

ANNUAL FINANCIAL REPORT

of

CHAMBERS COUNTY, TEXAS

For the Year Ended
December 31, 2009

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CHAMBERS COUNTY, TEXAS

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CHAMBERS COUNTY, TEXAS

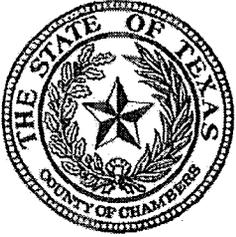
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INTRODUCTORY SECTION

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CHAMBERS COUNTY AUDITOR

Jerry Sparks P.O. Box 910 Anahuac, Texas 77514 (409) 267-8282

November 4, 2010

The Honorable County Judge,
Members of the Commissioners' Court, and
Citizens of Chambers County:

The County Auditor's office is pleased to submit the annual financial report for Chambers County, Texas (the "County") for the fiscal year ended December 31, 2009.

This report was prepared to provide the Commissioners' Court, County staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the County government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects, and is presented in a manner designed to fairly present the financial position and results of operations of the County as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain a reasonable understanding of the County's financial affairs have been included.

The Chambers County financial statements have been audited by Belt Harris Pechacek, LLLP, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the financial statements for the year ended December 31, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Chambers County was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section of the annual financial report.

PROFILE OF CHAMBERS COUNTY

Chambers County was created in 1838, and is located in southeast Texas between Harris and Jefferson Counties. The County occupies an area of 613.5 square miles of land and 294.4 square miles of water and serves a population of approximately 31,000.

The County operates as specified under the Constitution of the State of Texas, and in accordance with the provisions of the State Statutes of Texas, which provide for a Commissioners' Court consisting of the County Judge and four Commissioners, each of whom is elected from four geographical precincts. The County Judge is elected for a four-year term, and the Commissioners for four-year staggered terms. The Commissioners' Court establishes policies for County operations, approves contracts for the County, adopts the County budget and sets the tax rate.

The County Auditor has responsibility for prescribing the systems and procedures for handling the finances of the County and examining, auditing, and approving all disbursements from County funds prior to submission to the Commissioners' Court for approval.

The financial reporting entity of Chambers County includes all of the funds of the County. The County provides a full range of services including police protection, legal and judicial services, and construction and maintenance of roads and bridges. The transactions of all elected county, district, and precinct officers are also included. Although these officials are responsible solely to the electorate, the officials receive funding for the operation of their departments from the Commissioners' Court, which has discretion over those expenditures.

The annual budget serves as the foundation for Chambers County's financial planning and control. All departments of the County are required to submit requests to the County Judge each year. Commissioners' Court is required to hold public hearings on a proposed budget. The County is required to adopt a final budget by the first day of the new fiscal year. The appropriated budget is prepared by fund, department, and category. All transfers of appropriations, either between departments or within an individual department's budget, require approval of Commissioners' Court. Budget-to-actual comparisons are provided in this report for the general, debt service, and road and bridge funds.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Chambers County operates.

Local Economy – The County is diverse in its economic makeup. Government is a significant job source for the area, while additional employment focuses on agribusiness, including ranching, rice and soybean farming, and also the commercial fishing industry. Throughout the County, there are numerous petrochemical plants, construction and service industries, and a growing number of retail and manufacturing businesses, which all play a part in the County's economy.

The 2000 census for Chambers County reported the population at 26,031. Based on the census of 1990, the population was 20,088. As a result, the ten-year period reflected a 30 percent increase in population growth. The 2009 population was estimated at 31,000. Although much of the County is undeveloped, it adjoins Harris County and the greater Houston Metropolitan area on the western side of the County. The City of Baytown, the third largest city in the Houston area, is partially located within Chambers County. Urban sprawl from the Houston area continues to advance down the Interstate 10 corridor which crosses the County from West to East. The City of Mont Belvieu is located in the western portion of the County along I-10 and is one of the fastest growing cities within the greater Houston area. Despite a nationwide economic downturn there were 111 new homes built in the City of Mont Belvieu this past year. Based on the large amount of undeveloped land and the proximity to Houston, Houston Intercontinental Airport, Port of Houston, and major petrochemical complexes, the County is forecasting substantial population growth over the next ten years, doubling in size every seven to ten years.

The 2008 fiscal year total certified property values for Chambers County were set at \$6.40 billion for the year, a 6.2 percent increase from the previous year. Additionally, the 2009 fiscal year total property values

were certified at \$5.79 billion or a 9.5 percent decrease over 2008. This marked the first decrease in certified property values since the 2003 fiscal year. Current year declines in property were partially the result of declines in the petro industry which fluctuate from year to year based on the large number of pipelines and reserves within the area. However, it should be noted that \$306,390,000 in industry improvements were granted abatements during 2009. An additional \$384,200,000 in industry improvements were granted year to date 2010. This substantiates the commitment to the future well being of Chambers County.

Environmentally, Chambers County is in viable condition, having suffered relatively little natural degradation and alteration from outside development. The salt grass prairie marsh and the shoreline around Galveston and Trinity Bay host a rich wildlife community attracting hunters, bird watchers, and other outdoors enthusiasts. Anahuac National Wildlife Refuge and the Moody National Wildlife Refuge, combined with the State of Texas' Candy Abshier Wildlife Management Area, create an area of over 38,000 acres of sustained natural resources. The Parks System of Chambers County includes over 260 acres of developed parks and recreational areas mainly being located along the County's 164 miles of navigable waterways. As a result of the existing environmental quality and the abundance of natural resources, Chambers County will continue to be positioned for growth and prosperity in the future.

Long-Term Financial Planning – Chambers County records reflect a modest debt level and a much improved reserve level that have benefited from sound fiscal management practices along with the sale of the incinerator function in 2008. Over \$10 million in debt was defeased in 2009, while an additional \$2.6 million was retired. The County practices conservative budgeting and has set a general fund reserve target at 20 percent of annual expenditures. In the past fiscal year, the County maintained a significant general fund unreserved fund balance as a result of additional revenues in 2008 and a moderate control of general fund expenditures.

Chambers County has identified several long-term issues that continually need to be studied and funded by Commissioners' Court. These issues include the improved fortification and climate control measures in the major annexes in light of the recent storms that affected the County. A major upgrade of the countywide telephone system was accomplished in 2009. Additionally, roads continue to need improvements due to increasing traffic patterns. Court security in all County annexes remains a concern. General facility improvements throughout the County have been discussed and should receive major consideration within the next budget cycle. New community buildings in the West and central areas of the County are planned to be constructed in 2010 or 2011.

Cash Management – The County has developed a formal investment policy that is consistent with State statutes. The policy states that the County will use the "prudent person rule" in investment decisions. The objectives of the County policy are to ensure the safety of the principal, maintain adequate liquidity, and yield the highest possible return subject to the first two principles. Cash during the year was invested according to policy guidelines.

The County's depository contract was moved in 2009 to Prosperity Bank, with local offices in Winnie, Texas and Mont Belvieu, Texas.

Risk Management – Chambers County provides for property loss exposures through commercial insurance coverage, which includes: property damage on most facilities to include fire and extended coverage damage and windstorm, general liability, automobile liability, select equipment and automobile physical damage, aviation damage and liability, law enforcement liability, officials' errors and omissions liability, and liability of certain construction projects as needed. Coverage provides officials and employees with the right to be reimbursed for damages, court costs, and costs of legal defense of suits in certain circumstances, when related to their official County duties.

The County purchases liability insurance and claims administration services for workers' compensation from a third-party administrator. A safety committee meets periodically to address safety issues and provide recommendations for the court to consider. The committee consists of at least one employee from all major departments within the County.

The County provides medical and dental benefits to employees and their dependents through risk retention. Funds are recognized from payroll deductions for employee dependent coverage and from County contributions for employee coverage.

Pension and Other Post-Employment Benefits – Chambers County provides retirement, disability, and death benefits for all its employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). Specific plan provisions are adopted by the County within the options available in the State statutes governing the TCERS. 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 within the actuarial constraints imposed by the TCERS Act so that the resulting benefits can be expected to be adequately financed. Detailed information on the retirement plan and other post-employment benefits can be found in the notes to the financial statements.

OTHER INFORMATION

Independent Audit – In compliance with Texas Local Government Code Section 115.045, the County’s financial records have been audited by independent certified public accountants and their report has been included in this report.

Acknowledgments – We express our appreciation and thanks to the members of the Commissioners’ Court and all County employees who have given their support in planning and conducting the financial operations of Chambers County in a responsible manner. A special recognition should be given to the efficient and dedicated efforts of the staff of the County Auditor’s Office, without whom this preparation would not be possible. We also express our gratitude to the accounting firm of Belt Harris Pechacek, LLLP, Certified Public Accountants, for sharing their knowledge, and extending their cooperation and support to the County Auditor’s Office.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jerry Sparks", written in a cursive style.

Jerry Sparks
County Auditor

CHAMBERS COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2009

COMMISSIONERS' COURT:

Jimmy Sylvia	County Judge
Mark Huddleston	Commissioner, Precinct #1
David "Bubba" Abernathy	Commissioner, Precinct #2
Gary R. Nelson	Commissioner, Precinct #3
W.O. "Bill" Wallace	Commissioner, Precinct #4

JUDICIAL:

Cheryl Lieck	District Attorney
Patti Henry	District Clerk

COUNTY COURT AT LAW:

N/A	Judge, County Court at Law
Heather H. Hawthorne	County Clerk

JUSTICE COURTS:

Yale Devillier	Justice of Peace, Precinct #1
Randy Van Deventer	Justice of Peace, Precinct #2
Tracy Woody	Justice of Peace, Precinct #3
Dennis McMurrey	Justice of Peace, Precinct #4
R.M "Bob" Wallace, Sr.	Justice of Peace, Precinct #5
Larry Cryer	Justice of Peace, Precinct #6

LAW ENFORCEMENT:

Joe LaRive	County Sheriff
Dennis Dugat	Constable, Precinct #1
Don R. Langford	Constable, Precinct #2
Donnie Standley	Constable, Precinct #3
Ben L. "Butch" Bean	Constable, Precinct #4
Cecil R. "Popeye" Oldham	Constable, Precinct #5
Robert Barrow	Constable, Precinct #6

FINANCIAL ADMINISTRATION:

Margie Henry	Tax Assessor/Collector
Carren Sparks	County Treasurer
Jerry Sparks	County Auditor*

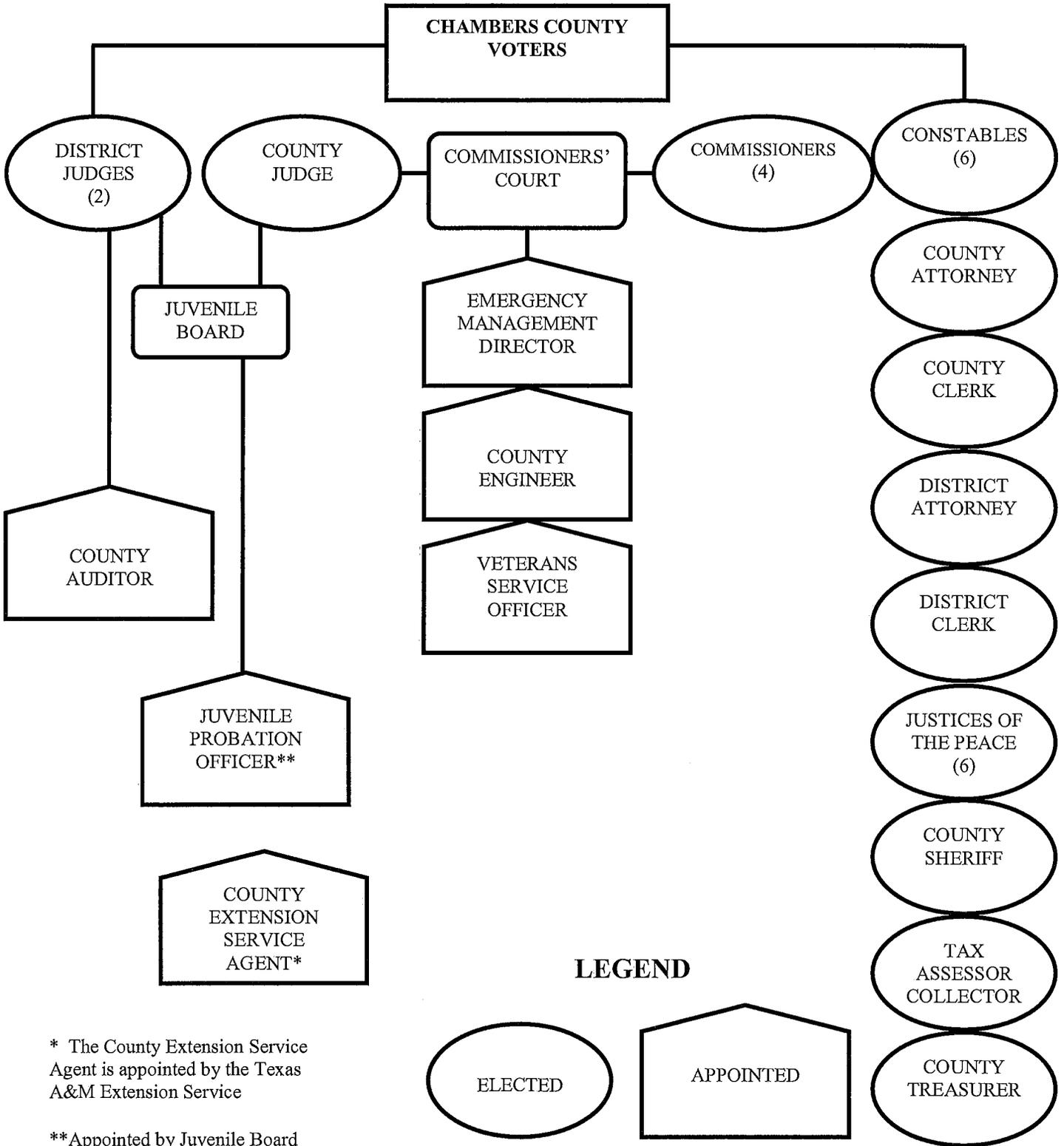
*Designated appointed official. All others are elected.

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CHAMBERS COUNTY, TEXAS

ORGANIZATIONAL CHART

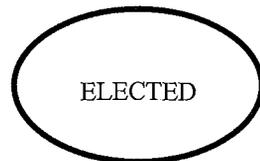
December 31, 2009



* The County Extension Service Agent is appointed by the Texas A&M Extension Service

**Appointed by Juvenile Board

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Members of the Commissioners' Court
Chambers County, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chambers County, Texas (the "County") as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The Management's Discussion and Analysis on pages 21 through 28, budgetary comparison information on pages 75 through 79, and schedules of funding progress on pages 80 and 81 are not a required part of the basic financial statements but are supplementary information required by generally accepted accounting principles in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated November 4, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
November 4, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

The following Management's Discussion and Analysis ("MD&A") of Chambers County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2009. This overview is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activity, (c) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Please consider the information presented here in conjunction with the transmittal letter on pages 7 to 10 and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

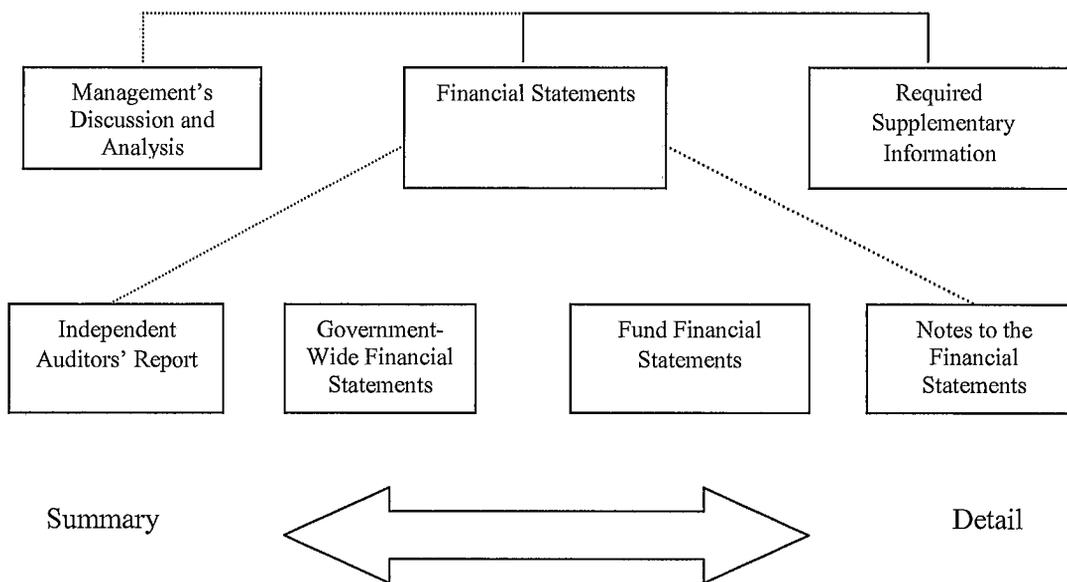
The general fund, on a budget basis (fund level), reported expenditures over revenues and other financing sources and uses of \$298,896, as compared to a planned budget decrease of \$1,138,597. Total budget variances resulted in a negative variance of \$839,701 after transfers.

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$31,657,654. General revenues of \$33,110,917 were \$1,453,263 greater than expenses net of program revenue.

The County's total net assets, on the government-wide basis, totaled \$53,232,756 at December 31, 2009.

THE STRUCTURE OF OUR ANNUAL REPORT

Components of the Financial Section



The annual financial report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. The financial reporting model requires governments to present certain basic financial statements as well as a Management's Discussion and Analysis (MD&A) and certain other Required Supplementary Information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the County's finances is, "Is the County as a whole better or worse off as a result of this year's activity?" The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities on the accrual basis of accounting, which is similar to the basis of accounting used by most private sector entities. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the increase or decreases in net assets provides one indicator as to whether the County's financial health is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net assets changed during the most recent 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 related cash flows using the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Assets and the Statement of Activities divide the County into two classes of activities:

Governmental Activities – Most of the County's basic services are reported here such as general government, financial administration, justice system, health and welfare, cultural and recreational, law enforcement and public safety, transportation, and interest and fiscal agent fees on long-term debt.

Business-Type Activities – Services involving a fee for those services are reported within this class. These services include the County's solid waste collection, airport, and golf course.

The government-wide financial statements can be found on pages 31 through 33 of this report.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is on the County's most significant funds. The fund financial statements provide more information about the County's most significant funds, not the County as a whole.

The County has three types of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's major programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided along with the basic financial statements that explains the relationship or differences between them.

Proprietary Funds – The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

The County uses enterprise funds to account for its solid waste collection, airport, and golf course operations. The proprietary fund financial statements provide separate information for the solid waste collection, airport, and golf course funds. The proprietary fund financial statements can be found in the basic financial statements of this report.

The County also uses an internal service fund to account for its self-insurance health program. This internal service fund has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to Financial Statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 51 through 72 of this report.

Other Information – In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes budgetary comparison schedules for the general fund and road and bridge fund as well as a schedule of funding progress for the Texas County and District Retirement System (TCDRS). RSI can be found on pages 75 through 81.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

In accordance with GASB Statement No. 34, the County is providing comparative information. A comparative analysis of government-wide information is presented on the following page.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

	2009			2008		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 62,400,166	\$ 2,616,113	\$ 65,016,279	\$ 87,836,626	\$ 2,496,116	\$ 90,332,742
Capital assets, net	23,269,331	4,158,030	27,427,361	22,153,873	4,459,285	26,613,158
Total Assets	85,669,497	6,774,143	92,443,640	109,990,499	6,955,401	116,945,900
Other liabilities	28,147,005	224,444	28,371,449	39,678,961	393,319	40,072,280
Long-term liabilities	6,212,394	4,627,041	10,839,435	20,454,703	4,574,683	25,029,386
Total Liabilities	34,359,399	4,851,485	39,210,884	60,133,664	4,968,002	65,101,666
Net Assets:						
Invested in capital assets, net of related debt	17,491,681	4,158,030	21,649,711	2,165,138	4,459,285	6,624,423
Restricted	7,845,880	-	7,845,880	20,256,998	-	20,256,998
Unrestricted	25,972,537	(2,235,372)	23,737,165	27,434,699	(2,471,886)	24,962,813
Total Net Assets	\$ 51,310,098	\$ 1,922,658	\$ 53,232,756	\$ 49,856,835	\$ 1,987,399	\$ 51,844,234

A portion of the primary government's net assets, \$7,845,880 or 15 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$23,737,165 or 45 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net assets increased to \$53,232,756 from \$51,844,234 when compared to the prior year. Total assets decreased significantly by \$24,502,260 due to decreased cash related to the hurricane clean up expenses paid during the current year and the defeasance of the County's general obligation bonds. Liabilities decreased by \$25,890,782 primarily due to hurricane clean up expenses accrued during the prior year and the bond defeasance.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

Statement of Activities

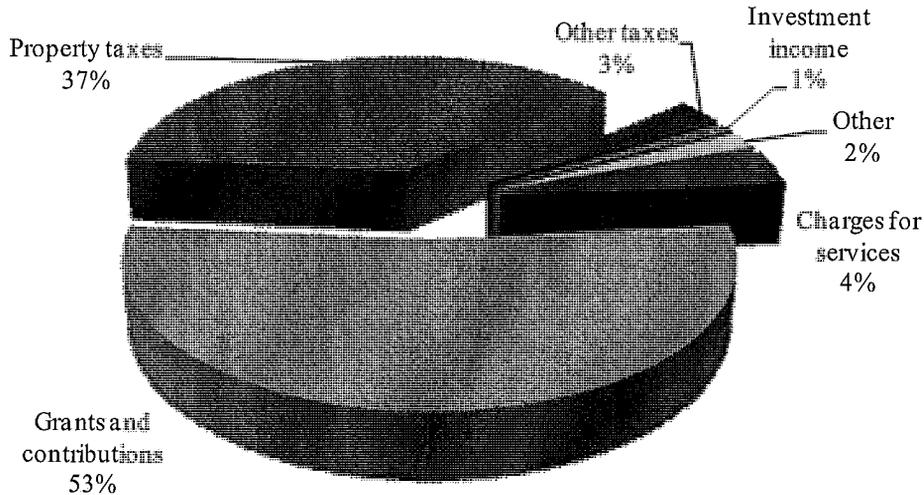
The following table provides a summary of the County's changes in net assets:

	For the Year Ended December 31, 2009			For the Year Ended December 31, 2008		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,030,829	\$ 3,962,969	\$ 6,993,798	\$ 3,067,831	\$ 6,241,157	\$ 9,308,988
Grants and contributions	41,031,266	-	41,031,266	18,324,842	-	18,324,842
General revenues:						
Property taxes	28,747,445	-	28,747,445	27,663,150	-	27,663,150
Other taxes	2,379,367	-	2,379,367	2,503,386	-	2,503,386
Investment income	716,789	33,202	749,991	991,117	45,427	1,036,544
Other	1,512,758	-	1,512,758	1,636,837	-	1,636,837
Gain on sale of asset	-	-	-	-	11,948,780	11,948,780
Total Revenues	77,418,454	3,996,171	81,414,625	54,187,163	18,235,364	72,422,527
Expenses						
General government	45,780,669	-	45,780,669	18,190,543	-	18,190,543
Financial administration	1,723,522	-	1,723,522	1,629,787	-	1,629,787
Justice system	3,684,905	-	3,684,905	3,924,560	-	3,924,560
Health and welfare	3,908,902	-	3,908,902	3,569,169	-	3,569,169
Culture and recreational	3,581,539	-	3,581,539	2,369,221	-	2,369,221
Law enforcement and public safety	7,526,732	-	7,526,732	7,340,958	-	7,340,958
Transportation	8,255,562	-	8,255,562	6,695,333	-	6,695,333
Interest and other	1,257,918	-	1,257,918	881,036	-	881,036
Solid waste	-	3,473,765	3,473,765	-	6,733,334	6,733,334
Airport	-	252,556	252,556	-	460,504	460,504
Golf course	-	580,033	580,033	-	550,015	550,015
Total Expenses	75,719,749	4,306,354	80,026,103	44,600,607	7,743,853	52,344,460
Change in Net Assets						
Before Transfers	1,698,705	(310,183)	1,388,522	9,586,556	10,491,511	20,078,067
Transfers	(245,442)	245,442	-	18,676,197	(18,676,197)	-
Total	(245,442)	245,442	-	18,676,197	(18,676,197)	-
Change in Net Assets	1,453,263	(64,741)	1,388,522	28,262,753	(8,184,686)	20,078,067
Beginning Net Assets	49,856,835	1,987,399	51,844,234	21,594,082	10,172,085	31,766,167
Ending Net Assets	\$ 51,310,098	\$ 1,922,658	\$ 53,232,756	\$ 49,856,835	\$ 1,987,399	\$ 51,844,234

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

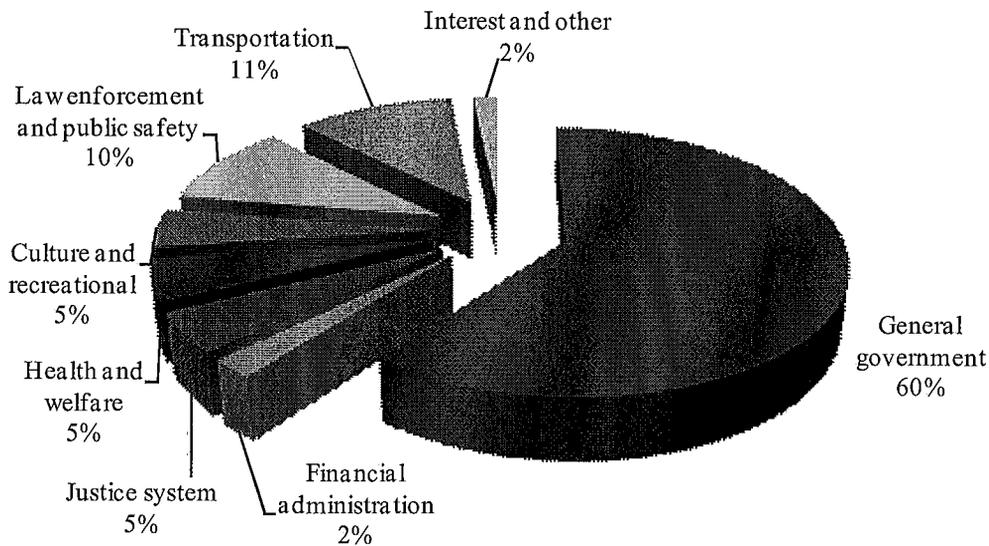
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Activities - Revenues



Total governmental activity revenues increased by \$23,231,291 over the prior year. This increase is primarily the result of federal grant reimbursements related to Hurricane Ike debris clean up.

Governmental Activities - Expenses

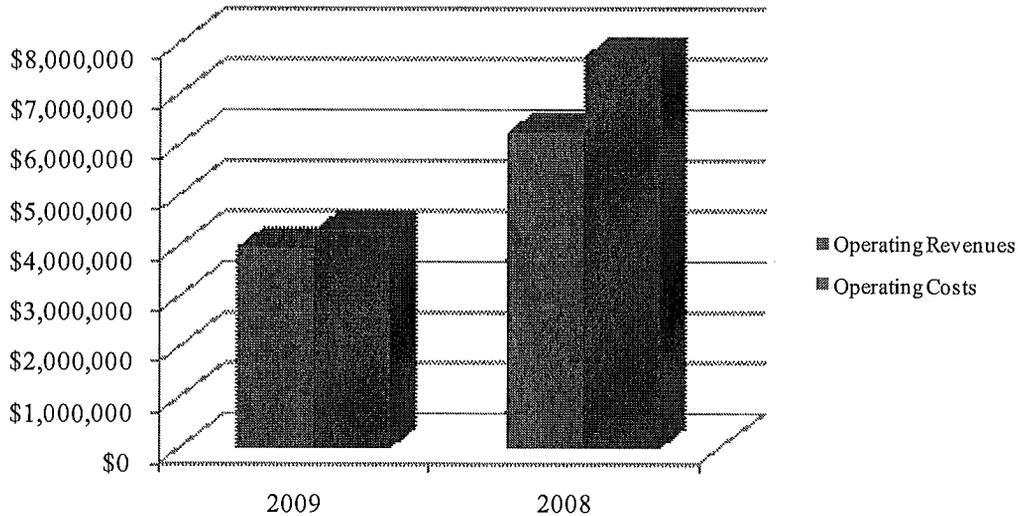


Governmental expenses have increased by \$31,119,142 from the prior year primarily due to debris clean up related to Hurricane Ike.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-type Activities
Revenues vs. Costs



Total business-type revenues decreased by \$14,239,193 over the prior year. This is due to the sale of the incinerator facility in the prior year and the loss of revenues related to the incinerator facility. Expenses decreased by \$3,437,499 over the prior year, primarily due to expenses no longer incurred by the incinerator facility.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

The County's governmental funds reflect a combined fund balance of \$30,818,481. Of this, \$22,813,816 is unreserved and available for day-to-day operations of the County, \$75,803 is reserved for inventories, \$426,260 is reserved for debt service, and \$7,502,602 is reserved for endowments/trusts.

There was a decrease in the combined fund balance of \$14,419,422 over the prior year. Included in this amount are decreases of \$417,335 in the general fund, \$1,052,653 in the road and bridge fund, \$12,733,962 in the debt service fund, and an increase of \$174,216 in the permanent school fund. The debt service fund has decreased due to the defeasance of the general obligation bonds.

Debt service payments totaled \$1,523,674 for the year.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For the Year Ended December 31, 2009

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were more than final budgeted revenues by \$253,694 during the year. This increase is primarily attributable to more tax revenue received than the anticipated amount in the final budget. Actual expenditures were \$664,837 less than budgeted, resulting in a total positive budget variance of \$918,531 before operating transfers.

CAPITAL ASSETS

At the end of the year, the County's governmental activities funds had invested \$23,269,331 in a variety of capital assets and infrastructure, net of depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

Major capital asset events during the current year include the following:

- New cell construction for the County landfill in the amount of \$421,459;
- Construction of the Job Beason boat ramp in the amount of \$708,404;
- Air conditioner upgrade for the Courthouse in the amount of \$416,478;
- Completion of new building for Trinity Bay EMS in the amount of \$221,820.

More detailed information about the County's capital assets is presented in Note III. C. in the notes to the financial statements.

LONG-TERM DEBT

At the end of the year, the County reported total bonds, certificates of obligation, notes, and capital leases outstanding of \$5,777,650 net of issuance premiums, discounts and deferred charges.

More detailed information about the County's long-term liabilities is presented in Note III. D. in the notes to the financial statements.

All of the County's bond issues have been successful in qualifying for bond insurance resulting in ratings of "BAA" and "AAA" by Moody's and Standard & Poors, respectively.

ECONOMIC FACTORS

The County continues to grow as seen in the increase in population over prior years.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances. Questions concerning this report or requests for additional financial information should be directed to Jerry Sparks, County Auditor, Chambers County, 404 Washington Ave., Anahuac, Texas 77514.

BASIC FINANCIAL STATEMENTS

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CHAMBERS COUNTY, TEXAS

STATEMENT OF NET ASSETS

December 31, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,094,740	\$ 2,442,279	\$ 25,537,019
Investments	2,302,915	-	2,302,915
Receivables, net	24,344,528	467,718	24,812,246
Internal balances	340,689	(340,689)	-
Due from other governments	4,136,244	-	4,136,244
Inventory	75,803	45,678	121,481
Prepays	246,967	1,127	248,094
Deferred charges	355,678	-	355,678
Restricted cash	5,936,801	-	5,936,801
Restricted investments	1,565,801	-	1,565,801
Total Current Assets	62,400,166	2,616,113	65,016,279
Capital assets:			
Non-depreciable	2,906,302	1,782,943	4,689,245
Net depreciable capital assets	20,363,029	2,375,087	22,738,116
	23,269,331	4,158,030	27,427,361
Total Assets	85,669,497	6,774,143	92,443,640
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,609,553	224,444	1,833,997
Deferred property tax revenue	25,735,400	-	25,735,400
Accrued interest payable	82,982	-	82,982
Net OPEB obligation	719,070	-	719,070
Total Current Liabilities	28,147,005	224,444	28,371,449
Noncurrent liabilities:			
Due within one year	1,789,534	-	1,789,534
Due in more than one year	4,422,860	4,627,041	9,049,901
Total Noncurrent Liabilities	6,212,394	4,627,041	10,839,435
Total Liabilities	34,359,399	4,851,485	39,210,884
Net Assets			
Invested in capital assets, net of related debt	17,491,681	4,158,030	21,649,711
Restricted for:			
Debt service	343,278	-	343,278
Endowments/trusts	7,502,602	-	7,502,602
Unrestricted	25,972,537	(2,235,372)	23,737,165
Total Net Assets	\$ 51,310,098	\$ 1,922,658	\$ 53,232,756

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 45,780,669	\$ 1,692,210	\$ 39,542,571
Financial administration	1,723,522	-	-
Justice system	3,684,905	314,783	202,975
Health and welfare	3,908,902	-	296,061
Culture and recreational	3,581,539	-	345,000
Law enforcement and public safety	7,526,732	6,154	553,683
Transportation	8,255,562	1,017,682	90,976
Interest and other	1,257,918	-	-
Total Governmental Activities	75,719,749	3,030,829	41,031,266
Business-Type Activities			
Solid waste	3,473,765	3,405,494	-
Airport	252,556	164,127	-
Golf course	580,033	393,348	-
Total Business-Type Activities	4,306,354	3,962,969	-
Total Primary Government	\$ 80,026,103	\$ 6,993,798	\$ 41,031,266

General Revenues:

- Property taxes
- Other taxes
- Investment income
- Other
- Transfers, net

Total General Revenues and Transfers

Change in Net Assets

Beginning Net Assets

Ending Net Assets

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Assets

Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (4,545,888)	\$ -	\$ (4,545,888)
(1,723,522)	-	(1,723,522)
(3,167,147)	-	(3,167,147)
(3,612,841)	-	(3,612,841)
(3,236,539)	-	(3,236,539)
(6,966,895)	-	(6,966,895)
(7,146,904)	-	(7,146,904)
<u>(1,257,918)</u>	<u>-</u>	<u>(1,257,918)</u>
<u>(31,657,654)</u>	<u>-</u>	<u>(31,657,654)</u>
-	(68,271)	(68,271)
-	(88,429)	(88,429)
<u>-</u>	<u>(186,685)</u>	<u>(186,685)</u>
<u>-</u>	<u>(343,385)</u>	<u>(343,385)</u>
<u>(31,657,654)</u>	<u>(343,385)</u>	<u>(32,001,039)</u>
28,747,445	-	28,747,445
2,379,367	-	2,379,367
716,789	33,202	749,991
1,512,758	-	1,512,758
<u>(245,442)</u>	<u>245,442</u>	<u>-</u>
<u>33,110,917</u>	<u>278,644</u>	<u>33,389,561</u>
1,453,263	(64,741)	1,388,522
<u>49,856,835</u>	<u>1,987,399</u>	<u>51,844,234</u>
<u>\$ 51,310,098</u>	<u>\$ 1,922,658</u>	<u>\$ 53,232,756</u>

CHAMBERS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2009

	General	Road and Bridge	Debt Service	Permanent
Assets				
Cash and cash equivalents	\$ 16,158,999	\$ 1,682,837	\$ 501,899	\$ -
Investments	-	-	-	-
Receivables, net	16,147,963	4,363,849	1,937,756	-
Due from other funds	1,427,147	-	-	-
Due from other governments	3,241,130	318,395	231,832	-
Inventory	50,233	25,570	-	-
Restricted cash	-	-	-	5,936,801
Restricted investments	-	-	-	1,565,801
Total Assets	\$ 37,025,472	\$ 6,390,651	\$ 2,671,487	\$ 7,502,602
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 676,145	\$ 223,212	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	18,710,224	5,047,601	2,245,227	-
Total Liabilities	19,386,369	5,270,813	2,245,227	-
Fund Balances:				
Reserved for:				
Debt service	-	-	426,260	-
Endowments/trusts	-	-	-	7,502,602
Inventories	50,233	25,570	-	-
Unreserved, undesignated reported in:				
General fund	17,588,870	-	-	-
Special revenue funds	-	1,094,268	-	-
Total Fund Balances	17,639,103	1,119,838	426,260	7,502,602
Total Liabilities and Fund Balances	\$ 37,025,472	\$ 6,390,651	\$ 2,671,487	\$ 7,502,602

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,340,711	\$ 20,684,446
2,302,915	2,302,915
415,206	22,864,774
-	1,427,147
344,887	4,136,244
-	75,803
-	5,936,801
-	1,565,801
<u>\$ 5,403,719</u>	<u>\$ 58,993,931</u>

\$ 192,097	\$ 1,091,454
1,080,944	1,080,944
-	26,003,052
<u>1,273,041</u>	<u>28,175,450</u>

-	426,260
-	7,502,602
-	75,803
-	17,588,870
4,130,678	5,224,946
<u>4,130,678</u>	<u>30,818,481</u>
<u>\$ 5,403,719</u>	<u>\$ 58,993,931</u>

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CHAMBERS COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2009

Fund balances - total government funds \$ 30,818,481

Adjustments for the Statement of Net Assets:

Certain accounts receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds. 1,479,754

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Nondepreciable capital assets	2,906,302
Depreciable capital assets	42,113,806
Accumulated depreciation	(21,750,777)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

Deferred revenue	267,652
------------------	---------

Certain prepaid items are not current financial resources and, therefore, are not reported in the governmental funds. 246,967

Internal service funds are used by management to charge the costs of certain activities such as self insurance. Therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets. 1,886,681

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest payable	(82,982)
Net OPEB obligation	(719,070)
Bonds and notes	(6,030,000)
Capital leases	(390,911)
Deferred charges:	
Issuance discounts	31,123
Refunding	645,074
Premium	(32,936)
Debt issue expense	355,678
Compensated absences	(434,744)

Net Assets of Governmental Activities \$ 51,310,098

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	General	Road and Bridge	Debt Service	Permanent
Revenues				
Taxes	\$ 20,350,017	\$ 5,545,665	\$ 2,877,057	\$ -
Intergovernmental	39,371,159	10,394	-	-
Fees	863,424	716,227	-	-
Fines and forfeitures	705,544	301,455	-	-
Investment income	286,388	71,680	7,231	66,240
Other	914,123	377,597	-	167,892
Total Revenues	62,490,655	7,023,018	2,884,288	234,132
Expenditures				
Current:				
General government	46,643,874	-	-	-
Financial administration	1,722,241	-	-	-
Justice system	3,283,993	-	-	-
Health and welfare	1,821,496	-	-	-
Culture and recreational	1,648,688	-	-	-
Law enforcement and public safety	6,685,464	-	-	-
Transportation	-	7,234,260	-	-
Capital:				
Capital outlay	1,236,861	827,449	-	-
Debt Service:				
Cost of defeasance	-	-	46,941	-
Principal	193,519	20,242	1,261,796	-
Interest and other	22,005	803	261,878	-
Total Expenditures	63,258,141	8,082,754	1,570,615	-
Excess of Revenues Over Expenditures	(767,486)	(1,059,736)	1,313,673	234,132
Other Financing Sources (Uses)				
Capital leases	328,981	11,535	-	-
Payment to defeased bond escrow agent	-	-	(14,079,808)	-
Transfers in	5,894,467	1,200,000	251,173	25,188
Transfers (out)	(5,873,297)	(1,204,452)	(219,000)	(85,104)
Total Other Financing Sources (Uses)	350,151	7,083	(14,047,635)	(59,916)
Net Change in Fund Balances	(417,335)	(1,052,653)	(12,733,962)	174,216
Beginning Fund Balances	18,056,438	2,172,491	13,160,222	7,328,386
Ending Fund Balances	\$ 17,639,103	\$ 1,119,838	\$ 426,260	\$ 7,502,602

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,379,367	\$ 31,152,106
1,649,713	41,031,266
185,759	1,765,410
135,178	1,142,177
229,516	661,055
53,146	1,512,758
<u>4,632,679</u>	<u>77,264,772</u>
33,323	46,677,197
-	1,722,241
379,961	3,663,954
2,077,671	3,899,167
1,725,827	3,374,515
433,992	7,119,456
76,772	7,311,032
321,243	2,385,553
-	46,941
16,735	1,492,292
5,051	289,737
<u>5,070,575</u>	<u>77,982,085</u>
(437,896)	(717,313)
3,981	344,497
-	(14,079,808)
651,656	8,022,484
(607,429)	(7,989,282)
<u>48,208</u>	<u>(13,702,109)</u>
(389,688)	(14,419,422)
<u>4,520,366</u>	<u>45,237,903</u>
<u>\$ 4,130,678</u>	<u>\$ 30,818,481</u>

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CHAMBERS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total government funds \$ (14,419,422)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,252,365
Depreciation expense	(2,336,434)
Capital retirements, net	(521,829)
Capital contributions	(278,644)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	(25,294)
Fines and fees receivable	123,242

Bonds and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.

Capital leases	(344,497)
Debt issuance	13,200,000
Principal payment	1,467,621
Amortization of bond premiums, issuance costs, and deferred charges	(165,389)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting and the net change in compensated absences.

Accrued interest payable	148,628
Net OPEB obligation	(349,036)
Compensated absences	31,224
Prepaid expenditures	78,114

Internal service funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

592,614

Change in Net Assets of Governmental Activities \$ 1,453,263

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

December 31, 2009

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 2,442,279	\$ -	\$ 2,442,279	\$ 2,410,294
Investments	-	-	-	-
Receivables, net	467,718	-	467,718	-
Inventory	-	45,678	45,678	-
Prepaid items	1,055	72	1,127	-
Total Current Assets	2,911,052	45,750	2,956,802	2,410,294
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	172,371	1,610,572	1,782,943	-
Net depreciable	1,665,773	709,314	2,375,087	-
Total Noncurrent Assets	1,838,144	2,319,886	4,158,030	-
Total Assets	4,749,196	2,365,636	7,114,832	2,410,294
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	172,266	52,178	224,444	-
Medical claims liability	-	-	-	518,099
Due to other funds	50	340,639	340,689	5,514
Total Current Liabilities	172,316	392,817	565,133	523,613
<u>Noncurrent Liabilities</u>				
Landfill closure and postclosure care	4,627,041	-	4,627,041	-
Total Noncurrent Liabilities	4,627,041	-	4,627,041	-
Total Liabilities	4,799,357	392,817	5,192,174	523,613
<u>Net Assets</u>				
Invested in capital assets	1,838,144	2,319,886	4,158,030	-
Unrestricted (deficit)	(1,888,305)	(347,067)	(2,235,372)	1,886,681
Total Net Assets	\$ (50,161)	\$ 1,972,819	\$ 1,922,658	\$ 1,886,681

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Operating Revenues</u>				
Charges for services	\$ 3,345,314	\$ 534,700	\$ 3,880,014	\$ 3,777,747
Other services	60,180	22,775	82,955	-
Total Operating Revenues	3,405,494	557,475	3,962,969	3,777,747
<u>Operating Expenses</u>				
Personnel	1,450,739	392,152	1,842,891	-
Supplies	206,151	229,077	435,228	-
Contractual services	1,200,264	62,928	1,263,192	-
Other	52,504	-	52,504	-
Depreciation	564,107	148,432	712,539	-
Administration	-	-	-	632,768
Claims	-	-	-	2,520,571
HAS accounts	-	-	-	5,313
Premiums	-	-	-	82,215
Total Operating Expenses	3,473,765	832,589	4,306,354	3,240,867
Operating Income (Loss)	(68,271)	(275,114)	(343,385)	536,880
<u>Nonoperating Revenues</u>				
Capital contributions	18,110	260,534	278,644	-
Investment income	33,202	-	33,202	55,734
Total Nonoperating Revenues (Expenses)	51,312	260,534	311,846	55,734
Income (Loss) Before Transfers	(16,959)	(14,580)	(31,539)	592,614
Transfers (out)	(33,202)	-	(33,202)	-
Change in Net Assets	(50,161)	(14,580)	(64,741)	592,614
Beginning Net Assets	-	1,987,399	1,987,399	1,294,067
Ending Net Assets	\$ (50,161)	\$ 1,972,819	\$ 1,922,658	\$ 1,886,681

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended December 31, 2009

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 5,860,094	\$ 557,475	\$ 6,417,569	\$ -
Receipts from premium revenues	-	-	-	3,777,747
Payments to suppliers	(1,965,720)	(186,968)	(2,152,688)	-
Payments to employees	(1,398,381)	(366,941)	(1,765,322)	-
Payments for other expenses	-	-	-	(87,528)
Payments for claims	-	-	-	(2,470,651)
Payments for administration fees	-	-	-	(632,768)
Net Cash Provided by Operating Activities	2,495,993	3,566	2,499,559	586,800
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from (to) other funds	(33,202)	-	(33,202)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(33,202)	-	(33,202)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital purchases	(53,714)	(78,927)	(132,641)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(53,714)	(78,927)	(132,641)	-
<u>Cash Flows from Investing Activities</u>				
Purchase of investments	-	-	-	1,200,000
Interest on investments	33,202	-	33,202	55,734
Net Cash Provided (Used) by Investing Activities	33,202	-	33,202	1,255,734
Net Increase (Decrease) in Cash and Cash Equivalents	2,442,279	(75,361)	2,366,918	1,842,534
Beginning Cash and Cash Equivalents	-	75,361	75,361	567,760
Ending Cash and Cash Equivalents	\$ 2,442,279	\$ -	\$ 2,442,279	\$ 2,410,294

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended December 31, 2009

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (68,271)	\$ (275,114)	\$ (343,385)	\$ 536,880
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	564,107	148,432	712,539	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Receivables, net	2,454,600	-	2,454,600	-
Inventory	-	(14,192)	(14,192)	-
Prepaid items	905	(72)	833	-
Increase (Decrease) in:				
Accounts payable and accrued liabilities	(173,674)	4,800	(168,874)	(6,219)
Landfill closure and postclosure care	52,358	-	52,358	-
Medical claims liability	-	-	-	50,625
Due to other funds	(334,032)	139,712	(194,320)	5,514
Net Cash Provided (Used) by Operating Activities	\$ 2,495,993	\$ 3,566	\$ 2,499,559	\$ 586,800

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
 December 31, 2009

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$	3,751,756
Due from other units		<u>2,233,640</u>
Total Assets	\$	<u><u>5,985,396</u></u>
 <u>Liabilities</u>		
Due to other units	\$	5,985,396
Total Liabilities	\$	<u><u>5,985,396</u></u>

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Chambers County, Texas (the "County") is an independent government entity created by an act of the Texas Legislature. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a vast array of services including general government, financial administration, justice system, health and welfare, culture and recreational, law enforcement and public safety, and transportation.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Depending on the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Related Organizations

Where the Commissioners' Court is responsible for appointing a majority of the members of a board of another organization, but the County's accountability does not extend beyond making such appointments, disclosure is made in the form of the relation between the County and such organization.

Based upon the foregoing criteria, the following entities are not included in the accompanying financial statements: the Chambers County Economic Industrial Development Corporation and the Chambers County Cedar Bayou Navigation District for 2009.

B. Financial Statement Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the County's activities.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

- A change in the fund financial statements to focus on the major funds. Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a Statement of Net Assets and a Statement of Activities. It requires the classification of net assets be divided into three components: invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

C. Government-Wide and Fund Accounting

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the County as a whole, excluding fiduciary activities. These statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental, proprietary, and agency funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, the accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

1. Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, fees, fines and forfeitures, and investment income. Expenditures include general government, financial administration, justice system, health and welfare, culture and recreation, law enforcement and public safety.

Special Revenue Funds

The special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (not including permanent funds or major capital projects).

The following special revenue fund is considered a major fund for reporting purposes:

Road & Bridge Fund – This fund is used to account for revenues of property taxes levied and vehicle registration fees for the road and bridge fund. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the County. The primary source of revenue for debt service is local property taxes. This fund is not technically a major fund but, due to its significance, management has chosen to present as a major fund for reporting purposes.

Permanent Funds

Permanent funds are governmental funds which are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

The County has the following permanent fund which is not technically a major fund but, due to its significance, management has chosen to present as a major fund for reporting purposes:

Permanent School Fund – The permanent school fund is used to account for investments held for the benefit of the various school districts in the County. The principal of this fund is held intact with all interest earned distributed to the respective school districts.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

2. Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP as prescribed by the Governmental Accounting Standards Board (GASB) and all Financial Accounting Standards Board's (FASB) standards issued prior to November 30, 1989. Subsequent to this date, the County accounts for its enterprise funds as presented by GASB. The County has the following types of proprietary funds:

Enterprise Funds

The enterprise funds are used to account for the operation of the County's solid waste collection facilities, airport, and golf course, including administration, operation, and maintenance. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The solid waste fund is considered to be a major fund for reporting purposes.

Internal Service Fund

The internal service fund accounts for revenues and expenses related to the County's medical and dental self-insurance program in accordance with Chapter 172 of the Texas Government Code. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Revenues are derived from County contributions, employee and retiree/COBRA premiums and investment of idle funds. Expenses are for claims, premiums, and administrative costs. The general fund is contingently liable for liabilities of the internal service fund. Sub-fund accounting is employed to maintain the integrity of the self-insurance activities of the County.

3. Fiduciary Funds

The fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has the following type of fiduciary funds:

Agency Funds

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

D. Measurement Focus and Basis of Accounting

The government-wide Statements of Net Assets and Statements of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these activities are either included on the balance sheet or on the statement of fiduciary net assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The County utilizes the modified accrual basis of accounting in the governmental fund types. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes and interest associated with the current period are all susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the County and are recognized as revenue at that time. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The accrual basis of accounting is used for the proprietary fund types. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable.

The Statements of Net Assets and Statements of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

Agency funds are unlike other types of funds, reporting only assets and liabilities. Agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

E. Assets, Liabilities, and Net Assets or Fund Equity

1. Deposits and Investments

The County's cash and cash equivalents for the purpose of the cash flow statements are considered to be cash on hand, deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

The County's investments are accounted for in accordance with GASB Statement No. 31, which establishes accounting and reporting standards for all of the County's investments. In accordance with Statement No. 31, the County reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Local Government Code of Texas authorizes 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 and instrumentalities;
- (3) collateral mortgage obligations, although significantly limited;
- (4) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
- (5) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
- (6) certificates of deposit issued by state and national banks or savings and loans domiciled in Texas which are:
 - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
 - (b) secured by obligations of paragraphs (1) to (5) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;
 - (c) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools, all of which are required to meet certain restrictive criteria.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectible amounts.

Property Taxes

General property taxes are recorded as revenue when levied for the current year and due, payable, and collected in the current year. Uncollected amounts at year end are reported as deferred revenue. Delinquent property taxes collected within 60 days subsequent to year end were not considered material.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through January 31
- Lien date – February 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor’s agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, school equalization, and debt service funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners’ Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the countywide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value, and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own expense, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

3. Inventories and Prepaid Items

The costs of governmental fund-type inventories are recorded as expenditures when the related liability is incurred, i.e., the purchase method. In addition, certain payments to vendors reflect costs applicable to future accounting periods and are also recorded as expenditures when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental type activities column in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial,

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	10 to 50 years
Buildings and improvements	10 to 50 years
Machinery and equipment	3 to 20 years

The costs of a significant portion of capital assets have been estimated based on management's estimated historical cost.

5. Compensated Employee Absences

The County maintains a record of accumulated sick pay. Any additional accruals for unused sick pay are no longer paid upon retirement or death of an employee. However, the employee will be paid upon retirement or death for any unused sick pay up to certain maximums accrued prior to April 1, 1994. The accumulated sick pay obligation is computed at specified rates for all employees. It is the County's policy to permit employees to accumulate earned but unused vacation benefits. When an employee leaves the service of the County, he or she will be paid for his or her accrued but unused vacation leave balance up to a maximum of 160 hours. Vacation and sick time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as liabilities in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment, with an appropriate reduction of principal recorded in the government-wide financial statements.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the year. The legal level of control is the department level for all funds. Management may not amend the budget without the approval of Commissioners' Court.

The County prepares its annual budget on a basis that differs from Generally Accepted Accounting Principles (GAAP). The budget and all transactions are presented in accordance with the County's method (budgetary basis) in the schedule of revenues, expenditures, and changes in fund balances – budget and actual (budgetary basis) comparisons to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis of accounting are certain accruals and appropriated grant revenues. Budgets are adopted for all funds except the grant, internal service and all fiduciary funds. The capital projects fund adopts a project length budget. Several supplemental budget appropriations were made for the year ended December 31, 2009.

A. Deficit Fund Equity

The special revenue funds below had deficit fund balances at December 31, 2009, as indicated.

Tax assessor vehicle inventory tax	\$668
Available school	\$33,256
Texas history preservation	\$3,109
Courthouse security	\$2,539
Library lone star	\$370

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

CMP (GLO) cycle 10	\$30,801
State boating access	\$48,140
SHSP DPA	\$28,933
SEAPAC	\$14,405
USDHHS TDH WIC	\$29,132
Help America vote act	\$39,375
Victim of crime act	\$12,747
TDHC home program	\$532
DSHS IDS	\$532
SETH: HTF	\$45,152
Chapter nineteen	\$617

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2009, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
State Pools (TexPool)	\$ 9,311	0.00
U.S. Treasuries	1,564,210	2.35
	<u>\$ 1,573,521</u>	
Portfolio weighted average maturity		2.35

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less.

Credit risk. State law and the County's investment policy limits investments to obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent. Further, commercial paper must be rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies. As of December 31, 2009, the County's investment in TexPool was rated AAAM by Standard & Poor's and AAA/V1+ by Fitch Ratings. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

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's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of December 31, 2009, bank balances exceeded market values of pledged securities and FDIC insurance.

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

B. Receivables

The following comprise receivable balances at year end:

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Solid Waste</u>	<u>Total</u>
Property taxes	\$ 17,248,154	\$ 4,654,937	\$ 2,069,779	\$ -	\$ -	\$ 23,972,870
Other taxes	-	-	-	415,206	-	415,206
Accounts	-	-	-	-	467,718	467,718
(Allowance)	(1,100,191)	(291,088)	(132,023)	-	-	(1,523,302)
Total	<u>\$ 16,147,963</u>	<u>\$ 4,363,849</u>	<u>\$ 1,937,756</u>	<u>\$ 415,206</u>	<u>\$ 467,718</u>	<u>\$ 23,332,492</u>

C. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2009 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,894,436	\$ 232,702	\$ -	\$ 2,127,138
Construction in progress	659,883	445,099	(325,818)	779,164
Total capital assets not being depreciated	<u>2,554,319</u>	<u>677,801</u>	<u>(325,818)</u>	<u>2,906,302</u>
Other capital assets:				
Buildings and improvements	16,131,231	1,724,556	29,244	17,885,031
Machinery and equipment	12,737,843	1,850,010	(762,438)	13,825,415
Infrastructure	10,448,512	-	(45,152)	10,403,360
Total other capital assets	<u>39,317,586</u>	<u>3,574,566</u>	<u>(778,346)</u>	<u>42,113,806</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,619,368)	(543,973)	1,289	(10,162,052)
Machinery and equipment	(6,619,220)	(1,362,074)	301,244	(7,680,050)
Infrastructure	(3,479,444)	(430,388)	1,157	(3,908,675)
Total accumulated depreciation	<u>(19,718,032)</u>	<u>(2,336,435)</u>	<u>303,690</u>	<u>(21,750,777)</u>
Other capital assets, net	<u>19,599,554</u>	<u>1,238,131</u>	<u>(474,656)</u>	<u>20,363,029</u>
Totals	<u>\$ 22,153,873</u>	<u>\$ 1,915,932</u>	<u>\$ (800,474)</u>	<u>23,269,331</u>
			Less associated debt	<u>(5,777,650)</u>
			Invested in Capital Assets, Net of Related Debt	<u>\$ 17,491,681</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

Depreciation was charged to governmental functions as follows:

General government	\$	462,726
Finance and administration		1,281
Justice system		49,601
Health and welfare		52,298
Culture and recreation		294,495
Law enforcement/public safety		486,336
Transportation		989,698
Total Governmental Activities Depreciation Expense	\$	2,336,435

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 1,782,943	\$ -	\$ -	\$ 1,782,943
Construction in progress	-	-	-	-
Total capital assets not being depreciated:	<u>1,782,943</u>	<u>-</u>	<u>-</u>	<u>1,782,943</u>
Other capital assets:				
Buildings and improvements	2,644,129	65,827	-	2,709,956
Machinery and equipment	2,559,229	515,298	(169,840)	2,904,687
Total other capital assets	<u>5,203,358</u>	<u>581,125</u>	<u>(169,840)</u>	<u>5,614,643</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,418,437)	(461,276)	-	(1,879,713)
Machinery and equipment	(1,108,579)	(237,944)	(13,320)	(1,359,843)
Total accumulated depreciation	<u>(2,527,016)</u>	<u>(699,220)</u>	<u>(13,320)</u>	<u>(3,239,556)</u>
Other capital assets, net	<u>2,676,342</u>	<u>(118,095)</u>	<u>(183,160)</u>	<u>2,375,087</u>
Totals	<u>\$ 4,459,285</u>	<u>\$ (118,095)</u>	<u>\$ (183,160)</u>	<u>\$ 4,158,030</u>

Depreciation was charged to business-type functions as follows:

Solid waste	\$	632,805
Airport		46,906
Golf course		19,509
Total Business-Type Activities Depreciation Expense	\$	699,220

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended December 31, 2009. In general, the County uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds, notes payable, and capital leases:					
Certificates of obligation	\$ 1,875,000	\$ -	\$ (400,000)	\$ 1,475,000	\$ 85,000
General obligation refundings	12,885,000	-	(12,885,000)	-	-
Tax notes	5,700,000	-	(1,145,000)	4,555,000	1,180,000
Notes payable	31,796	-	(31,796)	-	-
Less deferred amounts:					
For issuance discounts	(36,171)	-	5,048	(31,123)	-
For issuance premiums	36,496	-	(3,560)	32,936	-
On refunding	(755,625)	-	110,551	(645,074)	-
Obligations under capital leases	252,239	349,250	(210,578)	390,911	133,264
	<u>19,988,735</u>	<u>349,250</u>	<u>(14,560,335)</u>	<u>5,777,650</u> *	<u>1,398,264</u>
Other:					
Compensated absences	\$ 465,968	\$ -	\$ (31,224)	\$ 434,744	\$ 391,270
Total Governmental Activities	<u>\$ 20,454,703</u>	<u>\$ 349,250</u>	<u>\$ (14,591,559)</u>	<u>\$ 6,212,394</u>	<u>\$ 1,789,534</u>
* Debt associated with capital assets			Long-term liabilities due in greater than one year	<u>\$ 4,422,860</u>	
 Business-Type Activities:					
Landfill closure and post closure care costs	4,574,683	52,358	-	4,627,041	-
Total Business-Type Activities	<u>\$ 4,574,683</u>	<u>\$ 4,574,683</u>	<u>\$ -</u>	<u>\$ 4,627,041</u>	<u>\$ -</u>

See footnote IV. C. for additional information regarding landfill closure and post closure care costs. The County is not obligated in any manner for special assessment debt.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Advance Refunding

On January 29, 2009, the County used \$12,387,242 of proceeds from the sale of an incinerator and \$1,739,507 of debt service funds to purchase U.S. Government State and Local Government Series securities, less a cost of defeasance of \$46,941. The securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 1999 certificates of obligation and the Series 2003 and 2005 general obligation refunding bonds. As a result, these bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Assets. The balances of defeased bonds as of December 31, 2009 were \$7,315,000 and \$4,550,000 for the Series 2003 and Series 2005 general obligation refunding bonds, respectively; while the Series 1999 certificates of obligation had been paid in full.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

A summary of the County's debt service requirements, including interest, is as follows:

	<u>Percentage Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Certificates of Obligation			
Series 2002	3.80-5.00	\$ 2,000,000	\$ 1,475,000
			<u>1,475,000</u>
Tax Notes			
Series 2006 Tax Notes	4.50-4.50	\$ 1,600,000	680,000
Series 2007 Tax Notes	4.35-4.35	\$ 2,000,000	1,400,000
Series 2008 Tax Notes	2.68-4.23	\$ 3,000,000	2,475,000
			<u>4,555,000</u>
Capital Leases	Various	\$ 532,034	<u>390,911</u>
		Total	<u><u>\$ 6,420,911</u></u>

Long-term debt obligations of the County as of December 31, 2009 are as follows:

<u>Fiscal Year</u>	<u>Certificates of Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 85,000	\$ 62,296	\$ 147,296
2011	90,000	57,936	147,936
2012	90,000	53,450	143,450
2013	95,000	49,300	144,300
2014	100,000	45,500	145,500
2015	105,000	41,500	146,500
2016	110,000	37,145	147,145
2017	115,000	32,504	147,504
2018	125,000	27,461	152,461
2019	130,000	22,010	152,010
2020	135,000	16,245	151,245
2021	145,000	10,012	155,012
2022	150,000	3,375	153,375
Total	<u><u>\$ 1,475,000</u></u>	<u><u>\$ 458,734</u></u>	<u><u>\$ 1,933,734</u></u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

<u>Fiscal Year</u>	<u>Tax Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,180,000	\$ 161,664	\$ 1,341,664
2011	1,225,000	114,115	1,339,115
2012	700,000	75,279	775,279
2013	715,000	46,290	761,290
2014	735,000	15,710	750,710
Total	<u>\$ 4,555,000</u>	<u>\$ 413,058</u>	<u>\$ 4,968,058</u>

Future minimum payments to retire capital lease obligations are as follows:

<u>Fiscal Year</u>	<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 133,264	\$ 37,095	\$ 170,359
2011	116,348	24,328	140,676
2012	71,094	12,392	83,486
2013	64,134	4,822	68,956
2014	6,071	264	6,335
Total	<u>\$ 390,911</u>	<u>\$ 78,901</u>	<u>\$ 469,812</u>

Machinery and equipment acquired under current capital lease obligations totaled \$832,034.

E. Interfund Transactions

Operating transfers between the primary government funds during the 2009 year were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds:		
Individual major governmental funds:		
General	\$ 5,894,467	\$ 5,873,297
Road and bridge	1,200,000	1,204,452
Debt service	251,173	219,000
Permanent	25,188	85,104
Other non-major governmental funds	651,656	607,429
Total governmental funds	<u>8,022,484</u>	<u>7,989,282</u>
Enterprise funds:		
Individual major enterprise funds:		
Solid waste	-	33,202
Total enterprise funds	<u>-</u>	<u>33,202</u>
Total transfers	<u>\$ 8,022,484</u>	<u>\$ 8,022,484</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

The composition of interfund balances as of December 31, 2009 is as follows:

Funds	Due from	Due to
General:		
Solid waste	\$ 340,688	\$ -
Internal service	5,514	-
Nonmajor governmental	1,080,945	-
Nonmajor governmental:		
General	-	1,080,945
Solid waste		
General	-	340,688
Internal service		
General	-	5,514
	\$ 1,427,147	\$ 1,427,147

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

F. Fund Equity

The County records fund balance reserves on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances reserved by the County:

General		
Reserved for inventories	\$	50,233
Road and Bridge		
Reserved for inventories		25,570
Debt Service		
Reserved for debt service		426,260
Permanent		
Reserved for endowments/trusts		7,502,602
	\$	8,004,665

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 338 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. This pool was created by the Texas Association of

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

Counties in 1974 to insure the County for workers' compensation related claims. This pool purchases commercial insurance at group rates for participants in the pool. The County has no additional risk or responsibility to either of the pools in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

The County reports liabilities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payout and other economic and social factors. The liability for claims and judgments is reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at December 31, 2009.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Landfill Closure and Post Closure Care Cost

Current state regulations and the U.S. Environmental Protection Agency (EPA) require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to recognize a portion of the landfill closure and post closure care liability each year. Recognition of the liability is based on the landfill capacity used to date. The operations of the landfill are recorded in the solid waste fund, one of the enterprise funds used by the County.

The County's estimate of the total cost of closure and post closure care for 30 years, under permits and regulations currently in effect, is \$6,338,412. The \$4,627,041 reported as landfill closure and post closure care liability at December 31, 2009 is based on the use of 73 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$1,711,371 as the remaining estimated capacity is filled.

Based on usage during 2009, it is estimated that the remaining capacity will be filled during 2012. However, usage during the year was higher than normal due to debris disposal related to Hurricane Ike. Once the rate of usage returns to normal, the years until capacity is reached will likely increase. Also, the County anticipates additional future cell construction to increase overall capacity.

The estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

were acquired as of December 31, 2009. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

D. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the County could result. Although the County does not anticipate that it will have any arbitrage liability, it periodically engages an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations.

E. Other Post Employee Benefits

During the year, the County implemented Governmental Accounting Standards Board (GASB) No. 45. The County elected to prospectively implement GASB No. 45 for the County's plan named Chambers County Post Retirement Health Plan.

Plan Description

In order to recognize and reward long-term employees, as well as to provide an incentive for remaining in the County's employment, the County administers a single-employer defined benefit Other Post-Employment Benefits (OPEB) plan that will offer coverage for the continuation of the medical, dental, vision, and life insurance coverage of certain retirees, as noted below.

In order to be eligible for this benefit, the retiree must have been a full-time employee of the County for eight consecutive years immediately prior to retirement; and satisfy the applicable plan requirements for the extension of retiree coverage under the medical, dental, vision, and life insurance benefit plan offered by the County at the time of retirement.

Beginning with retirement, and ending once Medicare eligibility is reached, the County shall offer the retiree medical coverage in accordance with the following: 100 percent of the premium costs for retirees retiring after age 59, but before age 65, and having at least eight years of full-time service with the County for a maximum of five years or until Medicare eligibility is reached and; 100 percent of the premium costs for retirees retiring before age 60 and having at least 30 years of full-time service with the County, for a maximum of five years or until Medicare eligibility is reached and; will offer coverage, at the same cost as active employees, to retirees who retire with at least eight years of full-time service until age 60 and provide 100 percent of the premium costs after age 60 until Medicare eligibility is reached. Beginning with retirement, the County shall offer the retiree dental, vision, and life coverage at the same cost as active employees until the retiree chooses to end coverage. To provide medical, dental, vision, and life to their spouses and dependents, eligible retirees must pay 100 percent of the cost.

Funding Policy

The County has elected to finance the OPEB plan on a pay-as-you-go basis. The County paid \$144,088 related to the plan for retirees during the year.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the County's net OPEB obligation.

Annual required contribution	\$	493,124
Contributions made		144,088
Increase in net OPEB obligation		349,036
Net OPEB obligation-beginning of year		370,034
Net OPEB obligation-end of year	\$	719,070

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years are as follows:

Three-Year Contribution Information

Fiscal year	Annual OPEB Percentage of ARC		Net Pension Obligation	
	Cost (ARC)	Contributions	Beginning	Ending
2007	\$ N/A	N/A	\$ N/A	\$ N/A
2008	\$ 482,023	23.23%	\$ -	\$ 370,034
2009	\$ 493,124	29.22%	\$ 370,034	\$ 719,070

* First year of implementation of GASB 45

Actuarial Information

The contribution requirement has been actuarially determined. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point, and the projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective, and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. As of the actuarial valuation date of January 1, 2008, the actuarial value of plan assets is zero dollars, the actuarial accrued liability is \$2,780,045, the total unfunded actuarial liability is \$2,780,045, and the actuarial value of assets as a percentage of the actuarial accrued liability is zero percent. The actuarial determined annual required contribution (ARC) is \$370,034. The components of the ARC consist of the employer's normal cost and the amortization of the unfunded actuarial accrued liabilities.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	30 Years - Open period
Asset Valuation Method	N/A
Investment Rate of Return	3.0%
Projected Salary Increases	N/A
Healthcare Cost Trend Rate (Initial/Ultimate)	6%/8%

F. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code, Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until retirement, termination, death, or unforeseeable emergencies.

Federal law requires all assets and income of Section 457 plans to be held in trust, custodial accounts, or annuity contracts for the exclusive benefit of the participants and their beneficiaries. The County's deferred compensation plan is administered by a private corporation under contract with the County. Total participant contributions were approximately \$90,433 for the year ended December 31, 2009. The County does not contribute to the plan.

G. Pension Plans

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide 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 574 nontraditional defined benefit pension plans. TCDRS, in the aggregate, issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at: P. O. Box 2034, Austin, Texas 78768-2034.

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

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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

Funding Policy

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 11.08 percent for the calendar year of 2009.

The Commissioners' Court adopted the rate of seven percent as the contribution rate payable by the employee members for calendar year 2009. The Commissioners' Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

Annual Pension Costs

The County's schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

The funded status as of December 31, 2007, the most recent valuation date, is as follows:

	2009
Actuarial Valuation Date	12/31/2007
Actuarial Value of Assets	\$ 34,570,171
Actuarial Accrued Liability	\$ 37,329,145
Percentage Funded	92.6%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,758,974
Annual Covered Payroll	\$ 12,170,324
UAAL as a Percentage of Covered Payroll	22.7%

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 valuations as of December 31, 2007, the basis for determining the contribution rates for plan year 2009.

Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll
Remaining amortization period	15 Years - Closed Period
Asset valuation method	10-yr smoothed value
	ESF: Fund value
Investment rate of return	8%
Projected salary increases	5.3%
Includes inflation at	3.5%
Cost of living adjustments	None

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS, Continued
For the Year Ended December 31, 2009

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Annual req. contrib. (ARC)	\$ 1,371,899	\$ 1,352,440	\$ 1,157,598
Contributions made	1,371,899	1,352,440	1,157,598
NPO at the End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

H. Health Care

The County maintains a self-insured health plan (the “Plan”) for all eligible employees and retirees. Such activities are reported in an internal service fund, the medical benefit fund. Revenues are recognized from payroll deductions for employee dependent coverage and from County contributions for employee coverage.

At year end, the County has recorded current health claim liabilities of \$518,099 in the internal service fund. These liabilities are based on requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the balances of claims liabilities during the last two years ended December 31 are as follows:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 467,474	\$ 429,470
Claims incurred	2,566,463	1,963,530
Claim paid	<u>(2,515,838)</u>	<u>(1,925,526)</u>
Ending balance	<u>\$ 518,099</u>	<u>\$ 467,474</u>

I. Hurricane Ike

Prior to making landfall on September 12, 2008, the National Hurricane Center forecasted that Hurricane Ike, a category four hurricane, would likely come ashore just west of the County placing the County on the “dirty side” of the storm. Actual landfall occurred west of the County, in Galveston, Texas. Although at landfall, the storm was rated as a category two hurricane, Ike was unusually large and had a storm surge disproportional to its wind speed (category). The storm resulted in extensive flooding, wind damage, and a massive amount of debris removal. Ike’s damage along the Gulf Coast could reach \$31.5 billion, which would make it the third costliest hurricane on record.

The County incurred substantial expenses: planning and preparing for the event, providing refuge and assistance to citizens of the area, manning emergency operations, and cleaning up debris. Many of these expenditures incurred by the County are expected to be reimbursed by the Federal Emergency Management Agency (FEMA). The County has estimated the amount it anticipates to recover from FEMA for the portion of expenditures incurred. However, FEMA’s policies have and will likely change, therefore, the actual reimbursement could differ from the amount estimated based on the County’s current understanding and interpretation of FEMA’s policies. As of December 31, 2009, the County is owed just over \$2 million in reimbursements. FEMA representatives have informally questioned a timekeeping method used by one of the debris removal contractors. At this time, it is unknown how much, if any, of the remaining reimbursement may be disallowed.

REQUIRED SUPPLEMENTARY INFORMATION

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CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 3)
GENERAL FUND (BUDGET BASIS)
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Revenues				
Taxes	\$ 19,624,900	\$ 19,624,900	\$ 20,468,456	\$ 843,556
Intergovernmental	123,500	40,123,500	39,371,159	(752,341)
Fees	884,300	884,300	863,424	(20,876)
Fines and forfeitures	701,000	701,000	705,544	4,544
Investment income	302,000	302,000	286,388	(15,612)
Other	720,700	719,700	914,123	194,423
Total Revenues	22,356,400	62,355,400	62,609,094	253,694
Expenditures				
General Government:				
Commissioners' Court	1,118,300	44,129,000	44,006,700	122,300
Non-departmental	5,620,980	2,120,980	1,883,459	237,521
Data processing	252,800	280,627	280,462	165
Communications	122,320	124,320	123,699	621
Maintenance	347,000	350,000	349,554	446
Total General Government	7,461,400	47,004,927	46,643,874	361,053
Financial Administration				
County Auditor	253,900	319,900	319,732	168
County Treasurer	183,130	250,330	249,357	973
Tax Assessor	622,380	777,380	776,403	977
Budget and planning	217,960	270,960	270,932	28
Purchasing	82,385	106,385	105,817	568
Total Financial Administration	1,359,755	1,724,955	1,722,241	2,714
Justice System				
County Court	71,000	71,000	45,848	25,152
District Court	480,900	650,900	587,730	63,170
District Clerk	229,060	312,460	310,014	2,446
County Clerk	415,525	565,525	565,156	369
Justice of the Peace, Pct #1	137,620	182,620	182,352	268
Justice of the Peace, Pct #2	157,730	222,730	219,296	3,434
Justice of the Peace, Pct #3	79,475	117,475	116,103	1,372
Justice of the Peace, Pct #4	122,695	174,695	174,538	157
Justice of the Peace, Pct #5	122,290	160,290	160,020	270
Justice of the Peace, Pct #6	175,920	240,920	236,508	4,412
Juvenile Probation	52,750	52,750	39,363	13,387
County Attorney	215,540	270,540	267,103	3,437
District Attorney	229,830	329,830	326,842	2,988
Elections	66,750	66,750	53,120	13,630
Total Justice System	2,557,085	3,418,485	3,283,993	134,492

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 3)
GENERAL FUND (BUDGET BASIS)
For the Year Ended December 31, 2009

	2009		Actual (Budget Basis)	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final		
Expenditures (continued)				
Health and Welfare				
Environmental health	\$ 175,660	\$ 242,660	\$ 239,709	\$ 2,951
Health department	186,330	210,330	206,853	3,477
Indigent health care	509,580	449,580	447,212	2,368
Nurse practitioner	66,780	86,780	82,255	4,525
Welfare	28,900	18,900	14,470	4,430
Rehabilitation	51,300	51,300	50,000	1,300
Mosquito control	508,740	782,740	780,997	1,743
Total Health and Welfare	1,527,290	1,842,290	1,821,496	20,794
Culture and Recreational				
Libraries	416,590	541,590	538,538	3,052
Agricultural extension	179,910	186,910	185,284	1,626
Parks and recreation	748,390	923,390	922,153	1,237
Historical commission	8,425	8,425	2,713	5,712
Total Culture and Recreational	1,353,315	1,660,315	1,648,688	11,627
Law Enforcement and Public Safety				
Emergency management	112,690	112,690	78,756	33,934
Safety department	25,250	25,250	19,527	5,723
Constable, Pct #1	47,460	72,460	69,217	3,243
Constable, Pct #2	106,630	146,630	144,494	2,136
Constable, Pct #3	46,600	66,600	63,567	3,033
Constable, Pct #4	53,700	73,700	71,162	2,538
Constable, Pct #5	49,200	74,200	71,297	2,903
Constable, Pct #6	56,720	76,720	75,735	985
Jail	639,040	869,040	866,744	2,296
Sheriff	3,619,900	5,258,770	5,224,965	33,805
Total Law Enforcement and Public Safety	4,757,190	6,776,060	6,685,464	90,596
Capital				
Capital outlay	906,500	919,792	907,880	11,912
Total Capital	906,500	919,792	907,880	11,912
Debt Service:				
Principal	207,995	225,168	193,519	31,649
Interest and other	22,005	22,005	22,005	-
Total Debt Service	230,000	247,173	215,524	31,649
Total Expenditures	20,152,535	63,593,997	62,929,160	664,837
Excess (Deficiency) of Revenues Over Expenditures	2,203,865	(1,238,597)	(320,066)	918,531

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 3 of 3)
GENERAL FUND (BUDGET BASIS)

For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u> (Budget Basis)	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	6,000,000	5,894,467	(105,533)
Operating transfers (out)	(2,005,340)	(5,900,000)	(5,873,297)	26,703
Total Other Financing Sources (Uses)	<u>(2,005,340)</u>	<u>100,000</u>	<u>21,170</u>	<u>(78,830)</u>
Net Change in Fund Balance	<u>\$ 198,525</u>	<u>\$ (1,138,597)</u>	(298,896)	<u>\$ 839,701</u>
Beginning Fund Balance			<u>18,605,449</u>	
Ending Fund Balance			<u>\$ 18,306,553</u>	
Net change in Fund Balance - Budgetary Basis			\$ (298,896)	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			(118,439)	
Net Change in Fund Balance - GAAP Basis			<u>\$ (417,335)</u>	

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CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND (BUDGET BASIS)

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 5,517,445	\$ 5,517,445	\$ 5,582,512	\$ 65,067
Intergovernmental	6,600	6,600	10,394	3,794
Fees	760,000	760,000	716,227	(43,773)
Fines and forfeitures	320,000	320,000	301,455	(18,545)
Investment income	150,000	150,000	71,680	(78,320)
Other	66,500	66,500	377,597	311,097
Total Revenues	6,820,545	6,820,545	7,059,865	239,320
<u>Expenditures</u>				
Current:				
Transportation	5,976,540	7,238,040	7,234,260	3,780
Capital:				
Capital outlay	827,005	820,505	815,914	4,591
Debt Service:				
Principal	16,197	20,242	20,242	-
Interest and other	803	803	803	-
Total Debt Service	17,000	21,045	21,045	-
Total Expenditures	6,820,545	8,079,590	8,071,219	8,371
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,259,045)	(1,011,354)	247,691
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	1,200,000	1,200,000	-
Transfers (out)	-	(1,210,000)	(1,204,452)	5,548
Total Other Financing Sources (Uses)	-	(10,000)	(4,452)	5,548
Net Change in Fund Balance	\$ -	\$ (1,269,045)	(1,015,806)	\$ 253,239
Beginning Fund Balance			1,487,401	
Ending Fund Balance			\$ 471,595	
Net Change in Fund Balance - Budgetary Basis			\$ (1,015,806)	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			(36,847)	
Net Change in Fund Balance - GAAP Basis			\$ (1,052,653)	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2009

The County's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the County makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the County's Schedule of Funding Progress.

Fiscal Year	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarial Valuation Date	12/31/2007	12/31/2006	12/31/2005	12/31/2004	12/31/2003
Actuarial Value of Assets	\$ 34,570,171	\$ 32,396,075	\$ 29,106,124	\$ 27,174,690	\$ 25,550,207
Actuarial Accrued Liability	\$ 37,329,145	\$ 35,057,144	\$ 32,137,163	\$ 29,648,322	\$ 28,053,658
Percentage Funded	92.61%	92.41%	90.57%	91.66%	91.08%
Unfunded Actuarial Accrued Liability	\$ 2,758,974	\$ 2,661,069	\$ 3,031,039	\$ 2,473,632	\$ 2,503,451
Annual Covered Payroll	\$ 12,170,324	\$ 11,318,097	\$ 11,036,984	\$ 10,629,772	\$ 10,313,791
Unfunded Actuarial Accrued Liability (UAAL) % of Covered Payroll	22.67%	23.51%	27.46%	23.27%	24.27%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	1,371,899	1,352,440	1,157,598	951,365	955,803
Contributions Made	1,371,899	1,352,440	1,157,598	951,365	955,803
NPO at the End of Period	<u>\$ -</u>				

CHAMBERS COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST-EMPLOYMENT HEALTHCARE BENEFITS¹
For the Year Ended December 31, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
01/01/08	\$ -	\$ 2,780,045	\$ 2,780,045	0.0%	N/A	N/A

¹ 2008 was the first year the County was required to implement GASB Statement No. 45. The next valuation will be performed in accordance with GASB Statement No. 45 parameters by December 31, 2010.

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***COMBINING STATEMENTS
AND SCHEDULES***

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CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND (BUDGET BASIS)

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Revenues				
Taxes	\$ 2,496,367	\$ 2,496,367	\$ 2,891,270	\$ 394,903
Investment income	25,000	25,000	7,231	(17,769)
Total Revenues	<u>2,521,367</u>	<u>2,521,367</u>	<u>2,898,501</u>	<u>377,134</u>
Expenditures				
Principal	1,230,000	1,262,000	1,261,796	204
Interest and fiscal charges	261,530	262,030	261,878	152
Cost of defeasance	46,941	46,941	46,941	-
Total Expenditures	<u>1,538,471</u>	<u>1,570,971</u>	<u>1,570,615</u>	<u>356</u>
Excess (Deficiency) of Revenues over Expenditures	<u>982,896</u>	<u>950,396</u>	<u>1,327,886</u>	<u>377,490</u>
Other Financing Sources				
Payment to defeased bond escrow agent	(1,739,507)	(14,239,507)	(14,079,808)	159,699
Transfers in	709,670	709,670	251,173	(458,497)
Transfers (out)	-	(220,000)	(219,000)	1,000
Total Other Financing Sources	<u>(1,029,837)</u>	<u>(13,749,837)</u>	<u>(14,047,635)</u>	<u>(297,798)</u>
Net Change in Fund Balance	<u>\$ (46,941)</u>	<u>\$ (12,799,441)</u>	<u>(12,719,749)</u>	<u>\$ 79,692</u>
Beginning Fund Balance			<u>13,298,993</u>	
Ending Fund Balance			<u>\$ 579,244</u>	
Net Change in Fund Balance - Budgetary Basis			\$ (12,719,749)	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			(14,213)	
Net Change in Fund Balance - GAAP Basis			<u>\$ (12,733,962)</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROAD FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 22,000	\$ 22,000	\$ 23,442	\$ 1,442
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>23,442</u>	<u>1,442</u>
Expenditures				
Capital:				
Capital outlay	22,000	22,000	-	22,000
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	23,442	<u>\$ 23,442</u>
Beginning Fund Balance			<u>115,062</u>	
Ending Fund Balance			<u>\$ 138,504</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY COURT FEE FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 2,500	\$ 2,500	\$ 3,357	\$ 857
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>3,357</u>	<u>857</u>
Expenditures				
Current:				
Supplies	2,500	2,500	-	2,500
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,357	<u>\$ 3,357</u>
Beginning Fund Balance			<u>15,480</u>	
Ending Fund Balance			<u>\$ 18,837</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORTHLESS CHECK FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 10,100	\$ 10,100	\$ 4,186	\$ (5,914)
Total Revenues	<u>10,100</u>	<u>10,100</u>	<u>4,186</u>	<u>(5,914)</u>
Expenditures				
Current:				
Supplies	10,000	10,000	3,737	6,263
Contractual services	100	100	-	100
Total Expenditures	<u>10,100</u>	<u>10,100</u>	<u>3,737</u>	<u>6,363</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	449	<u>\$ 449</u>
Beginning Fund Balance			<u>20,264</u>	
Ending Fund Balance			<u>\$ 20,713</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY ATTORNEY DWI FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 2,000	\$ 2,000	\$ 3,066	\$ 1,066
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>3,066</u>	<u>1,066</u>
Expenditures				
Current:				
Supplies	2,000	2,000	470	1,530
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>470</u>	<u>1,530</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,596	<u>\$ 2,596</u>
Beginning Fund Balance			<u>22,304</u>	
Ending Fund Balance			<u>\$ 24,900</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY DRUG PREVENTION FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fees	\$ 6,000	\$ 6,000	\$ 2,919	\$ (3,081)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>2,919</u>	<u>(3,081)</u>
<u>Expenditures</u>				
Current:				
Supplies	6,000	6,000	3,762	2,238
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>3,762</u>	<u>2,238</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(843)	<u>\$ (843)</u>
Beginning Fund Balance			<u>47,158</u>	
Ending Fund Balance			<u>\$ 46,315</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF FORFEITURE FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 5,982	\$ (4,018)
Investment income	1,000	1,000	995	(5)
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>6,977</u>	<u>(4,023)</u>
Expenditures				
Current:				
Supplies	11,000	29,000	28,914	86
Total Expenditures	<u>11,000</u>	<u>29,000</u>	<u>28,914</u>	<u>86</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (18,000)</u>	(21,937)	<u>\$ (3,937)</u>
Beginning Fund Balance			<u>33,780</u>	
Ending Fund Balance			<u>\$ 11,843</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL TAX FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 300,000	\$ 300,000	\$ 407,233	\$ 107,233
Investment income	10,000	10,000	12,549	2,549
Total Revenues	<u>310,000</u>	<u>310,000</u>	<u>419,782</u>	<u>109,782</u>
Expenditures				
Current:				
Personnel	32,200	35,200	34,677	523
Contractual services	260,000	257,000	117,686	139,314
Total Expenditures	<u>292,200</u>	<u>292,200</u>	<u>152,363</u>	<u>139,837</u>
Other Financing Sources (Uses)				
Transfers (out)	(16,800)	(585,000)	(582,241)	2,759
Total Other Financing Sources (Uses)	<u>(16,800)</u>	<u>(585,000)</u>	<u>(582,241)</u>	<u>2,759</u>
Net Change in Fund Balance	<u>\$ 1,000</u>	<u>\$ (567,200)</u>	(314,822)	<u>\$ 252,378</u>
Beginning Fund Balance			<u>731,658</u>	
Ending Fund Balance			<u>\$ 416,836</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY SEIZURE & FORFEITURE FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 129,024	\$ 79,024
Investment income	5,000	5,000	5,665	665
Other	-	-	13,325	13,325
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>148,014</u>	<u>93,014</u>
Expenditures				
Current:				
Personnel	23,600	24,202	12,929	11,273
Supplies	24,400	24,400	7,614	16,786
Contractual services	7,000	7,000	2,807	4,193
Debt Service:				
Principal	-	-	2,525	(2,525)
Total Expenditures	<u>55,000</u>	<u>55,602</u>	<u>25,875</u>	<u>29,727</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (602)</u>	122,139	<u>\$ 122,741</u>
Beginning Fund Balance			<u>217,571</u>	
Ending Fund Balance			<u>\$ 339,710</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Other	\$ 20,000	\$ 20,000	\$ 5,697	\$ (14,303)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>5,697</u>	<u>(14,303)</u>
Expenditures				
Current:				
Personnel	10,000	10,000	-	10,000
Supplies	10,000	10,000	-	10,000
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,697	<u>\$ 5,697</u>
Beginning Fund Balance			<u>8,740</u>	
Ending Fund Balance			<u>\$ 14,437</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LEOSE ALLOCATION FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 9,700	\$ 9,700	\$ 9,250	\$ (450)
Total Revenues	<u>9,700</u>	<u>9,700</u>	<u>9,250</u>	<u>(450)</u>
Expenditures				
Current:				
Contractual services	9,700	9,700	9,698	2
Total Expenditures	<u>9,700</u>	<u>9,700</u>	<u>9,698</u>	<u>2</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(448)	<u>\$ (448)</u>
Beginning Fund Balance			<u>21,252</u>	
Ending Fund Balance			<u>\$ 20,804</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HUD SEC. 8 HOUSING PROGRAM FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 2,500	\$ 2,500	\$ 2,161	\$ (339)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>2,161</u>	<u>(339)</u>
Expenditures				
Current:				
Supplies	500	500	81	419
Debt Service:				
Principal	1,742	1,742	1,240	502
Interest	258	258	258	-
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,579</u>	<u>921</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	582	<u>\$ 582</u>
Beginning Fund Balance			<u>17,298</u>	
Ending Fund Balance			<u>\$ 17,880</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS ARCHIVES FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 50,000	\$ 50,000	\$ 46,879	\$ (3,121)
Investment income	2,000	2,000	4,227	2,227
Total Revenues	<u>52,000</u>	<u>52,000</u>	<u>51,106</u>	<u>(894)</u>
Expenditures				
Current:				
Personnel	-	-	-	-
Contractual services	52,000	52,000	-	52,000
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>-</u>	<u>52,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	51,106	<u>\$ 51,106</u>
Beginning Fund Balance			<u>264,845</u>	
Ending Fund Balance			<u>\$ 315,951</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Other	\$ 34,100	\$ 34,100	\$ 33,834	\$ (266)
Total Revenues	<u>34,100</u>	<u>34,100</u>	<u>33,834</u>	<u>(266)</u>
Expenditures				
Current:				
Supplies	17,100	24,100	24,047	53
Capital:				
Capital outlay	1,000	5,000	4,401	599
Debt Service:				
Principal	13,213	4,213	4,085	128
Interest	2,787	2,787	2,787	-
Total Expenditures	<u>34,100</u>	<u>36,100</u>	<u>35,320</u>	<u>780</u>
Other Financing Sources (Uses)				
Capital leases	-	-	3,981	3,981
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,981</u>	<u>3,981</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,000)</u>	2,495	<u>\$ 4,495</u>
Beginning Fund Balance			<u>57,803</u>	
Ending Fund Balance			<u>\$ 60,298</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 48,600	\$ 48,600	\$ 38,111	\$ (10,489)
Investment income	1,000	1,000	-	(1,000)
Other	31,850	31,850	-	(31,850)
Total Revenues	<u>81,450</u>	<u>81,450</u>	<u>38,111</u>	<u>(43,339)</u>
Expenditures				
Current:				
Personnel	69,850	73,850	73,683	167
Supplies	500	500	10	490
Contractual services	2,000	2,000	480	1,520
Capital outlay	-	6,000	5,554	446
Debt Service:				
Principal	422	422	373	49
Interest	78	78	78	-
Total Expenditures	<u>72,850</u>	<u>82,850</u>	<u>80,178</u>	<u>2,672</u>
Net Change in Fund Balance	<u>\$ 8,600</u>	<u>\$ (1,400)</u>	<u>(42,067)</u>	<u>\$ (40,667)</u>
Beginning Fund Balance			<u>39,528</u>	
Ending Fund Balance			<u>\$ (2,539)</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDS MANAGEMENT COUNTY CLERK FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 60,500	\$ 60,500	\$ 66,238	\$ 5,738
Investment income	2,000	2,000	2,118	118
Total Revenues	<u>62,500</u>	<u>62,500</u>	<u>68,356</u>	<u>5,856</u>
Expenditures				
Current:				
Personnel	18,300	18,300	37,498	(19,198)
Supplies	15,100	15,100	15,436	(336)
Contractual services	20,100	20,100	1,138	18,962
Debt Service:				
Principal	7,485	7,485	5,365	2,120
Interest	1,515	1,515	1,515	-
Total Expenditures	<u>62,500</u>	<u>62,500</u>	<u>60,952</u>	<u>1,548</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7,404	<u>\$ 7,404</u>
Beginning Fund Balance			<u>133,888</u>	
Ending Fund Balance			<u>\$ 141,292</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDS MANAGEMENT DISTRICT CLERK FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 15,000	\$ 15,000	\$ 18,842	\$ 3,842
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>18,842</u>	<u>3,842</u>
Expenditures				
Current:				
Personnel	10,000	10,000	7,231	2,769
Supplies	5,000	1,600	1,455	145
Total Expenditures	<u>15,000</u>	<u>11,600</u>	<u>8,686</u>	<u>2,914</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 3,400</u>	10,156	<u>\$ 6,756</u>
Beginning Fund Balance			<u>12,054</u>	
Ending Fund Balance			<u>\$ 22,210</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NARCOTICS TASK FORCE FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	100,000	100,000	6,154	(93,846)
Investment income	9,000	9,000	4,843	(4,157)
Other	-	-	5	5
Total Revenues	109,000	109,000	11,002	(97,998)
Expenditures				
Current:				
Personnel	108,600	133,600	132,673	927
Supplies	15,480	40,480	38,404	2,076
Contractual services	2,000	2,000	-	2,000
Total Expenditures	126,080	176,080	171,077	5,003
Other Financing Sources (Uses)				
Transfers in	17,080	17,080	-	(17,080)
Total Other Financing Sources (Uses)	17,080	17,080	-	(17,080)
Net Change in Fund Balance	\$ -	\$ (50,000)	(160,075)	\$ (110,075)
Beginning Fund Balance			418,602	
Ending Fund Balance			\$ 258,527	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH SERVICES SALES TAX FUND

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,948,692	\$ (51,308)
Investment income	30,000	30,000	34,852	4,852
Total Revenues	<u>2,030,000</u>	<u>2,030,000</u>	<u>1,983,544</u>	<u>(46,456)</u>
Expenditures				
Current:				
Personnel	230,280	230,280	236,959	(6,679)
Supplies	102,500	120,500	60,056	60,444
Contractual services	1,487,500	1,487,500	1,423,559	63,941
Capital:				
Capital outlay	-	300,000	311,288	(11,288)
Debt Service:				
Principal	3,590	3,590	1,811	1,779
Interest	410	410	410	-
Total Expenditures	<u>1,824,280</u>	<u>2,142,280</u>	<u>2,034,083</u>	<u>108,197</u>
Net Change in Fund Balance	<u>\$ 205,720</u>	<u>\$ (112,280)</u>	<u>(50,539)</u>	<u>\$ 61,741</u>
Beginning Fund Balance			<u>2,338,539</u>	
Ending Fund Balance			<u>\$ 2,288,000</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AVAILABLE SCHOOL FUND
For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income	\$ 100,000	\$ 100,000	\$ 164,267	\$ 64,267
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>164,267</u>	<u>64,267</u>
Expenditures				
Current:				
Contractual services	-	170,000	165,475	4,525
Total Expenditures	<u>-</u>	<u>170,000</u>	<u>165,475</u>	<u>4,525</u>
Other Financing Sources (Uses)				
Transfers in	-	-	10,675	10,675
Transfers (out)	-	(30,000)	(25,188)	4,812
Total Other Financing Sources (Uses)	<u>-</u>	<u>(30,000)</u>	<u>(14,513)</u>	<u>15,487</u>
Net Change in Fund Balance	<u>\$ 100,000</u>	<u>\$ (100,000)</u>	(15,721)	<u>\$ 84,279</u>
Beginning Fund Balance			<u>(17,535)</u>	
Ending Fund Balance			<u>\$ (33,256)</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TITLE IV FUNDS

For the Year Ended December 31, 2009

	2009			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 10,500	\$ 10,500	\$ -	\$ (10,500)
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>(10,500)</u>
Expenditures				
Current:				
Supplies	6,000	6,000	-	6,000
Contractual services	4,500	4,500	-	4,500
Total Expenditures	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning Fund Balance			<u>28,981</u>	
Ending Fund Balance			<u>\$ 28,981</u>	

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 6)
December 31, 2009

	Special Revenue Funds			
	Lateral Road	County Court Fee	Youth Activity	Worthless Check
Assets				
Cash and cash equivalents	\$ 138,504	\$ 18,837	\$ 18,900	\$ 20,713
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 138,504	\$ 18,837	\$ 18,900	\$ 20,713
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Unreserved and undesignated	138,504	18,837	18,900	20,713
Total Fund Balances	138,504	18,837	18,900	20,713
Total Liabilities and Fund Balances	\$ 138,504	\$ 18,837	\$ 18,900	\$ 20,713

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ 24,900	\$ 48,443	\$ -	\$ -	\$ 138,382	\$ 16,437
-	-	32,633	503,413	201,328	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,900</u>	<u>\$ 48,443</u>	<u>\$ 32,633</u>	<u>\$ 503,413</u>	<u>\$ 339,710</u>	<u>\$ 16,437</u>
\$ -	\$ 2,128	\$ 5,648	\$ 10,037	\$ -	\$ -
-	-	15,142	76,540	-	2,000
-	2,128	20,790	86,577	-	2,000
24,900	46,315	11,843	416,836	339,710	14,437
<u>24,900</u>	<u>46,315</u>	<u>11,843</u>	<u>416,836</u>	<u>339,710</u>	<u>14,437</u>
<u>\$ 24,900</u>	<u>\$ 48,443</u>	<u>\$ 32,633</u>	<u>\$ 503,413</u>	<u>\$ 339,710</u>	<u>\$ 16,437</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 6)
December 31, 2009

	Special Revenue Funds			
	LEOCE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
<u>Assets</u>				
Cash and cash equivalents	\$ 21,040	\$ 17,961	\$ 139,769	\$ 60,401
Investments	-	-	176,182	-
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 21,040	\$ 17,961	\$ 315,951	\$ 60,401
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 236	\$ 81	\$ -	\$ 103
Due to other funds	-	-	-	-
Total Liabilities	236	81	-	103
Fund Balances:				
Unreserved and undesignated	20,804	17,880	315,951	60,298
Total Fund Balances	20,804	17,880	315,951	60,298
Total Liabilities and Fund Balances	\$ 21,040	\$ 17,961	\$ 315,951	\$ 60,401

Special Revenue Funds

Courthouse Security	Records Mngmt County Clerk	Records Mngmt District Clerk	Jail Commissary	Narcotics Task Force	Tax Assessor Vehicle Inv Tax
\$ -	\$ 62,767	\$ 22,220	\$ 9,986	\$ 376,157	\$ -
-	80,598	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 143,365</u>	<u>\$ 22,220</u>	<u>\$ 9,986</u>	<u>\$ 376,157</u>	<u>\$ -</u>
\$ -	\$ 2,073	\$ 10	\$ -	\$ 117,630	\$ -
<u>2,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668</u>
<u>2,539</u>	<u>2,073</u>	<u>10</u>	<u>-</u>	<u>117,630</u>	<u>668</u>
(2,539)	141,292	22,210	9,986	258,527	(668)
<u>(2,539)</u>	<u>141,292</u>	<u>22,210</u>	<u>9,986</u>	<u>258,527</u>	<u>(668)</u>
<u>\$ -</u>	<u>\$ 143,365</u>	<u>\$ 22,220</u>	<u>\$ 9,986</u>	<u>\$ 376,157</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 6)
December 31, 2009

	Special Revenue Funds			
	Health Services Sales Tax	Available School	Ecotourism Entergy	Texas History Preservation
Assets				
Cash and cash equivalents	\$ 704,829	\$ -	\$ 18	\$ -
Investments	1,308,725	36	-	-
Receivables, net	303,967	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,317,521	\$ 36	\$ 18	\$ -
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 29,521	\$ -	\$ -	\$ -
Due to other funds	-	33,292	-	3,109
Total Liabilities	29,521	33,292	-	3,109
Fund Balances:				
Unreserved and undesignated	2,288,000	(33,256)	18	(3,109)
Total Fund Balances	2,288,000	(33,256)	18	(3,109)
Total Liabilities and Fund Balances	\$ 2,317,521	\$ 36	\$ 18	\$ -

Special Revenue Funds

Community Outdoor Outreach	Library Lone Star	HGAC ACSEC Addressing Pool	Juvenile Probation Comm	Community Corrections Assistance	Indigent Defense Formula
\$ 1,883	\$ 1,469	\$ 55,534	\$ 13,426	\$ 4,967	\$ 54,392
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,883</u>	<u>\$ 1,469</u>	<u>\$ 55,534</u>	<u>\$ 13,426</u>	<u>\$ 4,967</u>	<u>\$ 54,392</u>
\$ -	\$ 1,839	\$ -	\$ 1,710	\$ -	\$ -
-	-	-	-	-	14,941
-	<u>1,839</u>	-	<u>1,710</u>	-	<u>14,941</u>
1,883	(370)	55,534	11,716	4,967	39,451
<u>1,883</u>	<u>(370)</u>	<u>55,534</u>	<u>11,716</u>	<u>4,967</u>	<u>39,451</u>
<u>\$ 1,883</u>	<u>\$ 1,469</u>	<u>\$ 55,534</u>	<u>\$ 13,426</u>	<u>\$ 4,967</u>	<u>\$ 54,392</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 6)
December 31, 2009

	<u>Special Revenue Funds</u>			
	<u>Vine Project</u>	<u>WIC Peer Counseling</u>	<u>Airport Maintenance (Anahuac)</u>	<u>Airport Maintenance (Winnie)</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 3,437	\$ -
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other governments	6,739	2,464	-	8,919
Total Assets	\$ 6,739	\$ 2,464	\$ 3,437	\$ 8,919
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable and accrued liabilities	\$ -	\$ 10	\$ 505	\$ 273
Due to other funds	6,739	2,454	1,558	6,220
Total Liabilities	6,739	2,464	2,063	6,493
<u>Fund Balances:</u>				
Unreserved and undesignated	-	-	1,374	2,426
Total Fund Balances	-	-	1,374	2,426
Total Liabilities and Fund Balances	\$ 6,739	\$ 2,464	\$ 3,437	\$ 8,919

Special Revenue Funds

SCAAP	State Boating Access	Smith Point	CMP (Glo) Cycle 10	SHSP DPA	SEAPAC
\$ 20,475	\$ -	\$ -	\$ -	\$ 125,271	\$ 117,115
-	-	-	-	-	-
-	111,239	-	-	-	-
-	-	-	-	-	-
<u>\$ 20,475</u>	<u>\$ 111,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,271</u>	<u>\$ 117,115</u>
\$ 5,000	\$ 3,522	\$ -	\$ -	\$ 7,706	\$ -
-	155,857	-	30,801	146,498	131,520
<u>5,000</u>	<u>159,379</u>	<u>-</u>	<u>30,801</u>	<u>154,204</u>	<u>131,520</u>
15,475	(48,140)	-	(30,801)	(28,933)	(14,405)
<u>15,475</u>	<u>(48,140)</u>	<u>-</u>	<u>(30,801)</u>	<u>(28,933)</u>	<u>(14,405)</u>
<u>\$ 20,475</u>	<u>\$ 111,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,271</u>	<u>\$ 117,115</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 6)
December 31, 2009

	Special Revenue Funds			
	USDHHS BVCAA	USDHHS TDH PH & HS	USDHHS TDH WIC	Help America Vote Act
<u>Assets</u>				
Cash and cash equivalents	\$ 866	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other governments	-	-	-	174,937
Total Assets	\$ 866	\$ -	\$ -	\$ 174,937
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,819	\$ -
Due to other funds	-	-	25,313	214,312
Total Liabilities	-	-	29,132	214,312
Fund Balances:				
Unreserved and undesignated	866	-	(29,132)	(39,375)
Total Fund Balances	866	-	(29,132)	(39,375)
Total Liabilities and Fund Balances	\$ 866	\$ -	\$ -	\$ 174,937

Special Revenue Funds

Texas Traffic Safety Program	FEMA United Way	Title IV Funds	TXDPS BSEO	Victim of Crime Act	TDHC Home Program
\$ 42,415	\$ 2,977	\$ 28,981	\$ 18,103	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,877	-
<u>\$ 42,415</u>	<u>\$ 2,977</u>	<u>\$ 28,981</u>	<u>\$ 18,103</u>	<u>\$ 9,877</u>	<u>\$ -</u>
\$ -	\$ 123	\$ -	\$ -	\$ 123	\$ -
-	-	-	-	22,501	532
<u>-</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>22,624</u>	<u>532</u>
42,415	2,854	28,981	18,103	(12,747)	(532)
<u>42,415</u>	<u>2,854</u>	<u>28,981</u>	<u>18,103</u>	<u>(12,747)</u>	<u>(532)</u>
<u>\$ 42,415</u>	<u>\$ 2,977</u>	<u>\$ 28,981</u>	<u>\$ 18,103</u>	<u>\$ 9,877</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 6)
December 31, 2009

	Special Revenue Funds			
	DSHS IDS	SETH:HTF	Homeland Security	Disaster Recovery
<u>Assets</u>				
Cash and cash equivalents	\$ 156	\$ -	\$ -	\$ 3,777
Investments	-	-	-	-
Receivables, net	-	-	-	-
Due from other governments	-	-	76,339	-
Total Assets	\$ 156	\$ -	\$ 76,339	\$ 3,777
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	688	45,152	76,339	-
Total Liabilities	688	45,152	76,339	-
Fund Balances:				
Unreserved and undesignated	(532)	(45,152)	-	3,777
Total Fund Balances	(532)	(45,152)	-	3,777
Total Liabilities and Fund Balances	\$ 156	\$ -	\$ 76,339	\$ 3,777

Special Revenue Funds

CIAP	Chapter Nineteen	Justice Court Building Security	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,203	\$ 2,340,711
-	-	-	2,302,915
-	-	-	415,206
65,612	-	-	344,887
<u>\$ 65,612</u>	<u>\$ -</u>	<u>\$ 5,203</u>	<u>\$ 5,403,719</u>
\$ -	\$ -	\$ -	\$ 192,097
65,612	617	-	1,080,944
<u>65,612</u>	<u>617</u>	<u>-</u>	<u>1,273,041</u>
-	(617)	5,203	4,130,678
-	(617)	5,203	4,130,678
<u>\$ 65,612</u>	<u>\$ -</u>	<u>\$ 5,203</u>	<u>\$ 5,403,719</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 6)
For the Year Ended December 31, 2009

	<u>Special Revenue Funds</u>			
	<u>Lateral Road</u>	<u>County Court Fee</u>	<u>Youth Activity</u>	<u>Worthless Check</u>
Revenues				
Taxes	\$ 23,442	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	3,357	-	4,186
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>23,442</u>	<u>3,357</u>	<u>-</u>	<u>4,186</u>
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	-	3,737
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,442</u>	<u>3,357</u>	<u>-</u>	<u>449</u>
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,442	3,357	-	449
Beginning Fund Balances	<u>115,062</u>	<u>15,480</u>	<u>18,900</u>	<u>20,264</u>
Ending Fund Balances	<u>\$ 138,504</u>	<u>\$ 18,837</u>	<u>\$ 18,900</u>	<u>\$ 20,713</u>

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ -	\$ -	\$ -	\$ 407,233	\$ -	\$ -
-	-	-	-	-	5,697
3,066	2,919	-	-	-	-
-	-	-	-	129,024	-
-	-	995	12,549	5,665	-
-	-	5,982	-	13,325	-
<u>3,066</u>	<u>2,919</u>	<u>6,977</u>	<u>419,782</u>	<u>148,014</u>	<u>5,697</u>
-	-	-	34,677	12,929	-
470	3,762	-	-	7,614	-
-	-	28,914	117,686	2,807	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,525	-
-	-	-	-	-	-
<u>470</u>	<u>3,762</u>	<u>28,914</u>	<u>152,363</u>	<u>25,875</u>	<u>-</u>
<u>2,596</u>	<u>(843)</u>	<u>(21,937)</u>	<u>267,419</u>	<u>122,139</u>	<u>5,697</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(582,241)	-	-
-	-	-	(582,241)	-	-
2,596	(843)	(21,937)	(314,822)	122,139	5,697
<u>22,304</u>	<u>47,158</u>	<u>33,780</u>	<u>731,658</u>	<u>217,571</u>	<u>8,740</u>
<u>\$ 24,900</u>	<u>\$ 46,315</u>	<u>\$ 11,843</u>	<u>\$ 416,836</u>	<u>\$ 339,710</u>	<u>\$ 14,437</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 6)
For the Year Ended December 31, 2009

	Special Revenue Funds			
	LEOSE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,250	-	-	-
Fees	-	2,161	46,879	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	4,227	-
Other	-	-	-	33,834
Total Revenues	9,250	2,161	51,106	33,834
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	81	-	24,047
Contractual services	9,698	-	-	-
Capital:				
Capital outlay	-	-	-	4,401
Debt Service:				
Issuance costs	-	-	-	-
Principal	-	1,240	-	4,085
Interest	-	258	-	2,787
Total Expenditures	9,698	1,579	-	35,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448)	582	51,106	(1,486)
Other Financing Sources (Uses)				
Capital leases	-	-	-	3,981
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	3,981
Net Change in Fund Balances	(448)	582	51,106	2,495
Beginning Fund Balances	21,252	17,298	264,845	57,803
Ending Fund Balances	\$ 20,804	\$ 17,880	\$ 315,951	\$ 60,298

Special Revenue Funds

Courthouse Security	Records Mngmt County Clerk	Records Mngmt District Clerk	Jail Commissary	Narcotics Task Force	Tax Assessor Vehicle Inv Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
38,111	66,238	18,842	-	-	-
-	-	-	-	6,154	-
-	2,118	-	-	4,843	-
-	-	-	-	5	-
<u>38,111</u>	<u>68,356</u>	<u>18,842</u>	<u>-</u>	<u>11,002</u>	<u>-</u>
73,683	37,498	7,231	-	132,673	-
10	15,436	1,455	-	38,404	-
480	1,138	-	-	-	-
5,554	-	-	-	-	-
-	-	-	-	-	-
373	5,365	-	-	-	-
78	1,515	-	-	-	-
<u>80,178</u>	<u>60,952</u>	<u>8,686</u>	<u>-</u>	<u>171,077</u>	<u>-</u>
<u>(42,067)</u>	<u>7,404</u>	<u>10,156</u>	<u>-</u>	<u>(160,075)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(42,067)</u>	<u>7,404</u>	<u>10,156</u>	<u>-</u>	<u>(160,075)</u>	<u>-</u>
<u>39,528</u>	<u>133,888</u>	<u>12,054</u>	<u>9,986</u>	<u>418,602</u>	<u>(668)</u>
<u>\$ (2,539)</u>	<u>\$ 141,292</u>	<u>\$ 22,210</u>	<u>\$ 9,986</u>	<u>\$ 258,527</u>	<u>\$ (668)</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 6)
For the Year Ended December 31, 2009

	Special Revenue Funds			
	Health Services Sales Tax	Available School	Ecotourism Entergy	Texas History Preservation
Revenues				
Taxes	\$ 1,948,692	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	34,852	164,267	-	-
Other	-	-	-	-
Total Revenues	1,983,544	164,267	-	-
Expenditures				
Current:				
Personnel	236,959	-	-	-
Supplies	60,056	-	-	-
Contractual services	1,423,559	165,475	-	-
Capital:				
Capital outlay	311,288	-	-	-
Debt Service:				
Issuance costs	-	-	-	-
Principal	2,221	-	-	-
Interest	-	-	-	-
Total Expenditures	2,034,083	165,475	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,539)	(1,208)	-	-
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Transfers in	-	10,675	-	-
Transfers (out)	-	(25,188)	-	-
Total Other Financing Sources (Uses)	-	(14,513)	-	-
Net Change in Fund Balances	(50,539)	(15,721)	-	-
Beginning Fund Balances	2,338,539	(17,535)	18	(3,109)
Ending Fund Balances	\$ 2,288,000	\$ (33,256)	\$ 18	\$ (3,109)

Special Revenue Funds

Community Outdoor Outreach	Library Lone Star	HGAC ACSEC Addressing Pool	Juvenile Probation Commission	Community Corrections Assistance	Indigent Defense Formula
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	31,150	93,152	71,218	14,779
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	31,150	93,152	71,218	14,779
-	1,195	33,323	88,344	67,390	-
-	7,074	-	25	5,506	-
-	-	-	-	2,968	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,269	33,323	88,369	75,864	-
-	(8,269)	(2,173)	4,783	(4,646)	14,779
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(8,269)	(2,173)	4,783	(4,646)	14,779
1,883	7,899	57,707	6,933	9,613	24,672
<u>\$ 1,883</u>	<u>\$ (370)</u>	<u>\$ 55,534</u>	<u>\$ 11,716</u>	<u>\$ 4,967</u>	<u>\$ 39,451</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 6)
For the Year Ended December 31, 2009

	<u>Special Revenue Funds</u>			
	<u>Vine Project</u>	<u>WIC Peer Counseling</u>	<u>Airport Maintenance (Anahuac)</u>	<u>Airport Maintenance (Winnie)</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,739	10,344	39,795	30,828
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>6,739</u>	<u>10,344</u>	<u>39,795</u>	<u>30,828</u>
Expenditures				
Current:				
Personnel	-	9,406	-	-
Supplies	-	181	35	-
Contractual services	6,739	757	35,729	30,828
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>6,739</u>	<u>10,344</u>	<u>35,764</u>	<u>30,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>4,031</u>	<u>-</u>
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>4,031</u>	<u>-</u>
Beginning Fund Balances	<u>-</u>	<u>-</u>	<u>(2,657)</u>	<u>2,426</u>
Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,374</u>	<u>\$ 2,426</u>

Special Revenue Funds

SCAAP	State Boating Access	Smith Point	CMP (Glo) Cycle 10	SHSP DPA	SEAPAC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31,270	399,804	345,000	-	142,608	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,270</u>	<u>399,804</u>	<u>345,000</u>	<u>-</u>	<u>142,608</u>	<u>-</u>
15,795	-	-	-	50,570	-
-	-	-	-	121,450	-
-	1,004,143	395,577	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,795</u>	<u>1,004,143</u>	<u>395,577</u>	<u>-</u>	<u>172,020</u>	<u>-</u>
<u>15,475</u>	<u>(604,339)</u>	<u>(50,577)</u>	<u>-</u>	<u>(29,412)</u>	<u>-</u>
-	-	-	-	-	-
-	582,241	50,577	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>582,241</u>	<u>50,577</u>	<u>-</u>	<u>-</u>	<u>-</u>
15,475	(22,098)	-	-	(29,412)	-
-	(26,042)	-	(30,801)	479	(14,405)
<u>\$ 15,475</u>	<u>\$ (48,140)</u>	<u>\$ -</u>	<u>\$ (30,801)</u>	<u>\$ (28,933)</u>	<u>\$ (14,405)</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 6)
For the Year Ended December 31, 2009

	<u>Special Revenue Funds</u>			
	<u>USDHHS BVCAA</u>	<u>USDHHS TDH PH & HS</u>	<u>USDHHS TDH WIC</u>	<u>Help America Vote Act</u>
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,000	18,228	158,163	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>20,000</u>	<u>18,228</u>	<u>158,163</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Personnel	-	18,228	107,744	-
Supplies	19,878	-	33,000	-
Contractual services	20	-	15,592	-
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Issuance costs	-	-	-	-
Principal	-	-	926	-
Interest	-	-	413	-
Total Expenditures	<u>19,898</u>	<u>18,228</u>	<u>157,675</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>102</u>	<u>-</u>	<u>488</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	102	-	488	-
Beginning Fund Balances	<u>764</u>	<u>-</u>	<u>(29,620)</u>	<u>(39,375)</u>
Ending Fund Balances	<u>\$ 866</u>	<u>\$ -</u>	<u>\$ (29,132)</u>	<u>\$ (39,375)</u>

Special Revenue Funds

Texas Traffic Safety Program	FEMA United Way	Title IV Funds	TXDPS BSEO	Victim of Crime Act	TDHC Home Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,959	27,243	-	-	40,565	129,600
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,959</u>	<u>27,243</u>	<u>-</u>	<u>-</u>	<u>40,565</u>	<u>129,600</u>
9,121	-	-	-	43,035	16,687
716	27,323	-	-	488	-
343	-	-	-	-	108,200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,180</u>	<u>27,323</u>	<u>-</u>	<u>-</u>	<u>43,523</u>	<u>124,887</u>
<u>(221)</u>	<u>(80)</u>	<u>-</u>	<u>-</u>	<u>(2,958)</u>	<u>4,713</u>
-	-	-	-	-	-
-	-	-	-	8,163	-
-	-	-	-	-	-
-	-	-	-	8,163	-
(221)	(80)	-	-	5,205	4,713
<u>42,636</u>	<u>2,934</u>	<u>28,981</u>	<u>18,103</u>	<u>(17,952)</u>	<u>(5,245)</u>
<u>\$ 42,415</u>	<u>\$ 2,854</u>	<u>\$ 28,981</u>	<u>\$ 18,103</u>	<u>\$ (12,747)</u>	<u>\$ (532)</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 6)
For the Year Ended December 31, 2009

Special Revenue Funds				
	DSHS IDS	SETH:HTF	Homeland Security	Disaster Recovery
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,021	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	-	-	2,021	-
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	2,021	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Issuance costs	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	2,021	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Beginning Fund Balances	(532)	(45,152)	-	3,777
Ending Fund Balances	\$ (532)	\$ (45,152)	\$ -	\$ 3,777

Special Revenue Funds

CIAP	Chapter Nineteen	Justice Court Building Security	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,379,367
-	4,965	7,335	1,649,713
-	-	-	185,759
-	-	-	135,178
-	-	-	229,516
-	-	-	53,146
-	4,965	7,335	4,632,679
-	4,499	-	1,000,987
-	1,005	2,132	375,906
-	-	-	3,350,653
-	-	-	321,243
-	-	-	-
-	-	-	16,735
-	-	-	5,051
-	5,504	2,132	5,070,575
-	(539)	5,203	(437,896)
-	-	-	3,981
-	-	-	651,656
-	-	-	(607,429)
-	-	-	48,208
-	(539)	5,203	(389,688)
-	(78)	-	4,520,366
\$ -	\$ (617)	\$ 5,203	\$ 4,130,678

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS

NONMAJOR PROPRIETARY FUNDS

December 31, 2009

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
<u>Assets</u>			
<u>Current Assets</u>			
Inventory	45,678	-	45,678
Prepaid expenses	-	72	72
Total Current Assets	<u>45,678</u>	<u>72</u>	<u>45,750</u>
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	1,469,572	141,000	1,610,572
Net depreciable	437,730	271,584	709,314
Total Noncurrent Assets	<u>1,907,302</u>	<u>412,584</u>	<u>2,319,886</u>
Total Assets	<u>1,952,980</u>	<u>412,656</u>	<u>2,365,636</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	1,300	50,878	52,178
Due to other funds	25,211	315,428	340,639
Total Liabilities	<u>26,511</u>	<u>366,306</u>	<u>392,817</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	1,907,302	412,584	2,319,886
Unrestricted	19,167	(366,234)	(347,067)
Total Net Assets	<u>\$ 1,926,469</u>	<u>\$ 46,350</u>	<u>\$ 1,972,819</u>

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2009

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for services	\$ 141,867	\$ 392,833	\$ 534,700
Other services	22,260	515	22,775
Total Operating Revenues	<u>164,127</u>	<u>393,348</u>	<u>557,475</u>
<u>Operating Expenses</u>			
Personnel	32,024	360,128	392,152
Supplies	123,138	105,939	229,077
Contractual services	22,989	39,939	62,928
Depreciation	74,405	74,027	148,432
Total Operating Expenses	<u>252,556</u>	<u>580,033</u>	<u>832,589</u>
Operating Income (Loss)	<u>(88,429)</u>	<u>(186,685)</u>	<u>(275,114)</u>
<u>Nonoperating Revenues</u>			
Capital contribution	27,499	233,035	260,534
Total Nonoperating Revenues	<u>27,499</u>	<u>233,035</u>	<u>260,534</u>
Change in Net Assets	(60,930)	46,350	(14,580)
Beginning Net Assets	<u>1,987,399</u>	<u>-</u>	<u>1,987,399</u>
Ending Net Assets	<u>\$ 1,926,469</u>	<u>\$ 46,350</u>	<u>\$ 1,972,819</u>

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended December 31, 2009

	Airport	Golf Course	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 164,127	\$ 393,348	\$ 557,475
Payments to suppliers	(173,497)	(13,471)	(186,968)
Payments to employees	(6,813)	(360,128)	(366,941)
Net Cash Provided by Operating Activities	(16,183)	19,749	3,566
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(59,178)	(19,749)	(78,927)
Net Cash Provided (Used) by Capital and Related Financing Activities	(59,178)	(19,749)	(78,927)
Net Change in Cash and Cash Equivalents	(75,361)	-	(75,361)
Beginning Cash and Cash Equivalents	75,361	-	75,361
Ending Cash and Cash Equivalents	\$ -	\$ -	\$ -

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended December 31, 2009

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (88,429)	\$ (186,685)	\$ (275,114)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	74,405	74,027	148,432
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Inventory	(14,192)	-	(14,192)
Prepaid expenses	-	(72)	(72)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(13,178)	17,978	4,800
Due to other funds	25,211	114,501	139,712
Net Cash Provided by Operating Activities	<u>\$ (16,183)</u>	<u>\$ 19,749</u>	<u>\$ 3,566</u>

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS

AGENCY FUNDS (page 1 of 2)

December 31, 2009

	<u>Undistributed Collections</u>	<u>Sheriff's Bond Escrow</u>	<u>Officials Escrow Fund</u>	<u>Holding Fund</u>
Assets				
Cash and cash equivalents	\$ 245,119	\$ 7,078	\$ 98,492	\$ 84,331
Investments	-	-	-	-
Due from other units	-	-	-	-
Total Assets	<u>\$ 245,119</u>	<u>\$ 7,078</u>	<u>\$ 98,492</u>	<u>\$ 84,331</u>
Liabilities				
Due to other units	\$ 245,119	\$ 7,078	\$ 98,492	\$ 84,331
Total Liabilities	<u>\$ 245,119</u>	<u>\$ 7,078</u>	<u>\$ 98,492</u>	<u>\$ 84,331</u>

<u>V.I.T. Escrow Fund</u>	<u>Historical Commission</u>	<u>County Clerk Trust</u>	<u>District Clerk Trust</u>	<u>Sheriff's Seizure/ Forfeiture</u>	<u>Equalization School Tax Fund</u>
\$ 1,544,454	\$ 16,069	\$ 174,017	\$ 1,021,079	\$ 11,222	\$ 33,800
-	-	-	-	-	161,384
-	-	-	-	-	2,233,640
<u>\$ 1,544,454</u>	<u>\$ 16,069</u>	<u>\$ 174,017</u>	<u>\$ 1,021,079</u>	<u>\$ 11,222</u>	<u>\$ 2,428,824</u>
\$ 1,544,454	\$ 16,069	\$ 174,017	\$ 1,021,079	\$ 11,222	\$ 2,428,824
<u>\$ 1,544,454</u>	<u>\$ 16,069</u>	<u>\$ 174,017</u>	<u>\$ 1,021,079</u>	<u>\$ 11,222</u>	<u>\$ 2,428,824</u>

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS

AGENCY FUNDS (page 2 of 2)

December 31, 2009

	<u>Co Attorney Seizures / Forfeitures</u>	<u>State Fees Fund</u>	<u>Chambers County Connection</u>	<u>District Attorney Seizure & Forfeiture</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 1,796	\$ 325,427	\$ 11,899	\$ 176,973
Investments	-	-	-	-
Due from other units	-	-	-	-
Total Assets	<u>\$ 1,796</u>	<u>\$ 325,427</u>	<u>\$ 11,899</u>	<u>\$ 176,973</u>
<u>Liabilities</u>				
Due to other units	\$ 1,796	\$ 325,427	\$ 11,899	\$ 176,973
Total Liabilities	<u>\$ 1,796</u>	<u>\$ 325,427</u>	<u>\$ 11,899</u>	<u>\$ 176,973</u>

**Total Agency
Funds**

\$ 3,751,756
161,384
2,233,640
\$ 6,146,780

\$ 6,146,780
\$ 6,146,780

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CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (page 1 of 3)
December 31, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Undistributed Collections				
<u>Assets</u>				
Cash and cash equivalents	\$ 164,295	\$ 80,824	\$ -	\$ 245,119
<u>Liabilities</u>				
Due to other units	\$ 164,295	\$ 80,824	\$ -	\$ 245,119
Sheriff's Bond Escrow				
<u>Assets</u>				
Cash and cash equivalents	\$ 14,238	\$ -	\$ (7,160)	\$ 7,078
<u>Liabilities</u>				
Due to other units	\$ 14,238	\$ -	\$ (7,160)	\$ 7,078
Officials Escrow Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 69,791	\$ 28,701	\$ -	\$ 98,492
<u>Liabilities</u>				
Due to other units	\$ 69,791	\$ 28,701	\$ -	\$ 98,492
Holding Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 84,353	\$ -	\$ (22)	\$ 84,331
<u>Liabilities</u>				
Due to other units	\$ 84,353	\$ -	\$ (22)	\$ 84,331
V.I.T. Escrow Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,215,834	\$ 328,620	\$ -	\$ 1,544,454
<u>Liabilities</u>				
Due to other units	\$ 1,215,834	\$ 328,620	\$ -	\$ 1,544,454
Historical Commission				
<u>Assets</u>				
Cash and cash equivalents	\$ 16,733	\$ -	\$ (664)	\$ 16,069
<u>Liabilities</u>				
Due to other units	\$ 16,733	\$ -	\$ (664)	\$ 16,069

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS (page 2 of 3)

For the Year Ended December 31, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
County Clerk Trust				
<u>Assets</u>				
Cash and cash equivalents	\$ 184,073	\$ -	\$ (10,056)	\$ 174,017
<u>Liabilities</u>				
Due to other units	\$ 184,073	\$ -	\$ (10,056)	\$ 174,017
District Clerk Trust				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,033,858	\$ -	\$ (12,779)	\$ 1,021,079
<u>Liabilities</u>				
Due to other units	\$ 1,033,858	\$ -	\$ (12,779)	\$ 1,021,079
Sheriff's Seizure / Forfeiture				
<u>Assets</u>				
Cash and cash equivalents	\$ 23,331	\$ -	\$ (12,109)	\$ 11,222
<u>Liabilities</u>				
Due to other units	\$ 23,331	\$ -	\$ (12,109)	\$ 11,222
Equalization School Tax Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 96,017	\$ -	\$ (62,217)	\$ 33,800
Investments	64,000	97,384	-	161,384
Due from other units	2,485,855	-	(252,215)	2,233,640
	2,645,872	97,384	(314,432)	2,428,824
<u>Liabilities</u>				
Due to other units	\$ 2,645,872	\$ 97,384	\$ (314,432)	\$ 2,428,824
Co Attorney Seizures / Forfeitures				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,796	\$ -	\$ -	\$ 1,796
<u>Liabilities</u>				
Due to other units	\$ 1,796	\$ -	\$ -	\$ 1,796
State Fees Fund				
<u>Assets</u>				
Cash and cash equivalents	\$ 343,740	\$ -	\$ (18,313)	\$ 325,427
<u>Liabilities</u>				
Due to other units	\$ 343,740	\$ -	\$ (18,313)	\$ 325,427

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS (page 3 of 3)

For the Year Ended December 31, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Chambers County Connection				
<u>Assets</u>				
Cash and cash equivalents	\$ 8,336	\$ 3,563	\$ -	\$ 11,899
<u>Liabilities</u>				
Due to other units	\$ 8,336	\$ 3,563	\$ -	\$ 11,899
District Attorney Seizures / Forfeitures				
<u>Assets</u>				
Cash and cash equivalents	\$ 83,196	\$ 93,777	\$ -	\$ 176,973
<u>Liabilities</u>				
Due to other units	\$ 83,196	\$ 93,777	\$ -	\$ 176,973
Total All Agency Funds				
<u>Assets</u>				
Cash and cash equivalents	\$ 3,339,591	\$ 535,485	\$ (123,320)	\$ 3,751,756
Investments	64,000	97,384	-	161,384
Due from other units	2,485,855	-	(252,215)	2,233,640
Total assets	\$ 5,889,446	\$ 632,869	\$ (375,535)	\$ 6,146,780
<u>Liabilities</u>				
Due to other units	\$ 5,889,446	\$ 632,869	\$ (375,535)	\$ 6,146,780

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