

ANNUAL FINANCIAL REPORT

of

CHAMBERS COUNTY, TEXAS

For the Year Ended
December 31, 2013

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CHAMBERS COUNTY, TEXAS

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CHAMBERS COUNTY, TEXAS

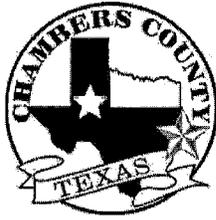
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INTRODUCTORY SECTION

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CHAMBERS COUNTY AUDITOR

Tony Sims P.O. Box 910 Anahuac, Texas 77514 (409) 267-2405

June 19, 2014

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

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, 2013.

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. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including 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 County operations 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 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, 2013 are free from material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates; and evaluating the overall presentation of the financial statements. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended December 31, 2013, 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 the County's financial statements 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 representation of the financial statements, but also on the County's internal controls and compliance with 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 the MD&A. The MD&A can be found in the Financial Section of the Annual Financial Report.

PROFILE OF THE COUNTY

The County was created in 1838 and is located in southeast Texas bordered by Harris, Jefferson, Galveston, and Liberty 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 2013.

The County operates as specified under the Constitution of the State of Texas, and in accordance with the provisions of the 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 the County includes all of the funds for 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 the 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, road and bridge, and other nonmajor special revenue 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 environment within which the County operates.

Local Economy – The County is diverse in its economic makeup. Government is a significant job source for the area, while additional employment focuses on agribusiness, including ranching, rice and soybean farming, and also the commercial fishing industry. Throughout the County, there are numerous petrochemical plants, construction and service industries, and a growing number of retail and manufacturing businesses, which all play a part in the County's economy. The County has several expansion projects that are under construction, and various others are anticipated over the next 5 years.

The increase in oil and gas production throughout Texas has resulted in several major plant expansion projects in West Chambers County in the Mont Belvieu area. Several RV park facilities started construction in 2013 in anticipation of over 10,000 temporary construction workers needed for the plant projects over the next 5 years.

In 2013, two major retail chains expanded into Chambers County. Tractor Supply opened their new store on the East side of the County in Winnie, and Wal-Mart started construction on their new store on the West side of the County in the Baytown / Mont Belvieu area.

The year 2000 census for the County reported the population at 26,031. The year 2010 census reported a population of 35,096. That reflects an increase of over 9,000 or almost 35%. The 2012 fiscal year total certified property values for Chambers County were set at \$5.89 billion; a 1.7 percent increase over the prior year. The 2013 fiscal year property values were certified at \$6.86 billion, a significant increase of 16.4 percent over fiscal year 2012. Preliminary 2014 values are reported to be \$ 7.29 billion on April 23, 2014.

Environmental - Environmentally, the 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 Bays host a rich wildlife community attracting hunters, bird watchers, and other outdoor 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 County Parks System 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, the County remains positioned for continued growth and prosperity.

Long-Term Financial Planning – The County records reflect a modest debt level and a much improved reserve level that have resulted from conservative fiscal management practices. The County practices conservative budgeting and adopted a fund balance policy that requires the County to maintain an unassigned fund balance in the general fund not less than 25% of annual expenditures. For fiscal year 2013, the County's unassigned general fund balance is sufficient to meet the fund requirement.

The County recognizes several long-term needs that continuously need studying and funding by Commissioners' Court. Road construction and other infrastructure projects will be necessary to facilitate growth in industry and population. Maintenance and improvement projects to County owned facilities were started in 2013 and continue into 2014 in order to increase courthouse security and to provide accommodations to citizens and visitors at the courthouse, courthouse annexes, and general use facilities. Two major road projects were initiated in 2012 and will continue construction through mid-2016.

Cash Management – The County annually adopts a formal investment policy that is consistent with the Public Funds Investment Act and Public Funds Collateral Act. The County follows the "prudent person rule" in investment decisions. The objectives of the County Investment Policy are to ensure the safety of the principal, to maintain adequate liquidity, and yield the highest possible return subject to the first two principals. Cash was invested according to policy guidelines in fiscal year 2013. The County depository contract is with Prosperity Bank, with local branches in Winnie, Texas and Mont Belvieu, Texas.

Risk Management – The County provides for property loss exposures through commercial insurance coverage, which includes: property damage on most facilities to include fire and extended coverage for 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 worker's compensation from a third-party administrator. A safety committee meets periodically to address safety issues and provide recommendations for Commissioners' Court consideration. The safety committee consists of at least one employee representative from each major County department. Additionally, in 2013 Commissioners' Court designated a full time safety coordinator to supervise safety improvement initiatives.

Pension and Other Post-Employment Benefits – The County provides retirement, disability, and death benefits for all its employees through a non-traditional 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 monetary credits is adopted within the actuarial constraints imposed by the TCDRS Act, and with a focus on the funded ratio, so that the resulting benefits can be expected to be

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Sims', is positioned above the typed name.

Tony Sims
County Auditor

CHAMBERS COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2013

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:

Scott Peal	County Attorney
Heather H. Hawthorne	County Clerk

JUSTICE COURTS:

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

LAW ENFORCEMENT:

Brian Hawthorne	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:

Denise Hutter	Tax Assessor/Collector
Nicole Whittington	County Treasurer
Tony Sims	County Auditor*

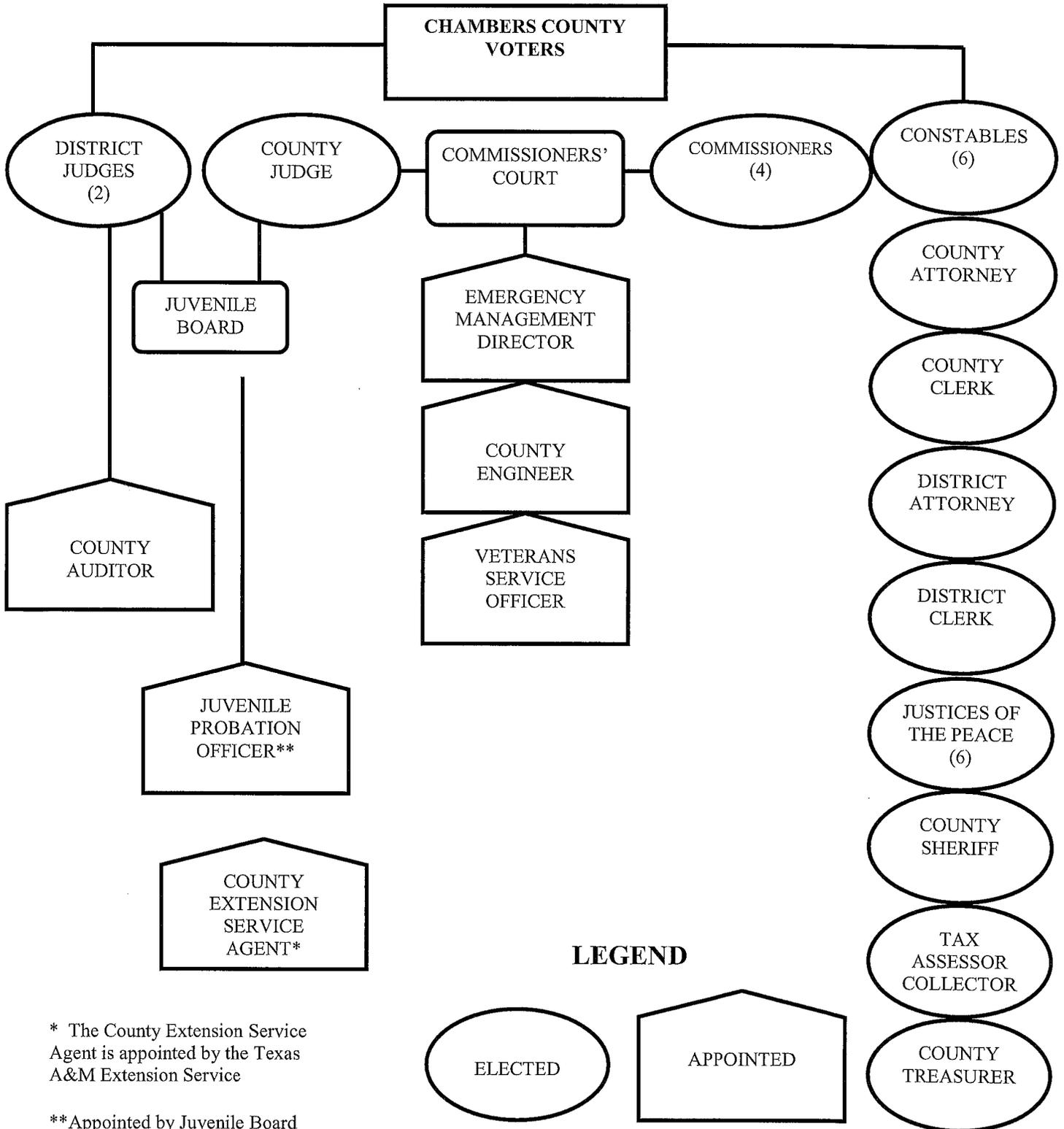
*Designated appointed official. All others are elected.

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CHAMBERS COUNTY, TEXAS

ORGANIZATIONAL CHART

December 31, 2013



* 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:

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

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accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining statements and schedules are presented for purposes of additional analysis and are not required parts of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated, June 19, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
June 19, 2014

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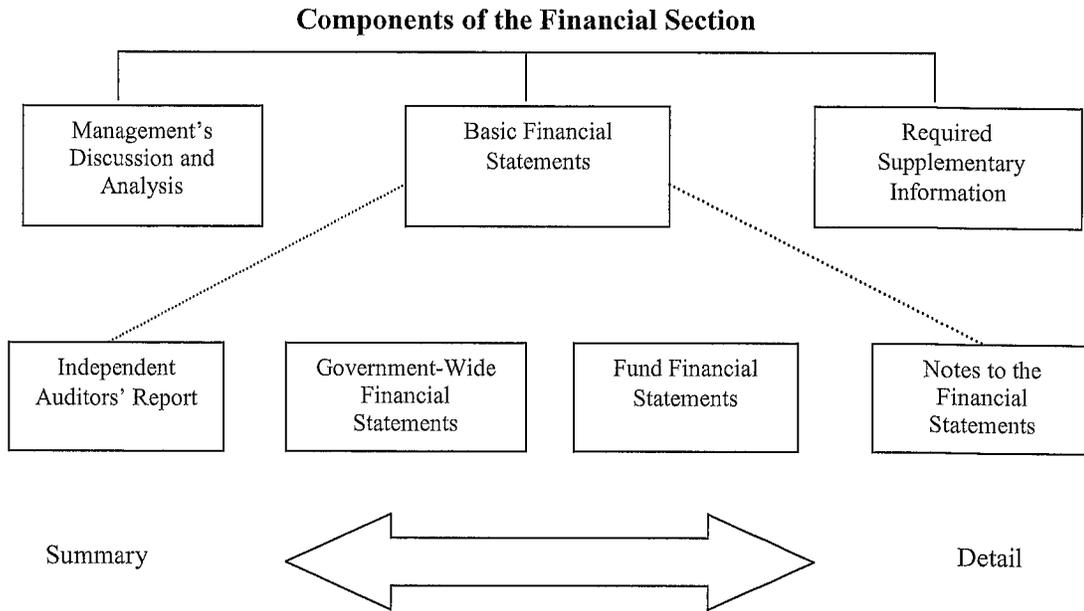
MANAGEMENT'S DISCUSSION AND ANALYSIS

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CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Chambers County, Texas (the "County") for the year ending December 31, 2013. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County 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 in order to assess the overall health of the County.

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities are reported as two classes of activity:

1. *Governmental Activities* – Most of the County's basic services are reported here including general government, public safety, administration of justice, road and bridges, community enrichment, health and human services and tax administration. Interest payments on the County's debt are also reported here. Sales tax, property tax, fees, fines and forfeitures and other revenue finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported within this class. These services include the County's solid waste collection, airport, and golf course.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The three categories of County funds are governmental, proprietary, and fiduciary.

Governmental Funds

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

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

The County maintains 60 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road and bridge, debt service, CDBG disaster recovery non-housing, and capital project 99 construction funds, which are considered to be major funds for reporting purposes.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

The County adopts an annual appropriated budget for its general, road and bridge, debt service and select special revenue funds. A budgetary comparison schedule has been provided for the general, road and bridge, debt service and select special revenue funds to demonstrate compliance with these budgets.

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. The proprietary fund financial statements provide separate information for the solid waste collection, airport, and golf course. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains fourteen fiduciary funds. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general and road and bridge funds and schedules of funding progress for the Texas County and District Retirement System and post employment healthcare benefits. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$53,650,202 as of December 31, 2013. This compares with \$48,739,898 from the prior fiscal year. A portion of the County's net position, 57% reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any 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 assets themselves cannot be used to liquidate these liabilities.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2013			2012		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 77,665,155	\$ 3,127,076	\$ 80,792,231	\$ 71,596,296	\$ 2,941,509	\$ 74,537,805
Capital assets, net	34,911,221	4,745,715	39,656,936	27,841,513	3,995,536	31,837,049
Total Assets	112,576,376	7,872,791	120,449,167	99,437,809	6,937,045	106,374,854
Deferred outflows of resources	201,116	-	201,116	212,289	-	212,289
Total Deferred Outflows of Resources	201,116	-	201,116	212,289	-	212,289
Other liabilities	3,666,233	121,101	3,787,334	9,389,044	151,512	9,540,556
Long-term liabilities	24,811,442	5,688,048	30,499,490	10,817,956	5,895,292	16,713,248
Total Liabilities	28,477,675	5,809,149	34,286,824	20,207,000	6,046,804	26,253,804
Deferred inflows of resources	32,713,257	-	32,713,257	31,593,441	-	31,593,441
Total Deferred Inflows of Resources	32,713,257	-	32,713,257	31,593,441	-	31,593,441
Net position:						
Net investment in capital assets	25,989,418	4,745,715	30,735,133	28,984,858	3,995,536	32,980,394
Restricted	22,712,444	-	22,712,444	12,362,622	-	12,362,622
Unrestricted	2,884,698	(2,682,073)	202,625	6,502,177	(3,105,295)	3,396,882
Total Net Position	\$ 51,586,560	\$ 2,063,642	\$ 53,650,202	\$ 47,849,657	\$ 890,241	\$ 48,739,898

A portion of the County's net position, \$22,712,444 or 42 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was \$202,625 and may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position increased by \$4,910,304 during the current fiscal year. The County experienced an increase in property taxes revenue, as well as decreases in expenditures in health and welfare, financial administration, law enforcement and public safety, and the transportation departments during the year. There was also a decrease in transfers from general governmental activities to business-type activities of \$1,850,131 from the prior year.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

Statement of Activities

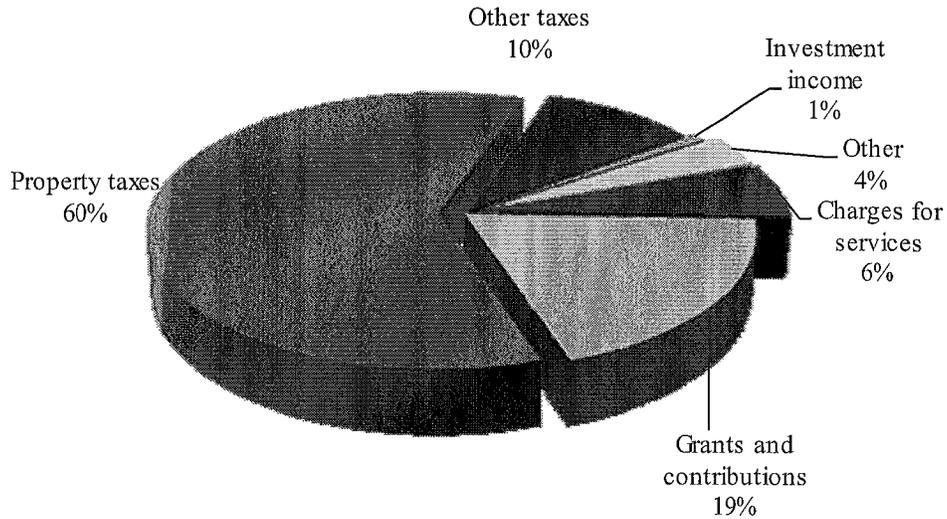
The following table provides a summary of the County's changes in net position:

	For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,210,015	\$ 1,035,162	\$ 4,245,177	\$ 3,103,654	\$ 973,663	\$ 4,077,317
Grants and contributions	10,153,534	-	10,153,534	14,045,706	-	14,045,706
General revenues:						
Property taxes	31,699,105	-	31,699,105	28,139,419	-	28,139,419
Other taxes	5,106,583	-	5,106,583	3,883,005	-	3,883,005
Investment income	496,431	-	496,431	879,903	-	879,903
Other	1,949,869	-	1,949,869	5,279,970	-	5,279,970
Total Revenues	52,615,537	1,035,162	53,650,699	55,331,657	973,663	56,305,320
Expenses						
General government	14,427,659	-	14,427,659	12,685,354	-	12,685,354
Financial administration	1,631,657	-	1,631,657	1,811,306	-	1,811,306
Justice system	4,621,953	-	4,621,953	4,684,814	-	4,684,814
Health and welfare	14,260,690	-	14,260,690	16,544,385	-	16,544,385
Culture and recreational	210,665	-	210,665	2,722,581	-	2,722,581
Law enforcement and public safety	4,739,784	-	4,739,784	6,878,454	-	6,878,454
Transportation	5,406,673	-	5,406,673	7,275,869	-	7,275,869
Interest and other	182,628	-	182,628	252,296	-	252,296
Solid waste	-	2,310,814	2,310,814	-	3,786,197	3,786,197
Airport	-	369,615	369,615	-	462,586	462,586
Golf course	-	578,257	578,257	-	562,585	562,585
Total Expenses	45,481,709	3,258,686	48,740,395	52,855,059	4,811,368	57,666,427
Change in Net Position Before Transfers	7,133,828	(2,223,524)	4,910,304	2,476,598	(3,837,705)	(1,361,107)
Transfers in (out)	(3,396,925)	3,396,925	-	(5,247,056)	5,247,056	-
Change in Net Position	3,736,903	1,173,401	4,910,304	(2,770,458)	1,409,351	(1,361,107)
Beginning net position	47,849,657	890,241	48,739,898	50,620,115	(519,110)	50,101,005
Ending Net Position	\$ 51,586,560	\$ 2,063,642	\$ 53,650,202	\$ 47,849,657	\$ 890,241	\$ 48,739,898

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

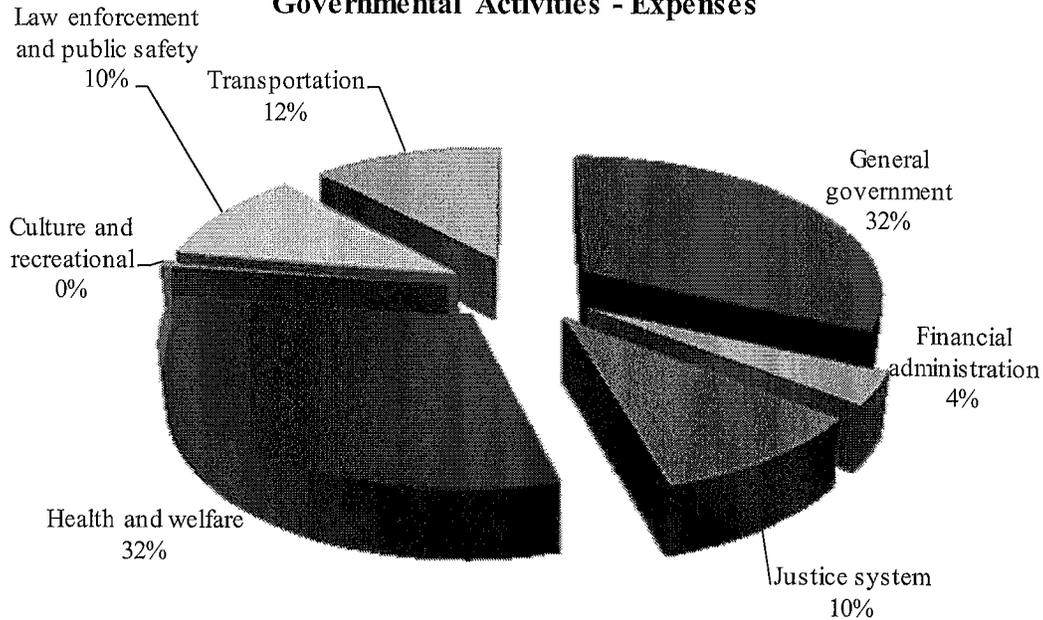
Graphic presentations of selected data from the summary tables follow to assist in the analysis of the County's activities.

Governmental Activities - Revenues



Total governmental activity revenues decreased \$2,716,120 from the prior year. This decrease is primarily due to a decrease in grant and contributions.

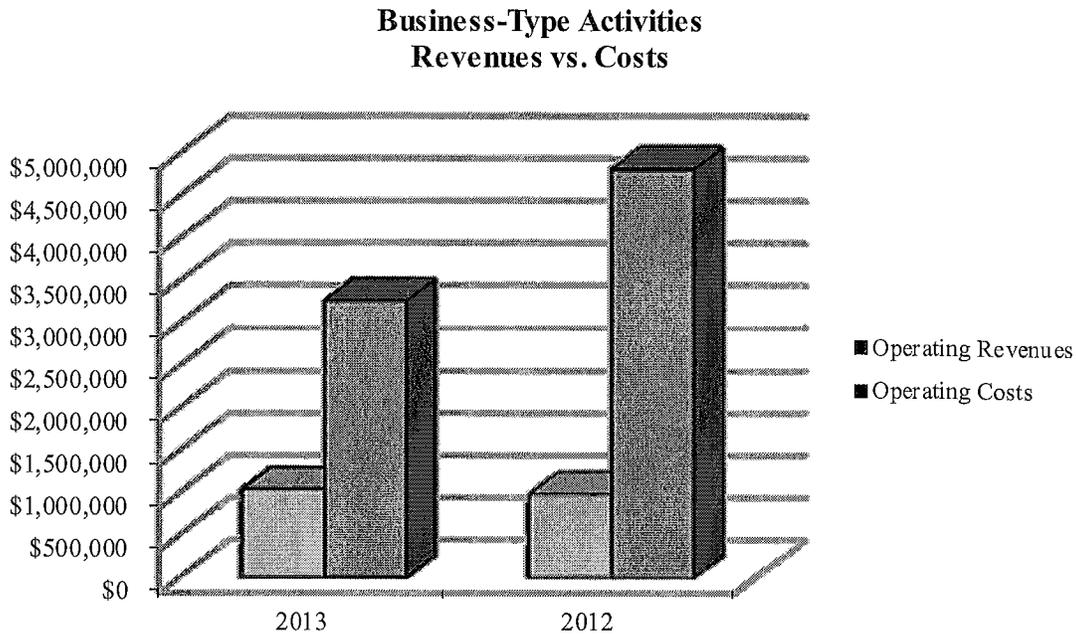
Governmental Activities - Expenses



Governmental expenses have decreased by \$7,373,350 from the prior year primarily due to the reduction of health and welfare, law enforcement and public safety, and transportation expenses.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

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



For the year ended December 31, 2013, revenues from governmental activities totaled \$42,462,003, excluding \$10,153,534 in operating grants and contributions, compared with \$41,285,951 in the prior year, excluding \$14,045,706 in operating grants and contributions. This net increase of \$1,176,052 occurred as the result of \$3,559,686 in additional property tax revenue offset by various decreases in other revenues.

Investment earnings decreased in the current year due to the decrease in investments and low interest rates. Investment earnings decreased by \$383,472 which is a decrease of 44% from the prior year.

Governmental expenses decreased by \$7,373,350. This decrease is primarily due to decreases in expenses related to health and welfare, culture and recreational, law enforcement and public safety, and transportation. The large decrease in health and welfare and culture and recreational expenses are related to the CDBG grant expenses in the prior year. Law enforcement and public safety and transportation expenses decreased as a result of increased capitalized costs related to construction in progress.

Overall, total business-type revenues increased by \$61,499 from the prior year. This is due to the increase of solid waste related revenue. Expenses decreased by \$1,552,682 from the prior year, primarily due to new cell development in solid waste causing the reduction in closure and post closure costs.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

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 spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the 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 \$38,221,885. Of this, \$15,045,691 is unassigned and available for day-to-day operations of the County, \$2,742,163 is restricted for trusts and endowments, \$761,834 is restricted for debt service, \$450,195 is restricted for grants, \$9,056,516 is restricted for special projects and \$9,701,736 is restricted for capital projects. The County also has \$155,499 and \$308,251 classified as nonspendable for inventories and prepaids.

There was an increase in the combined fund balance of \$4,231,841 from the prior year. The road and bridge fund and debt service experienced an increase of \$473,825 and \$458,356, respectively. The increases are due primarily to the increase in property taxes in debt service fund and a reduction in capital outlay in road and bridge fund.

The CDBG grant for non housing received \$5,859,599 in operating grants during the fiscal year. The grant revenue was offset by the expenses related to this grant leaving no net change to fund balance in the CDBG disaster recovery-nonhousing fund. The capital project 99 construction fund's total revenue, including transfers in, were offset by total expenditures leaving a positive net change to fund balance of \$2,225,011. This change was due to the remainder of the tax note proceeds received during the year .

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,045,691, and total fund balance was \$15,491,099. 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 fund expenditures. Unassigned fund balance represents 63.7% of total general fund expenditures, while total fund balance represents 65.6% of total fund expenditures.

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 \$2,439,106 during the year. This increase is primarily attributable to more taxes and fees received than the anticipated amount in the final budget. Actual expenditures were \$388,378 less than budgeted. Overall, the general fund had a total positive budget variance of \$2,827,484 before operating transfers.

CAPITAL ASSETS

At the end of the year, the County's governmental activities funds had invested \$34,911,221 in a variety of capital assets and infrastructure, net of depreciation.

CHAMBERS COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

Major capital asset events during the year included the following:

- New equipment and improvements for general government for \$2,730,860;
- New equipment and improvements for law enforcement and public safety for \$4,076,849;
- Construction in progress for the Kilgore parkway of \$2,202,492.

More detailed information about the County's capital assets is presented in note III. C 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 \$20,551,648.

All of the County's bond issues have been successful in qualifying for bond insurance resulting in rating of "A1" by Moody's.

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

ECONOMIC FACTORS

Economic conditions in Chambers County continued to improve during the fiscal year 2013. Sales tax increased during the year and the County expects this amount to continue to increase over the next few years based on the growth in the County. Certified net taxable value continues to increase at a very favorable rate and the collection rate remains high. The County anticipates property tax revenue to continue to increase with the rise of industry in the County. The County's five year average annual taxable value growth is at 2.2 percent.

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 Tony Sims, County Auditor, Chambers County, 404 Washington Ave., Anahuac, Texas 77514.

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BASIC FINANCIAL STATEMENTS

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CHAMBERS COUNTY, TEXAS

STATEMENT OF NET POSITION

December 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 38,770,133	\$ 2,970,610	\$ 41,740,743
Receivables, net	33,008,812	50,391	33,059,203
Internal balances	21,843	(21,843)	-
Due from other governments	1,538,219	-	1,538,219
Inventory	155,499	107,944	263,443
Prepays	308,251	19,974	328,225
Restricted cash and cash equivalents	3,862,398	-	3,862,398
Total Current Assets	77,665,155	3,127,076	80,792,231
Capital assets:			
Non-depreciable	9,927,777	1,782,939	11,710,716
Net depreciable capital assets	24,983,444	2,962,776	27,946,220
	34,911,221	4,745,715	39,656,936
Total Assets	112,576,376	7,872,791	120,449,167
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	201,116	-	201,116
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	3,597,356	121,101	3,718,457
Accrued interest payable	68,877	-	68,877
Total Current Liabilities	3,666,233	121,101	3,787,334
Noncurrent liabilities:			
Due within one year	3,913,995	-	3,913,995
Due in more than one year	20,897,448	5,688,048	26,585,496
Total Noncurrent Liabilities	24,811,442	5,688,048	30,499,490
Total Liabilities	28,477,675	5,809,149	34,286,824
<u>Deferred Inflows of Resources</u>			
Property taxes	32,713,257	-	32,713,257
<u>Net Position</u>			
Net investment in capital assets	25,989,418	4,745,715	30,735,133
Restricted for:			
Endowments/trusts	2,742,163	-	2,742,163
Road and bridge	476,725	-	476,725
Debt service	761,834	-	761,834
Grants	450,195	-	450,195
Special projects	9,056,516	-	9,056,516
Capital projects	9,225,011	-	9,225,011
Unrestricted	2,884,698	(2,682,073)	202,625
Total Net Position	\$ 51,586,560	\$ 2,063,642	\$ 53,650,202

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 14,427,659	\$ 1,732,731	\$ 1,054,971
Financial administration	1,631,657	-	-
Justice system	4,621,953	328,078	247,581
Health and welfare	14,260,690	-	8,711,755
Culture and recreational	210,665	-	129,070
Law enforcement and public safety	4,739,784	58,838	-
Transportation	5,406,673	1,090,368	10,157
Interest and other	182,628	-	-
Total Governmental Activities	45,481,709	3,210,015	10,153,534
Business-Type Activities			
Solid waste	2,310,814	438,446	-
Airport	369,615	161,126	-
Golf course	578,257	435,590	-
Total Business-Type Activities	3,258,686	1,035,162	-
Total Primary Government	\$ 48,740,395	\$ 4,245,177	\$ 10,153,534

General Revenues:

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

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (11,639,957)	\$ -	\$ (11,639,957)
(1,631,657)	-	(1,631,657)
(4,046,294)	-	(4,046,294)
(5,548,935)	-	(5,548,935)
(81,595)	-	(81,595)
(4,680,946)	-	(4,680,946)
(4,306,148)	-	(4,306,148)
(182,628)	-	(182,628)
<u>(32,118,160)</u>	<u>-</u>	<u>(32,118,160)</u>
-	(1,872,368)	(1,872,368)
-	(208,489)	(208,489)
-	(142,667)	(142,667)
<u>-</u>	<u>(2,223,524)</u>	<u>(2,223,524)</u>
<u>(32,118,160)</u>	<u>(2,223,524)</u>	<u>(34,341,684)</u>
31,699,105	-	31,699,105
5,106,583	-	5,106,583
496,431	-	496,431
1,949,869	-	1,949,869
(3,396,925)	3,396,925	-
<u>35,855,063</u>	<u>3,396,925</u>	<u>39,251,988</u>
3,736,903	1,173,401	4,910,304
<u>47,849,657</u>	<u>890,241</u>	<u>48,739,898</u>
<u>\$ 51,586,560</u>	<u>\$ 2,063,642</u>	<u>\$ 53,650,202</u>

CHAMBERS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2013

	General	Road and Bridge	Debt Service	CDBG Dis. Rec. Non-Housing
<u>Assets</u>				
Cash and cash equivalents	\$ 16,614,256	\$ 1,411,734	\$ -	\$ -
Receivables, net	21,439,712	5,331,687	3,433,791	-
Due from other funds	691,812	-	-	-
Due from other governments	986,883	241,316	145,552	-
Prepays	308,251	-	-	-
Inventory	137,157	18,342	-	-
Restricted cash and cash equivalents	-	-	1,120,235	-
Total Assets	\$ 40,178,071	\$ 7,003,079	\$ 4,699,578	\$ -
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 781,292	\$ 405,376	\$ -	\$ -
Due to other funds	7,238	-	-	-
Total Liabilities	788,530	405,376	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	23,898,442	6,102,636	3,937,744	-
<u>Fund Balances</u>				
Nonspendable:				
Inventory	137,157	18,342	-	-
Prepays	308,251	-	-	-
Restricted:				
Endowments/trusts	-	-	-	-
Debt service	-	-	761,834	-
Grants	-	-	-	-
Special projects	-	-	-	-
Capital projects	-	476,725	-	-
Unassigned	15,045,691	-	-	-
Total Fund Balances	15,491,099	495,067	761,834	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 40,178,071	\$ 7,003,079	\$ 4,699,578	\$ -

See Notes to Financial Statements.

Capital Project 99 Construction	Nonmajor Governmental	Total Governmental Funds
\$ 11,387,430	\$ 8,822,932	\$ 38,236,352
-	896,530	31,101,720
-	7,238	699,050
-	164,468	1,538,219
-	-	308,251
-	-	155,499
-	2,742,163	3,862,398
<u>\$ 11,387,430</u>	<u>\$ 12,633,331</u>	<u>\$ 75,901,489</u>

\$ 1,665,806	\$ 211,101	\$ 3,063,575
496,613	173,356	677,207
<u>2,162,419</u>	<u>384,457</u>	<u>3,740,782</u>

-	-	33,938,822
---	---	------------

-	-	155,499
-	-	308,251
-	2,742,163	2,742,163
-	-	761,834
-	450,195	450,195
-	9,056,516	9,056,516
9,225,011	-	9,701,736
-	-	15,045,691
<u>9,225,011</u>	<u>12,248,874</u>	<u>38,221,885</u>
<u>\$ 11,387,430</u>	<u>\$ 12,633,331</u>	<u>\$ 75,901,489</u>

CHAMBERS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
December 31, 2013

Fund balances - total governmental funds		\$ 38,221,885
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Certain accounts receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.		1,907,092
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Nondepreciable capital assets		9,927,777
Depreciable capital assets		54,390,107
Accumulated depreciation		(29,406,663)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred revenue - delinquent property taxes		1,225,565
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		(68,877)
Deferred charge on refunding		201,116
Long-term liabilities due within one year		(3,913,995)
Long-term liabilities due in more than one year		(20,897,448)
Net Position of Governmental Activities	\$	<u>51,586,560</u>

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, 2013

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>	<u>CDBG Dis. Rec. Non-Housing</u>
Revenues				
Taxes	\$ 22,165,852	\$ 5,660,232	\$ 3,900,165	\$ -
Intergovernmental	630,737	10,157	-	5,859,599
Fees	1,120,142	666,514	-	-
Fines and forfeitures	725,857	423,854	-	-
Investment income	317,370	34,135	79	-
Other	1,347,214	146,830	-	-
Total Revenues	<u>26,307,172</u>	<u>6,941,722</u>	<u>3,900,244</u>	<u>5,859,599</u>
Expenditures				
Current:				
General government	6,069,730	-	-	-
Financial administration	1,630,526	-	-	-
Justice system	4,024,424	-	-	-
Health and welfare	2,108,682	-	-	5,859,599
Culture and recreational	1,809,263	-	-	-
Law enforcement and public safety	6,928,501	-	-	-
Transportation	-	6,459,284	-	-
Capital:				
Capital outlay	810,529	-	-	-
Debt service:				
Principal	250,473	8,613	3,265,000	-
Interest and fiscal charges	-	-	176,888	-
Debt issuance costs	-	-	-	-
Total Expenditures	<u>23,632,128</u>	<u>6,467,897</u>	<u>3,441,888</u>	<u>5,859,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,675,044	473,825	458,356	-
Other Financing Sources (Uses)				
Capital leases	210,824	-	-	-
Debt issued	-	-	-	-
Transfers in	380,694	-	-	-
Transfers (out)	(2,405,601)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,814,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	860,961	473,825	458,356	-
Beginning fund balances	14,630,138	21,242	303,478	-
Ending Fund Balances	<u>\$ 15,491,099</u>	<u>\$ 495,067</u>	<u>\$ 761,834</u>	<u>\$ -</u>

See Notes to Financial Statements.

Capital Project 99 Construction	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ 5,106,583	\$ 36,832,832
-	3,653,041	10,153,534
-	262,936	2,049,592
-	123,980	1,273,691
58,436	82,023	492,043
-	455,825	1,949,869
<u>58,436</u>	<u>9,684,388</u>	<u>52,751,561</u>
-	2,015,713	8,085,443
-	-	1,630,526
-	575,317	4,599,741
-	6,081,017	14,049,298
-	267,317	2,076,580
-	64,888	6,993,389
-	-	6,459,284
6,055,694	189,987	7,056,210
-	418	3,524,504
-	-	176,888
150,675	-	150,675
<u>6,206,369</u>	<u>9,194,657</u>	<u>54,802,538</u>
(6,147,933)	489,731	(2,050,977)
-	-	210,824
9,750,000	-	9,750,000
-	309,639	690,333
<u>(1,377,056)</u>	<u>(585,682)</u>	<u>(4,368,339)</u>
<u>8,372,944</u>	<u>(276,043)</u>	<u>6,282,818</u>
2,225,011	213,688	4,231,841
<u>7,000,000</u>	<u>12,035,186</u>	<u>33,990,044</u>
<u>\$ 9,225,011</u>	<u>\$ 12,248,874</u>	<u>\$ 38,221,885</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, 2013

Net changes in fund balances - total governmental funds \$ 4,231,841

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

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	9,524,683
Depreciation expense	(2,405,254)
Net effect of capital disposals	(49,721)

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

Deferred revenue	(27,144)
Fines and fees receivable	(113,268)

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

Capital leases	(210,824)
Bonds issued	(9,750,000)
Principal payment	3,495,877
Amortization of deferred charges	(6,078)

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. These adjustments reflect the net change in interest payable on the accrual basis of accounting and the net change in compensated absences and OPEB.

Accrued interest payable	(10,835)
Net OPEB obligation	(839,747)
Compensated absences	17,701

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.

(120,328)

Change in Net Position of Governmental Activities **\$ 3,736,903**

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2013

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor	Total Funds	Internal Service
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 2,872,628	\$ 97,982	\$ 2,970,610	\$ 533,781
Receivables, net	50,391	-	50,391	-
Inventory	13,498	94,446	107,944	-
Prepaid items	18,100	1,874	19,974	-
Total Current Assets	2,954,617	194,302	3,148,919	533,781
Noncurrent assets:				
Capital assets:				
Non-depreciable	172,370	1,610,569	1,782,939	-
Net depreciable	2,196,283	766,493	2,962,776	-
Total Noncurrent Assets	2,368,653	2,377,062	4,745,715	-
Total Assets	5,323,270	2,571,364	7,894,634	533,781
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	81,671	39,430	121,101	521
Medical claims liability	-	-	-	533,260
Due to other funds	19,705	2,138	21,843	-
Total Current Liabilities	101,376	41,568	142,944	533,781
Noncurrent liabilities:				
Landfill closure and postclosure care	5,688,048	-	5,688,048	-
Total Noncurrent Liabilities	5,688,048	-	5,688,048	-
Total Liabilities	5,789,424	41,568	5,830,992	533,781
<u>Net Position</u>				
Net investment in capital assets	2,368,653	2,377,062	4,745,715	-
Unrestricted (deficit)	(2,834,807)	152,734	(2,682,073)	-
Total Net Position	\$ (466,154)	\$ 2,529,796	\$ 2,063,642	\$ -

See Notes to Financial Statements.

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

For the Year Ended December 31, 2013

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Solid</u>			<u>Activities</u>
	<u>Waste</u>	<u>Nonmajor</u>	<u>Total Funds</u>	<u>Internal</u>
				<u>Service</u>
<u>Operating Revenues</u>				
Charges for services	\$ 184,317	\$ 592,493	\$ 776,810	\$ 4,330,018
Other services	90,609	4,223	94,832	-
Other	163,520	-	163,520	-
Total Operating Revenues	438,446	596,716	1,035,162	4,330,018
<u>Operating Expenses</u>				
Personnel	1,278,340	516,112	1,794,452	-
Supplies	234,239	260,567	494,806	-
Contractual services	402,687	83,145	485,832	-
Depreciation	344,485	88,048	432,533	-
Administration	-	-	-	755,411
Claims	-	-	-	3,815,589
HAS accounts	-	-	-	43,541
Premiums	-	-	-	121,274
Total Operating Expenses	2,259,751	947,872	3,207,623	4,735,815
Operating (Loss)	(1,821,305)	(351,156)	(2,172,461)	(405,797)
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	-	-	-	4,388
Loss on sale of asset	(51,063)	-	(51,063)	-
Total Nonoperating Revenues (Expenses)	(51,063)	-	(51,063)	4,388
(Loss) Before Transfers	(1,872,368)	(351,156)	(2,223,524)	(401,409)
Transfers in	2,759,851	637,074	3,396,925	281,081
Change in Net Position	887,483	285,918	1,173,401	(120,328)
Beginning net position	(1,353,637)	2,243,878	890,241	120,328
Ending Net Position	\$ (466,154)	\$ 2,529,796	\$ 2,063,642	\$ -

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended December 31, 2013

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor	Total Funds	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 283,247	\$ 596,149	\$ 879,396	\$ -
Receipts from premium revenues	-	-	-	4,330,018
Payments to suppliers	(515,469)	(382,668)	(898,137)	-
Payments to employees	(1,485,584)	(515,399)	(2,000,983)	-
Payments for other expenses	-	-	-	(164,815)
Payments for claims	-	-	-	(3,775,254)
Payments for administration fees	-	-	-	(755,411)
Net Cash (Used) by Operating Activities	(1,717,806)	(301,918)	(2,019,724)	(365,462)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	2,759,851	637,074	3,396,925	281,081
Net Cash Provided by Noncapital Financing Activities	2,759,851	637,074	3,396,925	281,081
<u>Cash Flows from Capital and Related Financing Activities</u>				
Loss on capital asset	(51,063)	-	(51,063)	-
Capital purchases	(945,538)	(237,174)	(1,182,712)	-
Net Cash (Used) by Capital and Related Financing Activities	(996,601)	(237,174)	(1,233,775)	-
<u>Cash Flows from Investing Activities</u>				
Interest on investments	-	-	-	4,388
Net Cash Provided by Investing Activities	-	-	-	4,388
Net Increase (Decrease) in Cash and Cash Equivalents	45,444	97,982	143,426	(79,993)
Beginning cash and cash equivalents	2,827,184	-	2,827,184	613,774
Ending Cash and Cash Equivalents	\$ 2,872,628	\$ 97,982	\$ 2,970,610	\$ 533,781

CHAMBERS COUNTY, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended December 31, 2013

	Business-Type Activities			Governmental Activities
	Solid Waste	Nonmajor	Total Funds	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating (loss)	\$ (1,821,305)	\$ (351,156)	\$ (2,172,461)	\$ (405,797)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:				
Depreciation	344,485	88,048	432,533	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Receivables, net	8,321	-	8,321	-
Inventory	4,008	(57,519)	(53,511)	-
Prepaid items	(17,093)	(1,701)	(18,794)	-
Increase (Decrease) in:				
Accounts payable and accrued liabilities	(48,683)	18,272	(30,411)	521
Landfill closure and postclosure care	(207,244)	-	(207,244)	-
Medical claims liability	-	-	-	55,212
Due to other funds	19,705	2,138	21,843	(15,398)
	<u>19,705</u>	<u>2,138</u>	<u>21,843</u>	<u>(15,398)</u>
Net Cash (Used) by Operating Activities	<u>\$ (1,717,806)</u>	<u>\$ (301,918)</u>	<u>\$ (2,019,724)</u>	<u>\$ (365,462)</u>

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
December 31, 2013

	<u>Total Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 5,673,611
Due from other units	<u>2,717,180</u>
Total Assets	<u>\$ 8,390,791</u>
 <u>Liabilities</u>	
Due to other units	<u>\$ 8,390,791</u>
Total Liabilities	<u>\$ 8,390,791</u>

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

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 2013: the Chambers County Economic Industrial Development Corporation and the Chambers County Cedar Bayou Navigation District.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund. The principal sources of revenues include local property taxes, fees, fines and forfeitures, and investment income. Disbursements include general government, financial administration, justice system, health and human welfare, culture and recreational, law enforcement and public safety, and transportation. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted to expenditures for principal and interest. 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.

The *permanent fund* is used to account for and report financial resources that are 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 a nonmajor fund:

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.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

The following *special revenue funds* are considered major funds for reporting purposes:

Road and Bridge Fund – This fund is used to account for receipts of property taxes levied and vehicle registration fees. 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.

CDBG Disaster Recovery – Non-Housing – This fund is used to account for receipts of grant funds. Uses of funds are restricted for the grant expenditures associated with this grant project.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds:

Capital Project 99 – This fund is used to account for the 2012 and 2013 tax note proceeds. Uses of funds are restricted for the purpose of providing construction and improvement of County roads and bridges, road and bridge equipment, County park improvements, construction and improvement of County buildings, acquisition of vehicles and paying costs of issuance.

The County reports the following enterprise funds:

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.

Additionally, the County reports the following fund types:

Internal service funds account 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 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.

Fiduciary funds are used to account for resources held for the benefits of parties outside the County. The County maintains one 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, 2013

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized invest in:

- a) obligations of the United States or its agencies and instrumentalities;
- b) direct obligations of the State of Texas or its agencies and instrumentalities;
- c) 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;
- d) certificates of deposit issued by state and national banks or savings and loans domiciled in Texas in accordance with specific criteria.
- e) Public funds investment pool.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the permanent fund are restricted for specific purposes.

5. 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. Capital assets are defined by the County 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, 2013

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Infrastructure	15 to 35 years
Buildings and improvements	5 to 50 years
Machinery and equipment	3 to 30 years

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government - wide level, the County reports a deferred inflow of resources for that portion of property taxes that was collected for use in the subsequent period.

7. 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.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts 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. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general, road and bridge, school equalization and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a capital lease 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 applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

10. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County auditor may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through June 30
- Lien date – July 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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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, and debt service fund 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 County-wide 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 discretion, 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. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted account principals (GAAP) except the capital projects funds, which adopt a project length budget. The original budget is adopted by the Commissioners' Court prior to the beginning of the fiscal 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.

Budgets are adopted on a GAAP basis for all budgeted funds. Several supplemental budget appropriations were made for the year ended December 31, 2013.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2013, 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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

deposit at the depository bank to be collateralized by securities and FDIC insurance. As of December 31, 2013, market values of pledged securities and FDIC insurance exceeded bank balances.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns.

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	\$ 20,914,624	\$ 5,343,349	\$ 3,438,708	\$ -	\$ -	\$ 29,696,681
Other taxes	-	-	-	872,807	-	872,807
Other receivables	567,784	-	-	23,723	-	591,507
Accounts	-	-	-	-	50,391	50,391
(Allowance)	(42,696)	(11,662)	(4,917)	-	-	(59,275)
Total	<u>\$ 21,439,712</u>	<u>\$ 5,331,687</u>	<u>\$ 3,433,791</u>	<u>\$ 896,530</u>	<u>\$ 50,391</u>	<u>\$ 31,152,111</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

C. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2013 is as follows:

	Beginning Balance*	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,168,280	\$ -	\$ -	\$ 2,168,280
Construction in progress	2,156,514	7,228,468	(1,625,485)	7,759,497
Total capital assets not being depreciated	4,324,794	7,228,468	(1,625,485)	9,927,777
Other capital assets:				
Buildings and improvements	23,145,243	2,132,523	-	25,277,766
Machinery and equipment	17,362,907	1,789,178	(335,299)	18,816,786
Infrastructure	10,295,555	-	-	10,295,555
Total other capital assets	50,803,705	3,921,701	(335,299)	54,390,107
Less accumulated depreciation for:				
Buildings and improvements	(11,820,421)	(652,499)	-	(12,472,920)
Machinery and equipment	(10,508,277)	(1,410,465)	285,578	(11,633,164)
Infrastructure	(4,958,289)	(342,290)	-	(5,300,579)
Total accumulated depreciation	(27,286,987)	(2,405,254)	285,578	(29,406,663)
Other capital assets, net	23,516,718	1,516,447	(49,721)	24,983,444
Governmental Activities Capital Assets, Net	\$ 27,841,512	\$ 8,744,915	\$ (1,675,206)	34,911,221
			Less associated debt	(20,551,648)
			Plus unspent bond proceeds	11,428,729
			Plus deferred charge on refunding	201,116
			Net investment in capital assets	\$ 25,989,418

* Beginning balances were restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 373,593
Financial administration	1,131
Justice system	22,212
Health and welfare	248,933
Culture and recreational	243,550
Law enforcement/public safety	342,452
Transportation	1,173,383
Total Governmental Activities Depreciation Expense	\$ 2,405,254

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

	Beginning Balance*	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 1,782,939	\$ -	\$ -	\$ 1,782,939
Total capital assets not being depreciated	<u>1,782,939</u>	<u>-</u>	<u>-</u>	<u>1,782,939</u>
Other capital assets:				
Buildings and improvements	4,474,893	877,497	(18,000)	5,334,390
Machinery and equipment	3,121,915	356,279	(193,799)	3,284,395
Total other capital assets	<u>7,596,808</u>	<u>1,233,776</u>	<u>(211,799)</u>	<u>8,618,785</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,868,732)	(245,038)	18,000	(4,095,770)
Machinery and equipment	(1,515,479)	(187,496)	142,736	(1,560,239)
Total accumulated depreciation	<u>(5,384,211)</u>	<u>(432,534)</u>	<u>160,736</u>	<u>(5,656,009)</u>
Other capital assets, net	2,212,597	801,242	(51,063)	2,962,776
Business-Type Activities Capital Assets, Net	<u>\$ 3,995,536</u>	<u>\$ 801,242</u>	<u>\$ (51,063)</u>	<u>\$ 4,745,715</u>
			Net investment in capital assets	<u>\$ 4,745,715</u>

* Beginning balances were restated.

Depreciation was charged to business-type functions as follows:

Solid waste	\$ 344,486
Airport	50,155
Golf course	37,893
Total Business-Type Activities Depreciation Expense	<u>\$ 432,534</u>

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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, 2013. 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>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes payable, and capital leases:					
General obligation bonds	\$ 5,455,000	\$ -	\$ (965,000)	\$ 4,490,000	\$ 980,000
Tax notes	7,000,000	9,750,000	(2,300,000)	14,450,000	2,125,000
Obligations under capital leases	1,539,996	210,824	(230,877)	1,519,943	435,175
Less deferred amounts:					
Premium	96,800	-	(5,095)	91,705	-
	<u>14,091,796</u>	<u>9,960,824</u>	<u>(3,500,972)</u>	<u>20,551,648</u>	<u>3,540,175</u>
Other:					
Net OPEB obligation	3,004,692	1,020,289	(180,542)	3,844,439	-
Compensated absences	433,056	378,698	(396,399)	415,355	373,820
Total Governmental Activities	<u>\$ 17,529,544</u>	<u>\$ 11,359,811</u>	<u>\$ (4,077,913)</u>	<u>\$ 24,811,442</u>	<u>\$ 3,913,995</u>
Long-term liabilities due in more than one year				<u>\$ 20,897,448</u>	
**Debt associated with capital assets				<u>\$ 20,551,648</u>	
Business-Type Activities:					
Landfill closure and post closure care costs					
	\$ 5,895,292	\$ -	\$ (207,244)	\$ 5,688,048	\$ -
Total Business-Type Activities	<u>\$ 5,895,292</u>	<u>\$ -</u>	<u>\$ (207,244)</u>	<u>\$ 5,688,048</u>	<u>\$ -</u>

*Restated beginning balances.

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. The governmental activities compensated absences are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Federal 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 (IRS) 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 the rules and regulations of the IRS.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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

	<u>Percentage Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
General obligation bonds			
2012 Refunding	2-3.00%	\$ 5,270,000	\$ 4,395,000
Series 2011 Revenue and Limited Tax Bonds	4.00%	\$ 185,000	95,000
			<u>4,490,000</u>
Capital leases			
	Various	\$ 2,923,328	1,519,943
		Total	<u>\$ 6,009,943</u>
Tax notes			
Series 2012 Tax Notes	1.23%	\$ 7,000,000	\$ 4,700,000
Series 2013 Tax Notes	1.77%	\$ 9,750,000	9,750,000
			<u>\$ 14,450,000</u>

The annual debt service requirements to maturity for general obligation bonds of the County as of December 31, 2013 are as follows:

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 980,000	\$ 92,050	\$ 1,072,050
2015	245,000	78,850	323,850
2016	250,000	73,900	323,900
2017	255,000	68,850	323,850
2018	260,000	63,700	323,700
2019-2023	1,245,000	238,050	1,483,050
2024-2028	750,000	131,450	881,450
2029-2031	505,000	23,025	528,025
Total	<u>\$ 4,490,000</u>	<u>\$ 769,875</u>	<u>\$ 5,259,875</u>

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

<u>Fiscal Year</u>	<u>Capital Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 435,175	\$ 68,594	\$ 503,769
2015	383,500	46,794	430,294
2016	354,901	29,609	384,510
2017	345,902	14,493	360,395
2018	465	5	470
Total	<u>\$ 1,519,943</u>	<u>\$ 159,495</u>	<u>\$ 1,679,438</u>

Machinery and equipment acquired under current capital lease obligations totaled \$1,909,515 and accumulated depreciation totaled \$1,875,562.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

Annual debt service requirements for tax notes of the County as of December 31, 2013 are as follows:

<u>Fiscal Year</u>	<u>Tax Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,125,000	\$ 190,971	\$ 2,315,971
2015	2,220,000	183,791	2,403,791
2016	2,060,000	149,463	2,209,463
2017	2,105,000	115,694	2,220,694
2018	2,145,000	81,254	2,226,254
2019-2020	3,795,000	60,347	3,855,347
Total	\$ 14,450,000	\$ 781,520	\$ 15,231,520

E. Interfund Transfers and Receivables and Payables

Operating transfers between funds during the 2013 year were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Governmental funds:		
Individual major governmental funds:		
General	\$ 380,694	\$ 2,405,601
Capital project 99 construction	-	1,377,056
Other nonmajor governmental funds	309,639	585,682
Total Governmental Funds	690,333	4,368,339
Enterprise funds:		
Individual major enterprise funds:		
Solid waste	2,759,851	-
Other nonmajor enterprise funds	637,074	-
Total Enterprise Funds	3,396,925	-
Total Transfers	\$ 4,368,339	\$ 4,368,339

Transfers are used to move unrestricted general fund revenues to finance various programs that the County must account for in the other governmental and business-type funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

The composition of interfund balances as of December 31, 2013 is as follows:

	Due from	Due to
Governmental funds:		
General:		
Capital project 99 construction	496,613	-
Nonmajor governmental	173,356	7,238
Solid waste	19,705	-
Nonmajor enterprise	2,138	-
Capital project 99 construction:		
General	-	496,613
Nonmajor governmental:		
General	7,238	173,356
Enterprise funds:		
Solid Waste:		
General	-	19,705
Nonmajor enterprise:		
General	-	2,138
	\$ 699,050	\$ 699,050

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

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 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. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

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.

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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, 2013.

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 \$6,713,224. The \$5,688,048 reported as landfill closure and post closure care liability at December 31, 2013 is based on the use of 86 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$1,025,172 as the remaining estimated capacity is filled.

Based on the current usage during 2013, it is estimated that the remaining capacity will be filled in 9.4 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, 2013. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

D. 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 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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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 insurance coverage at the same cost as active employees until the retiree chooses to end coverage. To provide medical, dental, vision, and life insurance 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.

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.

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)	\$	1,083,445
Interest on OPEB Obligation		90,141
Adjustment to ARC		(153,297)
End of Year Annual OPEB Cost (Expense)		1,020,289
Net Estimated Employer Contributions		(180,542)
Increase in Net OPEB Obligation		839,747
Net OPEB Obligation-beginning of year		3,004,692
Net OPEB Obligation-end of year	\$	3,844,439

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two preceding years are as follows:

Fiscal Year	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation	
			Beginning	Ending
2011	\$ 952,549	14.22%	\$ 1,429,739	\$ 2,082,893
2012	\$ 1,076,502	12.58%	\$ 2,082,893	\$ 3,004,692
2013	\$ 1,020,289	17.70%	\$ 3,004,692	\$ 3,844,439

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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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, 2012, the actuarial value of plan assets is zero dollars, the actuarial accrued liability is \$6,069,240, the total unfunded actuarial accrued liability is \$6,069,240, 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 \$13,626,001 and the UAAL as a percentage of the annual covered payroll was 44.5 percent.

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)	12%/5%

E. 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 \$63,472 for the year ended December 31, 2013. The County does not contribute to the plans.

F. 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 TCERS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional defined benefit pension plans. TCERS, in the aggregate, issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCERS Board

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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.

Funding Policy

The County has elected the annually determined contribution rate (ADCR) 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 13.81 percent for calendar year 2013.

The Commissioners' Court adopted the rate of seven percent as the contribution rate payable by the employee members for calendar year 2013. 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, 2012, the most recent valuation date, is as follows:

	<u>2013</u>
Actuarial Valuation Date	12/31/2012
Actuarial Value of Assets	\$ 42,352,691
Actuarial Accrued Liability	\$ 51,923,615
Percentage Funded	81.57%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 9,570,924
Annual Covered Payroll	\$ 13,976,658
UAAL as a Percentage of Covered Payroll	68.48%

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

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

the actuarial valuations as of December 31, 2011, the basis for determining the contribution rates for plan year 2013.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Req. Contrib. (ARC)	\$ 2,035,801	\$ 1,839,304	\$ 1,707,340
Contributions made	2,035,801	1,839,304	1,707,340
NPO at the End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

G. 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 \$533,259 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:

Beginning balance	\$ 478,048	\$ 764,634
Claims incurred	3,864,597	3,602,891
Claim paid	<u>(3,809,386)</u>	<u>(3,889,477)</u>
Ending balance	<u>\$ 533,259</u>	<u>\$ 478,048</u>

H. 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;

CHAMBERS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

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.

I. Accounting Changes and Restatement

In the fiscal year ending December 31, 2013, the County has restated beginning net position due to adjustment of capital assets and depreciation at the government-wide level in both governmental activities and business-type activities as required by generally accepted accounting principles. The solid waste fund had a restatement of net position due to the change in prior year postclosure cost. The County has also restated fund balance in the capital project 99 construction fund due to the recording of the \$7,000,000 tax anticipation note in the prior year as a fund liability. The conversion of prior year ending net position/fund balance to beginning net position/fund balance is as follows:

	Governmental Activities	Capital Project 99 Construction	Business-Type Activities	
			Airport	Solid Waste
Prior year ending net position/fund balance as reported	\$ 44,365,979	\$ -	\$ 1,794,341	\$ (598,850)
Change in reporting of capital assets	2,643,708	-	(29,379)	(222,145)
Change in reporting of accumulated depreciation	551,558	-	10,658	(892,003)
Change in reporting of closure costs	-	-	-	359,361
Change in reporting of capital leases	288,412	-	-	-
Change in reporting of tax note series 2012	-	7,000,000	-	-
Restated Beginning Net Position/Fund Balance	\$ 47,849,657	\$ 7,000,000	\$ 1,775,620	\$ (1,353,637)

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
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	
<u>Revenues</u>				
Taxes	\$ 20,795,966	\$ 20,795,966	\$ 22,165,852	\$ 1,369,886
Intergovernmental	82,500	82,500	630,737	548,237
Fees	992,800	992,800	1,120,142	127,342
Fines and forfeitures	621,000	621,000	725,857	104,857
Investment income	600,000	600,000	317,370	(282,630)
Other	775,800	775,800	1,347,214	571,414
Total Revenues	<u>23,868,066</u>	<u>23,868,066</u>	<u>26,307,172</u>	<u>2,439,106</u>
<u>Expenditures</u>				
General Government:				
Commissioners' court	893,070	1,886,458	1,886,458	-
Non-departmental	3,389,030	2,251,784	1,979,892	271,892
Data processing	328,310	381,148	381,148	-
Communications	186,790	118,191	114,468	3,723
Economic development	268,730	255,693	255,693	-
Elections	75,500	68,752	65,285	3,467
Maintenance	1,305,710	1,386,786	1,386,786	-
Total General Government	<u>6,447,140</u>	<u>6,348,812</u>	<u>6,069,730</u>	<u>279,082</u>
Financial Administration:				
County auditor	429,685	408,016	408,016	-
County treasurer	267,640	236,426	234,560	1,866
Tax assessor	811,310	862,503	862,503	-
Purchasing	130,000	130,000	125,447	4,553
Total Financial Administration	<u>1,638,635</u>	<u>1,636,945</u>	<u>1,630,526</u>	<u>6,419</u>
Justice System:				
County court	58,400	66,552	66,552	-
District court	602,800	720,452	720,452	-
District clerk	371,440	376,512	376,512	-
County clerk	686,230	690,832	690,832	-
Justice of the Peace, Pct #1	221,370	226,082	226,082	-
Justice of the Peace, Pct #2	245,930	252,014	252,014	-
Justice of the Peace, Pct #3	67,380	71,097	71,097	-
Justice of the Peace, Pct #4	196,185	198,659	198,659	-
Justice of the Peace, Pct #5	153,435	162,212	162,212	-
Justice of the Peace, Pct #6	262,225	263,345	263,345	-
Juvenile probation	53,990	51,979	51,979	-
County attorney	370,305	376,088	376,088	-
District attorney	522,560	568,600	568,600	-
Total Justice System	<u>3,812,250</u>	<u>4,024,424</u>	<u>4,024,424</u>	<u>-</u>

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 3)
GENERAL FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Expenditures (continued)</u>				
Health and Welfare:				
Environmental health	\$ 262,208	\$ 270,005	\$ 270,005	\$ -
Health department	258,180	240,333	229,993	10,340
Indigent health care	598,750	684,102	684,102	-
Nurse practitioner	85,540	91,040	90,957	83
Welfare	23,000	20,769	20,769	-
Rehabilitation	48,380	48,380	47,130	1,250
Mosquito control	692,970	765,726	765,726	-
Total Health and Welfare	1,969,028	2,120,355	2,108,682	11,673
Culture and Recreational:				
Libraries	666,110	647,605	647,605	-
Agricultural extension	263,590	234,643	226,992	7,651
Parks and recreation	985,665	944,567	931,149	13,418
Historical commission	7,525	4,572	3,517	1,055
Total Culture and Recreational	1,922,890	1,831,387	1,809,263	22,124
Law Enforcement and Public Safety:				
Emergency management	151,090	147,590	102,002	45,588
Safety department	37,900	43,618	43,618	-
Constable, Precinct #1	85,630	89,603	89,603	-
Constable, Precinct #2	156,880	160,350	160,350	-
Constable, Precinct #3	84,310	84,310	83,572	738
Constable, Precinct #4	84,200	84,200	83,762	438
Constable, Precinct #5	85,960	89,430	89,430	-
Constable, Precinct #6	85,430	90,138	90,138	-
Sheriff	6,351,675	6,207,315	6,186,026	21,289
Total Law Enforcement and Public Safety	7,123,075	6,996,554	6,928,501	68,053
Capital:				
Capital outlay	720,595	810,529	810,529	-
Total Capital	720,595	810,529	810,529	-
Debt Service:				
Principal	251,500	251,500	250,473	1,027
Total Debt Service	251,500	251,500	250,473	1,027
Total Expenditures	23,885,113	24,020,506	23,632,128	388,378

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

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,047)	(152,440)	2,675,044	2,827,484
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	210,824	210,824
Transfers in	2,173,062	2,173,062	380,694	(1,792,368)
Transfers (out)	(2,156,015)	(2,414,025)	(2,405,601)	8,424
Total Other Financing Sources (Uses)	17,047	(240,963)	(1,814,083)	(1,573,120)
Net Change in Fund Balance	\$ -	\$ (393,403)	860,961	\$ 1,254,364
Beginning fund balance			14,630,138	
Ending Fund Balance			\$ 15,491,099	

Notes to Required Supplementary Information (RSI):

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

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CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended		
Revenues				
Taxes	\$ 5,426,837	\$ 5,426,837	\$ 5,660,232	\$ 233,395
Intergovernmental	11,500	11,500	10,157	(1,343)
Fees	685,000	685,000	666,514	(18,486)
Fines and forfeitures	520,000	520,000	423,854	(96,146)
Investment income	30,000	30,000	34,135	4,135
Other	242,100	242,100	146,830	(95,270)
Total Revenues	<u>6,915,437</u>	<u>6,915,437</u>	<u>6,941,722</u>	<u>26,285</u>
Expenditures				
Current:				
Transportation	6,964,619	6,967,398	6,459,284	508,114
Debt service:				
Principal	20,000	20,000	8,613	11,387
Total Expenditures	<u>6,984,619</u>	<u>6,987,398</u>	<u>6,467,897</u>	<u>519,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,182)	(71,961)	473,825	545,786
Other Financing Sources (Uses)				
Transfers in	69,182	69,182	-	(69,182)
Total Other Financing Sources	<u>69,182</u>	<u>69,182</u>	<u>-</u>	<u>(69,182)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,779)</u>	473,825	<u>\$ 476,604</u>
Beginning fund balance			<u>21,242</u>	
Ending Fund Balance			<u>\$ 495,067</u>	

Notes to Required Supplementary Information (RSI):

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

CHAMBERS COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2013

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>2013</u>	<u>2012</u>	<u>2011</u>
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2010
Actuarial Value of Assets	\$ 42,352,691	\$ 41,619,303	\$ 40,062,982
Actuarial Accrued Liability	\$ 51,923,615	\$ 50,322,257	\$ 47,618,970
Percentage Funded	81.57%	82.71%	84.13%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 9,570,924	\$ 8,702,954	\$ 7,555,988
Annual Covered Payroll	\$ 13,976,658	\$ 13,626,001	\$ 12,885,857
UAAL % of Covered Payroll	68.48%	63.87%	58.64%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	2,035,801	1,839,304	1,707,340
Contributions Made	2,035,801	1,839,304	1,707,340
NPO at the End of Period	<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, 2013

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%
01/01/12	\$ -	\$ 6,069,240	\$ 6,069,240	0.0%	\$ 13,626,001	44.5%

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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

For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Budget as Amended	Actual	
Revenues				
Taxes	\$ 3,736,226	\$ 3,736,226	\$ 3,900,165	\$ 163,939
Investment income	15,000	15,000	79	(14,921)
Total Revenues	3,751,226	3,751,226	3,900,244	149,018
Expenditures				
Principal	3,405,000	3,405,000	3,265,000	140,000
Interest and fiscal charges	195,738	196,738	176,888	19,850
Total Expenditures	3,600,738	3,601,738	3,441,888	159,850
Excess of Revenues Over Expenditures	150,488	149,488	458,356	308,868
Net Change in Fund Balance	\$ 150,488	\$ 149,488	458,356	\$ 308,868
Beginning fund balance			303,478	
Ending Fund Balance			\$ 761,834	

Notes to Other Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 6)
December 31, 2013

	Special Revenue Funds			
	Lateral Road	County Court Fee	Youth Activity	Worthless Check
<u>Assets</u>				
Cash and cash equivalents	\$ 136,316	\$ 32,435	\$ 18,900	\$ 24,333
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total Assets	\$ 136,316	\$ 32,435	\$ 18,900	\$ 24,333
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,258
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	1,258
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	-
Grants	-	-	-	-
Special projects	136,316	32,435	18,900	23,075
Total Fund Balances	136,316	32,435	18,900	23,075
Total Liabilities and Fund Balances	\$ 136,316	\$ 32,435	\$ 18,900	\$ 24,333

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ 38,656	\$ 41,598	\$ 141,360	\$ 190,722	\$ 433,989	\$ 13,179
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 38,656</u>	<u>\$ 41,598</u>	<u>\$ 141,360</u>	<u>\$ 190,722</u>	<u>\$ 433,989</u>	<u>\$ 13,179</u>
\$ 1,012	\$ -	\$ 250	\$ 1,792	\$ 348	\$ -
-	-	-	-	-	-
<u>1,012</u>	<u>-</u>	<u>250</u>	<u>1,792</u>	<u>348</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,644</u>	<u>41,598</u>	<u>141,110</u>	<u>188,930</u>	<u>433,641</u>	<u>13,179</u>
<u>37,644</u>	<u>41,598</u>	<u>141,110</u>	<u>188,930</u>	<u>433,641</u>	<u>13,179</u>
<u>\$ 38,656</u>	<u>\$ 41,598</u>	<u>\$ 141,360</u>	<u>\$ 190,722</u>	<u>\$ 433,989</u>	<u>\$ 13,179</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 6)
December 31, 2013

	Special Revenue Funds			
	LEOSE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
Assets				
Cash and cash equivalents	\$ 12,912	\$ 19,090	\$ 148,278	\$ 46,167
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total Assets	\$ 12,912	\$ 19,090	\$ 148,278	\$ 46,167
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	-
Grants	12,912	19,090	-	-
Special projects	-	-	148,278	46,167
Total Fund Balances	12,912	19,090	148,278	46,167
Total Liabilities and Fund Balances	\$ 12,912	\$ 19,090	\$ 148,278	\$ 46,167

Special Revenue Funds

Courthouse Security	Records Mgmt County Clerk	Records Mgmt District Clerk	Jail Commissary	Narcotics Task Force	Health Services Sales Tax
\$ 6,008	\$ 307,248	\$ 24,093	\$ 19,898	\$ 65,313	\$ 6,288,553
-	-	-	-	-	872,807
-	-	-	-	6,541	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,008</u>	<u>\$ 307,248</u>	<u>\$ 24,093</u>	<u>\$ 19,898</u>	<u>\$ 71,854</u>	<u>\$ 7,161,360</u>
\$ 287	\$ 1,425	\$ 7	\$ -	\$ 71,854	\$ 53,636
-	-	-	-	-	-
<u>287</u>	<u>1,425</u>	<u>7</u>	<u>-</u>	<u>71,854</u>	<u>53,636</u>
-	-	-	-	-	-
-	-	-	-	-	-
5,721	305,823	24,086	19,898	-	7,107,724
<u>5,721</u>	<u>305,823</u>	<u>24,086</u>	<u>19,898</u>	<u>-</u>	<u>7,107,724</u>
\$ 6,008	\$ 307,248	\$ 24,093	\$ 19,898	\$ 71,854	\$ 7,161,360

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 6)
December 31, 2013

	Special Revenue Funds			
	Available School	HGAC ACSEC Addressing Pool	Juvenile Probation	Indigent Defense Formula
Assets				
Cash and cash equivalents	\$ 271,280	\$ 10,083	\$ 13,016	\$ 129,041
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total Assets	\$ 271,280	\$ 10,083	\$ 13,016	\$ 129,041
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,923	\$ -	\$ 5,557	\$ -
Due to other funds	-	-	-	-
Total Liabilities	11,923	-	5,557	-
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	-
Grants	-	10,083	7,459	129,041
Special projects	259,357	-	-	-
Total Fund Balances	259,357	10,083	7,459	129,041
Total Liabilities and Fund Balances	\$ 271,280	\$ 10,083	\$ 13,016	\$ 129,041

Special Revenue Funds

SECO Stimulus	WIC Peer Counseling	Airport Maintenance (Anahuac)	Airport Maintenance (Winnie)	SCAAP	Grant: Dpt of Jst: Vest Grant
\$ 67,349	\$ 1,216	\$ -	\$ -	\$ 24,118	\$ -
-	-	-	-	634	742
-	-	-	-	-	-
-	39	46,518	46,416	-	5,687
-	-	-	-	-	-
<u>\$ 67,349</u>	<u>\$ 1,255</u>	<u>\$ 46,518</u>	<u>\$ 46,416</u>	<u>\$ 24,752</u>	<u>\$ 6,429</u>
\$ -	\$ -	\$ 764	\$ 542	\$ -	\$ -
-	-	45,754	45,874	-	3,954
-	-	46,518	46,416	-	3,954
-	-	-	-	-	-
67,349	1,255	-	-	24,752	2,475
-	-	-	-	-	-
<u>67,349</u>	<u>1,255</u>	<u>-</u>	<u>-</u>	<u>24,752</u>	<u>2,475</u>
<u>\$ 67,349</u>	<u>\$ 1,255</u>	<u>\$ 46,518</u>	<u>\$ 46,416</u>	<u>\$ 24,752</u>	<u>\$ 6,429</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 6)
December 31, 2013

	<u>Special Revenue Funds</u>			
	<u>CCDA Equipment Project</u>	<u>Grant: SHSP DPA</u>	<u>Grant: USDHHS BVCAA</u>	<u>Grant: VAWA</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 26	\$ -	\$ -	\$ 87
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	44,469	-	8,262
Restricted cash and cash equivalents	-	-	-	-
Total Assets	\$ 26	\$ 44,469	\$ -	\$ 8,349
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 705
Due to other funds	-	44,469	-	7,644
Total Liabilities	-	44,469	-	8,349
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	-
Grants	26	-	-	-
Special projects	-	-	-	-
Total Fund Balances	26	-	-	-
Total Liabilities and Fund Balances	\$ 26	\$ 44,469	\$ -	\$ 8,349

Special Revenue Funds

Grant: USDHHS TDH WIC	Help America Vote Act	Texas Traffic Safety Program	FEMA United Way	Title IV	Victim of Crime Act
\$ -	\$ 38,441	\$ 41,400	\$ 2,854	\$ 23,282	\$ 1,544
22,347	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	6,549
-	-	-	-	-	-
<u>\$ 22,347</u>	<u>\$ 38,441</u>	<u>\$ 41,400</u>	<u>\$ 2,854</u>	<u>\$ 23,282</u>	<u>\$ 8,093</u>
\$ 7,109	\$ -	\$ -	\$ -	\$ 277	\$ 638
15,238	-	-	-	-	7,455
<u>22,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277</u>	<u>8,093</u>
-	-	-	-	-	-
-	38,441	41,400	2,854	23,005	-
-	-	-	-	-	-
<u>-</u>	<u>38,441</u>	<u>41,400</u>	<u>2,854</u>	<u>23,005</u>	<u>-</u>
<u>\$ 22,347</u>	<u>\$ 38,441</u>	<u>\$ 41,400</u>	<u>\$ 2,854</u>	<u>\$ 23,282</u>	<u>\$ 8,093</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 6)
December 31, 2013

	Special Revenue Funds			
	CIAP	Chapter Nineteen	Justice Court Building Security	DC Records Technology
<u>Assets</u>				
Cash and cash equivalents	\$ 64,414	\$ 5,539	\$ 29,684	\$ 5,376
Receivables, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total Assets	\$ 64,414	\$ 5,539	\$ 29,684	\$ 5,376
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	-
Grants	64,414	5,539	-	-
Special projects	-	-	29,684	5,376
Total Fund Balances	64,414	5,539	29,684	5,376
Total Liabilities and Fund Balances	\$ 64,414	\$ 5,539	\$ 29,684	\$ 5,376

Special Revenue Funds

Pretrial Intervention Programs	CC/DC Record Preservation	DC/CC Technology	District Attorney Federal Sharing	Sheriff's Federal Sharing	Child Abuse Prevention
\$ 9,555	\$ 12,962	\$ 2,292	\$ 12,670	\$ 95	\$ 100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,555</u>	<u>\$ 12,962</u>	<u>\$ 2,292</u>	<u>\$ 12,670</u>	<u>\$ 95</u>	<u>\$ 100</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	100
<u>9,555</u>	<u>12,962</u>	<u>2,292</u>	<u>12,670</u>	<u>95</u>	<u>-</u>
<u>9,555</u>	<u>12,962</u>	<u>2,292</u>	<u>12,670</u>	<u>95</u>	<u>100</u>
\$ 9,555	\$ 12,962	\$ 2,292	\$ 12,670	\$ 95	\$ 100
<u>\$ 9,555</u>	<u>\$ 12,962</u>	<u>\$ 2,292</u>	<u>\$ 12,670</u>	<u>\$ 95</u>	<u>\$ 100</u>

CHAMBERS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 6)
December 31, 2013

	Special Revenue Funds			
	PHEP Grant	CDBG TBCD Stowel Sewer Improvement	CDBG Dis. Rec. Housing	Permanent
Assets				
Cash and cash equivalents	\$ -	\$ 6,161	\$ -	\$ -
Receivables, net	-	-	-	-
Due from other funds	697	-	-	-
Due from other governments	6,528	-	-	-
Restricted cash and cash equivalents	-	-	-	2,742,163
Total Assets	\$ 7,225	\$ 6,161	\$ -	\$ 2,742,163
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,257	\$ 6,161	\$ -	\$ -
Due to other funds	2,968	-	-	-
Total Liabilities	7,225	6,161	-	-
Fund Balances:				
Restricted for:				
Endowments/trusts	-	-	-	2,742,163
Grants	-	-	-	-
Special projects	-	-	-	-
Total Fund Balances	-	-	-	2,742,163
Total Liabilities and Fund Balances	\$ 7,225	\$ 6,161	\$ -	\$ 2,742,163

Capital Projects Fund		Total Nonmajor Governmental Funds
Capital Project 02 Construction		
\$ 41,299		\$ 8,822,932
-		896,530
-		7,238
-		164,468
-		2,742,163
<u>\$ 41,299</u>		<u>\$ 12,633,331</u>

\$ 41,299		\$ 211,101
-		173,356
<u>41,299</u>		<u>384,457</u>

-		2,742,163
-		450,195
-		9,056,516
-		<u>12,248,874</u>
<u>\$ 41,299</u>		<u>\$ 12,633,331</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 6)
For the Year Ended December 31, 2013

<u>Special Revenue Funds</u>				
	<u>Lateral Road</u>	<u>County Court Fee</u>	<u>Youth Activity</u>	<u>Worthless Check</u>
Revenues				
Taxes	\$ 22,811	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	5,322	-	1,427
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>22,811</u>	<u>5,322</u>	<u>-</u>	<u>1,427</u>
Expenditures				
Current:				
Personnel	-	-	-	3,511
Supplies	-	-	-	1,300
Miscellaneous	-	-	-	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt service:				
Principal and interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,811</u>	<u>5,322</u>	<u>-</u>	<u>(3,384)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,811	5,322	-	(3,384)
Beginning fund balances	113,505	27,113	18,900	26,459
Ending Fund Balances	<u>\$ 136,316</u>	<u>\$ 32,435</u>	<u>\$ 18,900</u>	<u>\$ 23,075</u>

Special Revenue Funds

County Attorney DWI	District Attorney Drug Prevention	Sheriff Forfeiture	Hotel Tax	District Attorney Seizure & Forfeiture	Election
\$ -	\$ -	\$ -	\$ 251,819	\$ -	\$ -
-	-	-	-	-	-
4,016	9,957	-	-	-	-
-	-	34,370	-	89,610	-
-	-	1,324	1,894	2,243	-
-	-	-	-	8,718	1,572
<u>4,016</u>	<u>9,957</u>	<u>35,694</u>	<u>253,713</u>	<u>100,571</u>	<u>1,572</u>
-	-	-	48,339	27,654	-
1,029	9,441	46,291	-	52,166	-
-	-	-	-	-	-
-	-	240	218,978	17	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,029</u>	<u>9,441</u>	<u>46,531</u>	<u>267,317</u>	<u>79,837</u>	<u>-</u>
<u>2,987</u>	<u>516</u>	<u>(10,837)</u>	<u>(13,604)</u>	<u>20,734</u>	<u>1,572</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,987	516	(10,837)	(13,604)	20,734	1,572
<u>34,657</u>	<u>41,082</u>	<u>151,947</u>	<u>202,534</u>	<u>412,907</u>	<u>11,607</u>
<u>\$ 37,644</u>	<u>\$ 41,598</u>	<u>\$ 141,110</u>	<u>\$ 188,930</u>	<u>\$ 433,641</u>	<u>\$ 13,179</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 6)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	LEOSE Allocation	HUD Sec. 8 Housing Program	County Clerk Records Archives	Justice Court Technology
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees	-	-	51,415	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	1,675	-
Other	-	-	-	33,902
Total Revenues	-	-	53,090	33,902
Expenditures				
Current:				
Personnel	-	-	-	-
Supplies	-	-	-	16,192
Miscellaneous	-	-	-	-
Contractual services	808	-	153,335	-
Capital:				
Capital outlay	-	-	-	17,234
Debt service:				
Principal and interest	-	-	-	418
Total Expenditures	808	-	153,335	33,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(808)	-	(100,245)	58
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(808)	-	(100,245)	58
Beginning fund balances	13,720	19,090	248,523	46,109
Ending Fund Balances	\$ 12,912	\$ 19,090	\$ 148,278	\$ 46,167

Special Revenue Funds

Courthouse Security	Records Mgmt County Clerk	Records Mgmt District Clerk	Jail Commissary	Narcotics Task Force	Health Services Sales Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,831,953
-	-	-	-	-	-
38,422	81,180	17,797	24,468	-	-
-	-	-	-	-	-
-	2,471	-	-	-	37,275
-	-	-	-	-	-
<u>38,422</u>	<u>83,651</u>	<u>17,797</u>	<u>24,468</u>	<u>-</u>	<u>4,869,228</u>
2,272	41,332	14,204	-	-	394,676
29,842	7,302	1,705	-	6,541	85,666
-	-	-	18,357	-	-
587	538	5,650	-	-	1,376,057
-	-	-	-	-	172,753
-	-	-	-	-	-
<u>32,701</u>	<u>49,172</u>	<u>21,559</u>	<u>18,357</u>	<u>6,541</u>	<u>2,029,152</u>
<u>5,721</u>	<u>34,479</u>	<u>(3,762)</u>	<u>6,111</u>	<u>(6,541)</u>	<u>2,840,076</u>
-	-	-	-	68,950	-
-	-	-	-	(62,409)	(106,110)
-	-	-	-	6,541	(106,110)
5,721	34,479	(3,762)	6,111	-	2,733,966
-	271,344	27,848	13,787	-	4,373,758
<u>\$ 5,721</u>	<u>\$ 305,823</u>	<u>\$ 24,086</u>	<u>\$ 19,898</u>	<u>\$ -</u>	<u>\$ 7,107,724</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 6)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Available School	HGAC ACSEC Addressing Pool	Juvenile Probation	Indigent Defense Formula
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	176,233	32,522
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	2,489	-	-	-
Other	153,358	-	-	-
Total Revenues	<u>155,847</u>	<u>-</u>	<u>176,233</u>	<u>32,522</u>
Expenditures				
Current:				
Personnel	-	-	180,771	-
Supplies	-	-	-	-
Miscellaneous	70,589	-	201	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt service:				
Principal and interest	-	-	-	-
Total Expenditures	<u>70,589</u>	<u>-</u>	<u>180,972</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>85,258</u>	<u>-</u>	<u>(4,739)</u>	<u>32,522</u>
Other Financing Sources (Uses)				
Transfers in	24,062	-	-	-
Transfers (out)	-	-	(44)	-
Total Other Financing Sources (Uses)	<u>24,062</u>	<u>-</u>	<u>(44)</u>	<u>-</u>
Net Change in Fund Balances	109,320	-	(4,783)	32,522
Beginning fund balances	150,037	10,083	12,242	96,519
Ending Fund Balances	<u>\$ 259,357</u>	<u>\$ 10,083</u>	<u>\$ 7,459</u>	<u>\$ 129,041</u>

Special Revenue Funds

SECO Stimulus	WIC Peer Counseling	Airport Maintenance (Anahuac)	Airport Maintenance (Winnie)	SCAAP	Grant: Dpt of Jst: Vest Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67,349	-	64,519	64,551	7,336	3,954
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,671	-	-	-	-
<u>67,349</u>	<u>8,671</u>	<u>64,519</u>	<u>64,551</u>	<u>7,336</u>	<u>3,954</u>
-	8,451	-	-	8,766	-
-	-	-	-	-	3,954
-	-	-	-	-	-
-	-	6,000	4,482	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>8,451</u>	<u>6,000</u>	<u>4,482</u>	<u>8,766</u>	<u>3,954</u>
<u>67,349</u>	<u>220</u>	<u>58,519</u>	<u>60,069</u>	<u>(1,430)</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(72,147)</u>	<u>(61,919)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(72,147)</u>	<u>(61,919)</u>	<u>-</u>	<u>-</u>
67,349	220	(13,628)	(1,850)	(1,430)	-
-	1,035	13,628	1,850	26,182	2,475
<u>\$ 67,349</u>	<u>\$ 1,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,752</u>	<u>\$ 2,475</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 6)
For the Year Ended December 31, 2013

	<u>Special Revenue Funds</u>			
	<u>CCDA Equipment Project</u>	<u>Grant: SHSP DPA</u>	<u>Grant: USDHHS BVCAA</u>	<u>Grant: VAWA</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	145,672	25,000	34,872
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>145,672</u>	<u>25,000</u>	<u>34,872</u>
Expenditures				
Current:				
Personnel	-	43,944	-	28,402
Supplies	-	101,728	25,000	-
Miscellaneous	-	-	-	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt service:				
Principal and interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>145,672</u>	<u>25,000</u>	<u>28,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,470</u>
Other Financing Sources (Uses)				
Transfers in	-	-	176	1,087
Transfers (out)	-	(192,468)	(1,042)	(7,644)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(192,468)</u>	<u>(866)</u>	<u>(6,557)</u>
Net Change in Fund Balances	<u>-</u>	<u>(192,468)</u>	<u>(866)</u>	<u>(87)</u>
Beginning fund balances	26	192,468	866	87
Ending Fund Balances	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Grant:					
USDHHS	Help	Texas Traffic	FEMA	Title IV	Victim
TDH	America	Safety	United		of Crime
WIC	Vote Act	Program	Way		Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
139,337	-	-	18,818	-	24,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	354	-
-	-	-	-	-	-
<u>139,337</u>	<u>-</u>	<u>-</u>	<u>18,818</u>	<u>354</u>	<u>24,500</u>
110,634	-	-	-	6,596	19,776
5,859	-	-	18,818	-	-
-	-	-	-	-	-
16,424	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>132,917</u>	<u>-</u>	<u>-</u>	<u>18,818</u>	<u>6,596</u>	<u>19,776</u>
6,420	-	-	-	(6,242)	4,724
8,818	-	-	-	-	-
<u>(15,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,455)</u>
<u>(6,420)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,455)</u>
-	-	-	-	(6,242)	(2,731)
-	38,441	41,400	2,854	29,247	2,731
<u>\$ -</u>	<u>\$ 38,441</u>	<u>\$ 41,400</u>	<u>\$ 2,854</u>	<u>\$ 23,005</u>	<u>\$ -</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 6)
For the Year Ended December 31, 2013

<u>Special Revenue Funds</u>				
	<u>CIAP</u>	<u>Chapter Nineteen</u>	<u>Justice Court Building Security</u>	<u>DC Records Technology</u>
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	139,521	4,696	-	-
Fees	-	-	7,089	3,980
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>139,521</u>	<u>4,696</u>	<u>7,089</u>	<u>3,980</u>
<u>Expenditures</u>				
Current:	-			
Personnel		-	-	-
Supplies	-	-	-	-
Miscellaneous	1,194,408	-	-	-
Contractual services	-	-	-	-
Capital:				
Capital outlay	-	-	-	-
Debt service:				
Principal and interest	-	-	-	-
Total Expenditures	<u>1,194,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,054,887)</u>	<u>4,696</u>	<u>7,089</u>	<u>3,980</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,054,887)</u>	<u>4,696</u>	<u>7,089</u>	<u>3,980</u>
Beginning fund balances	<u>1,119,301</u>	<u>843</u>	<u>22,595</u>	<u>1,396</u>
Ending Fund Balances	<u>\$ 64,414</u>	<u>\$ 5,539</u>	<u>\$ 29,684</u>	<u>\$ 5,376</u>

Special Revenue Funds

Pretrial Intervention Programs	CC/DC Record Preservation	DC/CC Technology	District Attorney Federal Sharing	Sheriff's Federal Sharing	Child Abuse Prevention
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
9,000	7,060	1,803	-	-	-
-	-	-	-	-	-
-	-	-	106	1	-
-	-	-	-	-	-
<u>9,000</u>	<u>7,060</u>	<u>1,803</u>	<u>106</u>	<u>1</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,000</u>	<u>7,060</u>	<u>1,803</u>	<u>106</u>	<u>1</u>	<u>-</u>
-	-	-	-	-	-
<u>(15,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(15,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(6,445)	7,060	1,803	106	1	-
16,000	5,902	489	12,564	94	100
<u>\$ 9,555</u>	<u>\$ 12,962</u>	<u>\$ 2,292</u>	<u>\$ 12,670</u>	<u>\$ 95</u>	<u>\$ 100</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 6 of 6)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	PHEP Grant	CDBG TBCD Stowel Sewer Improvement	CDBG Dis. Rec. Housing	Permanent
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,336	32,020	2,664,805	-
Fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	28,528
Other	-	-	-	249,604
Total Revenues	<u>7,336</u>	<u>32,020</u>	<u>2,664,805</u>	<u>278,132</u>
Expenditures				
Current:				
Personnel	7,336	-	-	956,091
Supplies	-	-	-	-
Miscellaneous	-	-	-	-
Contractual services	-	35,886	2,645,106	-
Capital:				
Capital outlay	-	-	-	-
Debt service:				
Principal and interest	-	-	-	-
Total Expenditures	<u>7,336</u>	<u>35,886</u>	<u>2,645,106</u>	<u>956,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,866)</u>	<u>19,699</u>	<u>(677,959)</u>
Other Financing Sources (Uses)				
Transfers in	-	3,866	-	-
Transfers (out)	-	-	(19,699)	(24,062)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,866</u>	<u>(19,699)</u>	<u>(24,062)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(702,021)</u>
Beginning fund balances	-	-	-	3,444,184
Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,742,163</u>

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Capital Project 02 Construction</u>	
\$ -	\$ 5,106,583
-	3,653,041
-	262,936
-	123,980
3,663	82,023
-	455,825
3,663	9,684,388
-	1,902,755
-	412,834
-	1,283,555
941,000	5,405,108
-	189,987
-	418
941,000	9,194,657
(937,337)	489,731
202,680	309,639
-	(585,682)
202,680	(276,043)
(734,657)	213,688
734,657	12,035,186
\$ -	\$ 12,248,874

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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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Taxes	\$ 24,000	\$ 24,000	\$ 22,811	\$ (1,189)
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>22,811</u>	<u>(1,189)</u>
<u>Expenditures</u>				
Capital:				
Capital outlay	24,000	24,000	-	24,000
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	22,811	<u>\$ 22,811</u>
Beginning fund balance			<u>113,505</u>	
Ending Fund Balance			<u>\$ 136,316</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY COURT FEE FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 4,000	\$ 4,000	\$ 5,322	\$ 1,322
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>5,322</u>	<u>1,322</u>
<u>Expenditures</u>				
Current:				
Supplies	4,000	4,000	-	4,000
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,322	<u>\$ 5,322</u>
Beginning fund balance			<u>27,113</u>	
Ending Fund Balance			<u>\$ 32,435</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 5,100	\$ 5,100	\$ 1,427	\$ (3,673)
Total Revenues	<u>5,100</u>	<u>5,100</u>	<u>1,427</u>	<u>(3,673)</u>
<u>Expenditures</u>				
Current:				
Personnel	3,700	3,700	3,511	189
Supplies	1,300	1,300	1,300	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,811</u>	<u>189</u>
Net Change in Fund Balance	<u>\$ 100</u>	<u>\$ 100</u>	(3,384)	<u>\$ (3,484)</u>
Beginning fund balance			<u>26,459</u>	
Ending Fund Balance			<u>\$ 23,075</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 4,000	\$ 4,000	\$ 4,016	\$ 16
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>4,016</u>	<u>16</u>
<u>Expenditures</u>				
Current:				
Supplies	4,000	4,000	1,029	2,971
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,029</u>	<u>2,971</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,987	<u>\$ 2,987</u>
Beginning fund balance			<u>34,657</u>	
Ending Fund Balance			<u>\$ 37,644</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 2,000	\$ 2,000	\$ 9,957	\$ 7,957
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>9,957</u>	<u>7,957</u>
<u>Expenditures</u>				
Current:				
Supplies	2,000	9,441	9,441	-
Total Expenditures	<u>2,000</u>	<u>9,441</u>	<u>9,441</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (7,441)</u>	516	<u>\$ 7,957</u>
Beginning fund balance			<u>41,082</u>	
Ending Fund Balance			<u>\$ 41,598</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fines and forfeitures	\$ 57,000	\$ 57,000	\$ 34,370	\$ (22,630)
Investment income	2,000	2,000	1,324	(676)
Total Revenues	<u>59,000</u>	<u>59,000</u>	<u>35,694</u>	<u>(23,306)</u>
<u>Expenditures</u>				
Current:				
Supplies	34,000	34,000	46,291	(12,291)
Contractual services	-	-	240	(240)
Capital:				
Capital outlay	25,000	25,000	-	25,000
Total Expenditures	<u>59,000</u>	<u>59,000</u>	<u>46,531</u>	<u>12,469</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(10,837)	<u>\$ (10,837)</u>
Beginning fund balance			<u>151,947</u>	
Ending Fund Balance			<u>\$ 141,110</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Taxes	\$ 330,000	\$ 330,000	\$ 251,819	\$ (78,181)
Investment income	11,000	11,000	1,894	(9,106)
Total Revenues	<u>341,000</u>	<u>341,000</u>	<u>253,713</u>	<u>(87,287)</u>
<u>Expenditures</u>				
Current:				
Personnel	48,580	48,580	48,339	241
Contractual services	304,000	304,000	218,978	85,022
Total Expenditures	<u>352,580</u>	<u>352,580</u>	<u>267,317</u>	<u>85,263</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	12,000	12,000	-	(12,000)
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Net Change in Fund Balance	<u>\$ 420</u>	<u>\$ 420</u>	(13,604)	<u>\$ (14,024)</u>
Beginning fund balance			<u>202,534</u>	
Ending Fund Balance			<u>\$ 188,930</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fines and forfeitures	\$ 60,000	\$ 60,000	\$ 89,610	\$ 29,610
Investment income	10,000	10,000	2,243	(7,757)
Other	-	-	8,718	8,718
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>100,571</u>	<u>30,571</u>
<u>Expenditures</u>				
Current:				
Personnel	29,200	29,200	27,654	1,546
Supplies	12,000	24,137	52,166	(28,029)
Contractual services	23,500	23,500	17	23,483
Debt service:				
Principal and interest	3,000	3,000	-	3,000
Total Expenditures	<u>67,700</u>	<u>79,837</u>	<u>79,837</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,300</u>	<u>\$ (9,837)</u>	20,734	<u>\$ 30,571</u>
Beginning fund balance			<u>412,907</u>	
Ending Fund Balance			<u>\$ 433,641</u>	

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

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Other	\$ 20,000	\$ 20,000	\$ 1,572	\$ (18,428)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>1,572</u>	<u>(18,428)</u>
<u>Expenditures</u>				
Current:				
Personnel	10,000	10,000	-	10,000
Supplies	10,000	10,000	-	10,000
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,572	<u>\$ 1,572</u>
Beginning fund balance			<u>11,607</u>	
Ending Fund Balance			<u>\$ 13,179</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<u>Expenditures</u>				
Debt service:				
Principal and interest	2,000	2,000	-	2,000
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>19,090</u>	
Ending Fund Balance			<u>\$ 19,090</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 50,000	\$ 50,000	\$ 51,415	\$ 1,415
Investment income	-	-	1,675	1,675
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>53,090</u>	<u>3,090</u>
<u>Expenditures</u>				
Current:				
Contractual services	50,000	175,000	153,335	21,665
Total Expenditures	<u>50,000</u>	<u>175,000</u>	<u>153,335</u>	<u>21,665</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>(100,245)</u>	<u>\$ 24,755</u>
Beginning fund balance			<u>248,523</u>	
Ending Fund Balance			<u>\$ 148,278</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Other	\$ 25,100	\$ 25,100	\$ 33,902	\$ 8,802
Total Revenues	<u>25,100</u>	<u>25,100</u>	<u>33,902</u>	<u>8,802</u>
<u>Expenditures</u>				
Current:				
Supplies	14,100	14,100	16,192	(2,092)
Capital:				
Capital outlay	1,000	9,744	17,234	(7,490)
Debt service:				
Principal and interest	10,000	10,000	418	9,582
Total Expenditures	<u>25,100</u>	<u>33,844</u>	<u>33,844</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (8,744)</u>	58	<u>\$ 8,802</u>
Beginning fund balance			<u>46,109</u>	
Ending Fund Balance			<u>\$ 46,167</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 30,500	\$ 30,500	\$ 38,422	\$ 7,922
Total Revenues	<u>30,500</u>	<u>30,500</u>	<u>38,422</u>	<u>7,922</u>
<u>Expenditures</u>				
Current:				
Personnel	2,550	2,550	2,272	278
Supplies	20,000	29,480	29,842	(362)
Contractual services	171	171	587	(416)
Debt service:				
Principal and interest	500	500	-	500
Total Expenditures	<u>23,221</u>	<u>32,701</u>	<u>32,701</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 7,279</u>	<u>\$ (2,201)</u>	<u>5,721</u>	<u>\$ 7,922</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ 5,721</u>	

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

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 76,000	\$ 76,000	\$ 81,180	\$ 5,180
Investment income	4,000	4,000	2,471	(1,529)
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>83,651</u>	<u>3,651</u>
<u>Expenditures</u>				
Current:				
Personnel	35,600	35,600	41,332	(5,732)
Supplies	8,000	8,572	7,302	1,270
Contractual services	2,000	2,000	538	1,462
Debt service:				
Principal and interest	3,000	3,000	-	3,000
Total Expenditures	<u>48,600</u>	<u>49,172</u>	<u>49,172</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 31,400</u>	<u>\$ 30,828</u>	34,479	<u>\$ 3,651</u>
Beginning fund balance			<u>271,344</u>	
Ending Fund Balance			<u>\$ 305,823</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 20,500	\$ 20,500	\$ 17,797	\$ (2,703)
Total Revenues	<u>20,500</u>	<u>20,500</u>	<u>17,797</u>	<u>(2,703)</u>
<u>Expenditures</u>				
Current:				
Personnel	18,400	18,400	14,204	4,196
Supplies	-	1,705	1,705	-
Contractual services	-	5,650	5,650	-
Total Expenditures	<u>18,400</u>	<u>25,755</u>	<u>21,559</u>	<u>4,196</u>
Net Change in Fund Balance	<u>\$ 2,100</u>	<u>\$ (5,255)</u>	(3,762)	<u>\$ 1,493</u>
Beginning fund balance			<u>27,848</u>	
Ending Fund Balance			<u>\$ 24,086</u>	

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Taxes	\$ 3,000,000	\$ 3,000,000	\$ 4,831,953	\$ 1,831,953
Investment income	40,000	40,000	37,275	(2,725)
Total Revenues	<u>3,040,000</u>	<u>3,040,000</u>	<u>4,869,228</u>	<u>1,829,228</u>
<u>Expenditures</u>				
Current:				
Personnel	313,480	394,676	394,676	-
Supplies	67,000	88,287	85,666	2,621
Contractual services	1,361,000	1,376,057	1,376,057	-
Capital:				
Capital outlay	165,000	172,753	172,753	-
Debt service:				
Principal and interest	4,000	4,000	-	4,000
Total Expenditures	<u>1,910,480</u>	<u>2,035,773</u>	<u>2,029,152</u>	<u>6,621</u>
Excess Revenues Over Expenditures	<u>1,129,520</u>	<u>1,004,227</u>	<u>2,840,076</u>	<u>1,835,849</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(109,610)	(106,110)	3,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>(109,610)</u>	<u>(106,110)</u>	<u>3,500</u>
Net Change in Fund Balance	<u>\$ 1,129,520</u>	<u>\$ 894,617</u>	<u>2,733,966</u>	<u>\$ 1,839,349</u>
Beginning fund balance			<u>4,373,758</u>	
Ending Fund Balance			<u>\$ 7,107,724</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Investment income	\$ 29,120	\$ 29,120	\$ 2,489	\$ (26,631)
Other	-	-	153,358	\$ 153,358
Total Revenues	<u>29,120</u>	<u>29,120</u>	<u>155,847</u>	<u>126,727</u>
<u>Expenditures</u>				
Current:				
Miscellaneous	73,000	73,000	70,589	2,411
Total Expenditures	<u>73,000</u>	<u>73,000</u>	<u>70,589</u>	<u>2,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,880)</u>	<u>(43,880)</u>	<u>85,258</u>	<u>129,138</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	73,000	73,000	24,062	(48,938)
Total Other Financing Sources (Uses)	<u>73,000</u>	<u>73,000</u>	<u>24,062</u>	<u>(48,938)</u>
Net Change in Fund Balance	<u>\$ 29,120</u>	<u>\$ 29,120</u>	<u>109,320</u>	<u>\$ 80,200</u>
Beginning fund balance			<u>150,037</u>	
Ending Fund Balance			<u>\$ 259,357</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Intergovernmental	\$ 2,500	\$ 2,500	\$ 4,696	\$ 2,196
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>4,696</u>	<u>2,196</u>
<u>Expenditures</u>				
Current:				
Personnel	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>	4,696	<u>\$ 4,696</u>
Beginning fund balance			<u>843</u>	
Ending Fund Balance			<u>\$ 5,539</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 5,300	\$ 5,300	\$ 7,089	\$ 1,789
Total Revenues	<u>5,300</u>	<u>5,300</u>	<u>7,089</u>	<u>1,789</u>
<u>Expenditures</u>				
Current:				
Supplies	5,300	5,300	-	5,300
Total Expenditures	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>5,300</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7,089	<u>\$ 7,089</u>
Beginning fund balance			<u>22,595</u>	
Ending Fund Balance			<u>\$ 29,684</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 4,000	\$ 4,000	\$ 3,980	\$ (20)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>3,980</u>	<u>(20)</u>
<u>Expenditures</u>				
Current:				
Supplies	4,000	4,000	-	4,000
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,980	<u>\$ 3,980</u>
Beginning fund balance			<u>1,396</u>	
Ending Fund Balance			<u>\$ 5,376</u>	

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 7,000	\$ 7,000	\$ 9,000	\$ 2,000
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>9,000</u>	<u>2,000</u>
<u>Expenditures</u>				
Current:				
Supplies	7,000	7,000	-	7,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(15,445)	(15,445)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,445)</u>	<u>(15,445)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (15,445)</u>	<u>(6,445)</u>	<u>\$ 9,000</u>
Beginning fund balance			<u>16,000</u>	
Ending Fund Balance			<u>\$ 9,555</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 7,000	\$ 7,000	\$ 7,060	\$ 60
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,060</u>	<u>60</u>
<u>Expenditures</u>				
Current:				
Supplies	7,000	7,000	-	7,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	7,060	<u>\$ 7,060</u>
Beginning fund balance			<u>5,902</u>	
Ending Fund Balance			<u>\$ 12,962</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 1,500	\$ 1,500	\$ 1,803	\$ 303
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,803</u>	<u>303</u>
<u>Expenditures</u>				
Current:				
Supplies	1,500	1,500	-	1,500
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,803	<u>\$ 1,803</u>
Beginning fund balance			<u>489</u>	
Ending Fund Balance			<u>\$ 2,292</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF'S FEDERAL SHARING FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Investment income	\$ 500	\$ 500	\$ 1	\$ (499)
Total Revenues	<u>500</u>	<u>500</u>	<u>1</u>	<u>(499)</u>
<u>Expenditures</u>				
Current:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 500</u>	<u>\$ 500</u>	<u>1</u>	<u>\$ (499)</u>
Beginning fund balance			<u>94</u>	
Ending Fund Balance			<u>\$ 95</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY'S FEDERAL SHARING FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Investment income	\$ 500	\$ 500	\$ 106	\$ (394)
Total Revenues	<u>500</u>	<u>500</u>	<u>106</u>	<u>(394)</u>
<u>Expenditures</u>				
Current:				
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 500</u>	<u>\$ 500</u>	106	<u>\$ (394)</u>
Beginning fund balance			<u>12,564</u>	
Ending Fund Balance			<u>\$ 12,670</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD ABUSE PREVENTION FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Fees	\$ 100	\$ 100	\$ -	\$ (100)
Total Revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<u>Expenditures</u>				
Current:				
Supplies	100	100	-	100
Total Expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>100</u>	
Ending Fund Balance			<u>\$ 100</u>	

CHAMBERS COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERMANENT SCHOOL FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Budget as Amended</u>		
<u>Revenues</u>				
Investment income	\$ 60,000	\$ 60,000	\$ 28,528	\$ (31,472)
Other income	400,000	400,000	249,604	(150,396)
Total Revenues	<u>460,000</u>	<u>460,000</u>	<u>278,132</u>	<u>(181,868)</u>
<u>Expenditures</u>				
General government	-	956,112	956,091	21
Total Expenditures	<u>-</u>	<u>956,112</u>	<u>956,091</u>	<u>21</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>460,000</u>	<u>(496,112)</u>	<u>(677,959)</u>	<u>(181,847)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(73,000)	(73,000)	(24,062)	48,938
Total Other Financing Sources (Uses)	<u>(73,000)</u>	<u>(73,000)</u>	<u>(24,062)</u>	<u>48,938</u>
Net Change in Fund Balance	<u>\$ 387,000</u>	<u>\$ (569,112)</u>	<u>(702,021)</u>	<u>\$ (132,909)</u>
Beginning fund balance			<u>3,444,184</u>	
Ending Fund Balance			<u>\$ 2,742,163</u>	

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CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS

December 31, 2013

	Airport	Golf Course	Total Nonmajor Funds
<u>Assets</u>			
Current assets:			
Cash	\$ 4	\$ 97,978	\$ 97,982
Inventory	85,846	8,600	94,446
Prepaid expenses	625	1,249	1,874
Total Current Assets	86,475	107,827	194,302
Noncurrent assets:			
Capital assets:			
Non-depreciable	1,469,569	141,000	1,610,569
Net depreciable	463,192	303,301	766,493
Total Noncurrent Assets	1,932,761	444,301	2,377,062
Total Assets	2,019,236	552,128	2,571,364
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	5,387	34,043	39,430
Due to other funds	713	1,425	2,138
Total Liabilities	6,100	35,468	41,568
<u>Net Position</u>			
Net investment in capital assets	1,932,761	444,301	2,377,062
Unrestricted	80,375	72,359	152,734
Total Net Position	\$ 2,013,136	\$ 516,660	\$ 2,529,796

See Notes to Financial Statements.

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CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	<u>Airport</u>	<u>Golf Course</u>	<u>Total Nonmajor Funds</u>
<u>Operating Revenues</u>			
Charges for services	\$ 157,703	\$ 434,790	\$ 592,493
Other services	3,423	800	4,223
Total Operating Revenues	<u>161,126</u>	<u>435,590</u>	<u>596,716</u>
<u>Operating Expenses</u>			
Personnel	120,699	395,413	516,112
Supplies	161,246	99,321	260,567
Contractual services	37,515	45,630	83,145
Depreciation	50,155	37,893	88,048
Total Operating Expenses	<u>369,615</u>	<u>578,257</u>	<u>947,872</u>
Operating (Loss)	<u>(208,489)</u>	<u>(142,667)</u>	<u>(351,156)</u>
Transfers in	<u>446,005</u>	<u>191,069</u>	<u>637,074</u>
Change in Net Position	237,516	48,402	285,918
Beginning net position	<u>1,775,620</u>	<u>468,258</u>	<u>2,243,878</u>
Ending Net Position	<u>\$ 2,013,136</u>	<u>\$ 516,660</u>	<u>\$ 2,529,796</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, 2013

	<u>Airport</u>	<u>Golf Course</u>	<u>Total Nonmajor Funds</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 160,559	\$ 435,590	\$ 596,149
Payments to suppliers	(249,400)	(133,268)	(382,668)
Payments to employees	(119,986)	(395,413)	(515,399)
Net Cash (Used) by Operating Activities	<u>(208,827)</u>	<u>(93,091)</u>	<u>(301,918)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	446,005	191,069	637,074
Net Cash Provided by Noncapital Financing Activities	<u>446,005</u>	<u>191,069</u>	<u>637,074</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(237,174)	-	(237,174)
Net Cash (Used) by Capital and Related Financing Activities	<u>(237,174)</u>	<u>-</u>	<u>(237,174)</u>
Net Change in Cash and Cash Equivalents	4	97,978	97,982
Beginning cash and cash equivalents	-	-	-
Ending Cash and Cash Equivalents	<u>\$ 4</u>	<u>\$ 97,978</u>	<u>\$ 97,982</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended December 31, 2013

	Airport	Golf Course	Total Nonmajor Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating (loss)	\$ (208,489)	\$ (142,667)	\$ (351,156)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	50,155	37,893	88,048
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Inventory	(55,496)	(2,023)	(57,519)
Prepaid expenses	(567)	(1,134)	(1,701)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	4,857	13,415	18,272
Due to other funds	713	1,425	2,138
Net Cash (Used) by Operating Activities	\$ (208,827)	\$ (93,091)	\$ (301,918)

See Notes to Financial Statements.

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 1 of 2)
December 31, 2013

	<u>Undistributed Collections</u>	<u>Sheriff's Bond Escrow</u>	<u>Officials Escrow</u>	<u>Holding</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 218,840	\$ 20,715	\$ 77,631	\$ 291,795
Due from other units	-	-	-	-
Total Assets	<u>\$ 218,840</u>	<u>\$ 20,715</u>	<u>\$ 77,631</u>	<u>\$ 291,795</u>
<u>Liabilities</u>				
Due to other units	\$ 218,840	\$ 20,715	\$ 77,631	\$ 291,795
Total Liabilities	<u>\$ 218,840</u>	<u>\$ 20,715</u>	<u>\$ 77,631</u>	<u>\$ 291,795</u>

<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>
\$ 1,143,557	\$ 17,137	\$ 835,346	\$ 1,508,120	\$ 330,627	\$ 277
-	-	-	-	2,717,180	-
<u>\$ 1,143,557</u>	<u>\$ 17,137</u>	<u>\$ 835,346</u>	<u>\$ 1,508,120</u>	<u>\$ 3,047,807</u>	<u>\$ 277</u>
\$ 1,143,557	\$ 17,137	\$ 835,346	\$ 1,508,120	\$ 3,047,807	\$ 277
<u>\$ 1,143,557</u>	<u>\$ 17,137</u>	<u>\$ 835,346</u>	<u>\$ 1,508,120</u>	<u>\$ 3,047,807</u>	<u>\$ 277</u>

CHAMBERS COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 2 of 2)
December 31, 2013

	<u>State Fees</u>	<u>Chambers County Connection</u>	<u>District Attorney Seizure & Forfeiture</u>	<u>Frozen Sick Leave</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 328,700	\$ 26,817	\$ 874,049	\$ 42,254
Due from other units	-	-	-	-
Total Assets	<u>\$ 328,700</u>	<u>\$ 26,817</u>	<u>\$ 874,049</u>	<u>\$ 42,254</u>
<u>Liabilities</u>				
Due to other units	\$ 328,700	\$ 26,817	\$ 874,049	\$ 42,254
Total Liabilities	<u>\$ 328,700</u>	<u>\$ 26,817</u>	<u>\$ 874,049</u>	<u>\$ 42,254</u>

**Total Agency
Funds**

\$	5,673,611
	2,717,180
\$	8,390,791

\$	8,390,791
\$	8,390,791

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