

ANNUAL FINANCIAL REPORT

of

CHAMBERS COUNTY, TEXAS

For the Year Ended
December 31, 2011

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CHAMBERS COUNTY, TEXAS

TABLE OF CONTENTS

December 31, 2011

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	7
List of Elected and Appointed Officials	11
Organizational Chart	13
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	17
Management's Discussion and Analysis (Required Supplementary Information)	21
 <u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Assets	31
Statement of Activities	32
Governmental Funds Financial Statements	
Balance Sheet	34
Reconciliation of the Balance Sheet to the Statement of Net Assets	37
Statement of Revenues, Expenditures, and Changes in Fund Balances	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Proprietary Funds Financial Statements	
Statement of Net Assets	43
Statement of Revenues, Expenses, and Changes in Fund Net Assets	45
Statement of Cash Flows	46
Fiduciary Funds Financial Statement	
Statement of Fiduciary Net Assets – Agency Funds	49
Notes to Financial Statements	51
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	79
Schedule of Funding Progress – Texas County and District Retirement System	80
Schedule of Funding Progress – Post Employment Health Care Benefits	81
 <u>COMBINING STATEMENTS AND SCHEDULES</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	85

CHAMBERS COUNTY, TEXAS

TABLE OF CONTENTS (Continued)

December 31, 2011

Combining Balance Sheet – Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Funds	115
Combining Statement of Net Assets – Nonmajor Proprietary Funds	141
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	143
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	144
Combining Statement of Net Assets – Agency Funds	146

INTRODUCTORY SECTION

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CHAMBERS COUNTY AUDITOR

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

September 27, 2012

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, 2011.

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, 2011, 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, 2011, are fairly presented in conformity with Generally Accepted Accounting Principles (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 on 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 35,600 in 2011.

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 adopts a final budget prior to setting the ad valorem tax rate, normally finalized by September 30th of each 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. Numerous expansion projects are anticipated over the next five years.

The 2000 census for Chambers County reported the population at 26,031. The 2010 census for Chambers County has been rendered at 35,096. That reflects an increase of over 9,000 or almost 35 percent. The 2011 fiscal year total property values were certified at \$5.62 billion or a 3.1 percent decrease from 2010.

The 2012 fiscal year total certified property values for Chambers County were set at \$5.89 billion for the year, a 1.7 percent increase from the previous year. This marked the first increase in certified property values since the 2009 fiscal year, which marked two consecutive years of decreases. On a very positive note, the 2013 fiscal year property values have now been certified at \$6.86 billion, a major increase of 16.4 percent over the current operating year of 2012.

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. Normal debt retirement of \$1.27 million occurred in 2010 and \$1.488 million in 2011. 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 unassigned fund balance as a result of 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. 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 are receiving major consideration in current and future budget cycles. New community buildings on the west and central areas of the County were being constructed in 2011 and completed in 2012.

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 principals. 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. This has proven to be a major improvement in the investment of funds area.

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 TCDRS. 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 TCDRS 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,



Jerry Sparks
County Auditor

CHAMBERS COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2011

COMMISSIONERS' COURT:

Jimmy Sylvia	County Judge
Mark Huddleston	Commissioner, Precinct #1
David "Bubba" Abernathy	Commissioner, Precinct #2
Gary R. Nelson	Commissioner, Precinct #3
A.R. Rusty Senac	Commissioner, Precinct #4

JUDICIAL:

Cheryl Lieck	District Attorney
Patti Henry	District Clerk

COUNTY COURT AT LAW:

Heather H. Hawthorne	County Clerk
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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
Tony Sims	County Treasurer
Jerry Sparks	County Auditor*

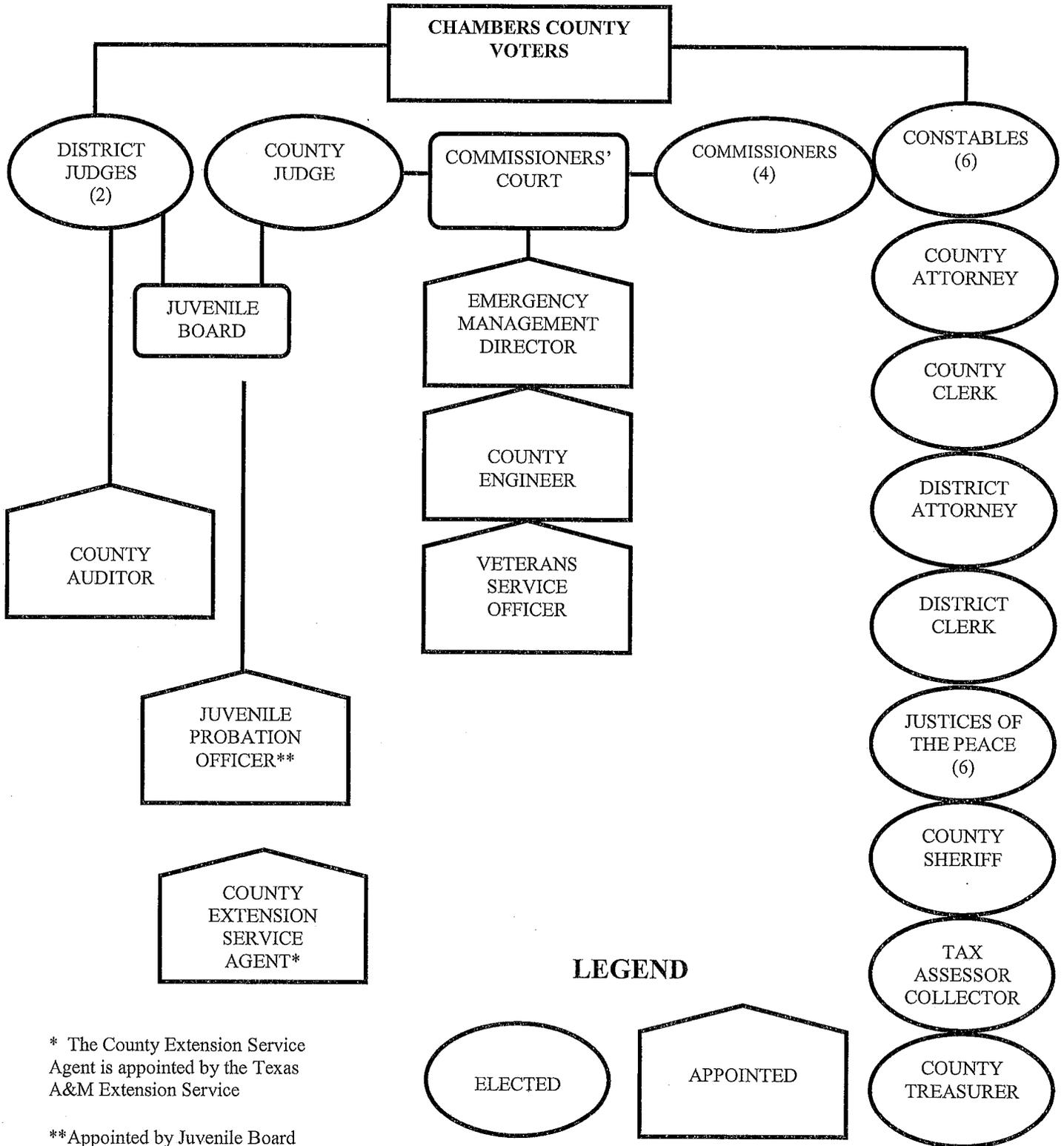
*Designated appointed official. All others are elected.

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CHAMBERS COUNTY, TEXAS

ORGANIZATIONAL CHART

December 31, 2011



* 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 of
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, 2011, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2012 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.

The Management's Discussion and Analysis, budgetary comparison information and schedules of funding progress, identified as Required Supplementary Information on the table of contents, are not required parts of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. Such information, although not a part of the basic

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
September 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

The following Management's Discussion and Analysis ("MD&A") of Chambers County's (the "County") financial performance provides an overview of the County's financial activities for the year ended December 31, 2011. 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 and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

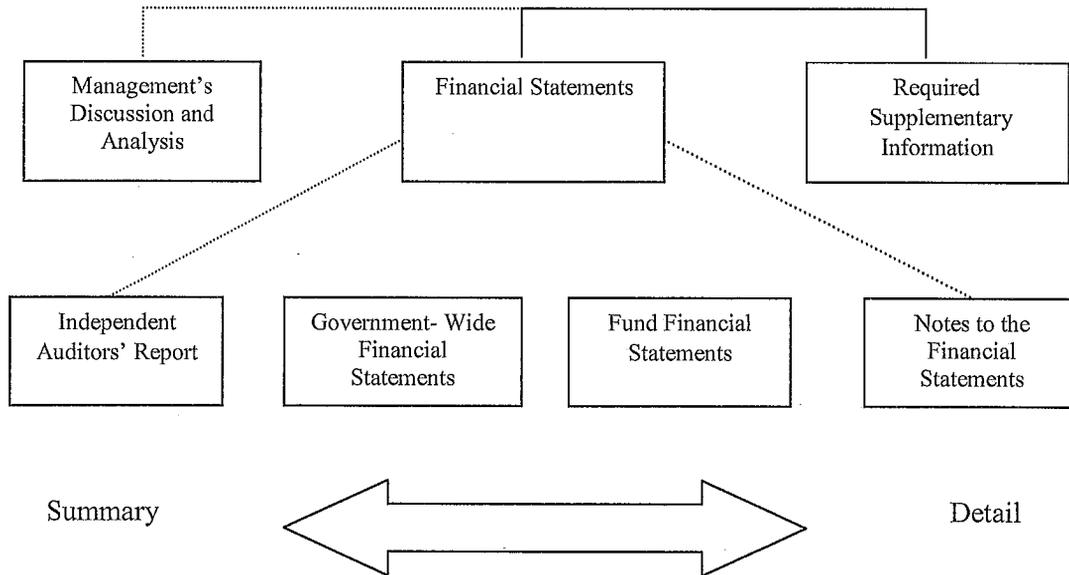
The general fund, on a budget basis (fund level), reported revenues under expenditures and other financing sources and uses of \$3,191,039, as compared to a planned budget decrease of \$3,841,551. Total budget variances resulted in a positive variance of \$650,512 after transfers.

On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$35,317,411. General revenues and transfers of \$27,394,103 were \$7,923,308 less than expenses net of program revenue.

The County's total net assets, on the government-wide basis, were \$50,271,568 at December 31, 2011.

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, 2011

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 increases or decreases in net assets provide 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.

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. 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

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2011

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.

Other Information – In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain 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 schedules of funding progress for the Texas County and District Retirement System (TCDRS) and Post Employment Health Care Benefits.

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, 2011

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 63,287,644	\$ 134,747	\$ 63,422,391	\$ 67,240,609	\$ (648,184)	\$ 66,592,425
Capital assets, net	26,795,335	5,592,325	32,387,660	26,992,618	5,317,418	32,310,036
Total Assets	90,082,979	5,727,072	95,810,051	94,233,227	4,669,234	98,902,461
Other liabilities	29,398,926	178,325	29,577,251	27,135,597	141,553	27,277,150
Long-term liabilities	10,666,883	5,294,349	15,961,232	9,157,152	4,929,383	14,086,535
Total Liabilities	40,065,809	5,472,674	45,538,483	36,292,749	5,070,936	41,363,685
Net assets:						
Invested in capital assets, net of related debt	18,621,020	5,592,325	24,213,345	19,686,141	5,317,418	25,003,559
Restricted	10,741,387	-	10,741,387	12,335,576	-	12,335,576
Unrestricted	20,654,763	(5,337,927)	15,316,836	25,918,761	(5,719,120)	20,199,641
Total Net Assets	\$ 50,017,170	\$ 254,398	\$ 50,271,568	\$ 57,940,478	\$ (401,702)	\$ 57,538,776

A portion of the primary government's net assets, \$24,213,345 or 48 percent, is invested in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another portion of net assets, \$10,741,387 or 21 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$15,316,836 or 31 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net assets decreased to \$50,271,568 from \$57,538,776 in the prior year. Total assets decreased by \$3,092,410 due primarily to distributions from the permanent fund to school districts located in the County. These distributions were an authorized reduction of the fund's balance and are to be used to fund permanent improvements to the districts. Liabilities increased by \$4,174,798 primarily due to an increase in long term liabilities.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2011

Statement of Activities

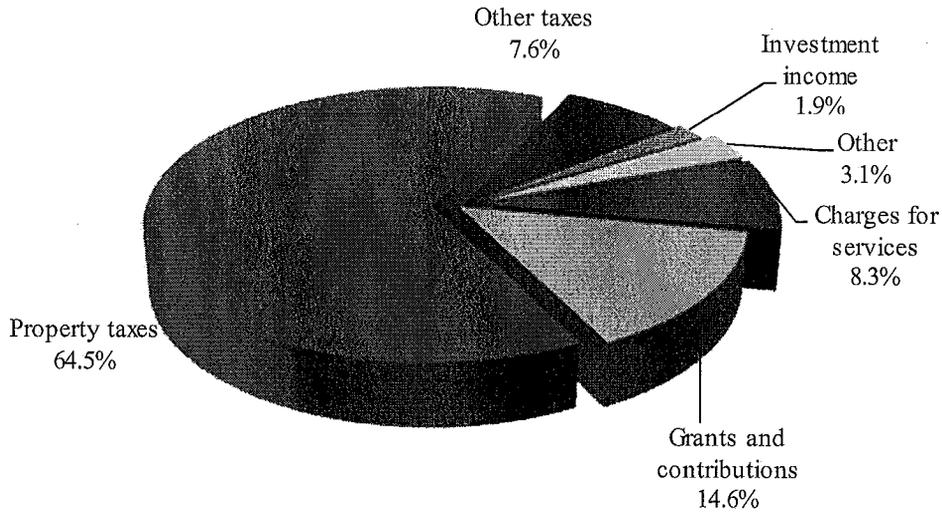
The following table provides a summary of the County's changes in net assets:

	For the Year Ended December 31, 2011			For the Year Ended December 31, 2010		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,308,823	\$ 893,677	\$ 4,202,500	\$ 3,710,122	\$ 752,813	\$ 4,462,935
Grants and contributions	5,790,836	-	5,790,836	6,952,745	-	6,952,745
General revenues:						
Property taxes	25,584,582	-	25,584,582	26,218,721	-	26,218,721
Other taxes	3,023,597	-	3,023,597	2,153,214	-	2,153,214
Investment income	759,574	-	759,574	734,974	15,594	750,568
Other	1,223,836	-	1,223,836	4,197,643	-	4,197,643
Total Revenues	39,691,248	893,677	40,584,925	43,967,419	768,407	44,735,826
Expenses						
General government	10,873,847	-	10,873,847	6,963,070	-	6,963,070
Financial administration	1,739,692	-	1,739,692	1,730,065	-	1,730,065
Justice system	4,216,681	-	4,216,681	3,878,547	-	3,878,547
Health and welfare	9,596,597	-	9,596,597	5,118,872	-	5,118,872
Culture and recreational	2,349,623	-	2,349,623	2,450,393	-	2,450,393
Law enforcement and public safety	7,143,761	-	7,143,761	7,533,751	-	7,533,751
Transportation	8,280,498	-	8,280,498	8,280,240	-	8,280,240
Interest and other	216,371	-	216,371	304,405	-	304,405
Solid waste	-	2,485,020	2,485,020	-	2,461,387	2,461,387
Airport	-	402,626	402,626	-	295,217	295,217
Golf course	-	547,417	547,417	-	552,321	552,321
Total Expenses	44,417,070	3,435,063	47,852,133	36,259,343	3,308,925	39,568,268
Change in Net Assets						
Before Transfers	(4,725,822)	(2,541,386)	(7,267,208)	7,708,076	(2,540,518)	5,167,558
Transfers in(out)	(3,197,486)	3,197,486	-	-	-	-
Total	(3,197,486)	3,197,486	-	-	-	-
Change in Net Assets	(7,923,308)	656,100	(7,267,208)	7,708,076	(2,540,518)	5,167,558
Beginning net assets	57,940,478	(401,702)	57,538,776	50,232,402	2,138,816	52,371,218
Ending Net Assets	\$ 50,017,170	\$ 254,398	\$ 50,271,568	\$ 57,940,478	\$ (401,702)	\$ 57,538,776

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2011

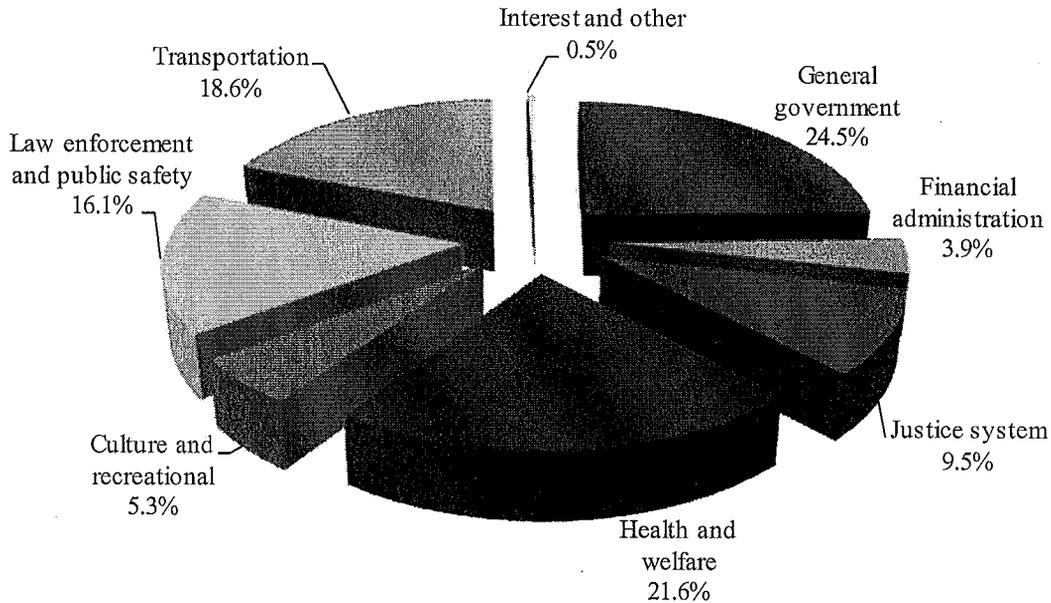
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Activities - Revenues



Total governmental activity revenues decreased \$4,276,171 from the prior year. This decrease is primarily due to the final payment on the sale of the incinerator that was received in the prior year.

Governmental Activities - Expenses

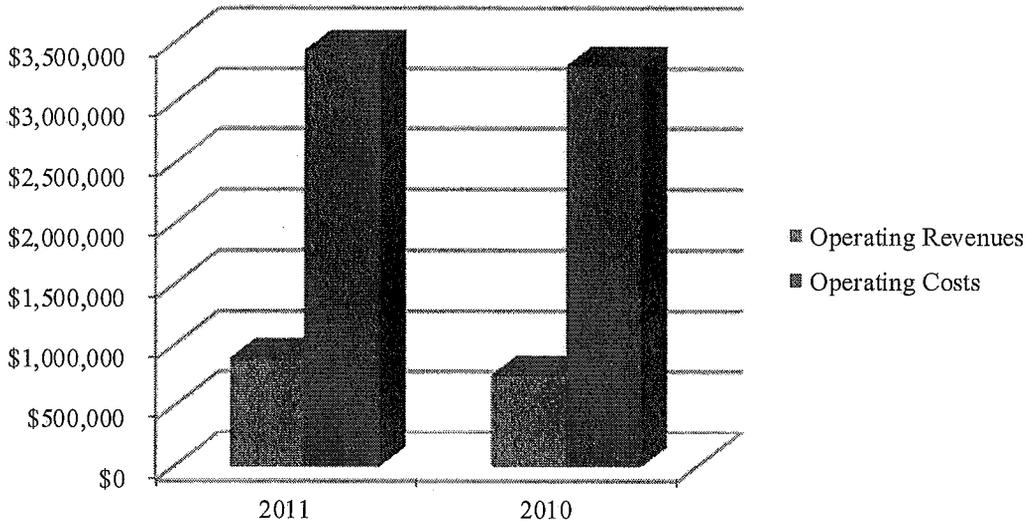


Governmental expenses have increased by \$8,157,727 from the prior year primarily due to expenses for various disaster recovery projects funded by CDBG grants, as well as distributions from the permanent fund to County-area school districts.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2011

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

Business-type Activities
Revenues vs. Costs



Total business-type revenues increased by \$125,270 from the prior year. This is due to the increase of revenue at the landfill as a result of increased user charges. Expenses increased by \$126,138 over the prior year, primarily due to increased fuel prices.

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, unassigned 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 \$30,527,698. Of this, \$134,938 is nonspendable for inventories, \$7,738,883 is restricted for special revenue funds, \$2,981,119 is restricted for endowments/trusts, leaving \$19,672,758 as unassigned for day-to-day operations of the County.

There was a decrease in the combined fund balance of \$5,425,046 from the prior year. Included in this amount are a decrease of \$3,830,857 in the general fund, a decrease of \$499,200 in the road and bridge fund, a decrease of \$638 in the debt service fund, and a decrease of \$4,756,202 in the permanent school fund. The decrease in the road and bridge fund can be attributed to less property tax revenue collected for the year. The decrease in permanent school fund is due to distributions to County school districts during the year.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$19,672,758, while total fund balance reached \$19,786,311. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2011

fund expenditures. Unassigned fund balance represents 92.5 percent of total general fund expenditures, while total fund balance represents 93.0 percent of that same amount. Debt service payments totaled \$1,903,929 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.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were more than final budgeted revenues by \$1,597,297 during the year. This increase is primarily attributable to more taxes and investment income received than the anticipated amount in the final budget. Actual expenditures were \$271,655 less than budgeted. Overall, the general fund had a total positive budget variance of \$1,868,952 before operating transfers.

CAPITAL ASSETS

At the end of the year, the County's governmental activities funds had invested \$26,795,335 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 building and equipment for road and bridge in the amount of \$1,123,329;
- New equipment for solid waste \$271,030;
- Purchase of five vehicles for the sheriff's department in the amount of \$123,295;

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

LONG-TERM DEBT

At the end of the year, the County reported total certificates of obligation, notes, and capital leases outstanding of \$8,174,315.

All of the County's bond issues have been successful in qualifying for bond insurance resulting in ratings of "A1" and "AAA" by Moody's and Standard & Poor's, respectively.

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

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, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 32,934,598	\$ 75	\$ 32,934,673
Receivables, net	26,148,952	65,902	26,214,854
Due from other governments	850,140	-	850,140
Inventory	134,938	67,281	202,219
Prepays	138,685	1,489	140,174
Deferred charges	99,212	-	99,212
Restricted cash and cash equivalents	2,981,119	-	2,981,119
Total Current Assets	63,287,644	134,747	63,422,391
Capital assets:			
Non-depreciable	5,686,139	3,674,564	9,360,703
Net depreciable capital assets	21,109,196	1,917,761	23,026,957
	26,795,335	5,592,325	32,387,660
Total Assets	90,082,979	5,727,072	95,810,051
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	3,227,910	178,325	3,406,235
Deferred property tax revenue	26,122,650	-	26,122,650
Accrued interest payable	48,366	-	48,366
Total Current Liabilities	29,398,926	178,325	29,577,251
Noncurrent liabilities:			
Due within one year	1,611,613	-	1,611,613
Due in more than one year	9,055,271	5,294,349	14,349,620
Total Noncurrent Liabilities	10,666,883	5,294,349	15,961,232
Total Liabilities	40,065,809	5,472,674	45,538,483
Net Assets			
Invested in capital assets, net of related debt	18,621,020	5,592,325	24,213,345
Restricted for:			
Endowments/trusts	2,981,119	-	2,981,119
Road and bridge	247,962	-	247,962
Other purposes	7,512,306	-	7,512,306
Unrestricted	20,654,763	(5,337,927)	15,316,836
Total Net Assets	\$ 50,017,170	\$ 254,398	\$ 50,271,568

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 10,873,847	\$ 1,657,098	\$ 1,920,166
Financial administration	1,739,692	-	-
Justice system	4,216,681	288,612	208,570
Health and welfare	9,596,597	-	3,418,462
Culture and recreational	2,349,623	-	43,027
Law enforcement and public safety	7,143,761	237,361	178,699
Transportation	8,280,498	1,125,752	21,912
Interest and other	216,371	-	-
Total Governmental Activities	44,417,070	3,308,823	5,790,836
Business-Type Activities			
Solid waste	2,485,020	293,394	-
Airport	402,626	206,635	-
Golf course	547,417	393,648	-
Total Business-Type Activities	3,435,063	893,677	-
Total Primary Government	\$ 47,852,133	\$ 4,202,500	\$ 5,790,836

General Revenues:

- Property taxes
- Other taxes
- Investment income
- Other
- Transfers

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>
\$ (7,296,583)	\$ -	\$ (7,296,583)
(1,739,692)	-	(1,739,692)
(3,719,499)	-	(3,719,499)
(6,178,135)	-	(6,178,135)
(2,306,596)	-	(2,306,596)
(6,727,701)	-	(6,727,701)
(7,132,834)	-	(7,132,834)
(216,371)	-	(216,371)
<u>(35,317,411)</u>	<u>-</u>	<u>(35,317,411)</u>
-	(2,191,626)	(2,191,626)
-	(195,991)	(195,991)
-	(153,769)	(153,769)
<u>-</u>	<u>(2,541,386)</u>	<u>(2,541,386)</u>
<u>(35,317,411)</u>	<u>(2,541,386)</u>	<u>(37,858,797)</u>
25,584,582	-	25,584,582
3,023,597	-	3,023,597
759,574	-	759,574
1,223,836	-	1,223,836
(3,197,486)	3,197,486	-
<u>27,394,103</u>	<u>3,197,486</u>	<u>30,591,589</u>
(7,923,308)	656,100	(7,267,208)
<u>57,940,478</u>	<u>(401,702)</u>	<u>57,538,776</u>
<u>\$ 50,017,170</u>	<u>\$ 254,398</u>	<u>\$ 50,271,568</u>

CHAMBERS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Permanent</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 22,582,932	\$ 1,128,724	\$ 141,341	\$ -
Receivables, net	17,191,593	4,410,942	1,088,076	-
Due from other governments	599,688	149,760	35,080	-
Inventory	113,553	21,385	-	-
Restricted cash and cash equivalents	-	-	-	2,981,119
Total Assets	<u>\$ 40,487,766</u>	<u>\$ 5,710,811</u>	<u>\$ 1,264,497</u>	<u>\$ 2,981,119</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 722,406	\$ 345,806	\$ -	\$ -
Deferred revenue	19,979,049	5,117,043	1,264,497	-
Total Liabilities	<u>20,701,455</u>	<u>5,462,849</u>	<u>1,264,497</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventories	113,553	21,385	-	-
Restricted:				
Endowments/trusts	-	-	-	2,981,119
Special revenue funds	-	226,577	-	-
Unassigned	19,672,758	-	-	-
Total Fund Balances	<u>19,786,311</u>	<u>247,962</u>	<u>-</u>	<u>2,981,119</u>
Total Liabilities and Fund Balances	<u>\$ 40,487,766</u>	<u>\$ 5,710,811</u>	<u>\$ 1,264,497</u>	<u>\$ 2,981,119</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 7,254,647	\$ 31,107,644
1,587,111	24,277,722
65,612	850,140
-	134,938
-	2,981,119
<u>\$ 8,907,370</u>	<u>\$ 59,351,563</u>

\$ 1,395,064	\$ 2,463,276
-	26,360,589
<u>1,395,064</u>	<u>28,823,865</u>

-	134,938
-	2,981,119
7,512,306	7,738,883
-	19,672,758
<u>7,512,306</u>	<u>30,527,698</u>
<u>\$ 8,907,370</u>	<u>\$ 59,351,563</u>

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CHAMBERS COUNTY, TEXAS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS GOVERNMENTAL FUNDS

December 31, 2011

Fund balances - total government funds \$ 30,527,698

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. 1,871,230

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

Nondepreciable capital assets	5,686,139
Depreciable capital assets	46,971,421
Accumulated depreciation	(25,862,225)

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

Deferred revenue	237,939
------------------	---------

Certain prepaid items are not current financial resources and, therefore, are not reported in the governmental funds. 138,685

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. 1,062,320

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	(48,366)
Net OPEB obligation	(2,082,893)
Certificates and notes	(6,005,000)
Capital leases	(2,169,315)
Debt issue expense	99,212
Compensated absences	(409,675)

Net Assets of Governmental Activities \$ 50,017,170

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, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>Permanent</u>
Revenues				
Taxes	\$ 19,407,806	\$ 4,946,352	\$ 1,226,022	\$ -
Intergovernmental	39,789	9,597	-	-
Fees	991,322	662,195	-	-
Fines and forfeitures	563,816	463,557	-	-
Investment income	499,907	15,762	26,227	91,187
Other	663,439	223,053	-	309,910
Total Revenues	<u>22,166,079</u>	<u>6,320,516</u>	<u>1,252,249</u>	<u>401,097</u>
Expenditures				
Current:				
General government	4,264,722	-	-	5,026,625
Financial administration	1,738,607	-	-	-
Justice system	3,724,070	-	-	-
Health and welfare	2,112,357	-	-	-
Culture and recreational	1,667,223	-	-	-
Law enforcement and public safety	6,809,554	-	-	-
Transportation	-	7,082,586	-	-
Capital:				
Capital outlay	468,098	628,241	-	-
Debt Service:				
Principal	459,610	14,045	1,315,000	-
Interest and other	22,005	803	173,037	-
Total Expenditures	<u>21,266,246</u>	<u>7,725,675</u>	<u>1,488,037</u>	<u>5,026,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	899,833	(1,405,159)	(235,788)	(4,625,528)
Other Financing Sources (Uses)				
Capital leases	107,895	-	-	-
Bonds issued	-	-	-	-
Transfers in	139,255	905,959	235,150	26,621
Transfers (out)	(4,977,840)	-	-	(157,295)
Total Other Financing Sources (Uses)	<u>(4,730,690)</u>	<u>905,959</u>	<u>235,150</u>	<u>(130,674)</u>
Net Change in Fund Balances	(3,830,857)	(499,200)	(638)	(4,756,202)
Beginning fund balances	<u>23,617,168</u>	<u>747,162</u>	<u>638</u>	<u>7,737,321</u>
Ending Fund Balances	<u>\$ 19,786,311</u>	<u>\$ 247,962</u>	<u>\$ -</u>	<u>\$ 2,981,119</u>

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,023,597	\$ 28,603,777
5,741,450	5,790,836
214,617	1,868,134
311,356	1,338,729
94,043	727,126
27,434	1,223,836
<u>9,412,497</u>	<u>39,552,438</u>
20,165	9,311,512
-	1,738,607
471,241	4,195,311
7,157,593	9,269,950
489,319	2,156,542
208,462	7,018,016
4,607	7,087,193
464,135	1,560,474
115,274	1,903,929
-	195,845
<u>8,930,796</u>	<u>44,437,379</u>
481,701	(4,884,941)
-	107,895
2,555,000	2,555,000
829,716	2,136,701
(204,566)	(5,339,701)
<u>3,180,150</u>	<u>(540,105)</u>
3,661,851	(5,425,046)
<u>3,850,455</u>	<u>35,952,744</u>
<u>\$ 7,512,306</u>	<u>\$ 30,527,698</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, 2011

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

Net changes in fund balances - total government funds \$ (5,425,046)

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	2,881,504
Depreciation expense	(2,292,579)
Net effect of capital disposals	(786,208)

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

Deferred revenue	4,402
Fines and fees receivable	101,960

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	(107,895)
Bonds issued	(2,555,000)
Principal payment	1,795,057
Amortization of bond premiums, issuance costs, and deferred charges	53,730

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	34,616
Net OPEB obligation	(653,154)
Compensated absences	11,261
Prepaid expenditures	(35,074)

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.

(950,882)

Change in Net Assets of Governmental Activities \$ (7,923,308)

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

December 31, 2011

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 75	\$ -	\$ 75	\$ 1,826,954
Receivables, net	65,902	-	65,902	-
Inventory	15,946	51,335	67,281	-
Prepaid items	1,396	93	1,489	-
Total Current Assets	83,319	51,428	134,747	1,826,954
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	2,063,995	1,610,569	3,674,564	-
Net depreciable	1,400,466	517,295	1,917,761	-
Total Noncurrent Assets	3,464,461	2,127,864	5,592,325	-
Total Assets	3,547,780	2,179,292	5,727,072	1,826,954
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	158,470	19,855	178,325	-
Medical claims liability	-	-	-	764,634
Total Current Liabilities	158,470	19,855	178,325	764,634
<u>Noncurrent Liabilities</u>				
Landfill closure and postclosure care	5,294,349	-	5,294,349	-
Total Noncurrent Liabilities	5,294,349	-	5,294,349	-
Total Liabilities	5,452,819	19,855	5,472,674	764,634
<u>Net Assets</u>				
Invested in capital assets	3,464,461	2,127,864	5,592,325	-
Unrestricted (deficit)	(5,369,500)	31,573	(5,337,927)	1,062,320
Total Net Assets	\$ (1,905,039)	\$ 2,159,437	\$ 254,398	\$ 1,062,320

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, 2011

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Operating Revenues</u>				
Charges for services	\$ 293,313	\$ 595,347	\$ 888,660	\$ 4,082,766
Other services	81	4,936	5,017	-
Total Operating Revenues	293,394	600,283	893,677	4,082,766
<u>Operating Expenses</u>				
Personnel	1,238,892	476,689	1,715,581	-
Supplies	233,509	290,425	523,934	-
Contractual services	363,971	68,308	432,279	-
Other	364,966	-	364,966	-
Depreciation	283,682	114,621	398,303	-
Administration	-	-	-	763,132
Claims	-	-	-	3,154,763
HAS accounts	-	-	-	1,034,406
Premiums	-	-	-	119,309
Total Operating Expenses	2,485,020	950,043	3,435,063	5,071,610
Operating (Loss)	(2,191,626)	(349,760)	(2,541,386)	(988,844)
<u>Nonoperating Revenues</u>				
Investment income	-	-	-	32,448
Total Nonoperating Revenues	-	-	-	32,448
(Loss) Before Transfers	(2,191,626)	(349,760)	(2,541,386)	(956,396)
Transfers in	2,345,238	852,248	3,197,486	5,514
Change in Net Assets	153,612	502,488	656,100	(950,882)
Beginning net assets	(2,058,651)	1,656,949	(401,702)	2,013,202
Ending Net Assets	\$ (1,905,039)	\$ 2,159,437	\$ 254,398	\$ 1,062,320

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended December 31, 2011

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor Funds	Total	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 328,405	\$ 606,110	\$ 934,515	\$ -
Receipts from premium revenues	-	-	-	4,082,766
Payments to suppliers	(1,159,543)	(811,967)	(1,971,510)	-
Payments to employees	(873,926)	(613,281)	(1,487,207)	-
Payments for other expenses	-	-	-	(1,153,715)
Payments for claims	-	-	-	(2,802,053)
Payments for administration fees	-	-	-	(763,132)
Net Cash (Used) by Operating Activities	(1,705,064)	(819,138)	(2,524,202)	(636,134)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from (to) other funds	2,345,238	852,248	3,197,486	5,514
Net Cash Provided by Noncapital Financing Activities	2,345,238	852,248	3,197,486	5,514
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital purchases	(640,099)	(33,110)	(673,209)	-
Net Cash (Used) by Capital and Related Financing Activities	(640,099)	(33,110)	(673,209)	-
<u>Cash Flows from Investing Activities</u>				
Interest on investments	-	-	-	32,448
Net Cash Provided by Investing Activities	-	-	-	32,448
Net Increase (Decrease) in Cash and Cash Equivalents	75	-	75	(598,172)
Beginning cash and cash equivalents	-	-	-	2,425,126
Ending Cash and Cash Equivalents	\$ 75	\$ -	\$ 75	\$ 1,826,954

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended December 31, 2011

	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 (loss)	\$ (2,191,626)	\$ (349,760)	\$ (2,541,386)	\$ (988,844)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:				
Depreciation	283,682	114,621	398,303	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Receivables, net	35,011	5,827	40,838	-
Inventory	2,583	(27,073)	(24,490)	-
Prepaid items	(207)	(11)	(218)	-
Increase (Decrease) in:				
Accounts payable and accrued liabilities	39,761	(2,989)	36,772	(5,514)
Landfill closure and postclosure care	364,966	-	364,966	-
Medical claims liability	-	-	-	358,224
Due to other funds	(239,234)	(559,753)	(798,987)	-
	<u>(239,234)</u>	<u>(559,753)</u>	<u>(798,987)</u>	<u>-</u>
Net Cash (Used) by Operating Activities	<u>\$ (1,705,064)</u>	<u>\$ (819,138)</u>	<u>\$ (2,524,202)</u>	<u>\$ (636,134)</u>

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

December 31, 2011

	<u>Total Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 4,598,338
Due from other units	<u>2,082,901</u>
Total Assets	<u>\$ 6,681,239</u>
<u>Liabilities</u>	
Due to other units	\$ 6,681,239
Total Liabilities	<u>\$ 6,681,239</u>

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2011

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 for 2011: the Chambers County Economic Industrial Development Corporation and the Chambers County Cedar Bayou Navigation District.

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, 2011

- 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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

Following is a description of the various funds:

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 recreational, 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 and 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, 2011

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, 2011

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.

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.

Under the accrual basis 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. However, interfund services provided and used are not eliminated in the process of consolidation.

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.

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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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, *Accounting and Reporting for Certain Investments and External Investment Pools*, 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 states, 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;
 - (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; or
 - (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.

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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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, 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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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 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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

principal recorded in the government-wide financial statements.

7. Fund Equity

Fund balances of governmental funds are classified as follows:

Nonspendable — represents amounts that cannot be spent because they are either in nonspendable form (such as inventory or prepaid insurance) or are legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted — represents amounts that are constrained by external parties, constitutional provisions, or by enabling legislation.

Committed — represents amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority, Commissioners' Court. Commitments may be established, modified, or rescinded only through resolutions approved by Commissioners' Court. To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint. The commitment must be made prior to year end.

Assigned — represents amounts the County intends to use for a specific purpose. Intent can be expressed by the Commissioners' Court or the County auditor. Assignments can be made at any time.

Unassigned — represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Commissioners' Court is the County's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Commissioners at the County's Court meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The Commissioners' Court has authorized the County Auditor as the official authorized to assign fund balance to a specific purpose.

It is the goal of the County to achieve and maintain an unassigned fund balance in the general fund equal to 25 percent of expenditures. The County considers a balance of less than 15 percent to be cause for concern, barring unusual or deliberate circumstances.

If unassigned fund balance falls below the goal or has a deficiency, the County will impose budget strategies and timeframes necessary to return to its goal. Examples would be to reduce recurring expenditures, increase revenues, pursue other funding sources, or enact some combination of these measures.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Commissioners' Court, and unassigned fund balance), the County will start with the most restricted category and spend those funds first before moving to the next category with available funds (committed, assigned and lastly unassigned).

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government - Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities and states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.”

III. 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 youth activity fund, tax assessor vehicle inventory tax fund, ecotourism Entergy fund, Texas history preservation fund, community outdoor outreach fund, library lone star fund, HGAC ACSEC addressing pool fund, juvenile probation fund, community corrections assistance fund, indigent defense formula fund, vine project fund, WIC peer counseling fund, airport maintenance (Anahuac) fund, airport maintenance (Winnie) fund, SCAAP fund, state boating access fund, grant: Department of Justice: vest grant fund, CCDA equipment project fund, SHSP DPA fund, SEAPAC fund, USDHHS BVCAA fund, grant: VAWA fund, USDHHS TDH WIC fund, Help America Vote Act fund, Texas traffic safety program fund, FEMA United Way fund, TXDPS BSEO fund, Victim of Crime Act fund, TDHC home program fund, DSHS IDS fund, SETH:HTF fund, SECO stimulus fund, TERP-ARRA rebate fund, CIAP fund, CDBG-disaster recovery-housing fund, CDBG-disaster recovery non-housing fund, District Attorney federal sharing

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

fund, sheriff's federal sharing fund, Smith Point grant fund, WIC extra-funding Winnie clinic fund, grant: HGAC SW fund, internal service and all fiduciary funds. Several supplemental budget appropriations were made for the year ended December 31, 2011.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2011, the County did not have any investments.

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.

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, 2011, market values of pledged securities and FDIC insurance exceeded bank balances.

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	\$ 17,948,749	\$ 4,683,743	\$ 1,135,997	\$ -	\$ -	\$ 23,768,489
Other taxes	-	-	-	1,587,111	-	1,587,111
Accounts (Allowance)	-	-	-	-	65,902	65,902
	(757,156)	(272,801)	(47,921)	-	-	(1,077,878)
Total	<u>\$ 17,191,593</u>	<u>\$ 4,410,942</u>	<u>\$ 1,088,076</u>	<u>\$ 1,587,111</u>	<u>\$ 65,902</u>	<u>\$ 24,343,624</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

C. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2011 follows:

	Beginning Balance	Increases	(Decreases) / Reclassifications	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,127,138	\$ 45,000	\$ -	\$ 2,172,138
Construction in progress	3,284,087	425,729	(195,815)	3,514,001
Total capital assets not being depreciated	5,411,225	470,729	(195,815)	5,686,139
Other capital assets:				
Buildings and improvements	18,588,769	1,021,692	(5,666)	19,604,795
Machinery and equipment	16,561,715	1,389,083	(879,727)	17,071,071
Infrastructure	10,295,555	-	-	10,295,555
Total other capital assets	45,446,039	2,410,775	(885,393)	46,971,421
Less accumulated depreciation for:				
Buildings and improvements	(10,711,655)	(573,658)	5,666	(11,279,647)
Machinery and equipment	(8,893,091)	(1,367,695)	289,334	(9,971,452)
Infrastructure	(4,259,900)	(351,226)	-	(4,611,126)
Total accumulated depreciation	(23,864,646)	(2,292,579)	295,000	(25,862,225)
Other capital assets, net	21,581,393	118,196	(590,393)	21,109,196
Totals	\$ 26,992,618	\$ 588,925	\$ (786,208)	26,795,335
			Less associated debt	(8,174,315)
			Invested in Capital Assets, Net of Related Debt	\$ 18,621,020

Depreciation was charged to governmental functions as follows:

General government	\$ 358,107
Finance and administration	1,085
Justice system	21,291
Health and welfare	238,614
Culture and recreational	233,454
Law enforcement/public safety	328,256
Transportation	1,111,772
Total Governmental Activities Depreciation Expense	\$ 2,292,579

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 1,782,943	\$ -	\$ -	\$ 1,782,943
Construction in progress	1,472,081	419,540	-	1,891,621
Total capital assets not being depreciated	3,255,024	419,540	-	3,674,564
Other capital assets:				
Buildings and improvements	2,725,686	15,000	(797)	2,739,889
Machinery and equipment	2,995,623	278,530	(54,591)	3,219,562
Total other capital assets	5,721,309	293,530	(55,388)	5,959,451
Less accumulated depreciation for:				
Buildings and improvements	(2,217,318)	(147,101)	11,499	(2,352,920)
Machinery and equipment	(1,441,597)	(251,202)	4,029	(1,688,770)
Total accumulated depreciation	(3,658,915)	(398,303)	15,528	(4,041,690)
Other capital assets, net	2,062,394	(104,773)	(39,860)	1,917,761
Totals	\$ 5,317,418	\$ 314,767	\$ (39,860)	\$ 5,592,325
Invested in Capital Assets, Net of Related Debt				\$ 5,592,325

Depreciation was charged to business-type functions as follows:

Solid waste	\$ 283,682
Airport	47,412
Golf course	67,209
Total Business-Type Activities Depreciation Expense	\$ 398,303

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

D. Long-Term Debt

The following is a summary of changes in the County's total long-term liabilities for the year ended December 31, 2011. 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	\$ 1,390,000	\$ -	\$ (90,000)	\$ 1,300,000	\$ 90,000
Tax notes	3,375,000	2,555,000	(1,225,000)	4,705,000	700,000
Obligations under capital leases	2,541,477	107,895	(480,057)	2,169,315	452,905
	<u>7,306,477</u>	<u>2,662,895</u>	<u>(1,795,057)</u>	<u>8,174,315</u>	<u>1,242,905</u>
Other:					
Net OPEB Obligation	1,429,739	653,154	-	2,082,893	-
Compensated absences	420,936	267,581	(278,842)	409,675	368,708
Total Governmental Activities	<u>\$ 9,157,152</u>	<u>\$ 3,583,630</u>	<u>\$ (2,073,899)</u>	<u>\$ 10,666,883</u>	<u>\$ 1,611,613</u>
* Debt associated with capital assets		Long-term liabilities due in greater than one year		<u>\$ 9,055,271</u>	
Business-Type Activities:					
Landfill closure and post closure care costs					
	\$ 4,929,383	\$ 364,966	\$ -	\$ 5,294,349	\$ -
Total Business-Type Activities	<u>\$ 4,929,383</u>	<u>\$ 364,966</u>	<u>\$ -</u>	<u>\$ 5,294,349</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.

Revenue and Limited Tax Bonds

On October 13, 2011, the County issued \$2,555,000 of Pass-Through Toll Revenue and Limited Tax Bonds for the purpose of providing funds for design, development, environmental work, project management, and acquisition of approximately 17 parcels of land to provide a right-of-way for the construction and improvement of a non-toll project or facility for the FM 1409 extension from FM 565 in Old River-Winfree south to FM 565 west of Cove.

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 balance of defeased bonds as of December 31, 2011 was \$3,775,000 for

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

the Series 2005 general obligation refunding bonds, while the Series 1999 certificates of obligation and Series 2003 general obligation refunding bonds have been paid in full.

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

	Percentage Interest Rate	Original Amount	Balance
Certificates of Obligation			
Series 2002	3.80-5.00	\$ 2,000,000	\$ 1,300,000
			<u>1,300,000</u>
Tax Notes			
Series 2007 Tax Notes	4.35-4.35	\$ 2,000,000	825,000
Series 2008 Tax Notes	2.68-4.23	\$ 3,000,000	1,325,000
Series 2011 Rev. and Ltd. Tax Bonds	4.00	\$ 2,555,000	2,555,000
			<u>4,705,000</u>
Capital Leases	Various	\$ 2,727,119	<u>2,169,315</u>
		Total	\$ <u>8,174,315</u>

Annual debt service requirements to maturity for governmental activities of the County as of December 31, 2011 are as follows:

Certificates of Obligation			
Fiscal Year	Principal	Interest	Total
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
2017-2021	650,000	108,233	758,233
2022	150,000	3,375	153,375
Total	<u>\$ 1,300,000</u>	<u>\$ 338,503</u>	<u>\$ 1,638,503</u>

Tax Notes			
Fiscal Year	Principal	Interest	Total
2012	\$ 700,000	\$ 165,556	\$ 865,556
2013	805,000	146,690	951,690
2014	830,000	112,410	942,410
2015	100,000	92,800	192,800
2016	105,000	88,700	193,700
2017-2021	580,000	376,600	956,600
2022-2026	715,000	248,100	963,100
2027-2031	870,000	90,000	960,000
Total	<u>\$ 4,705,000</u>	<u>\$ 1,320,856</u>	<u>\$ 6,025,856</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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

Fiscal Year	Capital Leases		
	Principal	Interest	Total
2012	\$ 452,905	\$ 104,425	\$ 557,330
2013	403,931	77,310	481,241
2014	326,797	55,699	382,496
2015	315,251	40,964	356,215
2016	326,112	27,833	353,945
2017	344,319	14,201	358,520
Total	\$ 2,169,315	\$ 320,432	\$ 2,489,747

Machinery and equipment acquired under current capital lease obligations totaled \$2,727,119 and accumulated depreciation totaled \$521,177.

E. Interfund Transactions

Operating transfers between the primary government funds and enterprise funds during the 2011 year were as follows:

	Transfers in	Transfers out
Governmental funds:		
Individual major governmental funds:		
General	\$ 139,255	\$ 4,977,840
Road and bridge	905,959	-
Debt service	235,150	-
Permanent	26,621	157,295
Other non-major governmental funds	829,716	204,566
Total governmental funds	2,136,701	5,339,701
Enterprise funds:		
Individual major enterprise funds:		
Solid waste	2,345,238	-
Other non major enterprise funds	852,248	-
Total enterprise funds	3,197,486	-
Internal service fund	5,514	-
Total transfers	\$ 5,339,701	\$ 5,339,701

V. 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 297 other entities in the Texas Association of Counties Workers' Compensation Self-Insurance Fund. This pool was created by the Texas Association of 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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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, 2011.

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 \$6,536,234. The \$5,294,349 reported as landfill closure and post closure care liability at December 31, 2011 is based on the use of 81 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$1,241,885 as the remaining estimated capacity is filled.

Based on the current usage during 2011, it is estimated that the remaining capacity will be filled in four to five years. 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 were acquired as of December 31, 2011. 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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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 Employment Benefits

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, known as the Chambers County Post Retirement Health Plan (the "Plan"). The Plan offers 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 be, or 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 coverage 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 \$135,456 related to the Plan for retirees during the year.

Annual OPEB Cost

The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, 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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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 (ARC)	\$	982,946
Interest on OPEB Obligation		42,892
Adjustment to ARC		(72,944)
End of Year Annual OPEB Cost (Expense)		952,894
Net Estimated Employer Contributions		(299,740)
Increase in Net OPEB Obligation		653,154
Net OPEB Obligation-beginning of year		1,429,739
Net OPEB Obligation-end of year	\$	2,082,893

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years are as follows:

Three-Year Contribution Information

Fiscal year	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation	
			Beginning	Ending
2009	\$ 493,124	29.22%	\$ 370,034	\$ 719,070
2010	\$ 980,549	27.52%	\$ 719,070	\$ 1,429,739
2011	\$ 952,894	14.22%	\$ 1,429,739	\$ 2,082,893

A separate audited GAAP basis post employment benefit plan report is not available.

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.

Funded Status and Funding Progress

As of the actuarial valuation date of January 1, 2010, the actuarial value of plan assets is zero dollars, the actuarial accrued liability is \$5,530,610, the total unfunded actuarial liability is \$5,530,610, and the actuarial value of assets as a percentage of the actuarial accrued liability is zero percent. The annual covered payroll as of the most recent valuation was \$13,928,984 and the UAAL as a percentage of the annual covered payroll was 39.7 percent.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

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)	14%/5%

F. Deferred Compensation Plans

The County offers its employees deferred compensation plans created in accordance with Internal Revenue Service Code, Section 457. The plans permit 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 plans are administered by private corporations under contract with the County. Total participant contributions were approximately \$30,726 for the year ended December 31, 2011. The County does not contribute to the plans.

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

The plan provisions are adopted by 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, 2011

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 12.53 percent for the calendar year of 2011.

The Commissioners' Court adopted the rate of seven percent as the contribution rate payable by the employee members for calendar year 2011. 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 RSI 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, 2010, the most recent valuation date, is as follows:

	2011
Actuarial Valuation Date	12/31/2010
Actuarial Value of Assets	\$ 40,062,982
Actuarial Accrued Liability	\$ 47,618,970
Percentage Funded	84.1%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,555,988
Annual Covered Payroll	\$ 12,885,857
UAAL as a Percentage of Covered Payroll	58.6%

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, 2010, the basis for determining the contribution rates for plan year 2011.

Actuarial Cost Method	Entry age
Amortization Method	Level % of payroll
Remaining Amortization Period	20 Years - Closed
Asset Valuation Method	
Subdivision accumulation fund	10-yr smoothed value
Employees saving fund	Fund value
Investment Rate of Return	8.0%
Projected Salary Increases	5.4%
Inflation	3.5%
Cost of living adjustments	none

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2011

	2011	2010	2009
Annual Req. Contrib. (ARC)	\$ 1,707,340	\$ 1,427,755	\$ 1,371,899
Contributions made	1,707,340	1,427,755	1,371,899
NPO at the End of Period	\$ -	\$ -	\$ -

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 \$764,634 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:

	2011	2010
Beginning balance	\$ 406,410	\$ 518,099
Claims incurred	3,511,781	2,136,557
Claim paid	(3,153,557)	(2,248,246)
Ending balance	\$ 764,634	\$ 406,410

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.

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. 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.

J. Subsequent Event

On June 1, 2012, the County issued \$5,270,000 general obligation refunding bonds, series 2012. Proceeds from the sale of the bonds will be used to refund a portion of the series 2002 certificates of obligation, series 2007 and 2008 tax notes, and series 2011 pass-through toll revenue and limited tax bonds, as well as paying costs of issuance related to the bonds.

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Revenues				
Taxes	\$ 18,479,000	\$ 18,479,000	\$ 20,047,624	\$ 1,568,624
Intergovernmental	131,500	131,500	39,789	(91,711)
Fees	935,800	935,800	991,322	55,522
Fines and forfeitures	773,000	773,000	563,816	(209,184)
Investment income	254,000	254,000	499,907	245,907
Other	635,300	635,300	663,439	28,139
Total Revenues	<u>21,208,600</u>	<u>21,208,600</u>	<u>22,805,897</u>	<u>1,597,297</u>
Expenditures				
General Government:				
Commissioners' Court	740,200	1,350,200	1,406,328	(56,128)
Non-departmental	2,310,100	2,256,860	2,150,280	106,580
Data processing	282,530	298,180	285,548	12,632
Communications	157,560	157,560	146,009	11,551
Maintenance	347,000	347,000	276,557	70,443
Total General Government	<u>3,837,390</u>	<u>4,409,800</u>	<u>4,264,722</u>	<u>145,078</u>
Financial Administration				
County Auditor	379,315	379,315	295,444	83,871
County Treasurer	238,140	238,140	236,854	1,286
Tax Assessor	809,100	809,100	813,761	(4,661)
Budget and planning	264,480	264,480	282,711	(18,231)
Purchasing	114,465	114,465	109,837	4,628
Total Financial Administration	<u>1,805,500</u>	<u>1,805,500</u>	<u>1,738,607</u>	<u>66,893</u>
Justice System				
County Court	65,900	65,900	57,086	8,814
District Court	609,480	620,480	637,746	(17,266)
District Clerk	343,480	346,000	339,834	6,166
County Clerk	657,985	657,985	656,828	1,157
Justice of the Peace, Pct #1	206,440	206,440	208,708	(2,268)
Justice of the Peace, Pct #2	241,090	241,090	249,375	(8,285)
Justice of the Peace, Pct #3	114,480	114,480	104,645	9,835
Justice of the Peace, Pct #4	184,385	184,385	182,960	1,425
Justice of the Peace, Pct #5	188,710	188,710	156,882	31,828
Justice of the Peace, Pct #6	241,795	241,795	240,623	1,172
Juvenile Probation	51,150	51,150	60,741	(9,591)
County Attorney	341,760	342,510	322,570	19,940
District Attorney	405,035	410,535	441,360	(30,825)
Elections	59,650	59,650	64,712	(5,062)
Total Justice System	<u>3,711,340</u>	<u>3,731,110</u>	<u>3,724,070</u>	<u>7,040</u>

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Expenditures (continued)				
Health and Welfare				
Environmental health	\$ 238,700	\$ 238,700	\$ 245,339	\$ (6,639)
Health department	249,010	249,010	223,587	25,423
Indigent health care	534,820	674,820	696,390	(21,570)
Nurse practitioner	90,820	90,820	83,018	7,802
Welfare	28,900	28,900	22,113	6,787
Rehabilitation	46,300	46,300	45,000	1,300
Mosquito control	527,730	787,960	796,910	(8,950)
Total Health and Welfare	1,716,280	2,116,510	2,112,357	4,153
Culture and Recreational				
Libraries	540,970	557,160	513,888	43,272
Agricultural extension	213,515	213,515	209,940	3,575
Parks and recreation	922,150	925,545	939,034	(13,489)
Historical commission	7,525	7,525	4,361	3,164
Total Culture and Recreational	1,684,160	1,703,745	1,667,223	36,522
Law Enforcement and Public Safety				
Emergency management	145,905	145,905	90,139	55,766
Safety department	23,500	23,500	39,321	(15,821)
Constable, Pct #1	75,370	75,370	80,040	(4,670)
Constable, Pct #2	144,310	144,310	148,481	(4,171)
Constable, Pct #3	74,410	74,410	74,011	399
Constable, Pct #4	77,330	77,330	77,321	9
Constable, Pct #5	75,610	75,610	80,095	(4,485)
Constable, Pct #6	78,050	78,050	78,284	(234)
Jail	873,120	873,120	897,471	(24,351)
Sheriff	5,073,680	5,250,490	5,244,391	6,099
Total Law Enforcement and Public Safety	6,641,285	6,818,095	6,809,554	8,541
Capital				
Capital outlay	285,500	360,896	360,203	693
Total Capital	285,500	360,896	360,203	693
Debt Service				
Principal	187,995	462,345	459,610	2,735
Interest and other	22,005	22,005	22,005	-
Total Debt Service	210,000	484,350	481,615	2,735
Total Expenditures	19,891,455	21,430,006	21,158,351	271,655
Excess (Deficiency) of Revenues Over Expenditures	1,317,145	(221,406)	1,647,546	1,868,952

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, 2011

	Budgeted Amounts		Actual (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Operating transfers in	1,358,635	1,358,635	139,255	(1,219,380)
Operating transfers (out)	(2,675,780)	(4,978,780)	(4,977,840)	940
Total Other Financing (Uses)	<u>(1,317,145)</u>	<u>(3,620,145)</u>	<u>(4,838,585)</u>	<u>(1,218,440)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,841,551)</u>	(3,191,039)	<u>\$ 650,512</u>
Beginning fund balance			<u>23,617,168</u>	
Ending Fund Balance			<u>\$ 20,426,129</u>	
Net change in Fund Balance - Budgetary Basis			\$ (3,191,039)	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			(639,818)	
Capital lease purchases			107,895	
Capital leases			(107,895)	
Net Change in Fund Balance - GAAP Basis			<u>\$ (3,830,857)</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Revenues				
Taxes	\$ 4,772,223	\$ 4,772,223	\$ 5,106,337	\$ 334,114
Intergovernmental	10,000	10,000	9,597	(403)
Fees	760,000	760,000	662,195	(97,805)
Fines and forfeitures	340,000	340,000	463,557	123,557
Investment income	50,000	50,000	15,762	(34,238)
Other	156,500	156,500	223,053	66,553
Total Revenues	<u>6,088,723</u>	<u>6,088,723</u>	<u>6,480,501</u>	<u>391,778</u>
Expenditures				
Current				
Transportation	6,152,480	7,087,480	7,082,586	4,894
Capital				
Capital outlay	608,000	633,000	628,241	4,759
Debt Service				
Principal	21,197	21,197	14,045	7,152
Interest and other	803	803	803	-
Total Expenditures	<u>6,782,480</u>	<u>7,742,480</u>	<u>7,725,675</u>	<u>16,805</u>
(Deficiency) of Revenues (Under) Expenditures	(693,757)	(1,653,757)	(1,245,174)	408,583
Other Financing Sources (Uses)				
Transfers in	693,757	693,757	905,959	212,202
Total Other Financing Sources	<u>693,757</u>	<u>693,757</u>	<u>905,959</u>	<u>212,202</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (960,000)</u>	<u>(339,215)</u>	<u>\$ 620,785</u>
Beginning fund balance			<u>747,162</u>	
Ending Fund Balance			<u>\$ 407,947</u>	
Net Change in Fund Balance - Budgetary Basis			\$ (339,215)	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			<u>(159,985)</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ (499,200)</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2011

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarial Valuation Date	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Actuarial Value of Assets	\$ 40,062,982	\$ 37,536,933	\$ 33,581,883	\$ 34,570,171
Actuarial Accrued Liability	\$ 47,618,970	\$ 44,565,811	\$ 39,369,020	\$ 37,329,145
Percentage Funded	84.13%	84.23%	85.30%	92.61%
Unfunded Actuarial				
Accrued Liability	\$ 7,555,988	\$ 7,028,878	\$ 5,787,137	\$ 2,758,974
Annual Covered Payroll	\$ 12,885,857	\$ 13,928,984	\$ 13,744,942	\$ 12,170,324
Unfunded Actuarial				
Accrued Liability				
(UAAL) % of Covered Payroll	58.64%	50.46%	42.10%	22.67%
Net Pension Obligation (NPO)				
at the Beginning of Period	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	1,707,340	1,427,755	1,371,899	1,352,440
Contributions Made	1,707,340	1,427,755	1,371,899	1,352,440
NPO at the End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CHAMBERS COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS
For the Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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%	\$ 12,170,324	22.8%
01/01/10	\$ -	\$ 5,530,610	\$ 5,530,610	0.0%	\$ 13,928,984	39.7%

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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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual (Budget Basis)	
	Original	Final		
Revenues				
Taxes	\$ 1,181,225	\$ 1,181,225	\$ 1,266,517	\$ 85,292
Investment income	15,000	15,000	26,227	11,227
Total Revenues	<u>1,196,225</u>	<u>1,196,225</u>	<u>1,292,744</u>	<u>96,519</u>
Expenditures				
Principal	1,440,000	1,440,000	1,315,000	125,000
Interest and fiscal charges	198,125	198,125	173,037	25,088
Total Expenditures	<u>1,638,125</u>	<u>1,638,125</u>	<u>1,488,037</u>	<u>150,088</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(441,900)</u>	<u>(441,900)</u>	<u>(195,293)</u>	<u>246,607</u>
Other Financing Sources				
Transfers in	441,900	441,900	235,150	(206,750)
Total Other Financing Sources	<u>441,900</u>	<u>441,900</u>	<u>235,150</u>	<u>(206,750)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	39,857	<u>\$ 39,857</u>
Beginning fund balance			<u>638</u>	
Ending Fund Balance			<u>\$ 40,495</u>	
Net Change in Fund Balance - Budgetary Basis			\$ 39,857	
Reconciliation of Fund Balance (GAAP Basis)				
To adjust revenues for tax accruals			<u>(40,495)</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ (638)</u>	

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 7)
December 31, 2011

	Special Revenue Funds			
	Lateral Road	County Court Fee	Youth Activity	Worthless Check
<u>Assets</u>				
Cash and cash equivalents	\$ 91,382	\$ 23,773	\$ 18,900	\$ 26,227
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 91,382	\$ 23,773	\$ 18,900	\$ 26,227
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted for:				
Grants	-	-	-	-
Special projects	-	23,773	18,900	26,227
Capital projects	91,382	-	-	-
Total Fund Balances	91,382	23,773	18,900	26,227
Total Liabilities and Fund Balances	\$ 91,382	\$ 23,773	\$ 18,900	\$ 26,227

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ 34,503	\$ 47,034	\$ 185,382	\$ 388,590	\$ 466,794	\$ 9,036
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 34,503</u>	<u>\$ 47,034</u>	<u>\$ 185,382</u>	<u>\$ 388,590</u>	<u>\$ 466,794</u>	<u>\$ 9,036</u>
\$ -	\$ -	\$ -	\$ 892	\$ 11	\$ -
-	-	-	892	11	-
-	-	-	-	-	-
34,503	47,034	185,382	387,698	466,783	9,036
-	-	-	-	-	-
<u>34,503</u>	<u>47,034</u>	<u>185,382</u>	<u>387,698</u>	<u>466,783</u>	<u>9,036</u>
<u>\$ 34,503</u>	<u>\$ 47,034</u>	<u>\$ 185,382</u>	<u>\$ 388,590</u>	<u>\$ 466,794</u>	<u>\$ 9,036</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 7)
December 31, 2011

	Special Revenue Funds			
	LEOSE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
Assets				
Cash and cash equivalents	\$ 23,789	\$ 18,974	\$ 395,603	\$ 71,406
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 23,789	\$ 18,974	\$ 395,603	\$ 71,406
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 765	\$ -	\$ -	\$ 615
Total Liabilities	765	-	-	615
Fund Balances:				
Restricted for:				
Grants	-	18,974	-	-
Special projects	23,024	-	395,603	70,791
Capital projects	-	-	-	-
Total Fund Balances	23,024	18,974	395,603	70,791
Total Liabilities and Fund Balances	\$ 23,789	\$ 18,974	\$ 395,603	\$ 71,406

Special Revenue Funds

Courthouse Security	Records Mgmt County Clerk	Records Mgmt District Clerk	Jail Commissary	Narcotics Task Force	Tax Assessor Vehicle Inv Tax
\$ -	\$ 214,947	\$ 31,972	\$ 13,787	\$ 76,447	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 214,947</u>	<u>\$ 31,972</u>	<u>\$ 13,787</u>	<u>\$ 76,447</u>	<u>\$ -</u>
\$ -	\$ 84	\$ 327	\$ -	\$ 76,447	\$ -
-	84	327	-	76,447	-
-	-	-	-	-	-
-	214,863	31,645	13,787	-	-
-	-	-	-	-	-
<u>-</u>	<u>214,863</u>	<u>31,645</u>	<u>13,787</u>	<u>-</u>	<u>-</u>
\$ -	\$ 214,947	\$ 31,972	\$ 13,787	\$ 76,447	\$ -

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 7)
December 31, 2011

	Special Revenue Funds			
	Health Services Sales Tax	Available School	Ecotourism Entergy	Texas History Preservation
Assets				
Cash and cash equivalents	\$ 2,357,965	\$ 17,586	\$ -	\$ -
Receivables, net	463,692	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,821,657	\$ 17,586	\$ -	\$ -
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 32,273	\$ -	\$ -	\$ -
Total Liabilities	32,273	-	-	-
Fund Balances:				
Restricted for:				
Grants	-	-	-	-
Special projects	2,789,384	17,586	-	-
Capital projects	-	-	-	-
Total Fund Balances	2,789,384	17,586	-	-
Total Liabilities and Fund Balances	\$ 2,821,657	\$ 17,586	\$ -	\$ -

Special Revenue Funds

Community Outdoor Outreach	Library Lone Star	HGAC ACSEC Addressing Pool	Juvenile Probation	Community Corrections Assistance	Indigent Defense Formula
\$ -	\$ -	\$ 10,083	\$ 14,724	\$ -	\$ 101,513
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,083</u>	<u>\$ 14,724</u>	<u>\$ -</u>	<u>\$ 101,513</u>
\$ -	\$ -	\$ -	\$ 1,710	\$ -	\$ -
-	-	-	1,710	-	-
-	-	10,083	13,014	-	101,513
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10,083</u>	<u>13,014</u>	<u>-</u>	<u>101,513</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,083</u>	<u>\$ 14,724</u>	<u>\$ -</u>	<u>\$ 101,513</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 7)
December 31, 2011

	Special Revenue Funds			
	Vine Project	WIC Peer Counseling	Airport Maintenance (Anahuac)	Airport Maintenance (Winnie)
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 12,869	\$ 1,804
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ -	\$ -	\$ 12,869	\$ 1,804
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 58	\$ -
Total Liabilities	-	-	58	-
Fund Balances:				
Restricted for:				
Grants	-	-	12,811	1,804
Special projects	-	-	-	-
Capital projects	-	-	-	-
Total Fund Balances	-	-	12,811	1,804
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 12,869	\$ 1,804

Special Revenue Funds

<u>SCAAP</u>	<u>State Boating Access</u>	<u>Grant: Dpt of Jst: Vest Grant</u>	<u>CCDA Equipment Project</u>	<u>SHSP DPA</u>	<u>SEAPAC</u>
\$ 25,568	\$ -	\$ 3,906	\$ 26	\$ 191,230	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 25,568</u>	<u>\$ -</u>	<u>\$ 3,906</u>	<u>\$ 26</u>	<u>\$ 191,230</u>	<u>\$ -</u>
\$ 3,560	\$ -	\$ -	\$ -	\$ 17,165	\$ -
<u>3,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,165</u>	<u>-</u>
22,008	-	3,906	26	174,065	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,008</u>	<u>-</u>	<u>3,906</u>	<u>26</u>	<u>174,065</u>	<u>-</u>
<u>\$ 25,568</u>	<u>\$ -</u>	<u>\$ 3,906</u>	<u>\$ 26</u>	<u>\$ 191,230</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 7)
December 31, 2011

	Special Revenue Funds			
	USDHHS BVCAA	Grant: VAWA	USDHHS TDH WIC	Help America Vote Act
<u>Assets</u>				
Cash and cash equivalents	\$ 1,213	\$ -	\$ -	\$ 3,851
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 1,213	\$ -	\$ -	\$ 3,851
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 347	\$ -	\$ -	\$ -
Total Liabilities	347	-	-	-
Fund Balances:				
Restricted for:				
Grants	866	-	-	3,851
Special projects	-	-	-	-
Capital projects	-	-	-	-
Total Fund Balances	866	-	-	3,851
Total Liabilities and Fund Balances	\$ 1,213	\$ -	\$ -	\$ 3,851

Special Revenue Funds

Texas Traffic Safety Program	FEMA United Way	Title IV Funds	TXDPS BSEO	Victim of Crime Act	TDHC Home Program
\$ 41,400	\$ 3,152	\$ 29,247	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 41,400</u>	<u>\$ 3,152</u>	<u>\$ 29,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 298	\$ -	\$ -	\$ -	\$ -
-	298	-	-	-	-
41,400	2,854	29,247	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,400</u>	<u>2,854</u>	<u>29,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 41,400</u>	<u>\$ 3,152</u>	<u>\$ 29,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 7)
December 31, 2011

	Special Revenue Funds			
	DSHS IDS	SETH:HTF	TERP-ARRA Rebate	SECO Stimulus
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
<u>Fund Balances:</u>				
Restricted for:				
Grants	-	-	-	-
Special projects	-	-	-	-
Capital projects	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds

<u>CIAP</u>	<u>Chapter Nineteen</u>	<u>Justice Court Building Security</u>	<u>DC Records Technology</u>	<u>Grant: HGAC SW</u>	<u>Pretrial Intervention Programs</u>
\$ -	\$ -	\$ 17,784	\$ 8,001	\$ -	\$ 10,500
-	-	-	-	-	-
65,612	-	-	-	-	-
<u>\$ 65,612</u>	<u>\$ -</u>	<u>\$ 17,784</u>	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 10,500</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
65,612	-	17,784	8,001	-	10,500
-	-	-	-	-	-
<u>65,612</u>	<u>-</u>	<u>17,784</u>	<u>8,001</u>	<u>-</u>	<u>10,500</u>
<u>\$ 65,612</u>	<u>\$ -</u>	<u>\$ 17,784</u>	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 10,500</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 7 of 7)
December 31, 2011

	Special Revenue Funds			
	CC/DC Record Preservation	DC/CC Technology Fund	CDBG Disaster Rec-Housing	CDBG Dis. Rec. Non-Housing
Assets				
Cash and cash equivalents	\$ 15,197	\$ 1,456	\$ 31,093	\$ -
Receivables, net	-	-	180,807	942,612
Due from other governments	-	-	-	-
Total Assets	\$ 15,197	\$ 1,456	\$ 211,900	\$ 942,612
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 211,900	\$ 942,612
Total Liabilities	-	-	211,900	942,612
Fund Balances:				
Restricted for:				
Grants	-	-	-	-
Special projects	15,197	1,456	-	-
Capital projects	-	-	-	-
Total Fund Balances	15,197	1,456	-	-
Total Liabilities and Fund Balances	\$ 15,197	\$ 1,456	\$ 211,900	\$ 942,612

Special Revenue Fund				Capital Project Fund	Total Nonmajor Governmental Funds
District Attorney Federal Sharing	Sheriff's Federal Sharing	Smith Point	WIC Extra-Funding Winnie Clinic	Capital Project 02 Construction	
\$ 12,371	\$ 17,613	\$ -	\$ -	\$ 2,185,949	\$ 7,254,647
-	-	-	-	-	1,587,111
-	-	-	-	-	65,612
<u>\$ 12,371</u>	<u>\$ 17,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,185,949</u>	<u>\$ 8,907,370</u>
\$ -	\$ -	\$ -	\$ -	\$ 106,000	\$ 1,395,064
-	-	-	-	106,000	1,395,064
-	-	-	-	-	436,422
12,371	17,613	-	-	-	4,904,553
-	-	-	-	2,079,949	2,171,331
<u>12,371</u>	<u>17,613</u>	<u>-</u>	<u>-</u>	<u>2,079,949</u>	<u>7,512,306</u>
<u>\$ 12,371</u>	<u>\$ 17,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,185,949</u>	<u>\$ 8,907,370</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 7)
For the Year Ended December 31, 2011

Special Revenue Funds				
	Lateral Road	County Court Fee	Youth Activity	Worthless Check
Revenues				
Taxes	\$ 23,385	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	3,883	-	4,798
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	23,385	3,883	-	4,798
Expenditures				
Current:				
Personnel	-	-	-	3,085
Supplies	-	2,500	-	205
Miscellaneous expense	-	-	-	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	93,913	-	-	-
Debt Service:				
Principal and interest	-	-	-	-
Total Expenditures	93,913	2,500	-	3,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,528)	1,383	-	1,508
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(70,528)	1,383	-	1,508
Beginning fund balances	161,910	22,390	18,900	24,719
Ending Fund Balances	\$ 91,382	\$ 23,773	\$ 18,900	\$ 26,227

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ -	\$ -	\$ -	\$ 270,791	\$ -	\$ -
-	-	-	-	-	-
5,266	8,222	-	-	-	-
-	-	219,455	-	73,995	-
-	-	4,781	6,743	12,269	-
-	-	-	-	-	2,371
<u>5,266</u>	<u>8,222</u>	<u>224,236</u>	<u>277,534</u>	<u>86,264</u>	<u>2,371</u>
-	-	-	33,199	21,360	-
320	19,758	32,334	-	39,521	15,758
-	-	-	-	-	-
-	-	-	271,213	1,157	-
-	-	15,387	-	-	-
-	-	-	-	-	-
<u>320</u>	<u>19,758</u>	<u>47,721</u>	<u>304,412</u>	<u>62,038</u>	<u>15,758</u>
<u>4,946</u>	<u>(11,536)</u>	<u>176,515</u>	<u>(26,878)</u>	<u>24,226</u>	<u>(13,387)</u>
-	-	-	-	-	-
-	-	-	-	-	2,000
-	-	(17,613)	-	(12,371)	-
-	-	(17,613)	-	(12,371)	2,000
4,946	(11,536)	158,902	(26,878)	11,855	(11,387)
29,557	58,570	26,480	414,576	454,928	20,423
<u>\$ 34,503</u>	<u>\$ 47,034</u>	<u>\$ 185,382</u>	<u>\$ 387,698</u>	<u>\$ 466,783</u>	<u>\$ 9,036</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 7)
For the Year Ended December 31, 2011

	Special Revenue Funds			
	LEOSE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,190	-	-	-
Fees	-	1,875	47,080	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	5,424	-
Other	-	-	-	25,063
Total Revenues	<u>9,190</u>	<u>1,875</u>	<u>52,504</u>	<u>25,063</u>
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	-	15,033
Miscellaneous expense	-	-	-	-
Contractual services	8,144	-	-	-
Capital:				
Capital outlay	-	-	-	474
Debt Service:				
Principal	-	1,114	-	8,512
Total Expenditures	<u>8,144</u>	<u>1,114</u>	<u>-</u>	<u>24,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,046</u>	<u>761</u>	<u>52,504</u>	<u>1,044</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,046	761	52,504	1,044
Beginning fund balances	<u>21,978</u>	<u>18,213</u>	<u>343,099</u>	<u>69,747</u>
Ending Fund Balances	<u>\$ 23,024</u>	<u>\$ 18,974</u>	<u>\$ 395,603</u>	<u>\$ 70,791</u>

Special Revenue Funds

Courthouse Security	Records Mgmt County Clerk	Records Mgmt District Clerk	Jail Commissary	Narcotics Task Force	Tax Assessor Vehicle Inv Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
32,720	74,160	21,713	-	-	-
-	-	-	-	17,906	-
-	2,716	-	-	-	-
-	-	-	-	-	-
<u>32,720</u>	<u>76,876</u>	<u>21,713</u>	<u>-</u>	<u>17,906</u>	<u>-</u>
68,574	15,039	16,553	-	-	-
-	20,627	455	-	-	-
60	-	-	-	-	-
-	1,145	-	-	-	-
-	-	-	-	-	-
470	2,653	-	-	-	-
<u>69,104</u>	<u>39,464</u>	<u>17,008</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(36,384)</u>	<u>37,412</u>	<u>4,705</u>	<u>-</u>	<u>17,906</u>	<u>-</u>
-	-	-	-	-	-
68,716	-	-	-	14,038	668
-	-	-	-	-	-
<u>68,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,038</u>	<u>668</u>
32,332	37,412	4,705	-	31,944	668
<u>(32,332)</u>	<u>177,451</u>	<u>26,940</u>	<u>13,787</u>	<u>(31,944)</u>	<u>(668)</u>
<u>\$ -</u>	<u>\$ 214,863</u>	<u>\$ 31,645</u>	<u>\$ 13,787</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 7)
For the Year Ended December 31, 2011

	Special Revenue Funds			
	Health Services Sales Tax	Available School	Ecotourism Entergy	Texas History Preservation
Revenues				
Taxes	\$ 2,729,421	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	25,532	27,462	-	-
Other	-	-	-	-
Total Revenues	<u>2,754,953</u>	<u>27,462</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Personnel	134,467	-	-	-
Supplies	73,869	-	-	-
Miscellaneous expense	-	140,601	-	-
Contractual services	1,367,053	-	-	-
Capital:				
Capital outlay	210,896	-	-	-
Debt Service:				
Principal	101,289	-	-	-
Total Expenditures	<u>1,887,574</u>	<u>140,601</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>867,379</u>	<u>(113,139)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	313,544	-	3,109
Transfers (out)	-	(149,578)	(18)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>163,966</u>	<u>(18)</u>	<u>3,109</u>
Net Change in Fund Balances	<u>867,379</u>	<u>50,827</u>	<u>(18)</u>	<u>3,109</u>
Beginning fund balances	1,922,005	(33,241)	18	(3,109)
Ending Fund Balances	<u>\$ 2,789,384</u>	<u>\$ 17,586</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Community Outdoor Outreach	Library Lone Star	HGAC ACSEC Addressing Pool	Juvenile Probation	Community Corrections Assistance	Indigent Defense Formula
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,027	30,248	137,418	44,011	22,406
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,027	30,248	137,418	44,011	22,406
-	-	20,165	108,888	52,002	-
-	101	-	-	-	-
-	-	-	25,492	-	-
-	7,556	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,657	20,165	134,380	52,002	-
-	370	10,083	3,038	(7,991)	22,406
-	-	-	-	-	-
-	-	-	-	4,229	14,941
(1,883)	-	-	-	-	-
(1,883)	-	-	-	4,229	14,941
(1,883)	370	10,083	3,038	(3,762)	37,347
1,883	(370)	-	9,976	3,762	64,166
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,083</u>	<u>\$ 13,014</u>	<u>\$ -</u>	<u>\$ 101,513</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 7)
For the Year Ended December 31, 2011

	Special Revenue Funds			
	Vine Project	WIC Peer Counseling	Airport Maintenance (Anahuac)	Airport Maintenance (Winnie)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,874	21,374	3,358	8,957
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>6,874</u>	<u>21,374</u>	<u>3,358</u>	<u>8,957</u>
Expenditures				
Current:				
Personnel	-	17,910	-	-
Supplies	-	210	-	-
Miscellaneous expense	-	-	-	-
Contractual services	6,874	3,612	2,852	1,755
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Total Expenditures	<u>6,874</u>	<u>21,732</u>	<u>2,852</u>	<u>1,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(358)</u>	<u>506</u>	<u>7,202</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	3,148	1,558	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,148</u>	<u>1,558</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>2,790</u>	<u>2,064</u>	<u>7,202</u>
Beginning fund balances	<u>-</u>	<u>(2,790)</u>	<u>10,747</u>	<u>(5,398)</u>
Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,811</u>	<u>\$ 1,804</u>

Special Revenue Funds

SCAAP	State Boating Access	Grant: Dpt of Jst: Vest Grant	CCDA Equipment Project	SHSP DPA	SEAPAC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,930	24,375	-	35,000	82,470	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,930</u>	<u>24,375</u>	<u>-</u>	<u>35,000</u>	<u>82,470</u>	<u>-</u>
12,136	-	-	-	42,985	-
-	-	-	-	97,050	-
-	-	1,675	-	-	-
-	-	-	34,974	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,136</u>	<u>-</u>	<u>1,675</u>	<u>34,974</u>	<u>140,035</u>	<u>-</u>
1,794	24,375	(1,675)	26	(57,565)	-
-	-	-	-	-	-
-	35,555	-	-	146,501	14,405
-	-	-	-	-	-
-	35,555	-	-	146,501	14,405
1,794	59,930	(1,675)	26	88,936	14,405
20,214	(59,930)	5,581	-	85,129	(14,405)
<u>\$ 22,008</u>	<u>\$ -</u>	<u>\$ 3,906</u>	<u>\$ 26</u>	<u>\$ 174,065</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 7)
For the Year Ended December 31, 2011

	Special Revenue Funds			
	USDHHS BVCAA	Grant: VAWA	USDHHS TDH WIC	Help America Vote Act
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	30,000	19,918	139,719	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>30,000</u>	<u>19,918</u>	<u>139,719</u>	<u>-</u>
Expenditures				
Current:				
Personnel	-	23,405	112,898	-
Supplies	30,000	-	5,440	27,614
Miscellaneous expense	-	-	-	-
Contractual services	-	-	22,513	204
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	1,236	-
Total Expenditures	<u>30,000</u>	<u>23,405</u>	<u>142,087</u>	<u>27,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,487)</u>	<u>(2,368)</u>	<u>(27,818)</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	7,277	18,422	39,374
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,277</u>	<u>18,422</u>	<u>39,374</u>
Net Change in Fund Balances	<u>-</u>	<u>3,790</u>	<u>16,054</u>	<u>11,556</u>
Beginning fund balances	866	(3,790)	(16,054)	(7,705)
Ending Fund Balances	<u>\$ 866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,851</u>

Special Revenue Funds

Texas Traffic Safety Program	FEMA United Way	Title IV Funds	TXDPS BSEO	Victim of Crime Act	TDHC Home Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	17,167	-	-	17,291	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	17,167	-	-	17,291	-
-	-	-	-	20,773	-
-	17,167	-	-	302	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	17,167	-	-	21,075	-
-	-	-	-	(3,784)	-
-	-	-	-	-	-
-	-	-	-	23,575	532
-	-	-	(18,103)	-	-
-	-	-	(18,103)	23,575	532
-	-	-	(18,103)	19,791	532
41,400	2,854	29,247	18,103	(19,791)	(532)
<u>\$ 41,400</u>	<u>\$ 2,854</u>	<u>\$ 29,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 7)
For the Year Ended December 31, 2011

Special Revenue Funds				
	DSHS IDS	SETH:HTF	TERP-ARRA Rebate	SECO Stimulus
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	45,152	62,664	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	-	45,152	62,664	-
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	-	-
Miscellaneous expense	-	-	-	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	62,664	67,349
Debt Service:				
Principal	-	-	-	-
Total Expenditures	-	-	62,664	67,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	45,152	-	(67,349)
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	532	-	-	67,349
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	532	-	-	67,349
Net Change in Fund Balances	532	45,152	-	-
Beginning fund balances	(532)	(45,152)	-	-
Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds

<u>CIAP</u>	<u>Chapter Nineteen</u>	<u>Justice Court Building Security</u>	<u>DC Records Technology</u>	<u>Grant: HGAC SW</u>	<u>Pretrial Intervention Programs</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65,891	5,422	5,711	-	21,765	7,500
-	-	-	4,660	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>65,891</u>	<u>5,422</u>	<u>5,711</u>	<u>4,660</u>	<u>21,765</u>	<u>7,500</u>
279	3,755	-	-	-	-
-	-	-	-	8,313	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	13,452	-
-	-	-	-	-	-
<u>279</u>	<u>3,755</u>	<u>-</u>	<u>-</u>	<u>21,765</u>	<u>-</u>
65,612	1,667	5,711	4,660	-	7,500
-	-	-	-	-	-
-	661	-	-	-	-
-	-	-	-	-	-
-	661	-	-	-	-
65,612	2,328	5,711	4,660	-	7,500
-	(2,328)	12,073	3,341	-	3,000
<u>\$ 65,612</u>	<u>\$ -</u>	<u>\$ 17,784</u>	<u>\$ 8,001</u>	<u>\$ -</u>	<u>\$ 10,500</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 7 of 7)
For the Year Ended December 31, 2011

	Special Revenue Funds			
	CC/DC Record Preservation	DC/CC Technology	CDBG- Disaster Rec-Housing	CDBG- Dis Rec Non-Housing
	Revenues			
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,027,670	1,822,942
Fees	8,656	1,584	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>8,656</u>	<u>1,584</u>	<u>3,027,670</u>	<u>1,822,942</u>
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	-	-
Miscellaneous expense	-	-	3,023,663	1,465,071
Contractual services	-	-	-	357,635
Capital:				
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,023,663</u>	<u>1,822,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,656</u>	<u>1,584</u>	<u>4,007</u>	<u>236</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,656	1,584	4,007	236
Beginning fund balances	<u>6,541</u>	<u>(128)</u>	<u>(4,007)</u>	<u>(236)</u>
Ending Fund Balances	<u>\$ 15,197</u>	<u>\$ 1,456</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Fund				Capital Project Fund	Total Nonmajor Governmental Funds
District Attorney Federal Sharing	Sheriff's Federal Sharing	Smith Point	WIC Extra-Funding Winnie Clinic	Capital Project 02 Construction	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,023,597
-	-	5,000	-	-	5,741,450
-	-	-	-	-	214,617
-	-	-	-	-	311,356
-	-	-	-	9,116	94,043
-	-	-	-	-	27,434
-	-	5,000	-	9,116	9,412,497
-	-	-	-	-	707,473
-	-	-	-	-	406,577
-	-	-	9,921	-	4,666,483
-	-	-	-	484,167	2,570,854
-	-	-	-	-	464,135
-	-	-	-	-	115,274
-	-	-	9,921	484,167	8,930,796
-	-	5,000	(9,921)	(475,051)	481,701
-	-	-	-	2,555,000	2,555,000
12,371	17,613	-	19,598	-	829,716
-	-	(5,000)	-	-	(204,566)
12,371	17,613	(5,000)	19,598	2,555,000	3,180,150
12,371	17,613	-	9,677	2,079,949	3,661,851
-	-	-	(9,677)	-	3,850,455
\$ 12,371	\$ 17,613	\$ -	\$ -	\$ 2,079,949	\$ 7,512,306

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CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROAD FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 24,000	\$ 24,000	\$ 23,385	\$ (615)
Total Revenues	24,000	24,000	23,385	(615)
Expenditures				
Capital:				
Capital outlay	24,000	94,000	93,913	87
Total Expenditures	24,000	94,000	93,913	87
Net Change in Fund Balance	\$ -	\$ (70,000)	(70,528)	\$ (528)
Beginning fund balance			161,910	
Ending Fund Balance			\$ 91,382	

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 4,500	\$ 4,500	\$ 3,883	\$ (617)
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>3,883</u>	<u>(617)</u>
Expenditures				
Current:				
Supplies	4,500	4,500	2,500	2,000
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,500</u>	<u>2,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,383	<u>\$ 1,383</u>
Beginning fund balance			<u>22,390</u>	
Ending Fund Balance			<u>\$ 23,773</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fees	\$ 5,100	\$ 5,100	\$ 4,798	\$ (302)
Total Revenues	<u>5,100</u>	<u>5,100</u>	<u>4,798</u>	<u>(302)</u>
<u>Expenditures</u>				
Current:				
Personnel	5,000	5,000	3,085	1,915
Supplies	100	100	205	(105)
Total Expenditures	<u>5,100</u>	<u>5,100</u>	<u>3,290</u>	<u>1,810</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,508	<u>\$ 1,508</u>
Beginning fund balance			<u>24,719</u>	
Ending Fund Balance			<u>\$ 26,227</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 3,000	\$ 3,000	\$ 5,266	\$ 2,266
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>5,266</u>	<u>2,266</u>
Expenditures				
Current:				
Supplies	3,000	2,250	320	1,930
Total Expenditures	<u>3,000</u>	<u>2,250</u>	<u>320</u>	<u>1,930</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 750</u>	4,946	<u>\$ 4,196</u>
Beginning fund balance			<u>29,557</u>	
Ending Fund Balance			<u>\$ 34,503</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fees	\$ 6,000	\$ 6,000	\$ 8,222	\$ 2,222
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>8,222</u>	<u>2,222</u>
<u>Expenditures</u>				
Current:				
Supplies	6,000	20,000	19,758	242
Total Expenditures	<u>6,000</u>	<u>20,000</u>	<u>19,758</u>	<u>242</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (14,000)</u>	(11,536)	<u>\$ 2,464</u>
Beginning fund balance			<u>58,570</u>	
Ending Fund Balance			<u>\$ 47,034</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 219,455	\$ 204,455
Investment income	1,000	1,000	4,781	3,781
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>224,236</u>	<u>208,236</u>
Expenditures				
Current:				
Supplies	16,000	16,000	32,334	(16,334)
Capital:				
Capital outlay	-	32,000	15,387	16,613
Total Expenditures	<u>16,000</u>	<u>48,000</u>	<u>47,721</u>	<u>279</u>
Other Financing Sources (Uses)				
Transfer out	-	(18,000)	(17,613)	387
Total Other Financing (Uses)	<u>-</u>	<u>(18,000)</u>	<u>(17,613)</u>	<u>387</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (50,000)</u>	158,902	<u>\$ 208,902</u>
Beginning fund balance			<u>26,480</u>	
Ending Fund Balance			<u>\$ 185,382</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 250,000	\$ 250,000	\$ 270,791	\$ 20,791
Investment income	14,000	14,000	6,743	(7,257)
Total Revenues	<u>264,000</u>	<u>264,000</u>	<u>277,534</u>	<u>13,534</u>
Expenditures				
Current:				
Personnel	39,000	39,000	33,199	5,801
Contractual services	224,000	266,000	271,213	(5,213)
Capital:				
Capital outlay	1,000	1,000	-	1,000
Total Expenditures	<u>264,000</u>	<u>306,000</u>	<u>304,412</u>	<u>1,588</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (42,000)</u>	<u>(26,878)</u>	<u>\$ 15,122</u>
Beginning fund balance			<u>414,576</u>	
Ending Fund Balance			<u>\$ 387,698</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY SEIZURE AND FORFEITURE FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 73,995	\$ 23,995
Investment income	4,000	4,000	12,269	8,269
Other	10,000	10,000	-	(10,000)
Total Revenues	64,000	64,000	86,264	22,264
<u>Expenditures</u>				
Current:				
Personnel	13,300	13,300	21,360	(8,060)
Supplies	27,500	27,500	39,521	(12,021)
Contractual services	20,200	20,200	1,157	19,043
Debt Service:				
Principal	3,000	3,000	-	3,000
Total Expenditures	64,000	64,000	62,038	1,962
<u>Other Financing Sources (Uses)</u>				
Transfer out	-	(13,000)	(12,371)	629
Total Other Financing (Uses)	-	(13,000)	(12,371)	629
Net Change in Fund Balance	\$ -	\$ (13,000)	11,855	\$ 24,855
Beginning fund balance			454,928	
Ending Fund Balance			\$ 466,783	

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

For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Other	\$ 20,000	\$ 20,000	\$ 2,371	\$ (17,629)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>2,371</u>	<u>(17,629)</u>
<u>Expenditures</u>				
Current:				
Personnel	10,000	10,000	-	10,000
Supplies	10,000	10,000	15,758	(5,758)
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>15,758</u>	<u>4,242</u>
<u>Other Financing Sources (Uses)</u>				
Transfer in	-	-	2,000	2,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(11,387)</u>	<u>\$ (11,387)</u>
Beginning fund balance			<u>20,423</u>	
Ending Fund Balance			<u>\$ 9,036</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 9,750	\$ 9,750	\$ 9,190	\$ (560)
Total Revenues	<u>9,750</u>	<u>9,750</u>	<u>9,190</u>	<u>(560)</u>
Expenditures				
Current:				
Contractual services	9,750	9,750	8,144	1,606
Total Expenditures	<u>9,750</u>	<u>9,750</u>	<u>8,144</u>	<u>1,606</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,046	<u>\$ 1,046</u>
Beginning fund balance			<u>21,978</u>	
Ending Fund Balance			<u>\$ 23,024</u>	

CHAMBERS COUNTY, TEXAS
*SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL*
HUD SECTION 8 HOUSING PROGRAM FUND
 For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 2,500	\$ 2,500	\$ 1,875	\$ (625)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,875</u>	<u>(625)</u>
Expenditures				
Current:				
Supplies	500	500	-	500
Debt Service:				
Principal	2,000	2,000	1,114	886
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,114</u>	<u>1,386</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	761	<u>\$ 761</u>
Beginning fund balance			<u>18,213</u>	
Ending Fund Balance			<u>\$ 18,974</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fees	\$ 50,000	\$ 50,000	\$ 47,080	\$ (2,920)
Investment income	4,000	4,000	5,424	1,424
Total Revenues	54,000	54,000	52,504	(1,496)
<u>Expenditures</u>				
Current:				
Contractual services	54,000	54,000	-	54,000
Total Expenditures	54,000	54,000	-	54,000
Net Change in Fund Balance	\$ -	\$ -	52,504	\$ 52,504
Beginning fund balance			343,099	
Ending Fund Balance			\$ 395,603	

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Other	\$ 38,000	\$ 38,000	\$ 25,063	\$ (12,937)
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>25,063</u>	<u>(12,937)</u>
Expenditures				
Current:				
Supplies	21,500	21,500	15,033	6,467
Capital:				
Capital outlay	1,000	1,000	474	526
Debt Service:				
Principal	15,500	15,500	8,512	6,988
Total Expenditures	<u>38,000</u>	<u>38,000</u>	<u>24,019</u>	<u>13,981</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,044	<u>\$ 1,044</u>
Beginning fund balance			<u>69,747</u>	
Ending Fund Balance			<u>\$ 70,791</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Fees	\$ 45,500	\$ 45,500	\$ 32,720	\$ (12,780)
Other	23,130	23,130	-	(23,130)
Total Revenues	68,630	68,630	32,720	(35,910)
<u>Expenditures</u>				
Current:				
Personnel	67,930	68,930	68,574	356
Miscellaneous expense	100	100	60	40
Debt Service:				
Principal	500	500	470	30
Total Expenditures	68,530	69,530	69,104	426
<u>Other Financing Sources (Uses)</u>				
Transfer in	-	-	68,716	68,716
Total Other Financing Sources	-	-	68,716	68,716
Net Change in Fund Balance	\$ 100	\$ (900)	32,332	\$ 33,232
Beginning fund balance			(32,332)	
Ending Fund Balance			\$ -	

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 75,700	\$ 75,700	\$ 74,160	\$ (1,540)
Investment income	2,000	2,000	2,716	716
Total Revenues	<u>77,700</u>	<u>77,700</u>	<u>76,876</u>	<u>(824)</u>
Expenditures				
Current:				
Personnel	46,200	46,200	15,039	31,161
Supplies	15,100	20,400	20,627	(227)
Contractual services	2,100	2,100	1,145	955
Capital:				
Capital outlay	5,300	-	-	-
Debt Service:				
Principal	9,000	9,000	2,653	6,347
Total Expenditures	<u>77,700</u>	<u>77,700</u>	<u>39,464</u>	<u>38,236</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	37,412	<u>\$ 37,412</u>
Beginning fund balance			<u>177,451</u>	
Ending Fund Balance			<u>\$ 214,863</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 20,000	\$ 20,000	\$ 21,713	\$ 1,713
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>21,713</u>	<u>1,713</u>
Expenditures				
Current:				
Personnel	17,000	17,000	16,553	447
Supplies	3,000	480	455	25
Total Expenditures	<u>20,000</u>	<u>17,480</u>	<u>17,008</u>	<u>472</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,520</u>	4,705	<u>\$ 2,185</u>
Beginning fund balance			<u>26,940</u>	
Ending Fund Balance			<u>\$ 31,645</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 17,906	\$ 17,906
Total Revenues	-	-	17,906	17,906
Other Financing Sources (Uses)				
Transfers in	-	-	14,038	14,038
Total Other Financing Sources	-	-	14,038	14,038
Net Change in Fund Balance	\$ -	\$ -	31,944	\$ 31,944
Beginning fund balance			(31,944)	
Ending Fund Balance			\$ -	

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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 2,729,421	\$ 979,421
Investment income	25,000	25,000	25,532	532
Total Revenues	<u>1,775,000</u>	<u>1,775,000</u>	<u>2,754,953</u>	<u>979,953</u>
Expenditures				
Current:				
Personnel	240,480	240,480	134,467	106,013
Supplies	64,500	83,912	73,869	10,043
Contractual services	1,426,000	1,421,588	1,367,053	54,535
Capital:				
Capital outlay	100,000	211,775	210,896	879
Debt Service:				
Principal	4,000	4,000	101,289	(97,289)
Total Expenditures	<u>1,834,980</u>	<u>1,961,755</u>	<u>1,887,574</u>	<u>74,181</u>
Other Financing Sources (Uses)				
Transfers in	59,980	59,980	-	(59,980)
Total Other Financing Sources	<u>59,980</u>	<u>59,980</u>	<u>-</u>	<u>(59,980)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (126,775)</u>	867,379	<u>\$ 994,154</u>
Beginning fund balance			<u>1,922,005</u>	
Ending Fund Balance			<u>\$ 2,789,384</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Investment income	\$ 30,000	\$ 30,000	\$ 27,462	\$ (2,538)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>27,462</u>	<u>(2,538)</u>
Expenditures				
Current:				
Miscellaneous expense	-	142,000	140,601	1,399
Total Expenditures	<u>-</u>	<u>142,000</u>	<u>140,601</u>	<u>1,399</u>
Other Financing Sources (Uses)				
Transfers in	-	-	313,544	313,544
Transfers (out)	(30,000)	(150,000)	(149,578)	422
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(150,000)</u>	<u>163,966</u>	<u>313,966</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (262,000)</u>	50,827	<u>\$ 312,827</u>
Beginning fund balance			<u>(33,241)</u>	
Ending Fund Balance			<u>\$ 17,586</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, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures				
Current:				
Supplies	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>29,247</u>	
Ending Fund Balance			<u>\$ 29,247</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHAPTER NINETEEN FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,422	\$ 422
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,422</u>	<u>422</u>
Expenditures				
Current:				
Personnel	5,000	5,000	3,755	1,245
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,755</u>	<u>1,245</u>
Other Financing Sources (Uses)				
Transfers in	-	-	661	661
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>661</u>	<u>661</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,328	<u>\$ 2,328</u>
Beginning fund balance			(2,328)	
Ending Fund Balance			<u>\$ -</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT BUILDING SECURITY FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 7,700	\$ 7,700	\$ 5,711	\$ (1,989)
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>5,711</u>	<u>(1,989)</u>
Expenditures				
Current:				
Supplies	7,700	7,700	-	7,700
Total Expenditures	<u>7,700</u>	<u>7,700</u>	<u>-</u>	<u>7,700</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,711	<u>\$ 5,711</u>
Beginning fund balance			<u>12,073</u>	
Ending Fund Balance			<u>\$ 17,784</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS TECHNOLOGY FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 1,500	\$ 1,500	\$ 4,660	\$ 3,160
Total Revenues	1,500	1,500	4,660	3,160
Expenditures				
Current:				
Supplies	1,500	1,500	-	1,500
Total Expenditures	1,500	1,500	-	1,500
Net Change in Fund Balance	\$ -	\$ -	4,660	\$ 4,660
Beginning fund balance			3,341	
Ending Fund Balance			\$ 8,001	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRETRIAL INTERVENTION PROGRAMS FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 7,500	\$ 4,500
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>7,500</u>	<u>4,500</u>
Expenditures				
Current:				
Miscellaneous expenses	3,000	3,000	-	3,000
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7,500	<u>\$ 7,500</u>
Beginning fund balance			<u>3,000</u>	
Ending Fund Balance			<u>\$ 10,500</u>	

CHAMBERS COUNTY, TEXAS
*SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL*
CC/DC RECORD PRESERVATION FUND
 For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 2,500	\$ 2,500	\$ 8,656	\$ 6,156
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>8,656</u>	<u>6,156</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>	8,656	<u>\$ 8,656</u>
Beginning fund balance			<u>6,541</u>	
Ending Fund Balance			<u>\$ 15,197</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DC/CC TECHNOLOGY FUND
For the Year Ended December 31, 2011

	2011			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Fees	\$ 50	\$ 50	\$ 1,584	\$ 1,534
Total Revenues	<u>50</u>	<u>50</u>	<u>1,584</u>	<u>1,534</u>
Expenditures				
Current:				
Supplies	50	50	-	50
Total Expenditures	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,584	<u>\$ 1,584</u>
Beginning fund balance			<u>(128)</u>	
Ending Fund Balance			<u>\$ 1,456</u>	

CHAMBERS COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS

NONMAJOR PROPRIETARY FUNDS

December 31, 2011

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
<u>Assets</u>			
<u>Current Assets</u>			
Inventory	\$ 44,964	\$ 6,371	\$ 51,335
Prepaid expenses	-	93	93
Total Current Assets	44,964	6,464	51,428
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	1,469,569	141,000	1,610,569
Net depreciable	342,091	175,204	517,295
Total Noncurrent Assets	1,811,660	316,204	2,127,864
Total Assets	1,856,624	322,668	2,179,292
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	832	19,023	19,855
Total Liabilities	832	19,023	19,855
<u>Net Assets</u>			
Invested in capital assets	1,811,660	316,204	2,127,864
Unrestricted	44,132	(12,559)	31,573
Total Net Assets	\$ 1,855,792	\$ 303,645	\$ 2,159,437

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for services	\$ 204,994	\$ 390,353	\$ 595,347
Other services	1,641	3,295	4,936
Total Operating Revenues	<u>206,635</u>	<u>393,648</u>	<u>600,283</u>
<u>Operating Expenses</u>			
Personnel	107,660	369,029	476,689
Supplies	198,609	91,816	290,425
Contractual services	48,945	19,363	68,308
Depreciation	47,412	67,209	114,621
Total Operating Expenses	<u>402,626</u>	<u>547,417</u>	<u>950,043</u>
Operating (Loss)	<u>(195,991)</u>	<u>(153,769)</u>	<u>(349,760)</u>
Transfers in	<u>305,453</u>	<u>546,795</u>	<u>852,248</u>
Change in Net Assets	109,462	393,026	502,488
Beginning net assets	<u>1,746,330</u>	<u>(89,381)</u>	<u>1,656,949</u>
Ending Net Assets	<u>\$ 1,855,792</u>	<u>\$ 303,645</u>	<u>\$ 2,159,437</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, 2011

	<u>Airport</u>	<u>Golf Course</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 206,635	\$ 399,475	\$ 606,110
Payments to suppliers	(268,750)	(543,217)	(811,967)
Payments to employees	(244,252)	(369,029)	(613,281)
Net Cash (Used) by Operating Activities	<u>(306,367)</u>	<u>(512,771)</u>	<u>(819,138)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	305,453	546,795	852,248
Net Cash Provided by Noncapital Financing Activities	<u>305,453</u>	<u>546,795</u>	<u>852,248</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	914	(34,024)	(33,110)
Net Cash (Used) by Capital and Related Financing Activities	<u>914</u>	<u>(34,024)</u>	<u>(33,110)</u>
Net Change in Cash and Cash Equivalents	-	-	-
Beginning cash and cash equivalents	-	-	-
Ending Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended December 31, 2011

	Airport	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating (loss)	\$ (195,991)	\$ (153,769)	\$ (349,760)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	47,412	67,209	114,621
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Receivables	-	5,827	5,827
Inventory	(20,702)	(6,371)	(27,073)
Prepaid expenses	-	(11)	(11)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(494)	(2,495)	(2,989)
Due to other funds	(136,592)	(423,161)	(559,753)
Net Cash (Used) by Operating Activities	\$ (306,367)	\$ (512,771)	\$ (819,138)

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS (page 1 of 2)
December 31, 2011

	Undistributed Collections	Sheriff's Bond Escrow	Officials Escrow	Holding
<u>Assets</u>				
Cash and cash equivalents	\$ 176,297	\$ 8,683	\$ 71,232	\$ 53,903
Due from other units	-	-	-	-
Total Assets	\$ 176,297	\$ 8,683	\$ 71,232	\$ 53,903
<u>Liabilities</u>				
Due to other units	\$ 176,297	\$ 8,683	\$ 71,232	\$ 53,903
Total Liabilities	\$ 176,297	\$ 8,683	\$ 71,232	\$ 53,903

<u>V.I.T. Escrow</u>	<u>Historical Commission</u>	<u>County Clerk Trust</u>	<u>District Clerk Trust</u>	<u>Equalization School Tax</u>	<u>Co Attorney Seizures / Forfeitures</u>
\$ 1,700,116	\$ 17,279	\$ 261,844	\$ 1,062,128	\$ 295,573	\$ 7,185
-	-	-	-	2,082,901	-
<u>\$ 1,700,116</u>	<u>\$ 17,279</u>	<u>\$ 261,844</u>	<u>\$ 1,062,128</u>	<u>\$ 2,378,474</u>	<u>\$ 7,185</u>
\$ 1,700,116	\$ 17,279	\$ 261,844	\$ 1,062,128	\$ 2,378,474	\$ 7,185
<u>\$ 1,700,116</u>	<u>\$ 17,279</u>	<u>\$ 261,844</u>	<u>\$ 1,062,128</u>	<u>\$ 2,378,474</u>	<u>\$ 7,185</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS (page 2 of 2)
December 31, 2011

	State Fees	Chambers County Connection	District Attorney Seizure & Forfeiture	Frozen Sick Leave
<u>Assets</u>				
Cash and cash equivalents	\$ 295,264	\$ 21,870	\$ 626,964	\$ 93,943
Due from other units	-	-	-	-
Total Assets	\$ 295,264	\$ 21,870	\$ 626,964	\$ 93,943
<u>Liabilities</u>				
Due to other units	\$ 295,264	\$ 21,870	\$ 626,964	\$ 93,943
Total Liabilities	\$ 295,264	\$ 21,870	\$ 626,964	\$ 93,943

**Total Agency
Funds**

\$	4,598,338
	<u>2,082,901</u>
\$	<u><u>6,681,239</u></u>

\$	<u>6,681,239</u>
\$	<u><u>6,681,239</u></u>