,144	185	33,392	351
Total fund balances	<u>64,144</u>	<u>185</u>	<u>33,392</u>	<u>351</u>
	<u>68,788</u>	<u>2,401</u>	<u>33,392</u>	<u>756</u>
Total Liabilities & Fund Balances	\$ <u>68,788</u>	\$ <u>2,401</u>	\$ <u>33,392</u>	\$ <u>756</u>

County Child Welfare Board	Court House Security Fund	Court Records Preservation	County Clerk Records Archive	District Attorney Forfeiture
\$ 698	\$ 192,875	\$ 1,694	\$ 3,640	\$ 5,233
--	14,349	--	--	--
--	--	--	--	8,325
--	--	--	--	--
<u>\$ 698</u>	<u>\$ 207,224</u>	<u>\$ 1,694</u>	<u>\$ 3,640</u>	<u>\$ 13,558</u>
\$ --	\$ 71	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	14,350	--	--	--
--	14,421	--	--	--
698	192,803	1,694	3,640	13,558
<u>698</u>	<u>192,803</u>	<u>1,694</u>	<u>3,640</u>	<u>13,558</u>
<u>\$ 698</u>	<u>\$ 207,224</u>	<u>\$ 1,694</u>	<u>\$ 3,640</u>	<u>\$ 13,558</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	DA Hot Check	Donations	Drug/DWI Court Program	Juvenile Case Manager
ASSETS				
<i>Cash and cash equivalents</i>	\$ 8,305	\$ 123,327	\$ 2,214	\$ 12,525
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	--	--	2,561	4,331
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,305</u>	<u>\$ 123,327</u>	<u>\$ 4,775</u>	<u>\$ 16,856</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 34	\$ 505	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	296	--	--
<i>Due to other funds</i>	1	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	2,561	4,331
Total Liabilities	<u>35</u>	<u>801</u>	<u>2,561</u>	<u>4,331</u>
Fund balances:				
<i>Restricted</i>	<u>8,270</u>	<u>122,526</u>	<u>2,214</u>	<u>12,525</u>
Total fund balances	<u>8,270</u>	<u>122,526</u>	<u>2,214</u>	<u>12,525</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities & Fund Balances	<u>\$ 8,305</u>	<u>\$ 123,327</u>	<u>\$ 4,775</u>	<u>\$ 16,856</u>

Family Protection	Juvenile Delinquency Prevention	Grants	Justice Court Technology	Justice Court Building Security
\$ 4,654	\$ 8,514	\$ 180,562	\$ 52,065	\$ 13,168
--	--	--	12,201	1,815
--	--	211,884	--	--
--	--	14,944	--	--
<u>\$ 4,654</u>	<u>\$ 8,514</u>	<u>\$ 407,390</u>	<u>\$ 64,266</u>	<u>\$ 14,983</u>
\$ --	\$ --	\$ 1,110	\$ 50	\$ --
--	--	4,794	--	--
--	--	372,984	--	--
--	--	--	--	--
--	--	--	12,202	1,815
--	--	378,888	12,252	1,815
4,654	8,514	28,502	52,014	13,168
<u>4,654</u>	<u>8,514</u>	<u>28,502</u>	<u>52,014</u>	<u>13,168</u>
<u>\$ 4,654</u>	<u>\$ 8,514</u>	<u>\$ 407,390</u>	<u>\$ 64,266</u>	<u>\$ 14,983</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4
ASSETS				
<i>Cash and cash equivalents</i>	\$ 4,230	\$ 4,230	\$ 4,230	\$ 4,230
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	--	--	--	--
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances:				
<i>Restricted</i>	<u>4,230</u>	<u>4,230</u>	<u>4,230</u>	<u>4,230</u>
Total fund balances	<u>4,230</u>	<u>4,230</u>	<u>4,230</u>	<u>4,230</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities & Fund Balances	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>

Pretrial Services	Law Library Fund	LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation
\$ 57,928	\$ 179,446	\$ 24,678	\$ 25,735	\$ 1,977
1,440	--	--	--	891
--	--	--	--	--
--	--	--	--	--
<u>\$ 59,368</u>	<u>\$ 179,446</u>	<u>\$ 24,678</u>	<u>\$ 25,735</u>	<u>\$ 2,868</u>
\$ --	\$ 817	\$ --	\$ 595	\$ --
--	--	--	41	--
--	--	--	--	--
--	--	--	--	--
1,441	--	--	1,600	891
<u>1,441</u>	<u>817</u>	<u>--</u>	<u>2,236</u>	<u>891</u>
57,927	178,629	24,678	23,499	1,977
<u>57,927</u>	<u>178,629</u>	<u>24,678</u>	<u>23,499</u>	<u>1,977</u>
<u>\$ 59,368</u>	<u>\$ 179,446</u>	<u>\$ 24,678</u>	<u>\$ 25,735</u>	<u>\$ 2,868</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	County Clerk Records Management	Records Management and Preservation	Road and Bridge Fund General	Road and Bridge Fund Precinct #3
ASSETS				
<i>Cash and cash equivalents</i>	\$ 175,159	\$ 68,860	\$ 1,446,704	\$ 9
Receivables (net of allowances for uncollectibles):				
<i>Accounts</i>	1,460	15,764	225,338	--
<i>Intergovernmental receivable</i>	--	--	2,959	--
<i>Due from other funds</i>	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 176,619</u>	<u>\$ 84,624</u>	<u>\$ 1,675,001</u>	<u>\$ 9</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
<i>Deferred revenue</i>	1,460	15,764	225,338	--
Total Liabilities	<u>1,460</u>	<u>15,764</u>	<u>225,338</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	175,159	68,860	1,449,663	9
Total fund balances	<u>175,159</u>	<u>68,860</u>	<u>1,449,663</u>	<u>9</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities & Fund Balances	<u>\$ 176,619</u>	<u>\$ 84,624</u>	<u>\$ 1,675,001</u>	<u>\$ 9</u>

Road Maintenance Precinct #4	Sheriff Forfeited Property	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insurance/ Maintenance	Election Services Contract
\$ 644	\$ 24,539	\$ 33,990	\$ 63,667	\$ 37,114
--	--	--	--	(26)
--	--	--	--	--
--	--	--	--	--
<u>\$ 644</u>	<u>\$ 24,539</u>	<u>\$ 33,990</u>	<u>\$ 63,667</u>	<u>\$ 37,088</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	14,884	--	--	--
--	--	--	--	--
<u>--</u>	<u>14,884</u>	<u>--</u>	<u>--</u>	<u>--</u>
644	9,655	33,990	63,667	37,088
<u>644</u>	<u>9,655</u>	<u>33,990</u>	<u>63,667</u>	<u>37,088</u>
<u>\$ 644</u>	<u>\$ 24,539</u>	<u>\$ 33,990</u>	<u>\$ 63,667</u>	<u>\$ 37,088</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 1,937	\$ 47,450	\$ 2,921,163
Receivables (net of allowances for uncollectibles):			
<i>Accounts</i>	--	--	280,529
<i>Intergovernmental receivable</i>	--	--	223,168
<i>Due from other funds</i>	--	--	14,944
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 1,937	\$ 47,450	\$ 3,439,804
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ 10,042
<i>Accrued and other liabilities</i>	--	--	5,131
<i>Due to other funds</i>	--	--	372,985
<i>Due to others</i>	--	--	14,884
<i>Deferred revenue</i>	--	--	282,158
Total Liabilities	<u> </u>	<u> </u>	<u> </u>
Fund balances:			
<i>Restricted</i>	1,937	47,450	2,754,604
Total fund balances	<u>1,937</u>	<u>47,450</u>	<u>2,754,604</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities & Fund Balances	\$ 1,937	\$ 47,450	\$ 3,439,804

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CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Airport Fund	Appellate Judicial System	C.A.W.S. Animal Control	Chamber Tourism Center
Revenues:				
<i>Intergovernmental</i>	\$ 20,738	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	2,206	--	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	486	9	1	2
<i>Gifts and contributions</i>	--	--	--	--
<i>Rents and leases</i>	10,500	--	--	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>31,724</u>	<u>2,215</u>	<u>1</u>	<u>2</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	2,216	--	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	27,003	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>27,003</u>	<u>2,216</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	4,721	(1)	1	2
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	(165)	(265)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(165)</u>	<u>(265)</u>
Net change in fund balances	4,721	(1)	(164)	(263)
Fund balances, January 1	<u>59,423</u>	<u>186</u>	<u>164</u>	<u>263</u>
Fund balances, December 31	<u>\$ 64,144</u>	<u>\$ 185</u>	<u>\$ --</u>	<u>\$ --</u>

Coastal Protection	County & District Court Technology	County Child Welfare Board	Court House Security Fund	Court Records Preservation
\$ 362	\$ --	\$ --	\$ --	\$ --
--	351	--	19,802	1,693
--	--	--	--	--
234	--	2	1,314	1
--	--	--	--	--
--	--	--	--	--
--	--	696	--	--
<u>596</u>	<u>351</u>	<u>698</u>	<u>21,116</u>	<u>1,694</u>
--	--	--	8,559	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	879	--	--
<u>--</u>	<u>--</u>	<u>879</u>	<u>8,559</u>	<u>--</u>
596	351	(181)	12,557	1,694
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
596	351	(181)	12,557	1,694
32,796	--	879	180,246	--
<u>\$ 33,392</u>	<u>\$ 351</u>	<u>\$ 698</u>	<u>\$ 192,803</u>	<u>\$ 1,694</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	County Clerk Records Archive	District Attorney Forfeiture	DA Hot Check	Donations
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	3,640	--	12,755	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	13,339	--	--
<i>Interest</i>	--	41	--	1,004
<i>Gifts and contributions</i>	--	--	--	89,045
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	486	2,969
Total revenues	<u>3,640</u>	<u>13,380</u>	<u>13,241</u>	<u>93,018</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	12,182	11,692	--
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	--	--	--	59,204
<i>Roads and bridges</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	54,975
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>12,182</u>	<u>11,692</u>	<u>114,179</u>
Excess (deficiency) of revenues over (under) expenditures	3,640	1,198	1,549	(21,161)
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	25,000
<i>Transfers out</i>	--	--	--	(25,000)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	3,640	1,198	1,549	(21,161)
Fund balances, January 1	<u>--</u>	<u>12,360</u>	<u>6,721</u>	<u>143,687</u>
Fund balances, December 31	<u>\$ 3,640</u>	<u>\$ 13,558</u>	<u>\$ 8,270</u>	<u>\$ 122,526</u>

Drug/DWI Court Program	Juvenile Case Manager	Family Protection	Juvenile Delinquency Prevention	Grants
\$ --	\$ --	\$ --	\$ --	\$ 241,697
2,212	11,142	764	--	--
--	--	--	--	--
--	--	--	--	--
2	30	29	60	592
--	--	--	--	--
--	--	--	--	--
--	--	--	--	50,000
<u>2,214</u>	<u>11,172</u>	<u>793</u>	<u>60</u>	<u>292,289</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	307,995
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>307,995</u>
2,214	11,172	793	60	(15,706)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,214</u>	<u>11,172</u>	<u>793</u>	<u>60</u>	<u>(15,706)</u>
--	1,353	3,861	8,454	44,208
<u>\$ 2,214</u>	<u>\$ 12,525</u>	<u>\$ 4,654</u>	<u>\$ 8,514</u>	<u>\$ 28,502</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Highway 87 FM 1090	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ 4,226
<i>Charges for services</i>	--	--	--	--
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	11,532	2,308	--
<i>Interest</i>	240	356	83	30
<i>Gifts and contributions</i>	--	--	--	--
<i>Rents and leases</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>240</u>	<u>11,888</u>	<u>2,391</u>	<u>4,256</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	7,242	--	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Roads and bridges</i>	--	--	--	4,284
<i>Culture and recreation</i>	--	--	194	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>7,242</u>	<u>194</u>	<u>4,284</u>
Excess (deficiency) of revenues over (under) expenditures	240	4,646	2,197	(28)
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	(210,320)	--	--	--
Total other financing sources (uses)	<u>(210,320)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(210,080)	4,646	2,197	(28)
Fund balances, January 1	<u>210,080</u>	<u>47,368</u>	<u>10,971</u>	<u>4,258</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 52,014</u>	<u>\$ 13,168</u>	<u>\$ 4,230</u>

Lateral Road Fund Precinct #2	Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund
\$ 4,226	\$ 4,226	\$ 4,226	\$ --	\$ --
--	--	--	2,460	15,687
--	--	--	--	--
--	--	--	--	--
30	30	30	398	1,223
--	--	--	--	--
--	--	--	--	--
<u>4,256</u>	<u>4,256</u>	<u>4,256</u>	<u>2,858</u>	<u>16,910</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	7,506
--	--	--	--	--
4,284	4,284	4,284	--	--
--	--	--	--	--
--	--	--	--	--
<u>4,284</u>	<u>4,284</u>	<u>4,284</u>	<u>--</u>	<u>7,506</u>
(28)	(28)	(28)	2,858	9,404
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(28)	(28)	(28)	2,858	9,404
<u>4,258</u>	<u>4,258</u>	<u>4,258</u>	<u>55,069</u>	<u>169,225</u>
<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 4,230</u>	<u>\$ 57,927</u>	<u>\$ 178,629</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	LEOSE Education	Port O'Conner Community Center	District Clerk Records Mgmt/ Preservation	County Clerk Records Management
Revenues:				
<i>Intergovernmental</i>	\$ 7,853	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	1,642	35,859
<i>Permits and licenses</i>	--	--	--	--
<i>Fines and forfeitures</i>	--	--	--	--
<i>Interest</i>	114	221	26	1,072
<i>Gifts and contributions</i>	--	1,000	--	--
<i>Rents and leases</i>	--	15,200	--	--
<i>Miscellaneous</i>	10	--	--	--
Total revenues	<u>7,977</u>	<u>16,421</u>	<u>1,668</u>	<u>36,931</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	27,297
<i>Judicial</i>	--	--	5,900	--
<i>Legal</i>	--	--	--	--
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	1,773	--	--	--
<i>Roads and bridges</i>	--	--	--	--
<i>Culture and recreation</i>	--	22,314	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>1,773</u>	<u>22,314</u>	<u>5,900</u>	<u>27,297</u>
Excess (deficiency) of revenues over (under) expenditures	6,204	(5,893)	(4,232)	9,634
Other financing sources (uses):				
<i>Transfers in</i>	--	9,000	--	19,414
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>9,000</u>	<u>--</u>	<u>19,414</u>
Net change in fund balances	6,204	3,107	(4,232)	29,048
Fund balances, January 1	<u>18,474</u>	<u>20,392</u>	<u>6,209</u>	<u>146,111</u>
Fund balances, December 31	<u>\$ 24,678</u>	<u>\$ 23,499</u>	<u>\$ 1,977</u>	<u>\$ 175,159</u>

Records Management and Preservation	Road and Bridge Fund General	Road and Bridge Fund Precinct #3	Road Maintenance Precinct #4	Sheriff Forfeited Property
\$ --	\$ 12,533	\$ --	\$ --	\$ --
--	223,620	--	--	--
--	371,165	--	--	--
13,772	91,654	--	--	13,668
414	8,270	89	5	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>14,186</u>	<u>707,242</u>	<u>89</u>	<u>5</u>	<u>13,668</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	12,364
--	--	--	--	--
--	--	13,533	--	--
--	--	<u>13,533</u>	--	<u>12,364</u>
14,186	707,242	(13,444)	5	1,304
--	--	--	--	--
--	(600,000)	--	--	--
--	<u>(600,000)</u>	--	--	--
14,186	107,242	(13,444)	5	1,304
54,674	1,342,421	13,453	639	8,351
<u>\$ 68,860</u>	<u>\$ 1,449,663</u>	<u>\$ 9</u>	<u>\$ 644</u>	<u>\$ 9,655</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insurance Maintenance
Revenues:		
<i>Intergovernmental</i>	\$ --	\$ --
<i>Charges for services</i>	--	--
<i>Permits and licenses</i>	--	--
<i>Fines and forfeitures</i>	--	--
<i>Interest</i>	--	455
<i>Gifts and contributions</i>	--	--
<i>Rents and leases</i>	--	--
<i>Miscellaneous</i>	17,640	--
Total revenues	<u>17,640</u>	<u>455</u>
Expenditures:		
Current:		
<i>General administration</i>	--	--
<i>Judicial</i>	--	--
<i>Legal</i>	--	--
<i>Public facilities</i>	--	--
<i>Public safety</i>	2,628	--
<i>Roads and bridges</i>	--	--
<i>Culture and recreation</i>	--	736
<i>Nondepartmental</i>	--	--
Total expenditures	<u>2,628</u>	<u>736</u>
Excess (deficiency) of revenues over (under) expenditures	15,012	(281)
Other financing sources (uses):		
<i>Transfers in</i>	--	--
<i>Transfers out</i>	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Net change in fund balances	15,012	(281)
Fund balances, January 1	<u>18,978</u>	<u>63,948</u>
Fund balances, December 31	<u>\$ 33,990</u>	<u>\$ 63,667</u>

Election Services Contract	Law Enforcement Block Grant Trust Fund	Library Gift Memorial	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 300,087
9,197	--	--	343,030
--	--	--	371,165
--	--	--	146,273
235	--	329	17,457
--	--	3,322	93,367
--	--	--	25,700
--	--	--	71,801
<u>9,432</u>	<u>--</u>	<u>3,651</u>	<u>1,368,880</u>
5,314	--	--	41,170
--	--	--	15,358
--	--	--	31,380
--	--	--	27,003
--	--	--	383,964
--	--	--	17,136
--	--	--	78,219
--	--	--	14,412
<u>5,314</u>	<u>--</u>	<u>--</u>	<u>608,642</u>
4,118	--	3,651	760,238
--	--	--	53,414
--	--	--	(835,750)
--	--	--	(782,336)
4,118	--	3,651	(22,098)
<u>32,970</u>	<u>1,937</u>	<u>43,799</u>	<u>2,776,702</u>
<u>\$ 37,088</u>	<u>\$ 1,937</u>	<u>\$ 47,450</u>	<u>\$ 2,754,604</u>

CALHOUN COUNTY, TEXAS
 AIRPORT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 1	\$ 20,738	\$ 20,737
<i>Interest</i>	100	486	386
<i>Rents and leases</i>	12,000	10,500	(1,500)
Total revenues	<u>12,101</u>	<u>31,724</u>	<u>19,623</u>
Expenditures:			
Current:			
<i>Public facilities</i>	30,390	27,003	3,387
Total expenditures	<u>30,390</u>	<u>27,003</u>	<u>3,387</u>
Net change in fund balances	(18,289)	4,721	23,010
Fund balances, January 1	<u>59,423</u>	<u>59,423</u>	--
Fund balances, December 31	<u>\$ 41,134</u>	<u>\$ 64,144</u>	<u>\$ 23,010</u>

CALHOUN COUNTY, TEXAS
 APPELLATE JUDICIAL SYSTEM
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Charges for services</i>	\$ 2,207	\$ 2,206	\$ (1)
<i>Interest</i>	10	9	(1)
Total revenues	<u>2,217</u>	<u>2,215</u>	<u>(2)</u>
Expenditures:			
Current:			
<i>Judicial</i>	<u>2,217</u>	<u>2,216</u>	<u>1</u>
Total expenditures	<u>2,217</u>	<u>2,216</u>	<u>1</u>
Net change in fund balances	--	(1)	(1)
Fund balances, January 1	<u>--</u>	<u>186</u>	<u>186</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 185</u>	<u>\$ 185</u>

CALHOUN COUNTY, TEXAS
 COUNTY EDUCATION - HAVA FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 5,442	\$ --	\$ (5,442)
Total revenues	<u>5,442</u>	<u>--</u>	<u>(5,442)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	5,442	--	5,442
Total expenditures	<u>5,442</u>	<u>--</u>	<u>5,442</u>
Net change in fund balances	--	--	--
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CALHOUN COUNTY, TEXAS
 COUNTY CHILD WELFARE BOARD FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 1	\$ 2	\$ 1
<i>Miscellaneous</i>	501	696	195
Total revenues	<u>502</u>	<u>698</u>	<u>196</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	1,381	879	502
Total expenditures	<u>1,381</u>	<u>879</u>	<u>502</u>
Net change in fund balances	(879)	(181)	698
Fund balances, January 1	<u>879</u>	<u>879</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 698</u>	<u>\$ 698</u>

CALHOUN COUNTY, TEXAS
 COURT HOUSE SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 7,100	\$ 19,802	\$ 12,702
<i>Interest</i>	1,000	1,314	314
Total revenues	<u>8,100</u>	<u>21,116</u>	<u>13,016</u>
Expenditures:			
Current:			
<i>General administration</i>	140,000	8,559	131,441
Total expenditures	<u>140,000</u>	<u>8,559</u>	<u>131,441</u>
Net change in fund balances	(131,900)	12,557	144,457
Fund balances, January 1	<u>178,704</u>	<u>180,246</u>	<u>1,542</u>
Fund balances, December 31	<u>\$ 46,804</u>	<u>\$ 192,803</u>	<u>\$ 145,999</u>

CALHOUN COUNTY, TEXAS
 DISTRICT ATTORNEY FORFEITURE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines and forfeitures</i>	\$ 10,304	\$ 13,340	\$ 3,036
<i>Interest</i>	--	41	41
Total revenues	<u>10,304</u>	<u>13,381</u>	<u>3,077</u>
Expenditures:			
Current:			
<i>Legal</i>	14,048	12,183	1,865
Total expenditures	<u>14,048</u>	<u>12,183</u>	<u>1,865</u>
Net change in fund balances	(3,744)	1,198	4,942
Fund balances, January 1	<u>16,738</u>	<u>12,360</u>	<u>(4,378)</u>
Fund balances, December 31	<u>\$ 12,994</u>	<u>\$ 13,558</u>	<u>\$ 564</u>

CALHOUN COUNTY, TEXAS
DRUG/DWI COURT PROGRAM FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Charges for services</i>	\$ 30	\$ 2,212	\$ 2,182
<i>Interest</i>	10	2	(8)
Total revenues	<u>40</u>	<u>2,214</u>	<u>2,174</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	40	--	40
Total expenditures	<u>40</u>	<u>--</u>	<u>40</u>
Net change in fund balances	--	2,214	2,214
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 2,214</u>	<u>\$ 2,214</u>

CALHOUN COUNTY, TEXAS
HIGHWAY 87 FM 1090 FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 2,000	\$ 240	\$ (1,760)
Total revenues	<u>2,000</u>	<u>240</u>	<u>(1,760)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	10,400	--	10,400
Total expenditures	<u>10,400</u>	<u>--</u>	<u>10,400</u>
Excess (deficiency) of revenues over (under) expenditures	(8,400)	240	8,640
Other financing sources (uses):			
<i>Transfers out</i>	(210,325)	(210,320)	5
Total other financing sources (uses)	<u>(210,325)</u>	<u>(210,320)</u>	<u>5</u>
Net change in fund balances	(218,725)	(210,080)	8,645
Fund balances, January 1	<u>210,080</u>	<u>210,080</u>	<u>--</u>
Fund balances, December 31	<u>\$ (8,645)</u>	<u>\$ --</u>	<u>\$ 8,645</u>

CALHOUN COUNTY, TEXAS
JUSTICE COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines and forfeitures</i>	\$ 11,753	\$ 11,532	\$ (221)
<i>Interest</i>	356	356	--
Total revenues	<u>12,109</u>	<u>11,888</u>	<u>(221)</u>
Expenditures:			
Current:			
<i>Judicial</i>	58,610	7,242	51,368
Total expenditures	<u>58,610</u>	<u>7,242</u>	<u>51,368</u>
Net change in fund balances	(46,501)	4,646	51,147
Fund balances, January 1	<u>46,501</u>	<u>47,368</u>	<u>867</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 52,014</u>	<u>\$ 52,014</u>

CALHOUN COUNTY, TEXAS
JUSTICE COURT BUILDING SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-14

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines and forfeitures</i>	\$ 650	\$ 2,308	\$ 1,658
<i>Interest</i>	50	83	33
Total revenues	<u>700</u>	<u>2,391</u>	<u>1,691</u>
Expenditures:			
Current:			
<i>Culture and recreation</i>	2,400	194	2,206
Total expenditures	<u>2,400</u>	<u>194</u>	<u>2,206</u>
Net change in fund balances	(1,700)	2,197	3,897
Fund balances, January 1	<u>10,761</u>	<u>10,971</u>	<u>210</u>
Fund balances, December 31	<u>\$ 9,061</u>	<u>\$ 13,168</u>	<u>\$ 4,107</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #1
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-15

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 4,229	\$ 4,226	\$ (3)
<i>Interest</i>	75	30	(45)
Total revenues	<u>4,304</u>	<u>4,256</u>	<u>(48)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	<u>4,284</u>	<u>4,284</u>	<u>--</u>
Total expenditures	<u>4,284</u>	<u>4,284</u>	<u>--</u>
Net change in fund balances	20	(28)	(48)
Fund balances, January 1	<u>4,258</u>	<u>4,258</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,278</u>	<u>\$ 4,230</u>	<u>\$ (48)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #2
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-16

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 4,229	\$ 4,226	\$ (3)
<i>Interest</i>	75	30	(45)
Total revenues	<u>4,304</u>	<u>4,256</u>	<u>(48)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,284	4,284	--
Total expenditures	<u>4,284</u>	<u>4,284</u>	<u>--</u>
Net change in fund balances	20	(28)	(48)
Fund balances, January 1	<u>4,258</u>	<u>4,258</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,278</u>	<u>\$ 4,230</u>	<u>\$ (48)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #3
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-17

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 4,229	\$ 4,226	\$ (3)
<i>Interest</i>	75	30	(45)
Total revenues	<u>4,304</u>	<u>4,256</u>	<u>(48)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,284	4,284	--
Total expenditures	<u>4,284</u>	<u>4,284</u>	<u>--</u>
Net change in fund balances	20	(28)	(48)
Fund balances, January 1	<u>4,258</u>	<u>4,258</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,278</u>	<u>\$ 4,230</u>	<u>\$ (48)</u>

CALHOUN COUNTY, TEXAS
LATERAL ROAD FUND PRECINCT #4
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-18

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 4,229	\$ 4,226	\$ (3)
<i>Interest</i>	75	30	(45)
Total revenues	<u>4,304</u>	<u>4,256</u>	<u>(48)</u>
Expenditures:			
Current:			
<i>Roads and bridges</i>	4,284	4,284	--
Total expenditures	<u>4,284</u>	<u>4,284</u>	<u>--</u>
Net change in fund balances	20	(28)	(48)
Fund balances, January 1	<u>4,258</u>	<u>4,258</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,278</u>	<u>\$ 4,230</u>	<u>\$ (48)</u>

CALHOUN COUNTY, TEXAS
PRETRIAL SERVICES FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-19

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Charges for services</i>	\$ 3,000	\$ 2,460	\$ (540)
<i>Interest</i>	250	398	148
Total revenues	<u>3,250</u>	<u>2,858</u>	<u>(392)</u>
 Net change in fund balances	 3,250	 2,858	 (392)
Fund balances, January 1	<u>55,069</u>	<u>55,069</u>	<u>--</u>
Fund balances, December 31	<u>\$ 58,319</u>	<u>\$ 57,927</u>	<u>\$ (392)</u>

CALHOUN COUNTY, TEXAS
LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-20

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Charges for services</i>	\$ 6,000	\$ 15,687	\$ 9,687
<i>Interest</i>	1,500	1,223	(277)
Total revenues	<u>7,500</u>	<u>16,910</u>	<u>9,410</u>
Expenditures:			
Current:			
<i>Legal</i>	26,400	7,506	18,894
Total expenditures	<u>26,400</u>	<u>7,506</u>	<u>18,894</u>
Net change in fund balances	(18,900)	9,404	28,304
Fund balances, January 1	<u>167,915</u>	<u>169,225</u>	<u>1,310</u>
Fund balances, December 31	<u>\$ 149,015</u>	<u>\$ 178,629</u>	<u>\$ 29,614</u>

CALHOUN COUNTY, TEXAS
 PORT O'CONNOR COMMUNITY CENTER
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-21

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 200	\$ 221	\$ 21
<i>Gifts and contributions</i>	1	1,000	999
<i>Rents and leases</i>	10,000	15,200	5,200
Total revenues	<u>10,201</u>	<u>16,421</u>	<u>6,220</u>
Expenditures:			
Current:			
<i>Culture and recreation</i>	32,909	22,314	10,595
Total expenditures	<u>32,909</u>	<u>22,314</u>	<u>10,595</u>
Excess (deficiency) of revenues over (under) expenditures	(22,708)	(5,893)	16,815
Other financing sources (uses):			
<i>Transfers in</i>	9,000	9,000	--
Total other financing sources (uses)	<u>9,000</u>	<u>9,000</u>	<u>--</u>
Net change in fund balances	(13,708)	3,107	16,815
Fund balances, January 1	<u>20,093</u>	<u>20,392</u>	<u>299</u>
Fund balances, December 31	<u>\$ 6,385</u>	<u>\$ 23,499</u>	<u>\$ 17,114</u>

CALHOUN COUNTY, TEXAS

COUNTY CLERK RECORDS MANAGEMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-22

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Charges for services</i>	\$ 30,000	\$ 35,859	\$ 5,859
<i>Interest</i>	800	1,072	272
Total revenues	<u>30,800</u>	<u>36,931</u>	<u>6,131</u>
Expenditures:			
Current:			
<i>General administration</i>	38,311	27,297	11,014
Total expenditures	<u>38,311</u>	<u>27,297</u>	<u>11,014</u>
Excess (deficiency) of revenues over (under) expenditures	(7,511)	9,634	17,145
Other financing sources (uses):			
<i>Transfers in</i>	19,414	19,414	--
Total other financing sources (uses)	<u>19,414</u>	<u>19,414</u>	<u>--</u>
Net change in fund balances	11,903	29,048	17,145
Fund balances, January 1	<u>142,487</u>	<u>146,111</u>	<u>3,624</u>
Fund balances, December 31	<u>\$ 154,390</u>	<u>\$ 175,159</u>	<u>\$ 20,769</u>

CALHOUN COUNTY, TEXAS
 RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-23

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines and forfeitures</i>	\$ 6,300	\$ 13,772	\$ 7,472
<i>Interest</i>	400	414	14
Total revenues	<u>6,700</u>	<u>14,186</u>	<u>7,486</u>
Expenditures:			
Current:			
<i>General administration</i>	6,500	--	6,500
Total expenditures	<u>6,500</u>	<u>--</u>	<u>6,500</u>
Net change in fund balances	200	14,186	13,986
Fund balances, January 1	<u>54,033</u>	<u>54,674</u>	<u>641</u>
Fund balances, December 31	<u>\$ 54,233</u>	<u>\$ 68,860</u>	<u>\$ 14,627</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND GENERAL
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-24

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 5,000	\$ 12,533	\$ 7,533
<i>Charges for services</i>	120,000	223,620	103,620
<i>Permits and licenses</i>	350,000	371,165	21,165
<i>Fines and forfeitures</i>	66,000	91,654	25,654
<i>Interest</i>	9,000	8,270	(730)
Total revenues	<u>550,000</u>	<u>707,242</u>	<u>157,242</u>
Other financing sources (uses):			
<i>Transfers out</i>	(600,000)	(600,000)	--
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>--</u>
Net change in fund balances	(50,000)	107,242	157,242
Fund balances, January 1	<u>1,329,316</u>	<u>1,342,421</u>	<u>13,105</u>
Fund balances, December 31	<u>\$ 1,279,316</u>	<u>\$ 1,449,663</u>	<u>\$ 170,347</u>

CALHOUN COUNTY, TEXAS
ROAD AND BRIDGE FUND PRECINCT #3
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-25

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 80	\$ 89	\$ 9
Total revenues	<u>80</u>	<u>89</u>	<u>9</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	13,533	13,533	--
Total expenditures	<u>13,533</u>	<u>13,533</u>	<u>--</u>
Net change in fund balances	(13,453)	(13,444)	9
Fund balances, January 1	<u>13,453</u>	<u>13,453</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 9</u>	<u>\$ 9</u>

CALHOUN COUNTY, TEXAS
 ROAD MAINTENANCE FUND PRECINCT #4
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-26

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ 5	\$ 5	\$ --
Total revenues	<u>5</u>	<u>5</u>	<u>--</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>	644	--	644
Total expenditures	<u>644</u>	<u>--</u>	<u>644</u>
Net change in fund balances	(639)	5	644
Fund balances, January 1	<u>639</u>	<u>639</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 644</u>	<u>\$ 644</u>

CALHOUN COUNTY, TEXAS
 SHERIFF FORFEITED PROPERTY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-27

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines and forfeitures</i>	\$ 16,120	\$ 13,668	\$ (2,452)
<i>Interest</i>	50	--	(50)
Total revenues	<u>16,170</u>	<u>13,668</u>	<u>(2,502)</u>
Expenditures:			
Current:			
<i>Public safety</i>	<u>24,383</u>	<u>12,364</u>	<u>12,019</u>
Total expenditures	<u>24,383</u>	<u>12,364</u>	<u>12,019</u>
Net change in fund balances	(8,213)	1,304	9,517
Fund balances, January 1	<u>8,100</u>	<u>8,351</u>	<u>251</u>
Fund balances, December 31	<u>\$ (113)</u>	<u>\$ 9,655</u>	<u>\$ 9,768</u>

CALHOUN COUNTY, TEXAS

6 MILE PIER/BOAT RAMP INSUR/MAINT (ALCOA) FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-28

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Interest</i>	\$ 600	\$ 455	\$ (145)
Total revenues	<u>600</u>	<u>455</u>	<u>(145)</u>
Expenditures:			
Current:			
<i>Culture and recreation</i>	62,958	736	62,222
Total expenditures	<u>62,958</u>	<u>736</u>	<u>62,222</u>
Net change in fund balances	(62,358)	(281)	62,077
Fund balances, January 1	<u>63,948</u>	<u>63,948</u>	--
Fund balances, December 31	<u>\$ 1,590</u>	<u>\$ 63,667</u>	<u>\$ 62,077</u>

CALHOUN COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2011

	2003-A GO Jail Bonds	2003-B GO Refinancing Bonds
ASSETS		
<i>Cash and cash equivalents</i>	\$ 144,229	\$ 11,923
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	206,787	11,726
<i>Intergovernmental receivable</i>	34,345	456
<i>Due from other funds</i>	23	--
Restricted assets:		
<i>Cash and cash equivalents</i>	363,175	--
Total Assets	<u>\$ 748,559</u>	<u>\$ 24,105</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Due to other funds</i>	\$ --	\$ --
<i>Deferred revenue</i>	602,926	11,166
Total Liabilities	<u>602,926</u>	<u>11,166</u>
Fund balances:		
<i>Restricted</i>	145,633	12,939
Total fund balances	<u>145,633</u>	<u>12,939</u>
Total Liabilities & Fund Balances	<u>\$ 748,559</u>	<u>\$ 24,105</u>

2004 Courthouse Renovation	2010 Refunding	Total Nonmajor Debt Service Funds (See Exhibit C-1)
\$ 6,656	\$ 5,351	\$ 168,159
126,162	55,465	400,140
21,175	9,761	65,737
14	7	44
<u>224,696</u>	<u>104,882</u>	<u>692,753</u>
<u>\$ 378,703</u>	<u>\$ 175,466</u>	<u>\$ 1,326,833</u>
\$ 1	\$ --	\$ 1
<u>371,211</u>	<u>170,008</u>	<u>1,155,311</u>
<u>371,212</u>	<u>170,008</u>	<u>1,155,312</u>
<u>7,491</u>	<u>5,458</u>	<u>171,521</u>
<u>7,491</u>	<u>5,458</u>	<u>171,521</u>
<u>\$ 378,703</u>	<u>\$ 175,466</u>	<u>\$ 1,326,833</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2003-A GO Jail Bonds	2003-B GO Refinancing Bonds
Revenues:		
<i>Ad valorem taxes</i>	\$ 504,466	\$ 434,077
<i>Interest</i>	3,828	2,485
Total revenues	<u>508,294</u>	<u>436,562</u>
Expenditures:		
Debt service:		
<i>Principal</i>	325,000	495,000
<i>Interest and fiscal charges</i>	275,787	19,800
Total expenditures	<u>600,787</u>	<u>514,800</u>
Excess (deficiency) of revenues over (under) expenditures	(92,493)	(78,238)
Other financing sources (uses):		
<i>Transfers in</i>	--	33,804
<i>Transfers out</i>	(47,739)	--
Total other financing sources (uses)	<u>(47,739)</u>	<u>33,804</u>
Net change in fund balances	(140,232)	(44,434)
Fund balances, January 1	<u>285,865</u>	<u>57,373</u>
Fund balances, December 31	<u>\$ 145,633</u>	<u>\$ 12,939</u>

2004 Courthouse Renovation	2010 Refunding	Total Nonmajor Debt Service Funds (See Exhibit C-2)
\$ 246,533	\$ 25	\$ 1,185,101
1,489	83	7,885
<u>248,022</u>	<u>108</u>	<u>1,192,986</u>
90,000	65,000	975,000
17,250	117,771	430,608
<u>107,250</u>	<u>182,771</u>	<u>1,405,608</u>
140,772	(182,663)	(212,622)
--	188,121	221,925
(174,186)	--	(221,925)
<u>(174,186)</u>	<u>188,121</u>	<u>--</u>
(33,414)	5,458	(212,622)
40,905	--	384,143
<u>\$ 7,491</u>	<u>\$ 5,458</u>	<u>\$ 171,521</u>

CALHOUN COUNTY, TEXAS
 2003-A GO JAIL BONDS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-31

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Ad valorem taxes</i>	\$ 490,014	\$ 504,466	\$ 14,452
<i>Interest</i>	1,000	3,828	2,828
Total revenues	<u>491,014</u>	<u>508,294</u>	<u>17,280</u>
Expenditures:			
Debt service:			
<i>Principal</i>	325,000	325,000	--
<i>Interest and fiscal charges</i>	276,964	275,787	1,177
Total expenditures	<u>601,964</u>	<u>600,787</u>	<u>1,177</u>
Excess (deficiency) of revenues over (under) expenditures	(110,950)	(92,493)	18,457
Other financing sources (uses):			
<i>Transfers out</i>	(47,740)	(47,739)	1
Total other financing sources (uses)	<u>(47,740)</u>	<u>(47,739)</u>	<u>1</u>
Net change in fund balances	(158,690)	(140,232)	18,458
Fund balances, January 1	<u>283,460</u>	<u>285,865</u>	<u>2,405</u>
Fund balances, December 31	<u>\$ 124,770</u>	<u>\$ 145,633</u>	<u>\$ 20,863</u>

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CALHOUN COUNTY, TEXAS
 2003-B GO REFINANCING BONDS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-32

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ 422,350	\$ 434,077	\$ 11,727
<i>Interest</i>	1,000	2,485	1,485
Total revenues	<u>423,350</u>	<u>436,562</u>	<u>13,212</u>
Expenditures:			
Debt service:			
<i>Principal</i>	495,000	495,000	--
<i>Interest and fiscal charges</i>	21,300	19,800	1,500
Total expenditures	<u>516,300</u>	<u>514,800</u>	<u>1,500</u>
Excess (deficiency) of revenues over (under) expenditures	(92,950)	(78,238)	14,712
Other financing sources (uses):			
<i>Transfers in</i>	33,805	33,804	(1)
Total other financing sources (uses)	<u>33,805</u>	<u>33,804</u>	<u>(1)</u>
Net change in fund balances	(59,145)	(44,434)	14,711
Fund balances, January 1	<u>55,439</u>	<u>57,373</u>	<u>1,934</u>
Fund balances, December 31	<u>\$ (3,706)</u>	<u>\$ 12,939</u>	<u>\$ 16,645</u>

CALHOUN COUNTY, TEXAS
 2004 COURTHOUSE RENOVATION FUND
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-33

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ 236,655	\$ 246,533	\$ 9,878
<i>Interest</i>	1,000	1,489	489
Total revenues	<u>237,655</u>	<u>248,022</u>	<u>10,367</u>
Expenditures:			
Debt service:			
<i>Principal</i>	90,000	90,000	--
<i>Interest and fiscal charges</i>	18,450	17,250	1,200
Total expenditures	<u>108,450</u>	<u>107,250</u>	<u>1,200</u>
Excess (deficiency) of revenues over (under) expenditures	129,205	140,772	11,567
Other financing sources (uses):			
<i>Transfers out</i>	(174,187)	(174,186)	1
Total other financing sources (uses)	<u>(174,187)</u>	<u>(174,186)</u>	<u>1</u>
Net change in fund balances	(44,982)	(33,414)	11,568
Fund balances, January 1	<u>47,120</u>	<u>40,905</u>	<u>(6,215)</u>
Fund balances, December 31	<u>\$ 2,138</u>	<u>\$ 7,491</u>	<u>\$ 5,353</u>

CALHOUN COUNTY, TEXAS
 2010 REFUNDING FUND
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-34

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Ad valorem taxes</i>	\$ --	\$ 25	\$ 25
<i>Interest</i>	--	83	83
Total revenues	<u>--</u>	<u>108</u>	<u>108</u>
Expenditures:			
Debt service:			
<i>Principal</i>	65,000	65,000	--
<i>Interest and fiscal charges</i>	123,372	117,771	5,601
Total expenditures	<u>188,372</u>	<u>182,771</u>	<u>5,601</u>
Excess (deficiency) of revenues over (under) expenditures	(188,372)	(182,663)	5,709
Other financing sources (uses):			
<i>Transfers in</i>	188,122	188,121	(1)
Total other financing sources (uses)	<u>188,122</u>	<u>188,121</u>	<u>(1)</u>
Net change in fund balances	(250)	5,458	5,708
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ (250)</u>	<u>\$ 5,458</u>	<u>\$ 5,708</u>

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CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2011

	CIAP Coastal Development	Coastal Management Program	EMS Building	Parking Lot
ASSETS				
<i>Cash and cash equivalents</i>	\$ 118,704	\$ 72,008	\$ 18,041	\$ 80,544
<i>Intergovernmental receivable</i>	15,696	27,189	--	--
Total Assets	<u>\$ 134,400</u>	<u>\$ 99,197</u>	<u>\$ 18,041</u>	<u>\$ 80,544</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ 786	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	(15)	--
<i>Due to other funds</i>	134,400	98,411	--	--
Total Liabilities	<u>134,400</u>	<u>99,197</u>	<u>(15)</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	--	--	--	--
<i>Assigned</i>	--	--	18,056	80,544
<i>Unassigned</i>	--	--	--	--
Total fund balances (deficit)	<u>--</u>	<u>--</u>	<u>18,056</u>	<u>80,544</u>
Total Liabilities & Fund Balances	<u>\$ 134,400</u>	<u>\$ 99,197</u>	<u>\$ 18,041</u>	<u>\$ 80,544</u>

Road & Bridge #2 Storm Repairs	Pct 1 Ocean Drive Improvements	Road and Bridge Infrastructure	Swan Point Park	Airport Runway Improvements
\$ 17,796	\$ 1	\$ 142,769	\$ 5,096	\$ 140,614
--	--	--	--	19,073
<u>\$ 17,796</u>	<u>\$ 1</u>	<u>\$ 142,769</u>	<u>\$ 5,096</u>	<u>\$ 159,687</u>
\$ --	\$ 4,000	\$ --	\$ --	\$ --
--	--	--	--	--
--	1	--	--	--
<u>--</u>	<u>4,001</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	142,769	5,096	--
17,796	--	--	--	159,687
--	(4,000)	--	--	--
<u>17,796</u>	<u>(4,000)</u>	<u>142,769</u>	<u>5,096</u>	<u>159,687</u>
<u>\$ 17,796</u>	<u>\$ 1</u>	<u>\$ 142,769</u>	<u>\$ 5,096</u>	<u>\$ 159,687</u>

CALHOUN COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2011

	Emergency Communication System	Port Alto Public Beach	Capital Improvement Projects
ASSETS			
<i>Cash and cash equivalents</i>	\$ 30,848	\$ 30,385	\$ 444,759
<i>Intergovernmental receivable</i>	--	--	--
Total Assets	<u>\$ 30,848</u>	<u>\$ 30,385</u>	<u>\$ 444,759</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Accrued and other liabilities</i>	--	--	--
<i>Due to other funds</i>	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:			
<i>Restricted</i>	--	--	--
<i>Assigned</i>	30,848	30,385	444,759
<i>Unassigned</i>	--	--	--
Total fund balances (deficit)	<u>30,848</u>	<u>30,385</u>	<u>444,759</u>
Total Liabilities & Fund Balances	<u>\$ 30,848</u>	<u>\$ 30,385</u>	<u>\$ 444,759</u>

Seadrift Library	Courthouse Annex II	Annex Renovation	Health Department Renovation	Energy Efficiency / SECO Stimulus
\$ 769	\$ 25,756	\$ 17,978	\$ 116,438	\$ 86,365
--	--	--	--	555
<u>\$ 769</u>	<u>\$ 25,756</u>	<u>\$ 17,978</u>	<u>\$ 116,438</u>	<u>\$ 86,920</u>
\$ --	\$ --	\$ 1,697	\$ --	\$ 555
--	8,466	--	--	--
--	--	--	--	86,365
<u>--</u>	<u>8,466</u>	<u>1,697</u>	<u>--</u>	<u>86,920</u>
--	--	--	--	--
769	17,290	16,281	116,438	--
--	--	--	--	--
<u>769</u>	<u>17,290</u>	<u>16,281</u>	<u>116,438</u>	<u>--</u>
<u>\$ 769</u>	<u>\$ 25,756</u>	<u>\$ 17,978</u>	<u>\$ 116,438</u>	<u>\$ 86,920</u>

CALHOUN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2011

	Magnolia Beach Jetty Construction	Olivia / Port Alto Ambulance	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 168,000	\$ 38,000	\$ 1,554,871
<i>Intergovernmental receivable</i>	23,894	--	86,407
Total Assets	<u>\$ 191,894</u>	<u>\$ 38,000</u>	<u>\$ 1,641,278</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 4,100	\$ --	\$ 11,138
<i>Accrued and other liabilities</i>	--	--	8,451
<i>Due to other funds</i>	144,652	--	463,829
Total Liabilities	<u>148,752</u>	<u>--</u>	<u>483,418</u>
Fund balances:			
<i>Restricted</i>	43,142	--	191,007
<i>Assigned</i>	--	38,000	970,853
<i>Unassigned</i>	--	--	(4,000)
Total fund balances (deficit)	<u>43,142</u>	<u>38,000</u>	<u>1,157,860</u>
Total Liabilities & Fund Balances	<u>\$ 191,894</u>	<u>\$ 38,000</u>	<u>\$ 1,641,278</u>

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CALHOUN COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	CIAP Coastal Development	Coastal Management Program	EMS Building	Olivia/Pt.Alto Fire Dept. Building
Revenues:				
<i>Intergovernmental</i>	\$ 15,696	\$ 29,760	\$ --	\$ --
<i>Gifts and contributions</i>	--	--	--	--
Total revenues	<u>15,696</u>	<u>29,760</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
<i>Public facilities</i>	--	--	--	--
<i>Health and welfare</i>	--	--	6,749	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	15,696	29,760	--	54,931
Total expenditures	<u>15,696</u>	<u>29,760</u>	<u>6,749</u>	<u>54,931</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	(6,749)	(54,931)
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	5,857
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,857</u>
Net change in fund balances	--	--	(6,749)	(49,074)
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>24,805</u>	<u>49,074</u>
Fund balances (deficit), December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,056</u>	<u>\$ --</u>

<u>Parking Lot</u>	<u>Road & Bridge #2 Storm Repairs</u>	<u>Pct 1 Ocean Drive Improvements</u>	<u>Road and Bridge Infrastructure</u>	<u>Swan Point Park</u>
\$ --	\$ --	\$ 5,303	\$ 30,714	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>5,303</u>	<u>30,714</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>9,303</u>	<u>57,945</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>9,303</u>	<u>57,945</u>	<u>--</u>
--	--	(4,000)	(27,231)	--
--	--	--	91,000	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>91,000</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>(4,000)</u>	<u>63,769</u>	<u>--</u>
80,544	17,796	--	79,000	5,096
<u>\$ 80,544</u>	<u>\$ 17,796</u>	<u>\$ (4,000)</u>	<u>\$ 142,769</u>	<u>\$ 5,096</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Airport Runway Improvements	Emergency Communication System	Port Alto Public Beach	County Clerk's Records
Revenues:				
<i>Intergovernmental</i>	\$ 1,194,816	\$ --	\$ --	\$ --
<i>Gifts and contributions</i>	--	--	--	--
Total revenues	<u>1,194,816</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures:				
Current:				
<i>Public facilities</i>	1,165,144	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	8,549	--	--
Total expenditures	<u>1,165,144</u>	<u>8,549</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	29,672	(8,549)	--	--
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	(19,414)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(19,414)</u>
Net change in fund balances	29,672	(8,549)	--	(19,414)
Fund balances, January 1	<u>130,015</u>	<u>39,397</u>	<u>30,385</u>	<u>19,414</u>
Fund balances (deficit), December 31	<u>\$ 159,687</u>	<u>\$ 30,848</u>	<u>\$ 30,385</u>	<u>\$ --</u>

District Clerk's Records	Capital Improvement Projects	Seadrift Library	Courthouse Annex II	Annex Renovation
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	37,727	--	8,700
--	--	<u>37,727</u>	--	<u>8,700</u>
--	--	--	--	--
--	--	--	--	--
--	--	37,727	--	--
--	--	--	--	18,633
--	--	<u>37,727</u>	--	<u>18,633</u>
--	--	--	--	(9,933)
--	10,320	--	--	--
(17,659)	--	--	--	(10,055)
<u>(17,659)</u>	<u>10,320</u>	--	--	<u>(10,055)</u>
(17,659)	10,320	--	--	(19,988)
<u>17,659</u>	<u>434,439</u>	<u>769</u>	<u>17,290</u>	<u>36,269</u>
\$ <u>--</u>	\$ <u>444,759</u>	\$ <u>769</u>	\$ <u>17,290</u>	\$ <u>16,281</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Health Department Renovation	Energy Efficiency SECO Stimulus
Revenues:		
<i>Intergovernmental</i>	\$ --	\$ 65,261
<i>Gifts and contributions</i>	--	--
Total revenues	<u> --</u>	<u> 65,261</u>
Expenditures:		
Current:		
<i>Public facilities</i>	--	--
<i>Health and welfare</i>	--	--
<i>Culture and recreation</i>	--	--
<i>Nondepartmental</i>	--	65,261
Total expenditures	<u> --</u>	<u> 65,261</u>
Excess (deficiency) of revenues over (under) expenditures	--	--
Other financing sources (uses):		
<i>Transfers in</i>	--	--
<i>Transfers out</i>	--	--
Total other financing sources (uses)	<u> --</u>	<u> --</u>
Net change in fund balances	--	--
Fund balances, January 1	<u> 116,438</u>	<u> --</u>
Fund balances (deficit), December 31	<u>\$ 116,438</u>	<u>\$ --</u>

Magnolia Beach Jetty Construction	Olivia / Port Alto Ambulance	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ 23,894	\$ --	\$ 1,365,444
--	--	46,427
<u>23,894</u>	<u>--</u>	<u>1,411,871</u>
--	--	1,165,144
--	--	6,749
--	--	37,727
23,894	--	283,972
<u>23,894</u>	<u>--</u>	<u>1,493,592</u>
--	--	(81,721)
43,142	38,000	188,319
--	--	(47,128)
<u>43,142</u>	<u>38,000</u>	<u>141,191</u>
43,142	38,000	59,470
--	--	1,098,390
<u>\$ 43,142</u>	<u>\$ 38,000</u>	<u>\$ 1,157,860</u>

CALHOUN COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2011

	County Clerk Funds	District Clerk Funds	Justice of the Peace Funds	District Attorney Funds
ASSETS				
<i>Cash and cash equivalents</i>	\$ 77,947	\$ 206,116	\$ 19,068	\$ 14,774
Receivables (net of allowances for uncollectibles):				
<i>Intergovernmental receivable</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
<i>Due from others</i>	--	--	--	--
Total Assets	<u>\$ 77,947</u>	<u>\$ 206,116</u>	<u>\$ 19,068</u>	<u>\$ 14,774</u>
LIABILITIES				
<i>Due to other funds</i>	\$ 4,165	\$ 3,286	\$ 14,654	\$ 859
<i>Due to other governments</i>	66	--	--	--
<i>Due to others</i>	73,716	202,830	4,414	13,915
Total Liabilities	<u>\$ 77,947</u>	<u>\$ 206,116</u>	<u>\$ 19,068</u>	<u>\$ 14,774</u>

Tax Collector Funds	Sheriff Funds	County Auditor Funds	County Treasurer Funds	Total Agency Funds (See Exhibit A-7)
\$ 17,484	\$ 202,468	\$ 149,801	\$ 91,173	\$ 778,831
126,008	--	--	2	126,010
--	--	--	140,421	140,421
<u>20,616</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,616</u>
<u>\$ 164,108</u>	<u>\$ 202,468</u>	<u>\$ 149,801</u>	<u>\$ 231,596</u>	<u>\$ 1,065,878</u>
\$ 116,752	\$ 705	\$ --	\$ --	\$ 140,421
45,430	--	--	206,219	251,715
<u>1,926</u>	<u>201,763</u>	<u>149,801</u>	<u>25,377</u>	<u>673,742</u>
<u>\$ 164,108</u>	<u>\$ 202,468</u>	<u>\$ 149,801</u>	<u>\$ 231,596</u>	<u>\$ 1,065,878</u>

MEMORIAL MEDICAL CENTER

STATEMENT OF NET ASSETS

ENTERPRISE FUND

DECEMBER 31, 2011

	Enterprise Fund
	<u>Memorial Medical Center</u>
ASSETS	
Current assets:	
Cash	\$ 1,445,277
Investments	500,000
Accounts receivable (net of allowances for uncollectibles):	2,241,851
Estimated amounts due from third-party payers	67,051
Supplies	564,040
Prepaid items and other current assets	516,685
Total current assets	<u>5,334,904</u>
Capital assets:	
Land	32,143
Construction in progress	44,966
Buildings	9,209,598
Equipment	14,660,705
Accumulated depreciation	(19,468,430)
Net capital assets	<u>4,478,982</u>
Total Assets	<u>9,813,886</u>
LIABILITIES	
Current liabilities:	
Accounts payable	936,536
Accrued and other liabilities	1,469,034
Capital leases payable - current portion	228,258
Loan payable to primary government	500,000
Total current liabilities	<u>3,133,828</u>
Noncurrent liabilities:	
Capital leases payable	655,329
Total noncurrent liabilities	<u>655,329</u>
Total Liabilities	<u>3,789,157</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,595,395
Restricted - expendable for equipment	36,813
Unrestricted	2,392,521
Total Net Assets	<u>\$ 6,024,729</u>

MEMORIAL MEDICAL CENTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Fund <u>Memorial Medical Center</u>
OPERATING REVENUES:	
<i>Patient service revenues (net)</i>	\$ 17,977,540
<i>Other operating revenues</i>	886,844
Total Operating Revenues	<u>18,864,384</u>
OPERATING EXPENSES:	
<i>Salaries and wages</i>	7,891,513
<i>Employee benefits</i>	2,175,892
<i>Purchased services and professional fees</i>	4,699,397
<i>Insurance</i>	45,621
<i>Supplies and other</i>	4,324,830
<i>Depreciation and amortization</i>	919,782
Total Operating Expenses	<u>20,057,035</u>
Operating Income (Loss)	<u>(1,192,651)</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Investment return</i>	6,784
<i>Interest expense</i>	(30,683)
<i>Private upper-payment limit expense</i>	(1,163,564)
<i>On-behalf payments</i>	1,642,699
Total Non-operating Revenues (Expenses)	<u>455,236</u>
Net Income (Loss) before Capital Contributions	<u>(737,415)</u>
CAPITAL CONTRIBUTIONS:	
Capital grants and gifts	<u>36,813</u>
Decrease in net assets	<u>(700,602)</u>
Net assets, January 1	<u>6,725,331</u>
Net assets, December 31	<u>\$ 6,024,729</u>

MEMORIAL MEDICAL CENTER
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Service Funds
Cash Flows from Operating Activities:	
<i>Receipts from and on-half of patients</i>	\$ 18,879,549
<i>Payments to suppliers and contractors</i>	(8,849,566)
<i>Payments to employees</i>	(10,121,256)
<i>Other receipts, net</i>	813,763
Net Cash Provided (Used) by Operating Activities	<u>722,490</u>
Cash Flows from Non-capital Financing Activities:	
<i>Private upper-payment limit program payments</i>	(1,163,564)
<i>On-behalf payments</i>	1,642,699
<i>Proceeds from issuance of note payable</i>	500,000
Net Cash Provided (Used) by Non-capital Financing Activities	<u>979,135</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Capital grants and gifts</i>	36,813
<i>Principal paid on long-term debt</i>	(241,807)
<i>Interest paid on long-term debt</i>	(30,683)
<i>Purchase of capital assets</i>	(1,048,058)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(1,283,735)</u>
Cash Flows from Investing Activities:	
<i>Interest on investments</i>	6,784
<i>Purchase of investments</i>	(500,000)
<i>Proceeds from disposition of investments</i>	500,000
Net Cash Provided (Used) for Investing Activities	<u>6,784</u>
Net Increase (Decrease) in Cash and Cash Equivalents	424,674
Cash and Cash Equivalents at Beginning of Year	1,020,603
Cash and Cash Equivalents at End of Year	<u>\$ 1,445,277</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (1,192,651)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation and amortization</i>	919,782
Change in Assets and Liabilities:	
<i>Patients accounts receivable, net</i>	89,248
<i>Estimated amounts due from and to third-party payers</i>	739,680
<i>Accounts payable and accrued expenses</i>	263,997
<i>Other assets and liabilities</i>	(97,566)
Total Adjustments	<u>1,915,141</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 722,490</u>