

**MATAGORDA COUNTY, TEXAS**

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED DECEMBER 31, 2009*

Prepared by  
Ellen Dodd, Matagorda County Auditor



Matagorda County  
 Comprehensive Annual Financial Report  
 For The Year Ended December 31, 2009

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*Introductory Section*



*Financial Section*







**ELLEN DODD**

**COUNTY AUDITOR**

MATAGORDA COUNTY  
1700 SEVENTH STREET, ROOM 326  
BAY CITY, TEXAS 77414-5095  
(409) 244-7611

Honorable District Judges of Matagorda County and  
Honorable Members of the Matagorda County Commissioners Court:

Chapter 114.025 and chapter 115.045 of the Local Government Code of the State of Texas requires the issuance within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a licensed certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Matagorda County for the fiscal year ended December 31, 2009.

This report consists of management's representations concerning the finances of Matagorda County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Matagorda County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Matagorda County's financial statements have been audited by Reed & Associates, PC, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2009, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2009, are presented in conformity with GAAP. The independent auditor's report is presented as the first item in the financial section of this report.

The independent audit of the financial statements of Matagorda County was part of the broader, federally mandated "single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

Generally accepted accounting principles require 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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Matagorda County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of the report includes selected financial and demographic information, which is generally presented on a multi-year basis.

## **PROFILE OF MATAGORDA COUNTY**

The County of Matagorda, created in 1836 is rich in history and tradition. The County is located between Galveston and Corpus Christi along the Gulf Coast and enjoys a diversity of geography from its wide expanse of prairies to the many creeks, rivers, lakes, bays and Gulf of Mexico. Matagorda County occupies an area of 1,115 square miles and serves an estimated population of 37,265. The County is a political subdivision of the State of Texas. The elected Commissioners Court is the governing body of the County which is comprised of the County Judge and four County Commissioners. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners Court has certain powers granted to it by the state legislature. Its duties include adoption of the budget, setting of the tax rates, approval of contracts, appointment of certain county officials and the development of policies and orders.

The Commissioners Court shares the financial controls of the County with the County Auditor who is appointed according to Texas State statutes for two year terms by the District Judges. The County Auditor holds the basic responsibilities for establishing accounting policies and procedures, maintaining the records of all financial transactions of the County, and "examining and approving" disbursements from county funds prior to their submission to the Commissioners Court for payment.

Matagorda County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. These include volunteer fire departments, libraries and the museum. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, clerks of the courts, sheriff, jail, security and emergency management, and bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges; provision of juvenile, health and environmental services as well as property tax collections for multiple agencies.

The annual budget serves as the foundation for the County's planning and control. Budgetary control is maintained at the subtotal level of the County budget for the following categories: Personnel, Operating Costs, Inmate Placement, Capital Outlay and Debt. Expenditures for current operating funds may not exceed available cash balances in such funds at January 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues, expenditures, or actual beginning fund balances in excess of budgeted estimates, provided that Commissioners Court declares the existence of an emergency necessitating the increase. All annual budget appropriations lapse at year end with the exception of the commissioner's budgets which carry forward into a reserve for precincts. The County also maintains an encumbrance accounting system for the general fund as one method of maintaining budgetary control. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted.

## **LOCAL ECONOMY**

An understanding of the financial condition of Matagorda County is enhanced through a perspective of the environment in which the County operates. Matagorda County's primary economic bases include utilities, petrochemical processing, transmission, agriculture, commercial fishing and tourism. Matagorda County has outstanding opportunities for industry growth because of its location and proximity to the Gulf of Mexico, the Colorado River and the Gulf Intercoastal Canal waterway. Its strong oil and gas and petrochemical industry has kept the economy stable. Matagorda County however, still compares lower in important demographics categories compared to other Texas counties and the state. The average household income is \$10,000 lower than the Texas average. The unemployment rate continues to rise and remains 2-3% higher than the rate for the state of Texas. Census numbers are projected to drop or remain constant at best.

For several years, Matagorda County has partnered with the South Texas Nuclear Project in providing Emergency Preparedness Training and Operations Drills for the safety of its citizens. This contract is not only financially favorable to the County, but has also provided invaluable emergency preparedness skills and a network of cooperation between the County leaders and departments and its industry neighbors. Through a joint partnership with the South Texas Project and Wharton County Junior College, the South Texas Center for Energy Development continues to serve as a career center for staffing at STP and also offers classes focusing on process-technology and power-technology programs to train students for work at chemical, industrial and nuclear plants.

A new Matagorda Regional Medical Center opened its doors to patients in 2009 at its 117,900 square-foot facility located on 45 acres of land on Texas 35 west. Plans are underway for construction of additional facilities which will complement the medical center and provide much needed health care to Matagorda County citizens. Matagorda County experienced the addition of two new hotels in 2009.

The economic outlook for Matagorda County remains positive for the future as the South Texas Project Nuclear Operating Company announced its plans to build two additional units at the site and is in the licensing and preconstruction phase of this project. The construction could bring 3000 jobs per unit to the community and provide 1,000 permanent jobs to Matagorda County. The county may also be home to a proposed electric generating coal plant which would provide 1500 temporary construction workers and 150 new career opportunities for the community. Tourism continues to grow as Matagorda's coastline is developed and discovered by those who enjoy fishing, beach and river activities or just relaxing.

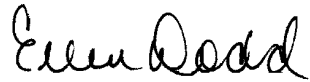
## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Matagorda County for its comprehensive annual financial report for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last 5 consecutive years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my appreciation to members of the Commissioners' Court and to the District Judges for their interest and support in planning and conducting the financial operations of the County in a responsible and professional manner. The timely completion of this report could not have been achieved without the dedicated efforts of the entire staff of the Office of County Auditor and the professional services provided by our independent Auditor, Reed & Associates, P.C.

Respectfully submitted,

A handwritten signature in black ink that reads "Ellen Dodd". The signature is written in a cursive style with a large, prominent initial "E".

Ellen Dodd, County Auditor  
Matagorda County, Texas  
May 8, 2010

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Matagorda County  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

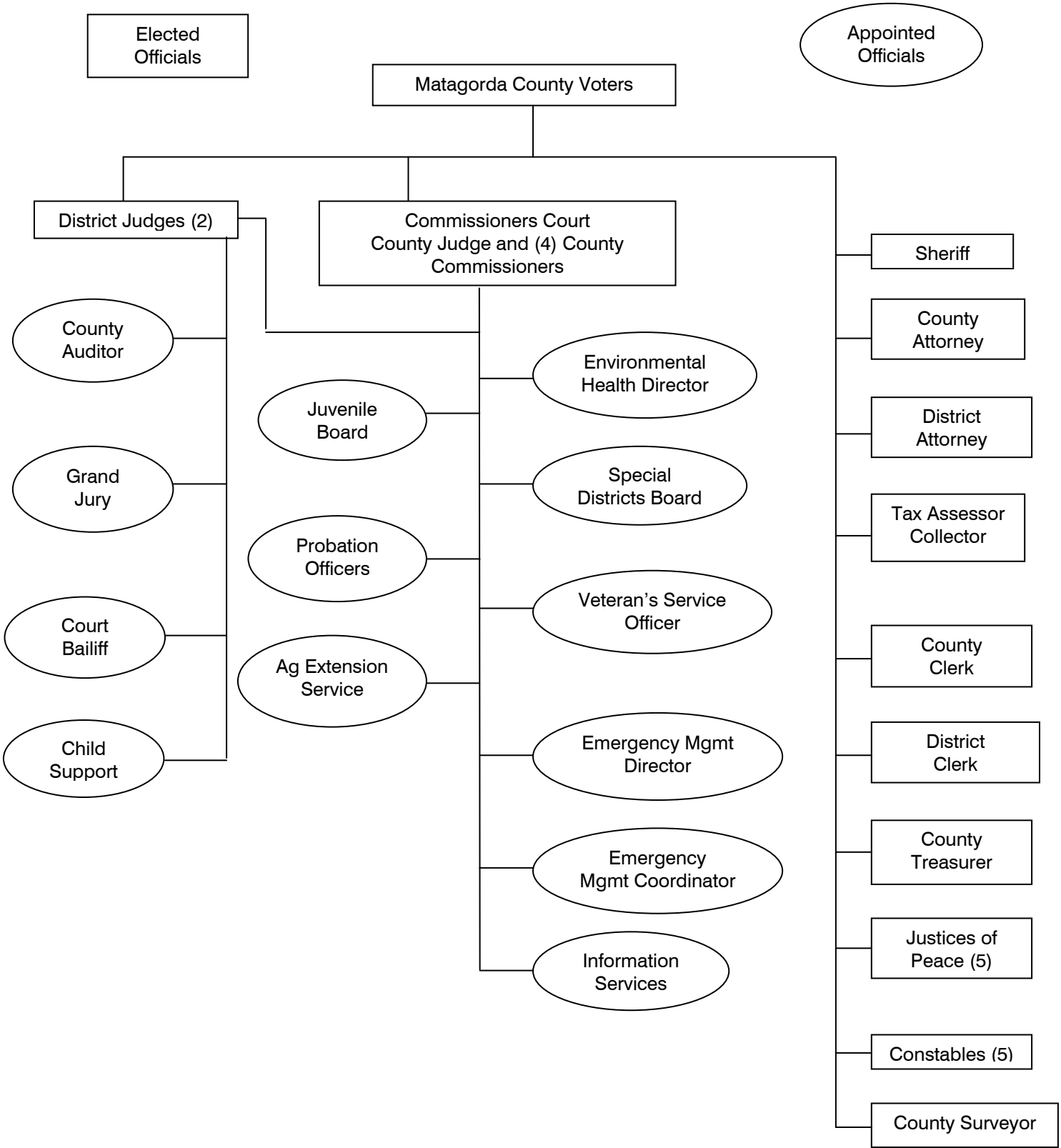
President

A handwritten signature in black ink that reads "Jeffrey R. Enen".

Executive Director



**MATAGORDA COUNTY**  
*Organization Chart*



# MATAGORDA COUNTY

LIST OF ELECTED AND APPOINTED OFFICIAL  
DECEMBER 31, 2009

## Elected Officials

Judge, 23<sup>rd</sup> Judicial District  
Judge, 130<sup>th</sup> Judicial District  
County Judge  
Commissioner, Precinct #1  
Commissioner, Precinct #2  
Commissioner, Precinct #3  
Commissioner, Precinct #4  
County Sheriff  
County Attorney  
District Attorney  
County Tax Collector  
County Clerk  
District Clerk  
County Treasurer  
Justice of Peace, Precinct #1  
Justice of Peace, Precinct #2  
Justice of Peace, Precinct #3  
Justice of Peace, Precinct #4  
Justice of Peace, Precinct #6  
Constable, Precinct #1  
Constable, Precinct #2  
Constable, Precinct #3  
Constable, Precinct #4  
Constable, Precinct #6  
County Surveyor

Ben Hardin  
Craig Estlinbaum  
Nate McDonald  
Dan Pustka  
George Deshotels  
James Gibson  
David J. Woodson  
Gary Mathis  
Jill Cornelius  
Steven Reis  
Cristyn Hallmark  
Gail Denn  
Becky Denn  
Amy Perez  
Jeannette Bell  
Suzan Thompson  
Jerry Purvis  
Aaron Green  
Raymond Taggart  
Raymond Green  
Frank Craft  
Pat Jewel  
Pete Medina  
Tom Ward  
James Rother

## Appointed Officials

County Auditor  
Court Bailiff  
Child Support  
Ag Extension Agent  
Environmental Health Director  
Veterans Service Officer  
Emergency Management Director  
Emergency Management Coordinator  
Information Services

Ellen Dodd  
Bill Orton  
Gwen Galloway  
Brent Batchelor  
Ruben Gonzales  
Frank Osborne  
Nate McDonald  
Doug Matthes  
Chris Peikert



**REED & ASSOCIATES, PC**

1717 8th Street, Suite 5  
Bay City, Texas 77414

**Independent Auditor's Report on Financial Statements**

Commissioners  
Matagorda County  
1700 Seventh Street  
Bay City, Texas 77414

Members of the Commissioners:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2010, on our consideration of Matagorda County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Matagorda County's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," the combining statements and budgetary comparison schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

*Reed & Associates, PC*

Reed & Associates, PC  
May 8, 2010

## Management's Discussion and Analysis

This discussion and analysis of Matagorda County's financial performance provides a narrative overview of the County's financial activities for the fiscal year ended December 31, 2009. The information presented here should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Matagorda County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred in regards to interfund activity, payables and receivables.

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

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

Both of the government-wide statements distinguish between functions of Matagorda County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business activities). The governmental activities of the County include general government, justice, public safety, corrections and rehabilitation, health and human services, community and economic development, and infrastructure and environmental services.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds 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 fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary funds.** *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a type of proprietary fund) is used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self-funded health insurance program. Because these services predominately benefit governmental rather than business-type functions, they have 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* reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County uses agency funds to account for various assets held for the benefit of others.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes disclose other pertinent information that, when taken in whole with the financial statements, provide a more detailed picture of the state of the finances of the County.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

The combining statements and individual fund budgetary comparison schedules are presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Matagorda County, assets exceeded liabilities by \$29,328,038 at the close of the most recent fiscal year.

Sixty-seven percent (67%) of the County's net assets, \$19,522,703, reflects its investment in capital assets less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net assets for the years ending December 31, 2009 and 2008 are summarized as follows:

#### MATAGORDA COUNTY'S NET ASSETS

	2009	2008
Current and other assets	\$ 24,545,131	\$ 23,842,695
Capital Assets	20,627,703	21,741,971
Total assets	45,172,834	45,584,666
Current and other liabilities	13,260,655	12,606,589
Long-term liabilities	2,584,141	2,069,719
Total liabilities	15,844,796	14,676,308
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	19,522,703	20,506,971
Restricted for debt service	5,034	5,594
Unrestricted	9,800,301	10,395,793
Total net assets	\$ 29,328,038	\$ 30,908,358

**Analysis of the County's Operations.** Governmental activities decreased the County's net assets by \$1,580,320 compared to a prior year reduction of \$616,603. Some of the more significant factors contributing to this change include:

- Increased depreciation and asset disposal of \$363,409
- Decrease in the net internal service fund activity of \$284,350
- The recognition of court fines decreased by 210,604 due to the leveling of collections as a result of the implementation of collection software in 2008

Factors contributing to the loss of \$1,580,320 include the following:

- Other post employment benefits of \$632,178
- Depreciation expense and capital asset disposal exceeded capital outlay by \$1,114,267

The following table provides a summary of the County's operations for the years ended December 31, 2009 and 2008.

#### MATAGORDA COUNTY'S CHANGES IN NET ASSETS

	2009	2008
Revenues:		
Program revenues:		
Fees, fines and charges for services	\$ 5,997,089	\$ 6,596,121
Operating grants and contributions	2,500,369	1,661,296

General revenues:		
Property taxes	11,160,539	9,921,906
Miscellaneous	65,041	70,657
Unrestricted Investment Earnings	<u>246,078</u>	<u>380,173</u>
Total revenues	<u>19,969,116</u>	<u>18,630,153</u>
Expenses:		
General government	2,800,507	2,303,706
Justice system	3,402,444	2,965,507
Public Safety	3,846,603	3,245,747
Corrections & Rehabilitation	2,229,983	2,363,299
Health and Human Services	1,283,782	1,219,112
Community & Economic Development	1,597,919	1,167,753
Infrastructure and Environmental services	6,335,128	5,922,408
Interest on Debt	<u>53,070</u>	<u>59,224</u>
Total expenses	<u>21,549,436</u>	<u>19,246,756</u>
Increase (decrease) in net assets	(1,580,320)	(616,603)
Net assets – beginning	<u>30,908,358</u>	<u>31,524,961</u>
Net assets – ending	<u>\$ 29,328,038</u>	<u>\$ 30,908,358</u>

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

**Governmental funds.** The general government functions are reported in the General, Special Revenue, and Debt Service funds. The focus of the County's *governmental funds* is to provide information on current sources, uses, and balances of *spendable* resources. Such information is useful in determining the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$ 8,496,253. Only \$4,924 of this amount is reserved for debt service. The remaining \$8,491,329 is unreserved or available for spending. Although not reserved, \$1,059,862 of the available fund balance has been designated for other uses.

The General Fund is the chief operating fund of the County. The unreserved fund balance of the General Fund was \$7,419,087 in contrast to \$7,496,109 in the prior year, a decrease of \$77,022. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance represents 39.37 percent of total general fund expenditures. Key factors in the unreserved fund balance decrease from the prior year are as follows:

- Tax revenues were \$1,252,236 higher than the prior year due to increases in assessed taxable valuations.
- Intergovernmental revenue increased as a result of federal grants funding which included allocations for in-kind labor and equipment.
- Investment Income decreased by \$133,935 due to continued adverse market conditions.
- Infrastructure & Environmental Services increased by \$771,940 due to increased costs of road construction and repair.
- Personnel costs increased due to a 5% raise for all employees.

**Proprietary funds.** The County has only one proprietary fund type which is an internal service fund. This internal service fund is used to account for a self-funded health insurance program. The fund for 2009 had operating income of \$26,274 as compared to last year's \$302,920. The primary contributor to this \$276,646 decrease in operating income over the prior year was an increase in the claims and prescriptions expense of \$351,029 and \$146,731 respectively. The contributions remained relatively unchanged with the only increase in the employer contributions of \$221,165.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Commissioners' Court approved several increases to budgeted revenues and appropriations. The following areas were affected:

- Intergovernmental revenue increased due to the approval of various local, state and federal grants, with a corresponding increase in appropriations for Community & Economic Development and Public Safety.
- Miscellaneous revenue budget was increased from original to final due to insurance recoveries and for contributions for Sheriff uniforms and emergency supplies with a related increase to public safety appropriations.
- Infrastructure & Environmental Services increased with the addition of the transfer station department of \$74,927 and as a result of re-appropriations of unused prior year budgets for precincts of \$1,056,178.

Actual Revenues did not meet budgetary estimates and actual expenditures were less than appropriations. The following areas are the more significant areas noted:

- Charges for services were less than anticipated because revenue from housing out of county inmates did not meet expectations.
- Investment Income actual was less than estimated calculations as market conditions continue to be unfavorable.
- As mentioned in our discussion of significant budget amendments, Infrastructure & Environmental Services expenditures were under spent as a result of re-appropriating unused prior year budgets.
- Utility costs were less than expected resulting in favorable variances.

## **CAPITAL ASSETS**

The County's investment in capital assets for its governmental activities as of December 31, 2009 amounts to \$20,627,705 (net of accumulated depreciation). This investment in capital assets includes land; buildings and improvements; equipment and vehicles; and infrastructure for roads and bridges.

Overall, the capital assets decreased by \$1,114,266. The main decrease in capital assets is \$2,604,396 in depreciation expense.

Key increases in capital assets are as follows:

- Reworking of existing roads and bridges.
- Purchase of several sheriff vehicles and emergency preparedness equipment.

The following table lists the County's investment in capital assets as of December 31, 2009

**MATAGORDA COUNTY'S CAPITAL ASSETS  
Net of Accumulated Depreciation**

	Balances 12/31/2008	Increases	Decreases	Balances 12/31/2009
Land	\$ 1,310,731	\$ 53,120	\$	\$ 1,363,851
Infrastructure	38,457,573	984,781	344,677	39,097,677
Buildings and improvements	13,385,959	224,376		13,610,335
Vehicles and equipment	7,470,875	297,078	134,978	7,632,975
Less accumulated depreciation	<u>(38,883,167)</u>	<u>(2,604,396)</u>	<u>(410,430)</u>	<u>(41,077,133)</u>
	<u>\$ 21,741,971</u>	<u>\$ (1,045,041)</u>	<u>\$ 69,225</u>	<u>\$ 20,627,705</u>

**DEBT ADMINISTRATION**

In September of 2006 the county issued Certificates of Obligation in the amount of \$1,515,000 for the purpose of expansion of the jail facility. The obligation will be paid semiannually over a period of ten years at an interest rate of 4.69%. During the current fiscal year, the County's debt decreased by \$130,000 as a result of a scheduled payment and the outstanding balance as of December 31, 2009 is \$1,105,000.

Compensated absences experienced a net increase for the year of \$12,242.

The counties net OPEB obligation for the year is \$632,178 and the balance at December 31, 2009 is \$1,273,234.

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

The annual budget is developed to provide efficient, effective and controlled use of the County's resources. Through the budget the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The 2010 budget was adopted on August 24, 2009 with General Fund expenditures of \$17,908,469, a decrease of \$937,276 as compared to the actual FY 2009 expenditures.

The county experienced another increase in property values from industry, waterfront properties and oil and gas production. The Commissioners' Court adopted the same maintenance and operation tax rate of .27055 per \$100 assessed valuation as the previous year. The court also adopted an interest and sinking tax rate of .00443.

Factors affecting the 2010 Budget were as follows:

- An increase of 2.5% for employees, and elected and appointed officials of the county.
- An increase in number of retirees for health insurance premiums paid by the county.
- An increase for the district court for attorney fees and to the district court and district attorney for capital murder expenditures.
- Increase in election costs.
- Decrease in utility budgets for county owned buildings.
- Decrease in fuel costs



These indicators were taken into account when adopting the General Fund appropriations for 2010, with \$17.6 million in estimated revenue and .3 million to be provided from unreserved fund balance.

#### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Office of the Matagorda County Auditor, 1700 7<sup>th</sup> Street, Room 325, Bay City, Texas 77414, or call (979)244-7611.



*Basic Financial Statements*



**MATAGORDA COUNTY**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

	Governmental Activities
<b>ASSETS</b>	
<i>Cash and cash equivalents</i>	\$ 10,001,568
Receivables ( net of allowances for uncollectibles):	
<i>Taxes receivable</i>	9,304,627
<i>Other receivables</i>	2,822,561
<i>Prepaid items</i>	262,808
<i>Inventories</i>	4,750
<i>Interest receivable</i>	14,460
<i>Investments</i>	2,134,357
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	1,363,852
<i>Buildings</i>	8,982,049
<i>Improvements</i>	414,811
<i>Infrastructure</i>	7,896,258
<i>Equipment</i>	1,970,733
Total Assets	<u>45,172,834</u>
<b>LIABILITIES</b>	
<i>Accounts payable</i>	867,043
<i>Due to other governments</i>	130,710
<i>Due to others</i>	351,785
<i>Accrued interest payable</i>	15,318
<i>Unearned revenue</i>	11,872,005
<i>Escrow reserves</i>	23,794
Noncurrent Liabilities:	
<i>Due within one year - compensated absences</i>	41,921
<i>Due within one year - OPEB</i>	500,000
<i>Due within one year - certificates of obligation</i>	135,000
<i>Due in more than one year - comp absences</i>	163,986
<i>Due in more than one year - OPEB</i>	773,234
<i>Due in more than one year - certificates of obligation</i>	970,000
Total Liabilities	<u>15,844,796</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	19,522,703
Restricted For:	
Debt Service	5,034
Unrestricted	9,800,301
Total Net Assets	<u>\$ 29,328,038</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Government Activities:</b>				
<i>General government</i>	\$ 2,800,507	\$ 1,241,539	\$ 15,633	\$ (1,543,335)
<i>Justice system</i>	3,402,444	1,069,513	575,484	(1,757,447)
<i>Public safety</i>	3,846,603	3,266,384	859,838	279,619
<i>Corrections and rehabilitation</i>	2,229,983	145,540	21,938	(2,062,505)
<i>Health and human services</i>	1,283,782	45,980	23,714	(1,214,088)
<i>Community and economic development</i>	1,597,919	144,380	615,956	(837,583)
<i>Infrastructure and environmental services</i>	6,335,128	83,753	387,806	(5,863,569)
<i>Interest on debt</i>	53,070	--	--	(53,070)
Total governmental activities	<u>21,549,436</u>	<u>5,997,089</u>	<u>2,500,369</u>	<u>(13,051,978)</u>
Total Primary Government	<u>\$ 21,549,436</u>	<u>\$ 5,997,089</u>	<u>\$ 2,500,369</u>	<u>(13,051,978)</u>
<b>General Revenues:</b>				
<i>Property taxes</i>				11,160,539
<i>Miscellaneous</i>				65,041
<i>Unrestricted investment earnings</i>				246,078
Total General Revenues				<u>11,471,658</u>
Change in Net Assets				<u>(1,580,320)</u>
Net Assets - Beginning				30,908,358
Net Assets - Ending				<u>\$ 29,328,038</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY****BALANCE SHEET - GOVERNMENTAL FUNDS**

DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 6,858,415	\$ 1,494,185	\$ 8,352,600
Receivables ( net of allowances for uncollectibles):			
<i>Taxes</i>	9,159,571	145,056	9,304,627
<i>Other receivables</i>	2,549,871	250,159	2,800,030
<i>Prepaid items</i>	262,808	--	262,808
<i>Due from other funds</i>	65,232	--	65,232
<i>Inventories</i>	4,750	--	4,750
<i>Interest receivable</i>	14,460	--	14,460
<i>Investments</i>	2,134,357	--	2,134,357
<b>Total Assets</b>	<b>\$ 21,049,464</b>	<b>\$ 1,889,400</b>	<b>\$ 22,938,864</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
<i>Accounts payable</i>	\$ 436,824	\$ 234,070	\$ 670,894
<i>Due to other governments</i>	130,710	--	130,710
<i>Due to other funds</i>	--	51,059	51,059
<i>Due to others</i>	272,632	79,153	351,785
<i>Deferred revenue</i>	12,766,417	447,952	13,214,369
<i>Escrow reserves</i>	23,794	--	23,794
<b>Total Liabilities</b>	<b>13,630,377</b>	<b>812,234</b>	<b>14,442,611</b>
Fund Balances:			
Unreserved:			
<i>Designated for insurance</i>	20,000	--	20,000
<i>Designated for precincts</i>	1,039,862	--	1,039,862
<i>Undesignated:</i>			
<i>General fund</i>	6,359,225	--	6,359,225
<i>Special revenue funds</i>	--	1,072,242	1,072,242
<i>Reserved for debt service</i>	--	4,924	4,924
<b>Total Fund Balances</b>	<b>7,419,087</b>	<b>1,077,166</b>	<b>8,496,253</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,049,464</b>	<b>\$ 1,889,400</b>	<b>\$ 22,938,864</b>

The accompanying notes are an integral part of this statement.

# MATAGORDA COUNTY

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS DECEMBER 31, 2009

Total fund balances - governmental funds balance sheet	\$ 8,496,253
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	20,633,407
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	633,110
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	1,291,007
Payables for bond interest which are not due in the current period are not reported in the funds.	(15,318)
Payables for notes which are not due in the current period are not reported in the funds.	(1,105,000)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(205,907)
Payables for contracts which are not due in the current period are not reported in the funds.	(1,273,234)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>873,720</u>
Net assets of governmental activities - statement of net assets	<u>\$ 29,328,038</u>

The accompanying notes are an integral part of this statement.



# MATAGORDA COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
<i>Taxes</i>	\$ 10,937,735	\$ 186,954	\$ 11,124,689
<i>Licenses and permits</i>	818,549	--	818,549
<i>Intergovernmental</i>	1,747,834	730,187	2,478,021
<i>Charges for services</i>	4,357,819	167,079	4,524,898
<i>Fines</i>	415,196	--	415,196
<i>Investment income</i>	244,052	28,473	272,525
<i>Miscellaneous</i>	183,526	90,217	273,743
Total revenues	<u>18,704,711</u>	<u>1,202,910</u>	<u>19,907,621</u>
<b>EXPENDITURES</b>			
Current:			
<i>General government</i>	2,552,868	93,744	2,646,612
<i>Justice system</i>	2,713,636	441,555	3,155,191
<i>Public Safety</i>	3,537,817	9,927	3,547,744
<i>Corrections and rehabilitation</i>	1,968,600	49,831	2,018,431
<i>Health and human services</i>	1,208,428	--	1,208,428
<i>Community and economic development</i>	1,163,473	59,532	1,223,005
<i>Infrastructure and environmental services</i>	5,063,458	--	5,063,458
Capital outlay	634,465	293,059	927,524
Debt service:			
<i>Principal</i>	--	130,000	130,000
<i>Interest and fiscal charges</i>	--	54,873	54,873
Total expenditures	<u>18,842,745</u>	<u>1,132,521</u>	<u>19,975,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,034)</u>	<u>70,389</u>	<u>(67,645)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
<i>Transfers in</i>	64,312	3,300	67,612
<i>Transfers out</i>	(3,300)	(64,312)	(67,612)
Total other financing sources (uses)	<u>61,012</u>	<u>(61,012)</u>	<u>--</u>
Net change in fund balances	(77,022)	9,377	(67,645)
Fund balances - beginning	7,496,109	1,067,789	8,563,898
Fund balances - ending	<u>\$ 7,419,087</u>	<u>\$ 1,077,166</u>	<u>\$ 8,496,253</u>

The accompanying notes are an integral part of this statement.

## MATAGORDA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds	\$ (67,645)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,629,334
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,743,601)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	35,850
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	130,000
(Increase) decrease in accrued interest from beginning of period to end of period.	1,803
The net revenue (expense) of internal service funds is reported with governmental activities.	52,717
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(12,244)
Special termination benefits are reported as the amount earned in the SOA but as the amount paid in the funds.	(632,178)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	<u>25,644</u>
Change in net assets of governmental activities - statement of activities	<u>\$ (1,580,320)</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY**

## STATEMENT OF NET ASSETS

## INTERNAL SERVICE FUND

DECEMBER 31, 2009

	Nonmajor Internal Service Fund
	Insurance Fund
<b>ASSETS</b>	
<b>Current assets:</b>	
<i>Cash and cash equivalents</i>	\$ 1,648,967
<i>Other receivables</i>	9,528
Total Assets	<u>\$ 1,658,495</u>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
<i>Accounts payable</i>	\$ 196,148
<i>Due to other funds</i>	1,170
<i>Deferred revenue</i>	170,171
Total Liabilities	<u>367,489</u>
<b>NET ASSETS</b>	
<i>Unrestricted</i>	1,291,006
Total net assets	<u>\$ 1,291,006</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY****STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - INTERNAL SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Nonmajor Internal Service Fund
	Insurance Fund
<b>OPERATING REVENUES</b>	
<i>Employer contributions</i>	\$ 2,108,332
<i>Employee contributions</i>	194,060
<i>Retiree/Cobra contributions</i>	79,801
<i>Special district contributions</i>	188,950
<i>Drug rebates</i>	73,931
Total Operating Revenues	<u>2,645,074</u>
<b>OPERATING EXPENSES</b>	
<i>Administrative claims</i>	540,070
<i>Claims expense</i>	1,478,802
<i>Prescriptions</i>	599,928
Total Operating Expenses	<u>2,618,800</u>
Operating Income (Loss)	<u>26,274</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
<i>Interest revenue</i>	26,443
Total Non-operating Revenues (Expenses)	<u>26,443</u>
Change in Net Assets	52,717
Total net assets - beginning	1,238,289
Total net assets - ending	<u>\$ 1,291,006</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Internal Service Fund
<b>Cash Flows from Operating Activities:</b>	
<i>Cash received from interfund services provided</i>	\$ 2,306,926
<i>Cash received from external users</i>	341,174
<i>Cash payments for administration</i>	(494,958)
<i>Cash payments for claims</i>	(2,056,802)
Net Cash Provided (Used) by Operating Activities	<u>96,340</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Transfers to general fund</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Interest and Dividends on Investments</i>	26,443
Net Cash Provided (Used) for Investing Activities	<u>26,443</u>
Net Increase (Decrease) in Cash and Cash Equivalents	122,783
Cash and Cash Equivalents at Beginning of Year	1,526,184
Cash and Cash Equivalents at End of Year	<u>\$ 1,648,967</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 26,273
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	--
Change in Assets and Liabilities:	
<i>(Increase) Decrease in Accounts Receivable</i>	(1,507)
<i>Increase (Decrease) in Accounts Payable</i>	45,113
<i>Increase (Decrease) in Due to Other Funds</i>	1,170
<i>Increase (Decrease) in Claims Payable</i>	21,928
<i>Increase (Decrease) in Deferred Revenue</i>	3,363
Total Adjustments	<u>70,067</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 96,340</u>

The accompanying notes are an integral part of this statement.

**MATAGORDA COUNTY**

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

DECEMBER 31, 2009

	Agency Funds
<b>ASSETS</b>	
<i>Cash and cash equivalents</i>	\$ 1,823,083
Total Assets	<u>\$ 1,823,083</u>
<b>LIABILITIES</b>	
<i>Due to other governments</i>	\$ 182,842
<i>Due to other funds</i>	13,003
<i>Due to others</i>	1,627,238
Total Liabilities	<u>1,823,083</u>
<b>NET ASSETS</b>	
<i>Unrestricted</i>	--
Total Net Assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

# **MATAGORDA COUNTY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009**

### **A. Summary of Significant Accounting Policies**

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

#### **1. Reporting Entity**

Matagorda County was established in 1836 by the Republic of Texas. Commissioners elected from each of four precincts serve as the governing body with the elected County Judge as the head of this body. The Commissioners and County Judge oversee all functions of general government applicable to the County as provided by state statutes.

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

#### **2. Basis of Presentation, Basis of Accounting**

##### **a. Basis of Presentation**

**Government-wide Statements:** The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County allocates indirect expenses in the statement of activities based on functional totals at the government-wide level for the prior year. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## **MATAGORDA COUNTY**

### *NOTES TO THE FINANCIAL STATEMENTS*

*FOR THE YEAR ENDED DECEMBER 31, 2009*

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental fund:

**General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

In addition, the County reports the following fund types:

**Internal Service Funds:** These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of health insurance costs to the various departments of the County on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements and are defined as follows:

**Agency Funds:** These funds are used to report resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds for Matagorda County include District Clerk, County Clerk and Inmate Trust funds held for the benefit of others and the Tax Assessor/Collector account used for the collection of taxes and remittance to various taxing entities.

**b. Measurement Focus, Basis of Accounting**

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus (with the exception of agency funds which do not involve the measurement of results of operations) and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept.



**MATAGORDA COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2009*

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The County records purchases of supplies at historical cost as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used. Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	15-40
Buildings	40-60
Improvements	10-20
Vehicles	3-8
Office Equipment	3-7
Other Equipment	5-20

## **MATAGORDA COUNTY**

### *NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009*

e. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, sick pay and comp time benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay these amounts when employees separate from service. All vacation and comp time pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

h. Investment Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

4. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, and the following special revenue funds: DA Legal Law, Sheriff & Jail Discretionary, County Clerk Preservation & Automation, Countywide Records Management/Preservation, Courthouse Security, Justice Court Technology and District Clerk Records Management/Preservation. All annual budget appropriations lapse at fiscal year end, with the exception of the four precincts (see Note J).

According to Chapter 111 of the Local Government Code, by July 31 the County Judge, assisted by the County Auditor shall prepare a budget to cover all proposed expenditures of the County government for the succeeding fiscal year. The proposed budget shall be filed with the County Clerk for inspection by any taxpayer. The Commissioners court shall hold a public hearing on the proposed budget after August 15th but before the date on which taxes are levied by the court. The final approved budget shall be filed with the County Clerk.

The appropriated budget is prepared by fund, department, and category (personnel, operating, capital outlay and debt service). Department heads may make transfers of appropriations within a category. Transfers of appropriations between categories requires the approval of Commissioners Court. The budget was amended throughout the year as needed for emergency expenditures.

**MATAGORDA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**B. Deposits and Investments**

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At December 31, 2009, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$12,736,591 and the bank balance was \$16,349,798. The County's cash deposits at December 31, 2009 and during the year ended December 31, 2009, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County's investments at December 31, 2009 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Certificates of Deposit	< 1 year	N/A	\$ 915,231
Federal Farm Credit Bank	> 1 yr < 5 yrs	Aaa	750,000
Federal Home Loan Bank	> 1 yr < 5 yrs	Aaa	144,951
Federal National Mortgage Association	> 1 yr < 5 yrs	Aaa	225,000
Prudential Financial, Inc.	> 1 yr < 5 yrs	F1	99,175
Total Investments			<u>\$ 2,134,357</u>

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- a. Credit Risk - the risk that an issuer or other counterparty to an investment will not fulfil its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The above table indicates the credit rating by Standard & Poor's at December 31, 2009 by investment type. It is County policy to diversify the investment portfolio, display prudence in selecting investments and never invest in anything that jeopardizes the total capital position of the overall portfolio.

# MATAGORDA COUNTY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

- b. Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits its exposure to interest rate risk by diversifying its investments by security type and institution and restricting the maximum investment term to less than five years from the purchase date for all funds except debt service funds which are limited to ten years.
- c. Concentration of Credit Risk - the risk of loss attributed to the magnitude of a government's investment in a single user. While the County's policy places no limits on the amount that may be invested in any one issuer, it does stress diversity and safety. At year end, more than five percent of the County's investments were held in each of the investment types listed above.

### C. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,310,731	\$ 53,120	\$ --	\$ 1,363,851
Total capital assets not being depreciated	<u>1,310,731</u>	<u>53,120</u>	<u>--</u>	<u>1,363,851</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	38,457,573	984,781	344,677	39,097,677
Buildings and improvements	13,385,959	224,376	--	13,610,335
Vehicles and equipment	7,470,875	297,078	134,978	7,632,975
Total capital assets being depreciated	<u>59,314,407</u>	<u>1,506,235</u>	<u>479,655</u>	<u>60,340,987</u>
Less accumulated depreciation for:				
Infrastructure	(29,724,783)	(1,753,174)	(276,538)	(31,201,419)
Buildings and improvements	(3,927,119)	(286,353)	--	(4,213,472)
Vehicles and equipment	(5,231,265)	(564,869)	(133,892)	(5,662,242)
Total accumulated depreciation	<u>(38,883,167)</u>	<u>(2,604,396)</u>	<u>(410,430)</u>	<u>(41,077,133)</u>
Total capital assets being depreciated, net	<u>20,431,240</u>	<u>(1,098,161)</u>	<u>69,225</u>	<u>19,263,854</u>
Governmental activities capital assets, net	<u>\$ 21,741,971</u>	<u>\$ (1,045,041)</u>	<u>\$ 69,225</u>	<u>\$ 20,627,705</u>

Depreciation was charged to functions as follows:

General government	\$ 102,329
Justice system	131,726
Public safety	144,174
Corrections and rehabilitation	104,976
Health and human services	54,152
Community and economic development	51,871
Infrastructure and environmental services	2,015,168
	<u>\$ 2,604,396</u>

### D. Interfund Balances and Activity

1. Balances due to and due from other funds at December 31, 2009, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 50	Imprest funds
General Fund	Other Governmental Funds	51,009	Short-term loans
General Fund	Agency Funds	13,003	Tax collections
General Fund	Internal Service Funds	1,170	Overpayment
	Total	<u>\$ 65,232</u>	

**MATAGORDA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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All amounts due are scheduled to be repaid within one year.

2. Transfers to and from other funds at December 31, 2009, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General fund	Other Governmental Funds	\$ 3,300	Supplement other funds sources
Other Governmental Funds	General Fund	64,312	Reimburse expenditures
	Total	\$ 67,612	

**E. Long-Term Obligations**

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended December 31, 2009, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Certificates of Obligation	\$ 1,235,000	\$ --	\$ 130,000	\$ 1,105,000	135,000
Compensated absences *	193,665	208,942	196,700	205,907	41,921
Net OPEB Obligation	641,056	1,123,605	491,427	1,273,234	500,000
Total governmental activities	\$ 2,069,721	\$ 1,332,547	\$ 818,127	\$ 2,584,141	\$ 676,921

\* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General
Net OPEB Obligation	Governmental	General

2. Debt service requirements on long-term debt at December 31, 2009, are as follows:

Certificates of obligation of \$1,515,000, issued August 15, 2006 bearing interest at 4.69% and maturing March 15, 2016 were issued for the purpose of jail expansion.

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2010	\$ 135,000	\$ 48,659	\$ 183,659
2011	145,000	42,093	187,093
2012	150,000	35,175	185,175
2013	155,000	28,023	183,023
2014	165,000	20,519	185,519
2015-2019	355,000	16,767	371,767
Totals	\$ 1,105,000	\$ 191,236	\$ 1,296,236

**F. Risk Management**

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2009, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities via interlocal agreement and forming a risk pool ("Pool"). The Pool is a legally separate entity operating as a common risk management and insurance program and is administered by TriStar Risk

**MATAGORDA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Management. The Pool provides third party liability, public officials liability, automobile liability, workers compensation, blanket crime coverage and property coverage. The County pays an annually determined premium to the pool for its share of the above insurance coverage. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. Latest audited financial statements for the self-insured pool can be obtained by contacting PO Box 1744, Bay City, Tx 77404-1744.

The County continues to carry insurance for other risks of loss through a group purchasing cooperative. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

G. Pension Plan

*Plan Description*

The County's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries through its affiliation with the Texas County and District Retirement System ("TCDRS"), an agent multiple-employer public employee retirement system. TCDRS operates under the authority of Texas Government Code, Title 8, Subtitle G. The Texas legislature has the authority to establish or amend benefit provisions and the governing body of the County adopts the plan provisions within the options and constraints established by the legislature. TCDRS issues a publicly available financial report that includes financial statements and required supplementary information for TCDRS. That report may be obtained by writing to Texas County District Retirement System, P.O. Box 2034, Austin, TX 78768-2034 or calling (800) 823-7782. Additional nonauthoritative information is available at the TCDRS web site, <http://www.tcdrs.org>.

*Funding Policy*

Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate is 12.29% of annual covered payroll. The County's contributions to the TCDRS for the years ending December 31, 2009, 2008 and 2007 were \$783,936, \$717,749 and \$665,421, respectively, and were equal to the required contributions for each year.

*Annual Pension Cost*

The County's annual pension cost of \$783,936 for the Plan was equal to the County's required and actual contributions. Under the state law governing TCDRS, the actuary annually determines the County's contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the County matching percent, which are the obligation of the County as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the County to each employee at the time his/her retirement becomes effective. Since the County needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 1997 valuation is effective for rates beginning January 1999).

Actuarial Information

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	Level % of payroll, closed	Level % of payroll, closed	Level % of payroll, closed
Amortization period in years	15	15	20

**MATAGORDA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Asset valuation method	SAF: 10yr smoothed value ESF: fund value	SAF: 10yr smoothed value ESF: fund value	SAF: 10yr smoothed value ESF: fund value
<b>Assumptions:</b>			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

**Schedule of Funding Information**

Actuarial value of assets	19,431,565	20,664,106	20,792,234
Actuarial accrued liability (AAL)	23,160,720	24,353,195	26,008,934
Unfunded or (overfunded) actuarial accrued liability (UAAL or OAAL)	3,729,155	3,689,089	5,216,700
Funded ratio	83.90%	84.85%	79.94%
Annual covered payroll (actuarial)	6,195,926	6,273,523	6,630,495
UAAL or OAAL as percentage of covered payroll	60.19%	58.80%	78.68%

*Trend Information for the Plan*

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2007	\$ 665,421	100%	\$ --
December 31, 2008	717,749	100%	--
December 31, 2009	783,936	100%	--

**H. Health Care Coverage**

During the year ended December 31, 2009, employees of the County were covered by a health insurance plan (the Plan). The County contributed \$800 per month per employee and dependents to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the third party administrator is renewable October 1, 2010, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Association of Counties Health Employee Benefit Program and Blue Cross Blue Shield of Texas, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$100,000 and for aggregate loss.

Other governmental entities and/or their employees contributed to the self-insurance pool which was operated under contractual provisions of Article 4413(32c), Interlocal Cooperation Act. Each member to the extent its benefit plan is self-insured, remains responsible for the payment of benefits under the benefit plan in the event HEBP fails to make such payments.

Changes in the balances of claims liabilities, which are based on actual claims paid during the years ended December 31, 2008, 2007 and 2006 are as follows:

# MATAGORDA COUNTY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	2007	2008	2009
Unpaid claims, beginning	\$ 27,650	\$ 165,798	\$ 128,851
Claims incurred	1,798,882	1,580,971	2,078,730
Claims paid	(1,660,734)	(1,617,918)	(2,056,802)
Unpaid claims, ending	<u>\$ 165,798</u>	<u>\$ 128,851</u>	<u>\$ 150,779</u>

### I. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

### J. Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions. The County stopped receiving waste prior to October 9, 1993 at over 90% capacity used and officially closed in July, 2007. Post-closure costs are subject to change resulting from inflation, deflation, technology and/or changes in applicable laws and regulations and are expected to be nominal for the next five years after certification of the completion of closure.

### K. Designated Fund Balances

The Commissioners designated \$20,000 in funds for physical property damage to autos and \$1,039,862 in unexpended 2009 budgeted amounts from each of the four precincts to be used in 2010.

### L. Receivables and Deferred Revenue

Receivables as of year end for the County's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Non-Major and Other Funds	Governmental Fund Totals	Internal Service and Fiduciary Funds	Government- Wide Totals
Taxes	\$ 9,273,311	\$ 145,383	\$ 9,418,694	\$	\$ 9,418,694
Less allowance	(113,740)	(327)	(114,067)		(114,067)
	<u>\$ 9,159,571</u>	<u>\$ 145,056</u>	<u>\$ 9,304,627</u>	<u>\$ --</u>	<u>\$ 9,304,627</u>
Other Receivables	\$ 93,023	\$ 1,554	\$ 94,577	\$ 9,528	\$ 104,105
Taxes and Tax Statements	1,023,030	15,000	1,038,030	13,003	1,051,033
Grants	279,531	233,605	513,136		513,136
Justice of Peace fines/fees	1,501,822		1,501,822		1,501,822
Less allowance	(1,029,544)		(1,029,544)		(1,029,544)
District Clerk fines/fees	3,389,264		3,389,264		3,389,264
Less allowance	(2,874,046)		(2,874,046)		(2,874,046)
Child Support fines/fees	50,870		50,870		50,870
Less allowance	(47,563)		(47,563)		(47,563)
County Clerk fines/fees	2,258,316		2,258,316		2,258,316
Less allowance	(2,094,832)		(2,094,832)		(2,094,832)
	<u>\$ 2,549,871</u>	<u>\$ 250,159</u>	<u>\$ 2,800,030</u>	<u>\$ 22,531</u>	<u>\$ 2,822,561</u>

While allowances have been estimated for the above receivables, it is possible that some may not be collected within one year.



**MATAGORDA COUNTY**  
*NOTES TO THE FINANCIAL STATEMENTS*  
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Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period and for amounts that have not yet been earned. Government-wide statements report only the unearned revenues as deferred and recognize the unavailable as revenue. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds and government-wide statements were as follows:

	Government- Wide Totals Unearned	Unavailable	Governmental & Proprietary Fund Totals
Property taxes:			
General fund	\$ 11,209,687	\$ 633,110	\$ 11,842,797
All other nonmajor funds	183,294	5,705	188,999
Fines/fees receivable:			
General fund		873,720	873,720
Grant drawdowns prior to meeting all eligibility requirements:			
General fund	45,000		45,000
All other non-major funds	263,853		263,853
		<u>\$ 1,512,535</u>	<u>\$ 13,214,369</u>
Health insurance premiums (internal service fund)	170,171	\$ --	\$ 170,171
	<u>\$ 11,872,005</u>		

M. Jointly Governed and Related Organizations

- The County is accountable for the following related organizations in that they appoint the commissioners:

- Matagorda County Drainage District No. 1
- Matagorda County Drainage District No. 2
- Matagorda County Drainage District No. 3
- Matagorda County Drainage District No. 4
- Matagorda County Conservaton & Reclamation District
- Matagorda County Hospital District

The County is not financially accountable for the above organizations nor does the County's accountability for these organizations extend significantly beyond making the appointments. Accordingly, financial information for these entities is excluded from the County's financial statements.

Latest audited financial statements for these entities may be obtained by writing 1700 7th Street, Room 302, Bay City, Tx 77414-5091.

- The Adult Probation division is operated as a multi-county department doing business as 23rd Judicial District Community Supervision and Correction Department (CSCD) Matagorda and Wharton Counties. The CSCD services both Matagorda and Wharton Counties with each county providing required office space for the operations of the Department and substantially all of the Department's funding provided by the State.

The Department's board consists of the two district judges for Matagorda and Wharton Counties. Matagorda County is not able to appoint a voting majority to the Department's board or otherwise impose its will. The Department is not fiscally dependent on Matagorda County since the County's role is ministerial in nature. As a result, the Department is considered to be legally separate from Matagorda County and thus not a part of the reporting entity of Matagorda County.

**MATAGORDA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**N. Postretirement Healthcare Benefits**

*Description*

Effective January 1, 2008, the County adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." In addition to the relevant disclosures within this note related to the implementation of GASB Statement No. 45, the financial statements reflect a long-term liability and related expenses of \$785,668 in governmental and activities resulting from the adoption.

The County, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a single-employer defined benefit plan to provide certain postretirement healthcare benefits to all former employees hired prior to January 1, 2000 who qualified under the Texas County District Retirement System and are currently receiving retirement (pension) income. Such benefits are not available to members' spouses or dependents; rather, only to former employees as previously described. Specific details of the Plan include the provision of certain hospitalization, major medical insurance and prescription drug coverage. These benefits are provided through insurance companies. The County is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the Plan consists solely of the County's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

*Funding Policy*

Premiums under the Plan for post-employment healthcare benefits provided to the employees previously described are funded entirely by the County. The Plan is financed on a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation*

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table illustrates the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation:

Annual required contribution as of 12/31/09	\$ 358,900
Past service amortization	764,705
Annual OPEB cost	<u>1,123,605</u>
Contributions made	<u>(491,427)</u>
Increase in net OPEB obligation	632,178
Net OPEB obligation - beginning of year	641,056
Net OPEB obligation - end of year	<u>\$ 1,273,234</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 and 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation End of Year
12/31/08	\$ 1,067,986	\$ 426,930	39.98%	\$ 641,056
12/31/09	\$ 1,123,605	\$ 491,427	43.74%	\$ 1,273,234

Because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of the third preceding year.

## **MATAGORDA COUNTY**

### *NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009*

#### *Funding Status and Funding Progress*

As of January 1, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial present value of accrued liability for past and future service benefits equaled \$14,378,060 and there were \$0 in actuarial valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,378,060. The total payroll (annual payroll of active employees) was \$6,674,483, and the ratio of the UAAL to the covered payroll equaled 215.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as RSI following the notes to the financial statements, is to present multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, because the County maintains no Plan assets, information relative to Plan asset required disclosures is not applicable. Additionally, because 2008 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the RSI does not reflect similar information respective of the third preceding year.

#### *Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the County and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and Plan members to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the actuarial valuation dated January 1, 2009, the projected unit credit cost actuarial method was used. Because the County funds its OPEB on a pay-as-you-go basis, the plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 4% discount rate, which approximates the expected rate of return on non-pension investments held by the County. Actuarial assumptions also included medical inflation taken at 10% for pre-medicare grading down to 5% in the ultimate. The UAAL is being amortized as a level dollar amount over thirty years on an open basis.



## *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.



**MATAGORDA COUNTY**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

Page 1 of 8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<i>Taxes</i>	\$ 10,857,866	\$ 10,857,866	\$ 10,937,735	\$ 79,869
<i>Licenses and permits</i>	884,900	884,900	818,549	(66,351)
<i>Intergovernmental</i>	332,601	1,676,905	1,747,834	70,929
<i>Charges for services</i>	4,917,806	4,957,521	4,357,819	(599,702)
<i>Fines</i>	372,500	372,500	415,196	42,696
<i>Investment income</i>	450,000	450,000	244,052	(205,948)
<i>Miscellaneous</i>	81,500	135,663	183,526	47,863
Total revenues	17,897,173	19,335,355	18,704,711	(630,644)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
County Judge:				
<i>Personnel</i>	157,109	168,149	167,894	255
<i>Operating costs</i>	8,300	8,300	8,184	116
Total County Judge	165,409	176,449	176,078	371
Commissioners Court				
<i>Operating costs</i>	114,500	114,500	110,499	4,001
Total Commissioners Court	114,500	114,500	110,499	4,001
Information Services:				
<i>Personnel</i>	114,896	114,896	115,028	(132)
<i>Operating costs</i>	167,480	169,821	162,007	7,814
<i>Capital outlay</i>	5,000	6,439	6,439	--
Total Information Services	287,376	291,156	283,474	7,682
County Courthouse:				
<i>Personnel</i>	69,873	69,873	69,720	153
<i>Operating costs</i>	303,864	290,984	225,922	65,062
Total County Courthouse	373,737	360,857	295,642	65,215
County Office Building:				
<i>Operating costs</i>	108,000	108,000	103,004	4,996
<i>Capital outlay</i>	27,500	27,500	--	27,500
Total County Office Building	135,500	135,500	103,004	32,496
Unallocable by Department:				
<i>Insurance</i>	71,879	72,130	70,538	1,592
<i>Appraisal fees</i>	17,227	17,199	17,150	49
<i>Retiree Insurance</i>	131,033	131,643	131,040	603
<i>Other costs</i>	72,867	--	--	--
Total Unallocable by Department	293,006	220,972	218,728	2,244
County Clerk:				
<i>Personnel</i>	292,568	296,568	295,966	602
<i>Operating costs</i>	43,820	35,719	28,739	6,980
Total County Clerk	336,388	332,287	324,705	7,582

**MATAGORDA COUNTY**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Auditor:				
<i>Personnel</i>	333,008	332,108	332,253	(145)
<i>Operating costs</i>	11,400	12,300	11,569	731
Total County Auditor	344,408	344,408	343,822	586
County Treasurer:				
<i>Personnel</i>	162,911	157,455	156,869	586
<i>Operating costs</i>	24,975	21,482	14,596	6,886
Total County Treasurer	187,886	178,937	171,465	7,472
Special Districts				
<i>Personnel</i>	29,603	38,552	38,552	--
<i>Operating costs</i>	4,050	4,050	3,110	940
Total Special Districts	33,653	42,602	41,662	940
County Tax Assessor Collector:				
<i>Personnel</i>	429,047	430,247	415,332	14,915
<i>Operating costs</i>	67,750	67,750	60,459	7,291
Total Tax Assessor Collector	496,797	497,997	475,791	22,206
Elections:				
<i>Personnel</i>	2,400	2,917	2,874	43
<i>Operating costs</i>	12,600	16,184	11,563	4,621
Total Elections	15,000	19,101	14,437	4,664
<b>TOTAL GENERAL GOVERNMENT</b>	<b>2,783,660</b>	<b>2,714,766</b>	<b>2,559,307</b>	<b>155,459</b>
<b>JUSTICE SYSTEM</b>				
District Court:				
<i>Personnel</i>	149,734	149,734	147,113	2,621
<i>Operating costs</i>	40,250	48,250	44,685	3,565
Total District Court	189,984	197,984	191,798	6,186
County Court:				
<i>Operating costs</i>	13,500	20,500	21,331	(831)
Total County Court	13,500	20,500	21,331	(831)
Court Expenses:				
<i>Operating costs</i>	220,800	320,257	312,390	7,867
<i>Capital outlay</i>	5,400	--	--	--
Total Court Expenses	226,200	320,257	312,390	7,867
District Clerk:				
<i>Personnel</i>	223,217	223,217	218,240	4,977
<i>Operating costs</i>	23,400	26,000	21,837	4,163
Total District Clerk	246,617	249,217	240,077	9,140
District Attorney:				
<i>Personnel</i>	431,788	514,821	514,909	(88)
<i>Operating costs</i>	55,750	63,266	38,640	24,626
Total District Attorney	487,538	578,087	553,549	24,538



**MATAGORDA COUNTY**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Attorney:				
<i>Personnel</i>	197,734	197,734	190,784	6,950
<i>Operating costs</i>	17,925	17,925	13,589	4,336
Total County Attorney	215,659	215,659	204,373	11,286
Justice of the Peace #1				
<i>Personnel</i>	120,851	120,351	119,550	801
<i>Operating costs</i>	9,500	11,000	10,026	974
Total Justice of the Peace #1	130,351	131,351	129,576	1,775
Justice of the Peace #2				
<i>Personnel</i>	124,026	124,026	119,993	4,033
<i>Operating costs</i>	20,872	20,872	20,867	5
Total Justice of the Peace #2	144,898	144,898	140,860	4,038
Justice of the Peace #3				
<i>Personnel</i>	88,703	89,803	89,752	51
<i>Operating costs</i>	8,725	9,225	9,078	147
Total Justice of the Peace #3	97,428	99,028	98,830	198
Justice of the Peace #4				
<i>Personnel</i>	99,981	103,359	103,126	233
<i>Operating costs</i>	8,978	8,300	7,169	1,131
Total Justice of the Peace #4	108,959	111,659	110,295	1,364
Justice of the Peace #6				
<i>Personnel</i>	23,859	23,859	23,625	234
<i>Operating costs</i>	5,476	5,476	4,976	500
Total Justice of the Peace #6	29,335	29,335	28,601	734
Law Library:				
<i>Operating costs</i>	15,000	20,915	14,969	5,946
Total Law Library	15,000	20,915	14,969	5,946
Child Support:				
<i>Personnel</i>	82,742	49,598	46,475	3,123
<i>Operating costs</i>	7,550	7,550	1,528	6,022
Total Child Support	90,292	57,148	48,003	9,145
Juvenile Probation Board:				
<i>Personnel</i>	31,312	31,312	30,156	1,156
Total Juvenile Probation Board	31,312	31,312	30,156	1,156
Juvenile Probation:				
<i>Personnel</i>	145,516	116,691	106,982	9,709
<i>Operating costs</i>	67,040	95,365	78,552	16,813
Total Juvenile Probation	212,556	212,056	185,534	26,522
Juvenile Alternative School:				
<i>Personnel</i>	80,688	81,188	80,595	593
<i>Operating costs</i>	10,200	10,200	15,613	(5,413)
Total Juvenile Alternative School	90,888	91,388	96,208	(4,820)

**MATAGORDA COUNTY**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Alert Program:				
<i>Operating costs</i>	1,000	1,605	1,496	109
Total Juvenile Alternative Program	1,000	1,605	1,496	109
Child Protective Services:				
<i>Operating costs</i>	54,000	54,000	54,000	--
Total Child Protective Services	54,000	54,000	54,000	--
Unallocable by Department:				
<i>Insurance</i>	92,528	92,852	90,802	2,050
<i>Appraisal fees</i>	22,176	22,140	22,078	62
<i>Autopsies</i>	60,000	60,230	50,375	9,855
<i>Retiree Insurance</i>	88,330	88,742	88,335	407
Total unallocable by Department	263,034	263,964	251,590	12,374
<b>TOTAL JUSTICE SYSTEM</b>	<b>2,648,551</b>	<b>2,830,363</b>	<b>2,713,636</b>	<b>116,727</b>
<b>PUBLIC SAFETY</b>				
Constable Precinct #1:				
<i>Personnel</i>	16,262	16,262	16,850	(588)
<i>Operating costs</i>	7,800	9,200	9,053	147
Total Constable Precinct #1	24,062	25,462	25,903	(441)
Constable Precinct #2:				
<i>Personnel</i>	18,844	18,844	18,050	794
<i>Operating costs</i>	11,750	11,750	10,953	797
Total Constable Precinct #2	30,594	30,594	29,003	1,591
Constable Precinct #3:				
<i>Personnel</i>	16,264	11,609	11,949	(340)
<i>Operating costs</i>	4,730	4,730	2,691	2,039
Total Constable Precinct #3	20,994	16,339	14,640	1,699
Constable Precinct #4:				
<i>Personnel</i>	9,242	11,607	11,355	252
<i>Operating costs</i>	4,065	4,065	4,006	59
Total Constable Precinct #4	13,307	15,672	15,361	311
Constable Precinct #6:				
<i>Personnel</i>	16,264	16,264	16,263	1
<i>Operating costs</i>	5,900	12,290	5,464	6,826
Total Constable Precinct #6	22,164	28,554	21,727	6,827
County Sheriff:				
<i>Personnel</i>	1,975,951	1,975,951	1,895,740	80,211
<i>Operating costs</i>	463,825	453,165	414,247	38,918
<i>Capital outlay</i>	100,000	121,785	121,785	--
Total County Sheriff	2,539,776	2,550,901	2,431,772	119,129
Department of Public Safety:				
<i>Personnel</i>	10,603	10,103	8,386	1,717

**MATAGORDA COUNTY**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Operating costs</i>	13,100	13,600	12,667	933
Total Department of Public Safety	23,703	23,703	21,053	2,650
Game Wardens:				
<i>Operating costs</i>	27,428	27,428	27,076	352
Total Game Wardens	27,428	27,428	27,076	352
Fire Protection:				
<i>Operating costs</i>	31,848	51,204	38,100	13,104
<i>Capital outlay</i>	25,000	24,644	--	24,644
Total Fire Protection	56,848	75,848	38,100	37,748
Emergency Management:				
<i>Personnel</i>	102,396	108,816	108,015	801
<i>Operating costs</i>	28,500	713,259	716,825	(3,566)
<i>Capital outlay</i>	--	130,969	121,787	9,182
Total Emergency Management	130,896	953,044	946,627	6,417
Unallocable by department:				
<i>Insurance</i>	101,272	101,627	99,383	2,244
<i>Appraisal fees</i>	24,271	24,232	24,164	68
<i>Retiree insurance</i>	86,575	86,979	86,580	399
Total unallocable by department	212,118	212,838	210,127	2,711
<b>TOTAL PUBLIC SAFETY</b>	<b>3,101,890</b>	<b>3,960,383</b>	<b>3,781,389</b>	<b>178,994</b>
<b>CORRECTIONS &amp; REHABILITATION</b>				
County Jail:				
<i>Personnel</i>	1,445,931	1,445,931	1,405,189	40,742
<i>Operating costs</i>	451,450	474,319	442,648	31,671
<i>Inmate Placement</i>	--	700	700	--
Total County Jail	1,897,381	1,920,950	1,848,537	72,413
Adult Probation:				
<i>Operating costs</i>	2,400	2,400	2,025	375
Total Adult Probation	2,400	2,400	2,025	375
Unallocable by department:				
<i>Insurance</i>	73,738	73,996	72,363	1,633
<i>Appraisal fees</i>	17,672	17,644	17,595	49
<i>Retiree insurance</i>	28,078	28,209	28,080	129
Total unallocable by department	119,488	119,849	118,038	1,811
<b>TOTAL CORRECTIONS &amp; REHABILITATION</b>	<b>2,019,269</b>	<b>2,043,199</b>	<b>1,968,600</b>	<b>74,599</b>
<b>HEALTH &amp; HUMAN SERVICES</b>				
Health Department:				
<i>Personnel</i>	220,869	222,069	220,998	1,071
<i>Operating costs</i>	44,300	81,167	77,570	3,597
Total Health Department	265,169	303,236	298,568	4,668

**MATAGORDA COUNTY**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Animal Control:				
<i>Personnel</i>	67,086	65,886	64,525	1,361
<i>Operating costs</i>	52,700	47,700	40,327	7,373
Total Animal Control	119,786	113,586	104,852	8,734
Mental Health:				
<i>Operating costs</i>	35,419	35,419	17,710	17,709
Total Mental Health	35,419	35,419	17,710	17,709
Ambulance Service:				
<i>Operating costs</i>	599,575	603,475	600,955	2,520
Total Ambulance Service	599,575	603,475	600,955	2,520
Aid to Others:				
<i>Economic Action Committee</i>	4,000	4,000	4,000	--
<i>Edith Armstrong Center</i>	8,400	8,400	8,400	--
<i>Friends of the Elderly</i>	39,900	39,900	39,900	--
<i>Cemetery</i>	3,000	3,000	3,000	--
<i>Indigent Burials</i>	2,000	2,000	1,600	400
Total Aid to Others	57,300	57,300	56,900	400
Veteran's Service Officer:				
<i>Personnel</i>	55,110	55,320	55,106	214
<i>Operating costs</i>	7,600	7,390	6,873	517
Total Veteran's Service Officer	62,710	62,710	61,979	731
Unallocable by department:				
<i>Insurance</i>	38,038	38,171	37,328	843
<i>Appraisal fees</i>	9,116	9,102	9,076	26
<i>Retiree insurance</i>	21,059	21,157	21,060	97
Total unallocable by department	68,213	68,430	67,464	966
<b>TOTAL HEALTH &amp; HUMAN SERVICES</b>	<b>1,208,172</b>	<b>1,244,156</b>	<b>1,208,428</b>	<b>35,728</b>
<b>COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>				
521 Park:				
<i>Operating costs</i>	5,400	5,400	4,960	440
Total 521 Park	5,400	5,400	4,960	440
Marine Department:				
<i>Personnel</i>	85,279	85,279	73,373	11,906
<i>Operating costs</i>	144,115	361,145	306,510	54,635
Total Marine Department	229,394	446,424	379,883	66,541
Aid to Others:				
<i>Economic Development</i>	60,000	60,000	60,000	--
<i>Bay City Library</i>	179,102	179,102	179,102	--
<i>Palacios Library</i>	59,701	59,701	59,701	--
<i>Matagorda County Museum</i>	47,760	47,760	47,760	--
<i>Historical Commission Markers</i>	6,000	6,000	2,497	3,503
<i>Service Center</i>	3,591	3,591	3,591	--
Total Aid to Others	356,154	356,154	352,651	3,503

**MATAGORDA COUNTY**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Agricultural Extension Service:				
<i>Personnel</i>	161,686	161,686	140,224	21,462
<i>Operating costs</i>	26,100	26,100	15,511	10,589
Total Agricultural Extension Service	187,786	187,786	155,735	32,051
Home Economist Service:				
<i>Personnel</i>	110,564	110,564	109,006	1,558
<i>Operating costs</i>	7,893	7,893	5,030	2,863
Total Home Economist Service	118,457	118,457	114,036	4,421
County Fairgrounds:				
<i>Personnel</i>	37,013	37,033	37,028	5
<i>Operating costs</i>	69,800	69,800	60,690	9,110
Total County Fairgrounds	106,813	106,833	97,718	9,115
Unallocable by department:				
<i>Insurance</i>	36,435	36,563	35,756	807
<i>Appraisal fees</i>	8,732	8,718	8,694	24
<i>Retiree insurance</i>	14,039	14,105	14,040	65
Total unallocable by department	59,206	59,386	58,490	896
<b>TOTAL COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>	<b>1,063,210</b>	<b>1,280,440</b>	<b>1,163,473</b>	<b>116,967</b>
<b>INFRASTRUCTURE &amp; ENVIRONMENTAL SERVICES</b>				
Transfer Station:				
<i>Personnel</i>	--	3,027	2,838	189
<i>Operating costs</i>	--	56,900	48,828	8,072
<i>Capital outlay</i>	--	15,000	15,000	--
Total Transfer Station	--	74,927	66,666	8,261
Commissioner Precinct #1:				
<i>Personnel</i>	400,389	400,389	373,796	26,593
<i>Operating costs</i>	753,378	960,919	724,570	236,349
<i>Capital outlay</i>	25,000	98,000	5,123	92,877
Total Commissioner Precinct #1	1,178,767	1,459,308	1,103,489	355,819
Commissioner Precinct #2:				
<i>Personnel</i>	449,584	449,584	437,880	11,704
<i>Operating costs</i>	729,183	1,137,943	965,948	171,995
<i>Capital outlay</i>	--	19,075	18,874	201
Total Commissioner Precinct #2	1,178,767	1,606,602	1,422,702	183,900
Commissioner Precinct #3:				
<i>Personnel</i>	425,580	425,580	391,085	34,495
<i>Operating costs</i>	703,185	781,547	638,196	143,351
<i>Capital outlay</i>	50,000	327,546	292,264	35,282
Total Commissioner Precinct #3	1,178,765	1,534,673	1,321,545	213,128

**MATAGORDA COUNTY**  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Commissioner Precinct #4:				
<i>Personnel</i>	430,630	439,130	400,242	38,888
<i>Operating costs</i>	708,137	975,835	729,515	246,320
<i>Capital outlay</i>	40,000	55,000	53,193	1,807
Total Commissioner Precinct #4	<u>1,178,767</u>	<u>1,469,965</u>	<u>1,182,950</u>	<u>287,015</u>
Unallocable by department:				
<i>Insurance</i>	184,787	185,434	181,340	4,094
<i>Appraisal fees</i>	44,287	44,216	44,092	124
<i>Retiree insurance</i>	122,285	122,855	122,292	563
<i>Other costs</i>	6,000	3,904	2,836	1,068
Total unallocable by department	<u>357,359</u>	<u>356,409</u>	<u>350,560</u>	<u>5,849</u>
<b>TOTAL INFRASTRUCTURE &amp; ENVIRONMENTAL SVCS</b>	<u>5,072,425</u>	<u>6,501,884</u>	<u>5,447,912</u>	<u>1,053,972</u>
Total Expenditures	<u>17,897,177</u>	<u>20,575,191</u>	<u>18,842,745</u>	<u>1,732,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4)</u>	<u>(1,239,836)</u>	<u>(138,034)</u>	<u>1,101,802</u>
<i>Transfers in</i>	--	64,311	64,312	1
<i>Transfers out</i>	--	--	(3,300)	(3,300)
Total other financing sources (uses)	<u>--</u>	<u>64,311</u>	<u>61,012</u>	<u>(3,299)</u>
Net Change in Fund Balances	<u>(4)</u>	<u>(1,175,525)</u>	<u>(77,022)</u>	<u>1,098,503</u>
Fund balance - beginning	7,496,109	7,496,109	7,496,109	--
Fund balance - ending	<u>\$ 7,496,105</u>	<u>\$ 6,320,584</u>	<u>\$ 7,419,087</u>	<u>\$ 1,098,503</u>

**MATAGORDA COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POST EMPLOYMENT HEALTHCARE BENEFITS  
YEAR ENDED DECEMBER 31, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Total Payroll (c)	UAAL as a Percentage of Total Payroll ((b-a)/c)
12/31/08	\$ --	\$ 14,648,697	\$ 14,648,697	--	\$ 6,067,220	241.4%
12/31/09	--	14,378,060	14,378,060	--	6,674,483	215.4%

Because 2008 was the year of transition for GASB Statement No.45, requirements of GASB Statement No.45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of the third preceding year.

**MATAGORDA COUNTY**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2009*

The County annually adopts budgets that are prepared using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.



*Combining Statements and Budget Comparisons  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.



**MATAGORDA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
<i>Cash and cash equivalents</i>	\$ 1,409,309	\$ 84,876	\$ 1,494,185
Receivables ( net of allowances for uncollectibles):			
<i>Taxes</i>	--	145,056	145,056
<i>Other receivables</i>	235,159	15,000	250,159
<b>Total Assets</b>	<u>\$ 1,644,468</u>	<u>\$ 244,932</u>	<u>\$ 1,889,400</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
<i>Accounts payable</i>	\$ 234,070	\$ --	\$ 234,070
<i>Due to other funds</i>	50	51,009	51,059
<i>Due to others</i>	79,153	--	79,153
<i>Deferred revenue</i>	258,953	188,999	447,952
<b>Total Liabilities</b>	<u>572,226</u>	<u>240,008</u>	<u>812,234</u>
 Fund Balances:			
Unreserved:			
<i>Undesignated:</i>			
<i>Special revenue funds</i>	1,072,242	--	1,072,242
<i>Reserved for debt service</i>	--	4,924	4,924
<b>Total Fund Balances</b>	<u>1,072,242</u>	<u>4,924</u>	<u>1,077,166</u>
 <b>Total Liabilities and Fund Balances</b>	<u>\$ 1,644,468</u>	<u>\$ 244,932</u>	<u>\$ 1,889,400</u>



**MATAGORDA COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ --	\$ 186,954	\$ 186,954
Intergovernmental	730,187	--	730,187
Charges for services	167,079	--	167,079
Investment income	26,447	2,026	28,473
Miscellaneous	90,217	--	90,217
Total revenues	<u>1,013,930</u>	<u>188,980</u>	<u>1,202,910</u>
<b>EXPENDITURES</b>			
Current:			
General government	93,744	--	93,744
Justice system	441,555	--	441,555
Public Safety	9,927	--	9,927
Corrections and rehabilitation	49,831	--	49,831
Community and economic development	59,532	--	59,532
Capital outlay	293,059	--	293,059
Debt service:			
Principal	--	130,000	130,000
Interest and fiscal charges	--	54,873	54,873
Total expenditures	<u>947,648</u>	<u>184,873</u>	<u>1,132,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,282</u>	<u>4,107</u>	<u>70,389</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,300	--	3,300
Transfers out	(64,312)	--	(64,312)
Total other financing sources (uses)	<u>(61,012)</u>	<u>--</u>	<u>(61,012)</u>
Net change in fund balances	5,270	4,107	9,377
Fund balances - beginning	1,066,972	817	1,067,789
Fund balances - ending	<u>\$ 1,072,242</u>	<u>\$ 4,924</u>	<u>\$ 1,077,166</u>

**MATAGORDA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	District Attorney Legal/Law	Sheriff & Jail Discretionary	County Clerk Preservation & Automation	Countywide Records Mgmt Preservation
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ 109,603	\$ 122,052	\$ 464,894	\$ 169,185
Receivables ( net of allowances for uncollectibles):				
<i>Other receivables</i>	--	--	152	22
<b>Total Assets</b>	<b>\$ 109,603</b>	<b>\$ 122,052</b>	<b>\$ 465,046</b>	<b>\$ 169,207</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ 100	\$ --	\$ --
<i>Due to other funds</i>	--	50	--	--
<i>Due to others</i>	833	78,320	--	--
<i>Deferred revenue</i>	--	--	--	--
<b>Total Liabilities</b>	<b>833</b>	<b>78,470</b>	<b>--</b>	<b>--</b>
Fund Balances:				
Unreserved:				
<i>Undesignated:</i>				
<i>Special revenue funds</i>	108,770	43,582	465,046	169,207
<b>Total Fund Balances</b>	<b>108,770</b>	<b>43,582</b>	<b>465,046</b>	<b>169,207</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 109,603</b>	<b>\$ 122,052</b>	<b>\$ 465,046</b>	<b>\$ 169,207</b>

<u>Courthouse Security</u>	<u>Justice Court Technology</u>	<u>District Clerk Records Mgmt Preservation</u>	<u>Historical Commission Grant</u>	<u>Markham Water &amp; Sewer Grant</u>
\$ 179,341	\$ 72,603	\$ 17,585	\$ 3,776	\$ --
106	74	--	--	24,325
<u>\$ 179,447</u>	<u>\$ 72,677</u>	<u>\$ 17,585</u>	<u>\$ 3,776</u>	<u>\$ 24,325</u>
\$ --	\$ --	\$ --	\$ --	\$ 24,325
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>24,325</u>
179,447	72,677	17,585	3,776	--
<u>179,447</u>	<u>72,677</u>	<u>17,585</u>	<u>3,776</u>	<u>--</u>
<u>\$ 179,447</u>	<u>\$ 72,677</u>	<u>\$ 17,585</u>	<u>\$ 3,776</u>	<u>\$ 24,325</u>





**MATAGORDA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	Blessing Sewer Grant	Local Emergency Planning	Juvenile Probation Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
<i>Cash and cash equivalents</i>	\$ --	\$ 10,952	\$ 259,318	\$ 1,409,309
Receivables ( net of allowances for uncollectibles):				
<i>Other receivables</i>	209,280	1,200	--	235,159
<b>Total Assets</b>	<b>\$ 209,280</b>	<b>\$ 12,152</b>	<b>\$ 259,318</b>	<b>\$ 1,644,468</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ 209,280	\$ --	\$ 365	\$ 234,070
<i>Due to other funds</i>	--	--	--	50
<i>Due to others</i>	--	--	--	79,153
<i>Deferred revenue</i>	--	--	258,953	258,953
<b>Total Liabilities</b>	<b>209,280</b>	<b>--</b>	<b>259,318</b>	<b>572,226</b>
Fund Balances:				
Unreserved:				
<i>Undesignated:</i>				
<i>Special revenue funds</i>	--	12,152	--	1,072,242
<b>Total Fund Balances</b>	<b>--</b>	<b>12,152</b>	<b>--</b>	<b>1,072,242</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 209,280</b>	<b>\$ 12,152</b>	<b>\$ 259,318</b>	<b>\$ 1,644,468</b>

**MATAGORDA COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	District Attorney Legal/Law	Sheriff & Jail Discretionary	County Clerk Preservation & Automation	Countywide Records Mgmt Preservation
<b>REVENUES</b>				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	57,417	18,438	44,489	8,265
<i>Investment income</i>	1,400	1,258	8,223	3,069
<i>Miscellaneous</i>	--	48,407	--	--
Total revenues	<u>58,817</u>	<u>68,103</u>	<u>52,712</u>	<u>11,334</u>
<b>EXPENDITURES</b>				
Current:				
<i>General government</i>	--	--	4,717	16,535
<i>Justice system</i>	13,060	--	--	--
<i>Public Safety</i>	--	4,460	--	--
<i>Corrections and rehabilitation</i>	--	49,831	--	--
<i>Community and economic development</i>	--	--	--	--
Capital outlay	--	--	--	--
Debt service:				
Total expenditures	<u>13,060</u>	<u>54,291</u>	<u>4,717</u>	<u>16,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,757</u>	<u>13,812</u>	<u>47,995</u>	<u>(5,201)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	(64,312)	--	--	--
Total other financing sources (uses)	<u>(64,312)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(18,555)	13,812	47,995	(5,201)
Fund balances - beginning	127,325	29,770	417,051	174,408
Fund balances - ending	<u>\$ 108,770</u>	<u>\$ 43,582</u>	<u>\$ 465,046</u>	<u>\$ 169,207</u>

Courthouse Security	Justice Court Technology	District Clerk Records Mgmt Preservation	Historical Commission Grant	Markham Water & Sewer Grant
\$ --	\$ --	\$ --	\$ 2,038	\$ 24,325
24,233	11,507	2,730	--	--
3,378	1,232	361	--	--
--	--	--	--	--
<u>27,611</u>	<u>12,739</u>	<u>3,091</u>	<u>2,038</u>	<u>24,325</u>
72,492	--	--	--	--
--	8,894	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	1,562	24,325
--	--	--	--	--
<u>72,492</u>	<u>8,894</u>	<u>--</u>	<u>1,562</u>	<u>24,325</u>
<u>(44,881)</u>	<u>3,845</u>	<u>3,091</u>	<u>476</u>	<u>--</u>
--	--	--	3,300	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>3,300</u>	<u>--</u>
(44,881)	3,845	3,091	3,776	--
224,328	68,832	14,494	--	--
<u>\$ 179,447</u>	<u>\$ 72,677</u>	<u>\$ 17,585</u>	<u>\$ 3,776</u>	<u>\$ --</u>

**MATAGORDA COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Blessing Sewer Grant	Local Emergency Planning	Juvenile Probation Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>				
<i>Intergovernmental</i>	\$ 291,453	\$ --	\$ 412,371	\$ 730,187
<i>Charges for services</i>	--	--	--	167,079
<i>Investment income</i>	--	296	7,230	26,447
<i>Miscellaneous</i>	35,251	6,559	--	90,217
Total revenues	<u>326,704</u>	<u>6,855</u>	<u>419,601</u>	<u>1,013,930</u>
<b>EXPENDITURES</b>				
Current:				
<i>General government</i>	--	--	--	93,744
<i>Justice system</i>	--	--	419,601	441,555
<i>Public Safety</i>	--	5,467	--	9,927
<i>Corrections and rehabilitation</i>	--	--	--	49,831
<i>Community and economic development</i>	33,645	--	--	59,532
Capital outlay	293,059	--	--	293,059
Debt service:				
Total expenditures	<u>326,704</u>	<u>5,467</u>	<u>419,601</u>	<u>947,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>1,388</u>	<u>--</u>	<u>66,282</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Transfers in</i>	--	--	--	3,300
<i>Transfers out</i>	--	--	--	(64,312)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(61,012)</u>
Net change in fund balances	--	1,388	--	5,270
Fund balances - beginning	--	10,764	--	1,066,972
Fund balances - ending	<u>\$ --</u>	<u>\$ 12,152</u>	<u>\$ --</u>	<u>\$ 1,072,242</u>

**MATAGORDA COUNTY**

DA LEGAL LAW

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 61,250	\$ 57,417	\$ (3,833)
Investment income	500	1,400	900
Total revenues	<u>61,750</u>	<u>58,817</u>	<u>(2,933)</u>
<b>EXPENDITURES</b>			
<b>JUSTICE SYSTEM</b>			
District Attorney:			
Operating costs	51,750	13,060	38,690
Capital outlay	10,000	--	10,000
Total District Attorney	<u>61,750</u>	<u>13,060</u>	<u>48,690</u>
<b>TOTAL JUSTICE SYSTEM</b>	<u>61,750</u>	<u>13,060</u>	<u>48,690</u>
Total Expenditures	<u>61,750</u>	<u>13,060</u>	<u>48,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>45,757</u>	<u>45,757</u>
Transfers out	<u>(64,311)</u>	<u>(64,312)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>(64,311)</u>	<u>(64,312)</u>	<u>(1)</u>
Net Change in Fund Balances	(64,311)	(18,555)	45,756
Fund balance - beginning	127,325	127,325	--
Fund balance - ending	<u>\$ 63,014</u>	<u>\$ 108,770</u>	<u>\$ 45,756</u>

**MATAGORDA COUNTY**  
 SHERIFF & JAIL DISCRETIONARY  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 10,000	\$ 18,438	\$ 8,438
Investment income	500	1,258	758
Miscellaneous	50,025	48,407	(1,618)
Total revenues	60,525	68,103	7,578
<b>EXPENDITURES</b>			
<b>PUBLIC SAFETY</b>			
County Sheriff:			
Operating costs	16,200	4,460	11,740
Total County Sheriff	16,200	4,460	11,740
<b>TOTAL PUBLIC SAFETY</b>	16,200	4,460	11,740
<b>CORRECTIONS &amp; REHABILITATION</b>			
County Jail:			
Operating costs	44,325	49,831	(5,506)
Total County Jail	44,325	49,831	(5,506)
<b>TOTAL CORRECTIONS &amp; REHABILITATION</b>	44,325	49,831	(5,506)
Total Expenditures	60,525	54,291	6,234
Excess (deficiency) of revenues over (under) expenditures	--	13,812	13,812
Net Change in Fund Balances	--	13,812	13,812
Fund balance - beginning	29,770	29,770	--
Fund balance - ending	\$ 29,770	\$ 43,582	\$ 13,812

**MATAGORDA COUNTY**

COUNTY CLERK PRESERVATION & AUTOMATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 60,800	\$ 44,489	\$ (16,311)
Investment income	17,000	8,223	(8,777)
Total revenues	77,800	52,712	(25,088)
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
County Clerk:			
Personnel	--	2,916	(2,916)
Operating costs	25,954	1,801	24,153
Capital outlay	24,846	--	24,846
Total County Clerk	50,800	4,717	46,083
<b>TOTAL GENERAL GOVERNMENT</b>	50,800	4,717	46,083
Total Expenditures	50,800	4,717	46,083
Excess (deficiency) of revenues over (under) expenditures	27,000	47,995	20,995
Net Change in Fund Balances	27,000	47,995	20,995
Fund balance - beginning	417,051	417,051	--
Fund balance - ending	\$ 444,051	\$ 465,046	\$ 20,995

**MATAGORDA COUNTY**

COUNTYWIDE RECORDS MANAGEMENT/PRESERVATION

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 10,000	\$ 8,265	\$ (1,735)
Investment income	7,092	3,069	(4,023)
Total revenues	17,092	11,334	(5,758)
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
County Courthouse:			
Operating costs	17,092	16,535	557
Total County Courthouse	17,092	16,535	557
<b>TOTAL GENERAL GOVERNMENT</b>	17,092	16,535	557
Total Expenditures	17,092	16,535	557
Excess (deficiency) of revenues over (under) expenditures	--	(5,201)	(5,201)
Net Change in Fund Balances	--	(5,201)	(5,201)
Fund balance - beginning	174,408	174,408	--
Fund balance - ending	\$ 174,408	\$ 169,207	\$ (5,201)



**MATAGORDA COUNTY**  
 COURTHOUSE SECURITY  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 26,400	\$ 24,233	\$ (2,167)
Investment income	10,000	3,378	(6,622)
Total revenues	<u>36,400</u>	<u>27,611</u>	<u>(8,789)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
County Courthouse:			
Personnel	65,740	69,926	(4,186)
Operating costs	3,000	2,566	434
Total County Courthouse	<u>68,740</u>	<u>72,492</u>	<u>(3,752)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>68,740</u>	<u>72,492</u>	<u>(3,752)</u>
Total Expenditures	<u>68,740</u>	<u>72,492</u>	<u>(3,752)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,340)</u>	<u>(44,881)</u>	<u>(12,541)</u>
Net Change in Fund Balances	(32,340)	(44,881)	(12,541)
Fund balance - beginning	224,328	224,328	--
Fund balance - ending	<u>\$ 191,988</u>	<u>\$ 179,447</u>	<u>\$ (12,541)</u>

**MATAGORDA COUNTY**  
*JUSTICE COURT TECHNOLOGY*  
*SPECIAL REVENUE FUND*  
*BUDGETARY COMPARISON SCHEDULE*  
*FOR THE YEAR ENDED DECEMBER 31, 2009*

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
<i>Intergovernmental</i>	\$ 20,000	\$ --	\$ (20,000)
<i>Charges for services</i>	10,000	11,507	1,507
<i>Investment income</i>	3,000	1,232	(1,768)
Total revenues	<u>33,000</u>	<u>12,739</u>	<u>(20,261)</u>
<b>EXPENDITURES</b>			
<b>JUSTICE SYSTEM</b>			
Justice Court Technology:			
<i>Operating costs</i>	<u>33,000</u>	<u>8,894</u>	<u>24,106</u>
Total Justice Court Technology	<u>33,000</u>	<u>8,894</u>	<u>24,106</u>
<b>TOTAL JUSTICE SYSTEM</b>	<u>33,000</u>	<u>8,894</u>	<u>24,106</u>
Total Expenditures	<u>33,000</u>	<u>8,894</u>	<u>24,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>3,845</u>	<u>3,845</u>
Net Change in Fund Balances	<u>--</u>	<u>3,845</u>	<u>3,845</u>
Fund balance - beginning	68,832	68,832	--
Fund balance - ending	<u>\$ 68,832</u>	<u>\$ 72,677</u>	<u>\$ 3,845</u>

**MATAGORDA COUNTY**

DISTRICT CLERK RECORDS MGMT/PRESERVATION

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 3,000	\$ 2,730	\$ (270)
Investment income	500	361	(139)
Total revenues	3,500	3,091	(409)
<b>EXPENDITURES</b>			
<b>JUSTICE SYSTEM</b>			
District Clerk:			
Operating costs	3,500	--	3,500
Total District Clerk	3,500	--	3,500
<b>TOTAL JUSTICE SYSTEM</b>	3,500	--	3,500
Total Expenditures	3,500	--	3,500
Excess (deficiency) of revenues over (under) expenditures	--	3,091	3,091
Net Change in Fund Balances	--	3,091	3,091
Fund balance - beginning	14,494	14,494	--
Fund balance - ending	\$ 14,494	\$ 17,585	\$ 3,091

**MATAGORDA COUNTY**

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

## AGENCY FUNDS

DECEMBER 31, 2009

	County Clerk Trust	District Clerk Trust
<b>ASSETS</b>		
<i>Cash and cash equivalents</i>	\$ 154,343	\$ 1,453,964
Total Assets	<u>\$ 154,343</u>	<u>\$ 1,453,964</u>
<b>LIABILITIES</b>		
<i>Due to other governments</i>	\$ --	\$ --
<i>Due to other funds</i>	--	--
<i>Due to others</i>	154,343	1,453,964
Total Liabilities	<u>154,343</u>	<u>1,453,964</u>
<b>NET ASSETS</b>		
<i>Unrestricted</i>	--	--
Total Net Assets	<u>\$ --</u>	<u>\$ --</u>

Inmate Trust Fund	Tax Assessor Collector	Total Agency Funds
\$ 10,335	\$ 204,441	\$ 1,823,083
<u>\$ 10,335</u>	<u>\$ 204,441</u>	<u>\$ 1,823,083</u>
\$ --	\$ 182,842	\$ 182,842
--	13,003	13,003
10,335	8,596	1,627,238
<u>10,335</u>	<u>204,441</u>	<u>1,823,083</u>
--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

# MATAGORDA COUNTY

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2009

	Balance December 31 2008	Additions	Deductions	Balance December 31 2009
<b>COUNTY CLERK TRUST FUNDS</b>				
<b>ASSETS</b>				
<i>Cash &amp; investments</i>	\$ 179,873	\$ 58,850	\$ 84,380	\$ 154,343
Total Assets	<u>\$ 179,873</u>	<u>\$ 58,850</u>	<u>\$ 84,380</u>	<u>\$ 154,343</u>
<b>LIABILITIES</b>				
<i>Due to others</i>	\$ 179,873	\$ 58,850	\$ 84,380	\$ 154,343
Total Liabilities	<u>\$ 179,873</u>	<u>\$ 58,850</u>	<u>\$ 84,380</u>	<u>\$ 154,343</u>
<b>DISTRICT CLERK TRUST FUNDS</b>				
<b>ASSETS</b>				
<i>Cash &amp; investments</i>	\$ 1,648,060	\$ 94,573	\$ 288,669	\$ 1,453,964
Total Assets	<u>\$ 1,648,060</u>	<u>\$ 94,573</u>	<u>\$ 288,669</u>	<u>\$ 1,453,964</u>
<b>LIABILITIES</b>				
<i>Due to others</i>	\$ 1,648,060	\$ 94,573	\$ 288,669	\$ 1,453,964
Total Liabilities	<u>\$ 1,648,060</u>	<u>\$ 94,573</u>	<u>\$ 288,669</u>	<u>\$ 1,453,964</u>
<b>INMATE TRUST FUND</b>				
<b>ASSETS</b>				
<i>Cash &amp; investments</i>	\$ 9,793	\$ 231,677	\$ 231,135	\$ 10,335
Total Assets	<u>\$ 9,793</u>	<u>\$ 231,677</u>	<u>\$ 231,135</u>	<u>\$ 10,335</u>
<b>LIABILITIES</b>				
<i>Due to others</i>	\$ 9,793	\$ 231,677	\$ 231,135	\$ 10,335
Total Liabilities	<u>\$ 9,793</u>	<u>\$ 231,677</u>	<u>\$ 231,135</u>	<u>\$ 10,335</u>
<b>TAX ASSESSOR COLLECTOR</b>				
<b>ASSETS</b>				
<i>Cash &amp; investments</i>	\$ 170,999	\$ 65,846,194	\$ 65,812,753	\$ 204,440
Total Assets	<u>\$ 170,999</u>	<u>\$ 65,846,194</u>	<u>\$ 65,812,753</u>	<u>\$ 204,440</u>
<b>LIABILITIES</b>				
<i>Due to other governments</i>	\$ 151,546	\$ 65,841,216	\$ 65,809,919	\$ 182,843
<i>Due to other funds</i>	12,726	1,946	1,670	13,002
<i>Due to others</i>	6,727	3,032	1,164	8,595
Total Liabilities	<u>\$ 170,999</u>	<u>\$ 65,846,194</u>	<u>\$ 65,812,753</u>	<u>\$ 204,440</u>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
<i>Cash &amp; investments</i>	\$ 2,008,725	\$ 66,231,294	\$ 66,416,937	\$ 1,823,082
Total Assets	<u>\$ 2,008,725</u>	<u>\$ 66,231,294</u>	<u>\$ 66,416,937</u>	<u>\$ 1,823,082</u>
<b>LIABILITIES</b>				
<i>Due to other governments</i>	\$ 151,546	\$ 65,841,216	\$ 65,809,919	\$ 182,843
<i>Due to other funds</i>	12,726	1,946	1,670	13,002
<i>Due to others</i>	1,844,453	388,132	605,348	1,627,237
Total Liabilities	<u>\$ 2,008,725</u>	<u>\$ 66,231,294</u>	<u>\$ 66,416,937</u>	<u>\$ 1,823,082</u>

# STATISTICAL SECTION

This part of the Matagorda County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	68-72
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	73-77
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	
Debt Capacity	78-81
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	82-84
<i>These schedules offer demographic and economic indicators to help the reader understand how the County's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	85-86
<i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.





**MATAGORDA COUNTY**  
*NET ASSETS BY COMPONENT*  
*LAST SIX FISCAL YEARS*  
*(ACCRUAL BASIS OF ACCOUNTING)*

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 23,302,072	\$ 23,813,922	\$ 20,768,339	\$ 21,151,366	\$ 20,506,971	\$ 19,522,703
Restricted	--	--	52	--	5,594	5,034
Unrestricted	12,488,348	12,381,152	12,621,657	10,373,595	10,395,793	9,800,301
Total Governmental Activities Net Assets	<u>\$ 35,790,420</u>	<u>\$ 36,195,074</u>	<u>\$ 33,390,048</u>	<u>\$ 31,524,961</u>	<u>\$ 30,908,358</u>	<u>\$ 29,328,038</u>

# MATAGORDA COUNTY

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE  
 LAST SIX FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental activities:						
General government	\$ 2,307,507	\$ 2,744,598	\$ 2,591,435	\$ 2,374,168	\$ 2,303,706	\$ 2,800,507
Justice system	2,684,216	3,032,205	3,275,243	2,931,754	2,965,507	3,402,444
Public safety	2,683,984	3,722,659	3,264,707	3,231,579	3,245,747	3,846,603
Corrections and rehabilitation	1,794,043	2,343,039	2,477,072	2,638,771	2,363,299	2,229,983
Health and human services	1,025,635	1,175,751	1,281,386	1,180,040	1,219,112	1,283,782
Community and economic development	1,008,691	1,132,587	1,166,624	1,325,564	1,167,753	1,597,919
Infrastructure and environmental services	6,114,484	3,993,968	3,823,861	6,896,776	5,922,408	6,335,128
Interest on Long-Term Debt	6,292	2,621	23,980	66,736	59,224	53,070
Total governmental activities expenses	\$ 17,624,852	\$ 18,147,428	\$ 17,904,308	\$ 20,645,388	\$ 19,246,756	\$ 21,549,436
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services:						
General government	\$ 1,216,743	\$ 1,201,970	\$ 1,165,711	\$ 1,241,621	\$ 1,363,971	\$ 1,241,539
Justice system	998,948	904,122	1,287,277	1,209,619	1,422,866	1,069,513
Public safety	3,349,454	3,487,489	4,297,654	3,786,690	3,471,050	3,266,384
Corrections and rehabilitation	116,600	118,305	118,632	95,872	90,155	145,540
Health and human services	48,897	47,560	54,413	50,937	57,506	45,980
Community and economic development	111,369	109,702	107,775	116,050	124,171	144,380
Infrastructure and environmental services	72,744	75,379	93,447	71,490	66,402	83,753
Operating Grants and Contributions	1,004,400	1,794,005	942,638	1,796,638	1,661,296	2,500,369
Capital Grants and Contributions	188,098	--	49,915	318,103	--	--
Total Governmental Activities Program Revenues	\$ 7,107,253	\$ 7,738,532	\$ 8,117,462	\$ 8,687,020	\$ 8,257,417	\$ 8,497,458
<b>Net (Expense)/Revenue</b>						
Governmental Activities	\$ (10,517,599)	\$ (10,408,896)	\$ (9,786,846)	\$ (11,958,368)	\$ (10,989,339)	\$ (13,051,978)

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**MATAGORDA COUNTY**

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS

LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>						
Governmental Activities	\$ (10,517,599)	\$ (10,408,896)	\$ (9,786,846)	\$ (11,958,368)	\$ (10,989,339)	\$ (13,051,978)
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities:						
Property taxes	\$ 8,384,447	\$ 8,294,370	\$ 8,174,199	\$ 9,194,415	\$ 9,921,906	\$ 11,160,539
Miscellaneous	473,856	14,053	103,303	104,940	70,657	65,041
Unrestricted investment earnings	247,964	456,110	704,318	793,926	380,173	246,078
Total Governmental Activities	\$ 9,106,267	\$ 8,764,533	\$ 8,981,820	\$ 10,093,281	\$ 10,372,736	\$ 11,471,658
<b>Change in Net Assets</b>						
Governmental Activities	\$ (1,411,332)	\$ (1,644,363)	\$ (805,026)	\$ (1,865,087)	\$ (616,603)	\$ (1,580,320)

**MATAGORDA COUNTY**  
*FUND BALANCES OF GOVERNMENTAL FUNDS*  
*LAST TEN FISCAL YEARS*  
*(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 869,904	\$ 400,480	\$ 1,028,742	\$ 20,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	9,003,226	9,497,719	9,531,807	10,332,639	10,653,266	10,481,450	10,063,575	7,542,080	7,496,109	7,419,087
<b>Total General Fund</b>	<b>\$ 9,873,130</b>	<b>\$ 9,898,199</b>	<b>\$ 10,560,549</b>	<b>\$ 10,352,639</b>	<b>\$ 10,653,266</b>	<b>\$ 10,481,450</b>	<b>\$ 10,063,575</b>	<b>\$ 7,542,080</b>	<b>\$ 7,496,109</b>	<b>\$ 7,419,087</b>
All Other Governmental Funds										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 52	\$ --	\$ 817	\$ 4,924
Unreserved, Reported In:										
Special Revenue Funds	602,660	475,384	560,886	641,263	699,870	796,122	898,220	968,729	1,066,974	1,072,242
Capital Projects Funds	--	--	--	--	--	--	--	--	--	--
Debt Service Funds	--	--	--	--	--	--	--	(33,467)	--	--
<b>Total All Other Governmental Funds</b>	<b>\$ 602,660</b>	<b>\$ 475,384</b>	<b>\$ 560,886</b>	<b>\$ 641,263</b>	<b>\$ 699,870</b>	<b>\$ 796,122</b>	<b>\$ 898,272</b>	<b>\$ 935,262</b>	<b>\$ 1,067,791</b>	<b>\$ 1,077,166</b>

# MATAGORDA COUNTY

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 10,487,143	\$ 7,468,767	\$ 8,445,748	\$ 8,357,402	\$ 8,313,120	\$ 8,330,557	\$ 8,341,847	\$ 9,147,597	\$ 9,903,450	\$ 11,124,689
Licenses and permits	819,959	821,646	808,192	970,331	833,355	830,979	828,052	833,238	842,590	818,549
Intergovernmental	956,777	903,618	1,316,796	1,710,510	1,020,701	1,794,052	1,010,040	1,729,944	1,694,349	2,478,021
Charges for services	1,100,942	4,031,211	3,740,359	4,177,998	4,441,197	4,541,652	5,475,765	5,098,908	4,838,363	4,524,898
Fines	273,470	342,666	353,815	385,380	359,315	313,281	415,787	340,318	407,980	415,196
Investment income	951,474	796,880	311,127	195,099	256,591	480,942	744,641	840,854	411,266	272,525
Miscellaneous	233,560	251,412	489,581	480,764	871,912	220,429	331,482	557,011	347,093	273,743
<b>Total Revenues</b>	<b>14,823,325</b>	<b>14,616,200</b>	<b>15,465,618</b>	<b>16,277,484</b>	<b>16,096,191</b>	<b>16,511,892</b>	<b>17,147,614</b>	<b>18,547,870</b>	<b>18,445,091</b>	<b>19,907,621</b>
<b>Expenditures</b>										
General administration	2,549,840	2,821,921	3,211,119	2,620,415	2,379,815	2,169,018	2,218,233	2,359,736	2,439,805	2,646,612
Justice	1,467,412	1,455,419	1,502,076	2,539,135	2,556,715	2,571,259	2,786,928	2,803,386	2,740,721	3,155,191
Public safety	4,606,325	4,404,999	4,627,452	2,304,868	2,416,017	2,878,613	2,807,335	2,881,351	2,984,941	3,547,744
Corrections and rehabilitation	--	--	--	1,546,588	1,709,487	1,988,531	2,092,130	2,550,113	2,147,703	2,018,431
Environmental protection	2,806	--	--	--	--	--	--	--	--	--
Health and human services	351,345	376,638	507,745	1,040,808	977,663	998,854	1,068,561	1,130,644	1,141,036	1,208,428
Community and economic development	849,634	1,108,951	782,190	853,060	961,982	982,734	978,022	988,856	1,093,049	1,223,005
Infrastructure and environmental	3,565,633	4,517,829	3,439,321	4,328,262	4,030,857	3,635,842	4,293,688	4,376,057	4,541,745	5,063,458
Capital outlay	--	--	511,853	1,105,468	632,931	1,342,358	2,705,570	3,691,545	1,083,682	927,524
Debt service:										
Interest	--	--	121,898	66,187	65,199	96,744	25,129	181,466	125,000	130,000
Principal	--	--	14,112	10,194	6,292	2,621	2,745	69,221	60,853	54,873
<b>Total Expenditures</b>	<b>13,392,995</b>	<b>14,685,757</b>	<b>14,717,766</b>	<b>16,414,985</b>	<b>15,736,958</b>	<b>16,666,574</b>	<b>18,978,341</b>	<b>21,032,375</b>	<b>18,358,535</b>	<b>19,975,266</b>
<b>Excess of Revenues</b>										
Over (Under) Expenditures	1,430,330	(69,557)	747,852	(137,501)	359,233	(154,682)	(1,830,727)	(2,484,505)	86,556	(67,645)
<b>Other Financing Sources (Uses)</b>										
Flow thru in	90,000	116,607	--	47,711	--	12,297	--	--	--	--
Flow thru out	(90,000)	(116,607)	--	(47,711)	--	(12,297)	--	--	--	--
Certificates of obligation	--	--	--	--	--	--	1,515,000	--	--	--
Capital lease proceeds	--	116,000	--	--	--	79,119	--	--	--	--
Transfers In	31,637	33,641	26,638	26,537	38,127	7,000	698,736	2,794,384	489,115	67,612
Transfers Out	(31,637)	(33,641)	(26,638)	(26,537)	(38,127)	(7,000)	(698,736)	(2,794,384)	(489,115)	(67,612)
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>116,000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>79,119</b>	<b>1,515,000</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,430,330</b>	<b>\$ 46,443</b>	<b>\$ 747,852</b>	<b>\$ (137,501)</b>	<b>\$ 359,233</b>	<b>\$ (75,563)</b>	<b>\$ (315,727)</b>	<b>\$ (2,484,505)</b>	<b>\$ 86,556</b>	<b>\$ (67,645)</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	--	--	0.96%	0.50%	0.47%	0.65%	0.18%	1.45%	1.11%	1.01%

**MATAGORDA COUNTY**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax
2000	\$ 10,487,143
2001	7,468,767
2002	8,445,148
2003	8,357,402
2004	8,313,120
2005	8,330,557
2006	8,341,847
2007	9,147,597
2008	9,903,450
2009	11,124,689
Percent Change 2000-2009	6.1%

**MATAGORDA COUNTY**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
1999/00	\$ *	\$ *	\$ *	\$ 3,419,949,662	0.30700	\$ 3,419,949,662	100.000%
2000/01	*	*	*	2,420,131,758	0.30700	2,420,131,758	100.000%
2001/02	*	*	*	2,788,104,359	0.29300	2,788,104,359	100.000%
2002/03	1,327,058,095	1,622,221,157	(382,827,307)	2,566,451,945	0.32200	2,566,451,945	100.000%
2003/04	2,656,745,852	327,878,186	(404,313,434)	2,580,310,604	0.31800	2,580,310,604	100.000%
2004/05	1,528,321,761	1,423,438,755	(400,342,742)	2,551,417,774	0.31800	2,551,417,774	100.000%
2005/06	2,717,106,070	459,670,380	(511,752,684)	2,665,023,766	0.30900	2,665,023,766	100.000%
2006/07	3,276,215,172	551,077,039	(463,734,746)	3,363,557,465	0.26829	3,363,557,465	100.000%
2007/08	3,580,834,451	426,262,334	(461,540,256)	3,545,556,529	0.27593	3,545,556,529	100.000%
2008/09	4,381,977,682	95,029,605	(491,074,920)	3,985,932,367	0.27518	3,985,932,367	100.000%

Source: Matagorda County Appraisal District

\* Breakdown between real and personal not available for these years.

**MATAGORDA COUNTY**  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS

Fiscal Year	County		City		Utility Districts		Special Districts		Schools		Total
	Operating	Debt	Operating	Debt	Operating	Debt	Operating	Debt	Operating	Debt	
1999/00	\$ 0.30700	\$ --	\$ 0.605	\$ --	\$ 0.317	\$ 0.276	\$ 0.103	\$ --	\$ 1.390	\$ 0.187	\$ 3.185
2000/01	0.30700	--	0.605	--	0.376	0.238	0.117	--	1.395	0.148	3.186
2001/02	0.29300	--	0.625	--	0.353	0.172	0.078	0.030	1.394	0.150	3.095
2002/03	0.32200	--	0.628	--	0.361	0.193	0.088	0.030	1.455	0.150	3.227
2003/04	0.31800	--	0.605	0.045	0.143	0.139	0.090	0.030	1.407	0.100	2.877
2004/05	0.31800	--	0.620	0.043	0.141	0.130	0.091	0.030	1.415	0.110	2.898
2005/06	0.30900	--	0.605	0.046	0.136	0.104	0.083	0.030	1.455	0.095	2.863
2006/07	0.26264	0.00565	0.605	0.043	0.127	0.058	0.071	0.030	1.280	0.098	2.580
2007/08	0.26978	0.00615	0.605	0.043	0.119	0.077	0.071	0.030	1.008	0.162	2.390
2008/09	0.27050	0.00463	0.594	0.034	0.116	0.076	0.070	0.030	1.019	0.127	2.341

Source: County Tax Assessor and Palacios ISD Tax Assessor

\* Information not available for these years.



# MATAGORDA COUNTY

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008/2009			1999/2000		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
NRG	\$ 1,074,367,942	1	26.95%	\$ --	--	--
Equistar Chemicals LP	190,058,810	2	4.77%	186,080,910	3	5.44%
Oxea Corporation	74,495,240	3	1.87%	--	--	--
Flint Hills Resources Inv	73,317,920	4	1.84%	--	--	--
Valerus Compression Services	49,903,900	5	1.25%	--	--	--
Square Mile Energy LLC	44,276,200	6	1.11%	--	--	--
Midtex Gas Storage Company	36,956,570	7	0.93%	21,367,080	7	0.62%
Devon Energy Production	35,593,420	8	0.89%	--	--	--
William Fld Svcs - Gulf Coast Co	35,488,360	9	0.89%	--	--	--
Celanese LTD Chemical Division	33,760,990	10	0.85%	--	--	--
Houston Lighting & Power	--	--	--	1,099,600,600	1	32.15%
Central Power & Light Co. STP	--	--	--	866,675,380	2	25.34%
Hoechst Celanese Chemical Inc.	--	--	--	125,111,210	4	3.66%
Amoco Productions Company	--	--	--	38,355,370	5	1.12%
El Paso Offshore Gathering	--	--	--	37,407,920	6	1.09%
Transcontinental Gas Pipeline	--	--	--	21,273,030	8	0.62%
Texas Brine Company LLC	--	--	--	19,165,870	9	0.56%
Dryful Louis Natural Gas Corp	--	--	--	16,927,770	10	0.49%
Total	<u>\$ 1,648,219,352</u>		<u>41.35%</u>	<u>\$ 2,431,965,140</u>		<u>71.11%</u>

Source: Matagorda County Tax Assessor

**MATAGORDA COUNTY**  
*PROPERTY TAX LEVIES AND COLLECTIONS*  
*LAST TEN FISCAL YEARS*

Fiscal Year	Taxes Levied for the Fiscal Year	Adjustments	Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 10,501,474	\$ 1,813	\$ 10,503,287	\$ 10,229,122	97.39%	\$ 222,588	\$ 10,451,710	99.51%
2001	7,436,857	89,498	7,526,355	7,248,452	96.31%	165,000	7,413,452	98.50%
2002	8,180,299	171,581	8,351,880	8,096,089	96.94%	228,264	8,324,353	99.67%
2003	8,253,713	(86,983)	8,166,730	7,979,552	97.71%	148,373	8,127,925	99.52%
2004	8,213,576	(15,142)	8,198,434	7,946,142	96.92%	212,072	8,158,214	99.51%
2005	8,123,105	75,683	8,198,788	8,015,644	97.77%	129,889	8,145,533	99.35%
2006	8,178,222	(7,519)	8,170,703	8,047,767	98.50%	95,167	8,142,934	99.66%
2007	9,039,485	(12,753)	9,026,732	8,895,062	98.54%	70,254	8,965,316	99.32%
2008	9,783,727	26,599	9,810,326	9,653,410	98.40%	66,036	9,719,446	99.07%
2009	10,968,961	(596)	10,968,365	10,797,638	98.44%	--	10,797,638	98.44%

Sources: Matagorda County Tax Assessor

**MATAGORDA COUNTY**  
*RATIOS OF OUTSTANDING DEBT BY TYPE*  
*LAST TEN FISCAL YEARS*

Fiscal Year	Governmental Activities			* Percentage of Personal Income	* Per Capita Total Debt
	Certificates of Obligation	Capital Leases	Total Governmental Activities		
2000	\$ --	324,704	324,704	0.04%	\$ 9
2001	--	322,504	322,504	0.04%	8
2002	--	200,606	200,606	0.03%	5
2003	--	134,420	134,420	0.02%	4
2004	--	69,221	69,221	0.01%	2
2005	--	51,595	51,595	0.01%	1
2006	1,515,000	26,466	1,541,466	0.18%	39
2007	1,360,000	--	1,360,000	0.16%	37
2008	1,235,000	--	1,235,000	0.13%	34
2009	1,105,000	--	1,105,000	0.12%	30

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

\* See demographic and economic statistics on page 82. These ratios are calculated using personal income and population for the prior calendar year.

# MATAGORDA COUNTY

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding General Obligation Bonds</u>	<u>* Percentage of Actual Taxable Value of Property</u>	<u>** Per Capita</u>
2000	\$ --	--	\$ --
2001	--	--	--
2002	--	--	--
2003	--	--	--
2004	--	--	--
2005	--	--	--
2006	1,515,000	0.06%	38
2007	1,360,000	0.04%	37
2008	1,235,000	0.04%	34
2009	1,105,000	0.03%	30

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

\* See page 74 for property value data.

\*\* Population can be found on page 82 and is based on the prior calendar year.

**MATAGORDA COUNTY**  
 DIRECT AND OVERLAPPING  
 GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt Repaid With Property Taxes</b>			
City of Bay City	7,420,000	100.000%	7,420,000
Palacios Independent School District	5,360,000	94.076%	5,042,466
Bay City Independent School District	23,187,334	100.000%	23,187,334
Matagorda Independent School District	5,395,000	100.000%	5,395,000
Matagorda County Navigation District #1	5,630,000	100.000%	5,630,000
Caney Creek Municipal Utility District	3,560,000	100.000%	3,560,000
Beach Road Municipal Utility District	437,000	100.000%	437,000
<b>Other Debt</b>			
Bay City Independent School District Capital Lease	2,431,478	100.000%	2,431,478
Bay City Independent School District Notes Payable	68,732	100.000%	68,732
Van Vleck Independent School District Notes Payable	765,000	100.000%	765,000
City of Bay City Capital Lease	169,897	100.000%	169,897
City of Bay City Notes Payable	4,179,741	100.000%	4,179,741
City of Palacios	640,000	100.000%	640,000
<b>Subtotal, Overlapping Debt</b>			<u>58,926,648</u>
<b>County Direct Debt:</b>			
Certificates of Obligation			<u>1,105,000</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 60,031,648</u>

Sources: Assessed value data used to estimate applicable percentages provided by Matagorda County Appraisal District  
 Debt outstanding data provided by each governmental unit.

**MATAGORDA COUNTY**  
*LEGAL DEBT MARGIN INFORMATION*  
*LAST TEN FISCAL YEARS*

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 399,753,565	\$ 504,533,620	\$ 531,833,479	\$ 597,889,855
Total Net Debt Applicable to Limit	--	--	--	--	--	--	1,514,948	1,360,000	1,234,183	1,100,076
Legal Debt Margin	--	--	--	--	--	--	398,238,617	503,173,620	530,599,296	596,789,779
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	--	--	--	--	--	--	0.38%	0.27%	0.23%	0.18%

**Legal Debt Margin Calculation for the Current Fiscal Year**

Assessed Value	\$ 3,985,932,367
Debt Limit (15% of Assessed Value)	597,889,855
Debt Applicable to Limit:	
General Obligation Bonds	1,105,000
Less: Amount Set Aside for Repayment of General Obligation Debt	(4,924)
Total Net Debt Applicable to Limit	<u>1,100,076</u>
Legal Debt Margin	\$ <u>596,789,779</u>

Sources: Matagorda County Appraisal District and County annual audit report.

**MATAGORDA COUNTY**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population	37,828	37,958	38,027	37,954	38,290	39,205	39,529	37,122	36,860	37,265
Personal Income (thousands)	\$ 758,881	\$ 779,947	\$ 814,220	\$ 807,057	\$ 817,708	\$ 850,375	\$ 858,520	\$ 926,647	\$ 959,353	\$ 1,073,586
Per Capita Personal Income	\$ 20,061	\$ 20,548	\$ 21,412	\$ 21,264	\$ 21,356	\$ 21,690	\$ 21,719	\$ 24,962	\$ 26,027	\$ 28,809
School Enrollment	8,243	8,206	8,073	7,884	7,952	7,934	7,884	7,685	7,453	7,373
Unemployment	10.3%	10.0%	11.1%	12.6%	14.2%	14.0%	8.2%	7.2%	6.0%	7.0%

Note: This schedule represents a one year lag from the fiscal year end as this type of information is never available for the current year under audit.

Sources: Personal income and per capita provided by Bureau of Economic Analysis; school enrollment provided by Texas Education Agency website to include five independent school districts located within the county. Population and unemployment provided by Texas LMCI Tracer 2.

# MATAGORDA COUNTY

## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2009	2009	2000	2000
<u>Top Employers</u>	<u>Employment</u>	<u>Percentage of Total County Employment</u>	<u>Employment</u>	<u>Percentage of Total County Employment</u>
South Texas Project	1,189	7.46%	1,195	7.41%
Bay City ISD	641	4.02%	*	--
Wal-Mart	271	1.70%	*	--
Matagorda County	247	1.55%	243	1.51%
Palacios ISD	246	1.54%	255	1.58%
Matagorda Hospial	234	1.47%	125	0.78%
City of Bay City	212	1.33%	184	1.14%
Van Vleck ISD	167	1.05%	150	0.93%
Tidehaven ISD	145	0.91%	141	0.87%
Oxea	138	0.87%	--	--
Lyondell	137	0.86%	167	1.04%
HEB	120	0.75%	75	0.47%
Celanese	47	0.29%	*	--
Total	<u>3,794</u>	<u>23.81%</u>	<u>2,535</u>	<u>15.73%</u>
Total County Employment		15,937		16,119

### Sources:

Each employer

Texas LMCI Tracer - Total County employment for 2009

Labor Force - Total County employment for 2000

\* Top employers 2000 employment data not available.



## MATAGORDA COUNTY

FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Function	Full-Time-Equivalent Employees as of Year End									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	32	33	32	31	32	33	33	33	34	34
Justice system	32	33	34	38	35	35	35	34	37	37
Public safety	43	44	45	45	45	45	46	47	47	47
Corrections and rehabilitation	31	31	28	31	31	31	30	32	34	35
Community & economic development	14	13	13	14	9	10	10	10	10	10
Health & human services	7	7	7	7	7	7	7	7	7	7
Infrastructure & environmental services	38	35	35	33	34	34	33	34	34	35
Total	197	196	194	199	193	195	194	197	203	205

Source: County Treasurer and Auditor Office

# MATAGORDA COUNTY

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
Births filed	*	*	*	281	342	310	291	322	420	389
Deaths filed	*	*	*	284	251	258	239	290	261	258
Marriage license applications	*	*	*	311	289		251	300	261	265
Registered voters	*	*	*	20,380	21,398	20,746	21,049	20,818	21,725	20,806
Auto titles	*	*	*	7,714	6,399	6,115	6,103	5,934	5,833	5,489
<b>Justice</b>										
<b>District Court</b>										
civil cases filed	*	*	*	937	823	978	984	951	848	764
civil case dispositions	*	*	*	1,030	1,051	1,021	1,023	961	994	933
criminal cases filed	*	*	*	485	413	446	557	540	526	538
criminal case dispositions	*	*	*	478	451	423	517	514	518	548
<b>County court</b>										
civil cases filed	*	*	*	85	60	77	94	63	73	52
civil case dispositions	*	*	*	40	34	55	31	50	59	30
criminal cases filed	*	*	*	1,391	1,234	1,362	1,323	1,371	983	935
criminal case dispositions	*	*	*	1,602	1,433	1,455	1,467	1,594	1,085	1,073
<b>Justice of the Peace</b>										
civil cases filed	*	*	*	377	150	413	328	328	592	408
civil case dispositions	*	*	*	85	203	126	127	176	244	166
criminal cases filed	*	*	*	9,318	7,417	7,082	8,426	5,878	6,591	6,599
criminal case dispositions	*	*	*	7,411	5,765	4,600	6,241	4,450	4,450	5,153
<b>Public Safety</b>										
Total calls for service	*	*	*	7,206	7,809	8,043	7,847	8,235	7,957	7,851
Total arrests				1,073	928	695	588	775	890	744
<b>Corrections and Rehabilitation</b>										
Number of inmates per year	*	*	*	2,987	2,906	2,901	2,852	2,472	1,553	1,582
<b>Health and Human Services</b>										
food permits issued	*	*	*	256	260	278	274	260	245	245
food inspections	*	*	*	802	567	685	606	443	333	362
septic permits issued	*	*	*	117	136	121	138	134	160	104
building permits issued	*	*	*	295	346	338	436	368	449	367
electrical permits issued	*	*	*	322	291	306	510	510	496	210

\* Information not available

Source: County records

# MATAGORDA COUNTY

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
County buildings	*	*	*	40	40	40	40	42	42	42
Public Safety										
Sheriff Vehicles	*	*	*	42	42	43	48	43	47	48
Fire and Ambulance	*	*	*	40	40	39	39	48	48	48
Infrastructure and Env. Svcs										
County roads (miles)	*	*	*	*	*	*	1,126	1,126	1,126	1,126
County bridges	*	*	*	*	*	*	87	87	87	87
Community and Economic Development										
Number of county parks	*	*	*	7	7	8	9	9	9	9

\* Information not available.

Sources: HGAC & TxDot and County Commissioner inventory report.



### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.



**REED & ASSOCIATES, PC**

1717 8th Street, Suite 5

Bay City, Texas 77414

**Independent Auditor's Report**

Report on Internal Control over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

Commissioners  
Matagorda County  
1700 Seventh Street  
Bay City, Texas 77414

Members of the Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Matagorda County as of and for the year ended December 31, 2009, which collectively comprise the Matagorda County's basic financial statements and have issued our report thereon dated May 8, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Matagorda County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Matagorda County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Matagorda County's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Matagorda County's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Matagorda County's financial statements that is more than inconsequential will not be prevented by the Matagorda County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Matagorda County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Matagorda County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted other matters that we reported to management of Matagorda County in a separate letter dated May 8, 2010.

This report is intended solely for the information and use of management, others within the entity, the Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Reed & Associates, PC".

Reed & Associates, PC  
May 8, 2010



**REED & ASSOCIATES, PC**

1717 8th Street, Suite 5  
Bay City, Texas 77414

**Independent Auditor's Report**

Report on Compliance with Requirements Applicable  
To each Major Program and on Internal Control over Compliance  
In Accordance With OMB Circular A-133

Commissioners  
Matagorda County  
1700 Seventh Street  
Bay City, Texas 77414

Members of the Commissioners:

Compliance

We have audited the compliance of Matagorda County with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Matagorda County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Matagorda County's management. Our responsibility is to express an opinion on Matagorda County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Matagorda County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Matagorda County's compliance with those requirements.

In our opinion, Matagorda County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of Matagorda County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Matagorda County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Matagorda County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the entity, the Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Reed & Associates, PC".

Reed & Associates, PC  
May 8, 2010

**MATAGORDA COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.555	Public Safety Interoperable Communications Grant Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disaster)

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**MATAGORDA COUNTY**

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
NONE		

**MATAGORDA COUNTY**  
*CORRECTIVE ACTION PLAN*  
*FOR THE YEAR ENDED DECEMBER 31, 2009*

N/A

# MATAGORDA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
Passed Through Governor's Division of Emergency Management:			
Disaster Grants - Public Assistance	97.036	FEMA-1791-DR-T	\$ 356,886
Emergency Management Performance Grant	97.042	08TX-EMPG-528	21,916
Total Passed Through Governor's Division of Emergency Management			<u>378,802</u>
Total U.S. Department of Homeland Security			<u>378,802</u>
<b><u>U. S. DEPARTMENT OF THE INTERIOR</u></b>			
Passed Through Texas Parks & Wildlife:			
Sport Fish Restoration *	15.605	F-201-B	84,753
Passed Through Texas Historical Commission:			
National Register of Historic Places	15.914	TX-08-026	703
Total U. S. Department of the Interior			<u>85,456</u>
<b><u>U. S. DEPARTMENT OF JUSTICE</u></b>			
Passed Through Bureau of Justice Assistance:			
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0388	21,938
Total U. S. Department of Justice			<u>21,938</u>
<b><u>U. S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
Passed Through Texas Department of Rural Affairs:			
Texas Community Development Block Grant	14.228	728271	326,704
Community Development Block Grants (Recovery Act Funded)	14.255	R729390A	24,325
Total Passed Through Texas Department of Rural Affairs			<u>351,029</u>
Total U. S. Department of Housing & Urban Development			<u>351,029</u>
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Passed Through Texas Department of Family & Protective Services:			
Title IV-E Foster Care Assistance	93.658	E-200X-161	51,153
Title IV-E Foster Care Assistance	93.658	23379424	4,013
Title IV-E Foster Care Assistance	93.658	23379423	2,111
Total Passed Through Texas Department of Family & Protective Services			<u>57,277</u>
Total U. S. Department of Health and Human Services			<u>57,277</u>
<b><u>U. S. DEPARTMENT OF COMMERCE</u></b>			
Passed Through Governor's Division of Emergency Management:			
Public Safety Interoperable Communications Grant Program	11.555	2007-GS-H7-0044	789,382
Total U. S. Department of Commerce			<u>789,382</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>1,683,884</u></b>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

## **MATAGORDA COUNTY**

### *NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2009*

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Matagorda County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

