



Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2010

Cameron Appraisal District

San Benito, Texas

Prepared By:

Oscar R. Gonzalez, CPA & Associates, PLLC

CAMERON APPRAISAL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

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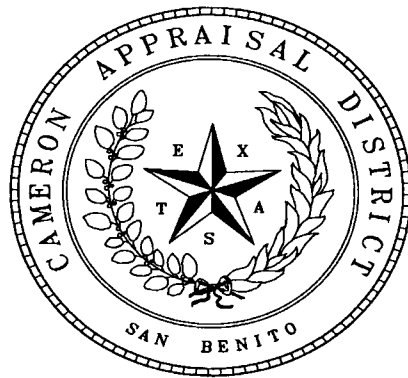
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YEAR ENDED DECEMBER 31, 2010

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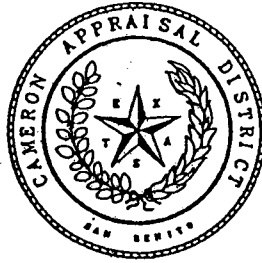
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INTRODUCTORY SECTION



CAMERON APPRAISAL DISTRICT

Frutoso M. Gomez, Jr., Chief Appraiser
P.O. Box 1010, 2021 Amistad Dr.
San Benito, TX 78586-1010
www.cameroncad.org
(956) 399-9322
(956) 541-3365
(956) 428-8020
Fax (956) 399-6969



MEMBERS OF THE BOARD
Jose Noe Diaz, Sr., Chairman
Janice A. Cassidy, Vice-Chairperson
Jesse Villarreal, Secretary
Carlos H. Cascos
Enrique Escobedo, Jr.
Roberto Garcia
Tony Gutierrez
Vicente Mendez
Robert Pinkerton, Jr.
Tony Yzaguirre, Jr.

May 5, 2011

The Honorable Members of the Board
Cameron Appraisal District
San Benito, Texas

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Cameron County Appraisal District (the District) for the fiscal year ended December 31, 2010, with the Independent Auditors' Report, submitted in compliance with Section 6.063, Texas Tax Code, Which requires an audit of the financial affairs of an appraisal district by an independent certified public accountant.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. I believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the District's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the District's financial affairs.

This is the sixth year the District prepares the CAFR using the new financial reporting requirements as prescribed by the GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34). This GASB Statement requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Our CAFR is divided into the following sections:

The Introductory Section - includes information about the organizational structure of the District, the District's economy, major initiatives, status of District services, and cash management.

The Financial Section - is prepared in accordance with the GASB 34 requirements by including the MD&A, the Basic Financial Statements including notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the District's entire financial operations and the fund financial statements that present the financial information of each of the District's major funds. Also included in this section is the Independent Auditors' Report on the basic financial statements.

The Statistical Section - includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the District that are of interest to potential investors in our bonds and to other readers.

This report consists of management's representations concerning the finances of the District. 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, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent certified public accounting firm of Oscar R. Gonzalez has audited the financial statements and related notes. The goal of the independent audit was to provide reasonable assurance that the District's financial statements, for the year ended December 31, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an opinion that the District's financial statements for the year ended December 31, 2010, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented as the first component of the financial section of this report.

The District and Its Services

The District is a political subdivision of the State of Texas established in 1980, following the codification of property tax laws by the 66th Texas Legislature in 1979. The 1979 codification established one appraisal district in each of the state's 254 counties, with the exception of Potter and Randall Counties that are combined for one appraisal district, for the purpose of discovering and appraising property for *ad valorem* tax purposes for each tax unit within the boundaries of the appraisal district. The District, the fifteenth largest in the state, serves 40 taxing units.

Board of Directors

The District is governed by a ten-member Board of Directors. Nine directors are appointed by the taxing units within the county. The tenth member is the county tax assessor-collector and serves as a nonvoting director.

The Board of Directors has policy-making authority; appoints the chief appraiser who is administrator of the District, the taxpayer liaison officer, and the Appraisal Review Board; primary responsibility for fiscal matters, including approval of major contracts; and adoption of the annual budget.

Purpose

The primary purpose and responsibility of the District is to provide to the taxing units and property owners within its boundaries fair and equitable appraisal of property subject to *ad valorem* taxation.

In Texas, the property tax is the primary source of funding for local governmental units (school districts, cities, counties, junior college districts, and other special districts). Property taxes pay much of the cost of public schools,

police and fire protection, courts, health services, streets, water and sewage, parks and most other local government activities. The District does not determine how much each of these local governments will spend to provide services, nor does it set their tax rates. Each local government adopts its own budget, then sets a tax rate that will generate the amount of money required to pay for its services. The District provides each local government with a list of its taxable property, together with the January 1st value of each property and appropriate exemptions and our special valuations. The appraisals serve to allocate the tax burden among all property owners on an equitable basis, based upon market value except when where special valuations apply.

Departmental Functions

The Office of the Chief Appraiser is primarily responsible for the overall planning, organizing, staffing and controlling of District operations as required by the Texas Property Tax Code. The Taxpayer Assistance Department provides support functions relating to exemptions and customer service to property owners. The Real Estate and Personal Property Departments are responsible for the valuation of all property accounts. The Data Processing Department maintains the District's mainframe data processing facility, local area networks, software applications, records management and provides support on all hearings, maintains records of those hearings, and coordinates postal services. The Property ID Department is responsible for the mapping function and deed maintenance for all properties within the District. The Administration Department is responsible for the business support functions including human resources, budget, finance, employee benefits, purchasing, fixed assets, facilities, and litigation coordination.

Budget

The District uses a detailed line item budget. Department managers submit their budget recommendations to the chief appraiser in March. Section 6.06 of the Texas Property Tax Code requires the chief appraiser to formulate his proposed budget and submit it to the Board of Directors and presiding officers of the taxing units prior to June 15. The statute also provides that the Board of Directors publish a ¼ page advertisement on the budget, conduct a public hearing, and finally adopt a budget before June 15. Texas law also provides that each of the 40 taxing units entitled to vote on the appointment of Board members is required to maintain a copy of the proposed budget for public inspection at its principal administrative office. Additional information about the budgeting process is available in the notes to the financial statements.

The taxing units participating in the District, fund the District. The annual allocation to the taxing units is based upon the proportion of each taxing unit's property tax levy to the sum of the tax levies of all participating taxing units. Taxing units pay their share quarterly with the first quarter due by December 31 of the year before the budget takes effect. The taxing units pay an equal amount of the District's budget based on their tax units' share of the total county-wide levy for District services.

The chief appraiser may transfer budgeted amounts among departments or line items; however, supplemental appropriations require the approval of the Board of Directors and notification to the taxing units. Information regarding this upcoming year's budget can be referenced in the management discussion and analysis Section of this report.

Changes in Rendition Reporting

In 2004, the implementation of Senate Bill 340 and the new laws regarding the rendition of business personal property was put in effect. As a result of Senate Bill 340, over \$50,000,000 was added to the personal property roll. The 2004 rendition law imposed a penalty for business property owners who fail to render their business personal property in a timely manner. This was the first year that a penalty existed for such actions. The penalty is 10% of the tax liability of the business personal property. Additionally, if evidence demonstrates that a rendition has been falsified in any manner, or if the owner intentionally omits required information in an attempt to evade taxation and is found by the district attorney to be guilty of fraud, the monetary penalty for such a crime is 50% of the tax liability of the business personal property. It is anticipated that these new rendition penalties will boost the number of personal property accounts.

In 2005, H.B. 2491 amends Chapter 22, Section 22.28 of the Property Tax Code, Subsection (b) and adds Subsection (c) to require the chief appraiser to certify to assessors that the chief appraiser has imposed a rendition related penalty. The assessor must add the penalty to the original amount of tax on the property and include the penalty in the tax bill for that year. The penalty becomes part of the tax on the property and is secured by the tax lien that attaches to the property. A collector who collects a rendition related penalty must remit to the appraisal district imposing the penalty, 5 percent of the penalty amount collected. The law is effective September 1, 2005, and affects business owners, appraisal districts and all taxing units.

S.B. 286 adds Sections 551.005 and 552.012 to the Government Code to require elected and appointed public officials and designated public information officers to complete a course of training on the Open Meetings Act and the Public Information Act not later than the 90th day after the official takes the oath of office or otherwise assumes responsibilities as a member of a governing body. The bill is effective January 1, 2006, and affects chief appraisers, boards of directors, appraisal review boards, agricultural advisory boards, information officers and taxing units.

Economic Development, Condition and Outlook

According to information collected by the Real Estate Center at the Texas A&M University, non-farm employment has had a constant increase from year to year it has risen from being approximately 109,700 in the year 2000 to 126,400 in the year 2010, a percent change of 15.2% in a ten year span, and we recorded an increase of 1,900 during the past year alone only in the Brownsville-Harlingen Metropolitan Area. This percentage changes are very positive considering that the average non-farm employment change over the past ten years for the State of Texas has been approximately 9.7% which is much lower than the 15.2% growth shown by the Brownsville-Harlingen Metropolitan Area.

Looking at the trends of the 2010 employment growth rate by sector we can conclude that the area with the highest percentage growth were jobs in the field of educational and health services with a growth rate of 4.6% , governmental jobs with a growth rate of 4.0%, and professional and business services with a growth rate of 3.5%. The 2009 average hourly wage in the Brownsville-Harlingen Metropolitan Area averaged \$14.94 per hour, while the average wage rate in Texas is at an average of \$19.76, according to the Bureau of Labor Statistics, most recent year surveyed. Unemployment figures for the year 2010 indicate that the Brownsville-Harlingen Area has an unemployment rate of 11.2 while the unemployment rate in the State of Texas is found to be at 8.2, and despite this we have been incurring a positive growth in employment. Positive employment growth rate reflects a healthy economy, if more jobs are being created more opportunities for expansion and investment are also generated.

The median-priced home around the Brownsville-Harlingen Metropolitan area is found to be \$110,000, while the Texas median-priced home average is \$151,600 and the United States median-priced home average is \$177,900.

Maintaining a low price on homes means more accessible relocation prices for businesses willing to migrate to this area.

According to the most recent results and information released by the U.S. Census Bureau, Cameron County has a population estimate of approximately 406,220 which translates into approximately to 1.63% of the total population of the State of Texas. Population has increased at an estimated percentage rate of 18.2% during the past ten years, a figure that goes hand in hand with our constant job growth rate. The average household in the Cameron County area is 3.4, which is more than the household average for the State of Texas which is currently at 2.74. Percent of population between the ages of 0-18 is approximately 33.8% which is greater than the average for the State of Texas which is currently at 28.2%, while population over 65 years of age is 11.1% for Cameron County and 9.9% for the State of Texas.

If the Valley is insulated from the broader U.S. economy, it is largely because of its proximity to Mexico, and local businesses can more accurately forecast future sales activity based on the strength of the Mexican peso to the dollar. The relative stability of the Mexican peso in recent years has sustained the Valley through the front end of the storm. Lately, that has been changing. The peso has been losing ground to the dollar amid a global economic slowdown, leaving the Valley especially vulnerable. When essentials become too expensive, communities along the border once again benefit from their proximity to Mexico. Gasoline consumers, from farmers to shrimp boat captains, headed to Mexico to fill their tanks at prices far lower than those found on the U.S. side of the border. Consumer dollars will continue to be the main driver of the economy, but to what extent is unclear. Alberto Davila, chairman of the department of economics and finance at the University of Texas-Pan American in Edinburg, believes the Valley will emerge from this economic crisis more resilient than before, though it is less clear how it will change the local economy. A shift to a public-private business model could be unfolding locally. Further information about economic trends can be referred to in the statistical section as well as in the MD & A section of this report.

Other Information

The District's employees are subject to the provisions of the Property Taxation Professional Certification Act. The purpose of this act is to assure the people of Texas that the responsibility of assessing property for taxation is entrusted only to those persons duly registered and competent and that it be practiced and regulated as a learned profession. Effective September 1, 2009, The Texas Board of Tax Professional Examiners ("BTPE") was abolished and replaced by the Texas Department of Licensing and Regulation (TDLR). The TDLR is now responsible for establishing standards of professional practice, conduct, education, registration, certification, and ethics for appraisers, assessors, and collectors. Although the TDLR is responsible for establishing standards and approving curricula and materials for use in training and educating appraisers, the task of developing courses of instruction and training programs remains with public agencies, educational institutions, or private organizations.

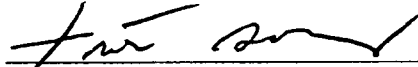
Appraisers have five years to complete a specific curriculum to qualify for exams administered by the TDLR. The designation of Registered Professional Appraiser ("RPA") is conferred on those successfully completing the course of instruction. Not less than 75 hours of continuing education is required for recertification every two years.

The District's web site makes a broad range of information available for public access, including: detailed information of the appraisal process, protest and appeal procedures, a tax calendar, and various forms such as exemption applications and business personal property renditions. Users can gain access to real and personal property appraisal records by account number, address, owner's name, and several other search criteria. The District's server may be reached on the World Wide Web at <http://www.cameroncad.org/>.

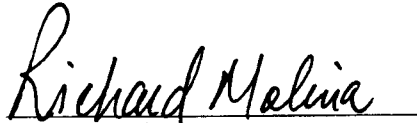
Acknowledgments

The preparation of the Comprehensive Annual Financial Report involves the entire Administrative Team staff. Managing departmental budgets of the District involved over 6 managers with primary budget responsibility, which includes managers from each functional department, and the finance director.

We are grateful for their stewardship in making this system work smoothly and efficiently. Finally, we wish to thank our independent auditor, Oscar R. Gonzalez, CPA and Associates PLLC, whose professional competence and leadership have assisted us in developing this report.



Frutoso M. Gomez, Jr.
Chief Appraiser



Richard Molina
Finance Director



**CAMERON APPRAISAL DISTRICT
BOARD OF DIRECTORS**

JOSE NOE DIAZ, SR.
Chairman of the Board

JANICE A. CASSIDY
Vice-Chairperson of the Board

JESSE VILLARREAL
Secretary of the Board

CARLOS H. CASCOS
Member of the Board

ENRIQUE ESCOBEDO, JR.
Member of the Board

ROBERTO GARCIA
Member of the Board

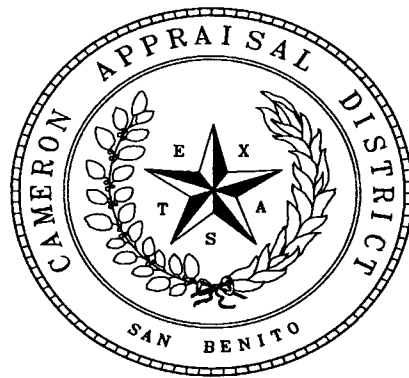
TONY GUTIRREZ
Member of the Board

VICENTE MENDEZ
Member of the Board

ROBERT PINKERTON, JR.
Member of the Board

TONY YZAGUIRRE, JR.
Member of the Board

FINANCIAL SECTION





*Oscar R. González, CPA
&
Associates, P.L.L.C.*
Certified Public Accountants

208 W. Ferguson Unit #1 • Pharr, Texas 78577

Tel: (956) 787-9909 • Fax: (956) 787-3067

Email: org110n@aol.com

*Oscar R. González
Melissa González*

INDEPENDENT AUDITOR'S REPORT

To Members of the Board of the
Cameron Appraisal District,
San Benito, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cameron Appraisal District as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cameron Appraisal District'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. 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 the Cameron Appraisal District, as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 15 and 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cameron Appraisal District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

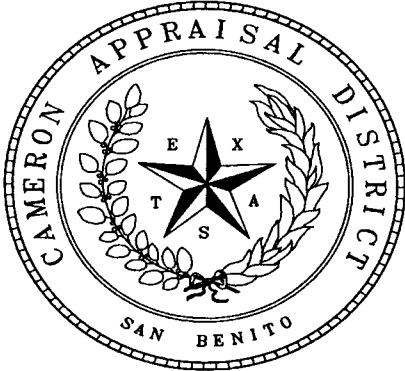
Oscar R. Gonzalez CPA

Oscar R. Gonzalez, CPA & Associates, PLLC

Pharr, Texas

May 5, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS



**CAMERON APPRAISAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Cameron Appraisal District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2010. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net assets were \$1,961,858 at December 31, 2010.
- During the year, the District's expenses were \$36,742 greater than the \$3,537,522 generated in charges for services for governmental activities.
- The general fund reported a fund balance this year of \$1,532,413 or 43% of current year expenditures.

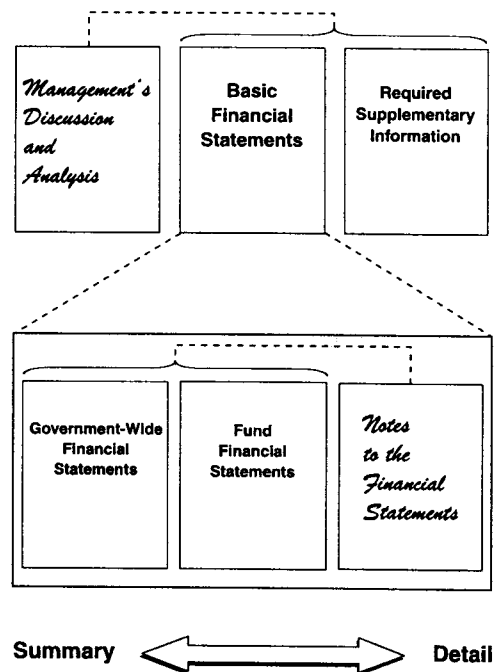
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the District's Annual Financial Report



Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets "the difference between the District's assets and liabilities" is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's assessment base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and/or by bond covenants.
- The Board of Directors establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets

The District's combined net assets were \$1,961,858 at December 31, 2010. (See Table A-1). The increase in local revenues is a result of state legislation that has shifted state funds away from school districts similar to the District and caused districts to increase local revenues by significant amounts each year. Additionally significant student population growth necessitates increased local revenues to offset resulting increased local expenses. The increase in federal revenues is primarily due to an increase in federal program revenue distributed through other agencies.

Table A-1

District's combined net assets were \$1,961,858 at December 31, 2010.

	2010	2009	Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,283,940	\$ 1,163,640	\$ 120,300
Investments	1,215,655	1,716,674	(501,019)
Due from governmental entities	-	17,470	(17,470)
Prepaid expenses	26,721	27,305	(584)
Total Current Assets	<u>2,526,316</u>	<u>2,925,089</u>	<u>(398,773)</u>
Capital Assets			
Land	27,738	27,738	-
Building and improvements	728,802	723,860	4,942
Furniture and equipment	1,496,643	1,477,773	18,870
Accumulated Depreciation	(1,777,177)	(1,771,382)	(5,795)
Total Capital Assets	<u>476,006</u>	<u>457,989</u>	<u>18,017</u>
Total Assets	<u>\$ 3,002,322</u>	<u>\$ 3,383,078</u>	<u>\$ (380,756)</u>
Liabilities			
Current Liabilities			
Account Payable - trade	\$ 44,770	\$ 56,468	\$ (11,698)
Due to governmental entities	170,296	157,962	12,334
Deferred revenues	777,159	1,221,357	(444,198)
Other current liabilities	1,292	-	1,292
Compensated absences	46,947	47,683	(736)
Total Current Liabilities	<u>1,040,464</u>	<u>1,483,470</u>	<u>(443,006)</u>
Total Liabilities	<u>1,040,464</u>	<u>1,483,470</u>	<u>(443,006)</u>
Net Assets			
Invested in Capital Assets, net of related debt	476,006	457,989	18,017
Unrestricted	1,485,852	1,441,619	44,233
Total Net Assets	<u>\$ 1,961,858</u>	<u>\$ 1,899,608</u>	<u>\$ 62,250</u>
Total Liabilities and Net Assets	<u>\$ 3,002,322</u>	<u>\$ 3,383,078</u>	<u>\$ (380,756)</u>

Change in 2010

- Total current assets decreased by \$398,773; due decrease in investments.
- Capital assets increase by \$18,017; mostly due to the current purchase of a new server.
- Due to governmental entities increased by \$12,334.
- Total liabilities decreased by \$443,006; due to decreases in the deferred revenues.
- Net assets increased by \$62,250.
- Overall assets and liabilities and net assets decreased by \$308,756.

Changes in net assets. The District's total revenues were \$3,633,017 with assessments revenues of \$3,537,522. The total cost of appraisal services was \$3,464,615 and depreciation was \$109,649 for the year ending December 31, 2010.

	2010	2009	Change
Revenues			
Assessments	\$ 3,537,522	\$ 3,365,741	\$ 171,781
Investment income	5,268	11,406	(6,138)
Miscellaneous income	90,227	23,305	66,922
Total Revenues	<u>3,633,017</u>	<u>3,400,452</u>	<u>232,565</u>
Expenses			
Salaries and other compensation	1,970,437	1,903,573	66,864
Contractual services	175,391	138,472	36,919
Supplies and training	546,528	470,285	76,243
Insurance and benefits	629,247	636,402	(7,155)
Other expenses	88,501	122,227	(33,726)
Maintenance and capital outlay	54,511	84,587	(30,076)
Depreciation	109,649	192,147	(82,498)
Total Expenditures	<u>3,574,264</u>	<u>3,547,693</u>	<u>26,571</u>
Net Change in Net Asset	58,753	(147,241)	205,994
Net Asset at Beginning of Period	1,899,606	2,046,847	(147,241)
Prior Year Adjustment	3,499	-	3,499
Net Asset at End of Period	<u>\$ 1,961,858</u>	<u>\$ 1,899,606</u>	<u>\$ 62,252</u>

Change in 2010

- Revenues increased by \$232,565 with the majority of the increase due to insurance proceeds.
- Expenses increase by \$26,571; the majority of increase in salaries and other compensation.
- Net change in net assets increase by \$205,994; mostly to increase in revenues.
- Net assets increased by \$62,252.

General Fund Budgetary Highlights

Actual expenditures were \$114,801 below final budget amounts. On the other hand, revenues available were \$129,854, below the final budgeted amount. Overall net change in fund balance was \$39,704 over the expected change. This was mainly caused by expenses incurred by damages to the District caused by a hurricane flood, and insurance proceeds and the District's board of director's expectation of increased expenditures mainly for legal services.

Capital Assets

At the end of 2010, the District has invested \$476,005 in a broad range of capital assets, including land, equipment, buildings, and furniture. (See Table A-3)

Table A-3

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Land	\$ 27,738	\$ -	\$ -	\$ 27,738
Building & Improvements	723,860	8,495	3,553	728,802
Furnitures & Equipment	1,477,773	119,170	100,300	1,496,643
Accumulated Depreciation	(1,771,382)	(109,649)	(103,853)	(1,777,178)
Total	<u>\$ 457,989</u>	<u>\$ 18,016</u>	<u>\$ -</u>	<u>\$ 476,005</u>

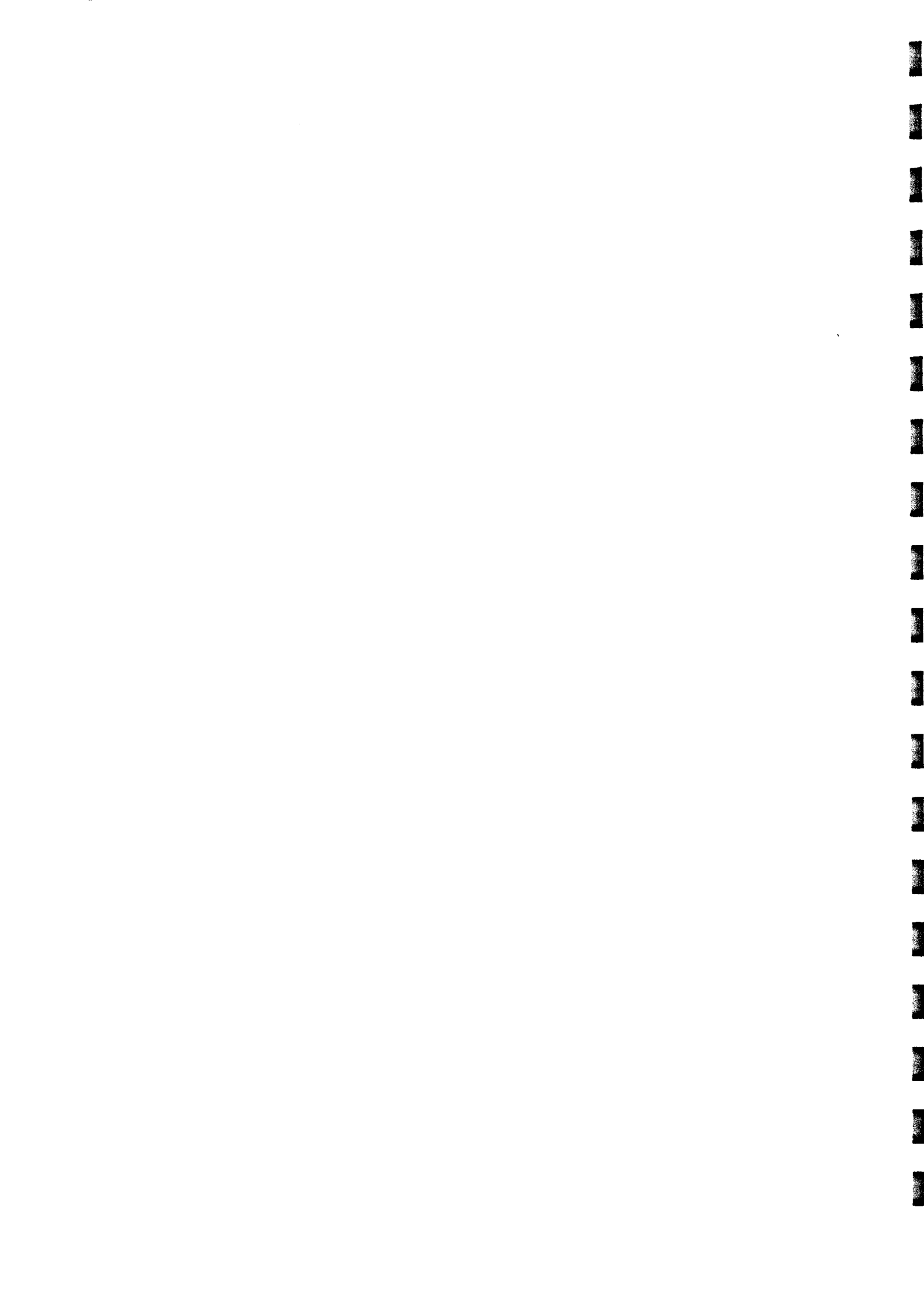
The District's capital projects spending was \$127,665, principally for furniture and equipment. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Next year's Budget

The Board of Directors adopted a 2011 expenditure budget of \$3,578,925 on June 15, 2010. This amount represented a 1.4% decrease of the 2010 budget.

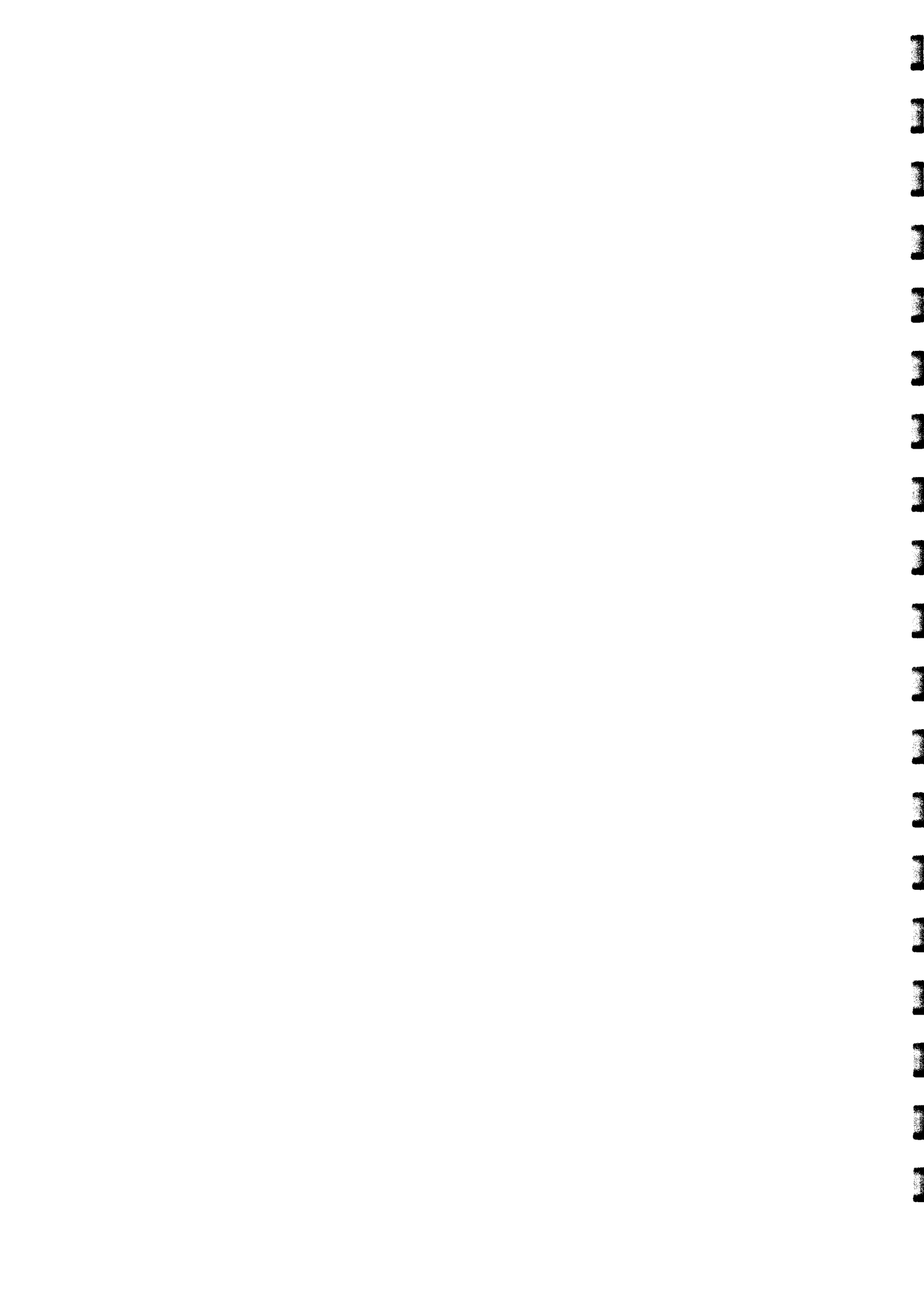
Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, taxing entities, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Administration Office.



BASIC FINANCIAL STATEMENTS





**Cameron Appraisal District
Statement of Net Assets
December 31, 2010**

	Primary Government	
	Governmental Activities	Total
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 1,283,940	\$ 1,283,940
Investments	1,215,655	1,215,655
Prepaid expenses	26,721	26,721
Total Current Assets	2,526,316	2,526,316
<i>Capital Assets</i>		
Land	27,738	27,738
Building and Improvements	728,802	728,802
Furniture and Equipment	1,496,643	1,496,643
Accumulated Depreciation	(1,777,177)	(1,777,177)
Total Capital Assets	476,006	476,006
Total Assets	3,002,322	3,002,322
LIABILITIES		
<i>Current Liabilities</i>		
Accounts Payable	44,770	44,770
Due to Governmental Entities	170,296	170,296
Deferred Revenues	777,159	777,159
Other Current Liabilities	1,292	1,292
Total Current Liabilities	993,517	993,517
<i>Long-Term Liabilities</i>		
Compensated Absences	46,947	46,947
Total Long-Term Liabilities	46,947	46,947
Total Liabilities	1,040,464	1,040,464
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	476,006	476,006
Restricted	-	-
Unrestricted	1,485,852	1,485,852
Total Net Assets	\$ 1,961,858	\$ 1,961,858

The notes to these statements are an integral part of these statements.

**Cameron Appraisal District
Statement of Activities
For the Year Ended December 31, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
Salaries and other compensation	\$ 2,032,798	\$ 2,011,902	\$ -	\$ -
Contractual services	180,942	179,082	-	-
Supplies and training	563,825	558,029	-	-
Insurance and benefits	649,162	642,488	-	-
Other expenses	91,301	90,363	-	-
Maintenance and capital outlay	56,236	55,658	-	-
Total Governmental Activities	3,574,264	3,537,522	-	-
Total Primary Government	\$ 3,574,264	\$ 3,537,522	\$ -	\$ -

General Purpose Revenues and Transfers:

Revenues

Investment income

Miscellaneous income

Special item - Insurance Proceeds

Total General Revenues and Special Items

Change in Net Assets

Net Assets at Beginning of Period

Prior Period Adjustments

Net Assets at End of Period

The notes to these statements are an integral part of these statements.

<u>Net (Expense) Revenue</u>	
<u>Primary Government</u>	
<u>Governmental Activities</u>	<u>Total</u>
\$ (20,896)	\$ (20,896)
(1,860)	(1,860)
(5,796)	(5,796)
(6,674)	(6,674)
(938)	(938)
(578)	(578)
<u>(36,742)</u>	<u>(36,742)</u>
\$ (36,742)	\$ (36,742)
5,268	5,268
35,470	35,470
<u>54,757</u>	<u>54,757</u>
<u>95,495</u>	<u>95,495</u>
58,753	58,753
1,899,606	1,899,606
3,499	3,499
<u>\$ 1,961,858</u>	<u>\$ 1,961,858</u>

**Cameron Appraisal District
Balance Sheet
Governmental Funds
December 31, 2010**

	<u>Special Revenue</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Special Collection Fund</u>	
ASSETS			
Cash and Cash Equivalents	\$ 1,275,091	\$ 8,849	\$ 1,283,940
Investments	1,215,655	-	1,215,655
Prepaid Expenses	26,721	-	26,721
<i>Total Assets</i>	<u>2,517,467</u>	<u>8,849</u>	<u>2,526,316</u>
LIABILITIES			
Accounts Payable	36,307	8,463	44,770
Due to Governmental Entities	170,296	-	170,296
Deferred Revenues	777,159	-	777,159
Other Current Liabilities	1,292	-	1,292
<i>Total Liabilities</i>	<u>985,054</u>	<u>8,463</u>	<u>993,517</u>
FUND BALANCE			
<i>Reserved for:</i>			
Designated for Capital Assets	225,000	-	225,000
Designated for Contingencies	225,000	-	225,000
Generally Restricted Reserve	1,042,709	-	1,042,709
<i>Unreserved reported in:</i>			
General Fund	39,704	-	39,704
Special Revenue	-	386	386
<i>Total Fund Balance</i>	<u>1,532,413</u>	<u>386</u>	<u>1,532,799</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 2,517,467</u>	<u>\$ 8,849</u>	<u>\$ 2,526,316</u>

Cameron Appraisal District
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2010

Total Fund Balance - Governmental Funds	\$	1,532,799
Capital assets are expensed as capital outlay in the governmental fund statements, however they are capitalized as fixed assets and reflected in the Statement of Net Assets.		127,665
Certain accrued obligations not normally expected to be liquidated with expendable available financial resources unless they are due for payment in the current period. The difference in compensated absences from last year to this year is recorded in the statement of activities.		(46,947)
Depreciation expense reflected in entity wide statements, not reflected in governmental fund statements.		(109,649)
When Capital Assets that are to be used in governmental activities are purchased, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets fo the District as a whole.		457,989
Total Net Assets-Governmental Funds	\$	<u>1,961,857</u>

Cameron Appraisal District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2010

	<u>General Fund</u>	<u>Special Revenue</u> Special Collection Fund	<u>Total Governmental Funds</u>
Revenues			
Assessments	\$ 3,537,522	\$ -	\$ 3,537,522
Investment income	4,972	296	5,268
Miscellaneous income	35,470	-	35,470
Total Revenues	<u>3,577,964</u>	<u>296</u>	<u>3,578,260</u>
Expenditures			
Salaries and other compensation	1,971,174	-	1,971,174
Contractual services	175,391	-	175,391
Supplies and training	559,093	-	559,093
Insurance and benefits	629,247	-	629,247
Other expenses	88,501	-	88,501
Maintenance and capital outlay	169,611	-	169,611
Total Expenditures	<u>3,593,017</u>	<u>-</u>	<u>3,593,017</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,053)</u>	<u>296</u>	<u>(14,757)</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Insurance Proceeds	54,757	-	54,757
Transfers to other funds	-	-	-
Net Other Financing Sources (Uses)	<u>54,757</u>	<u>-</u>	<u>54,757</u>
Net Change in Fund Balance	39,704	296	40,000
Fund Balance at Beginning of Period	1,489,210	90	1,489,300
Prior Period Adjustments	3,499	-	3,499
Fund Balance at End of Period	<u>\$ 1,532,413</u>	<u>\$ 386</u>	<u>\$ 1,532,799</u>

The notes to these statements are an integral part of these statements.

Cameron Appraisal District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2010

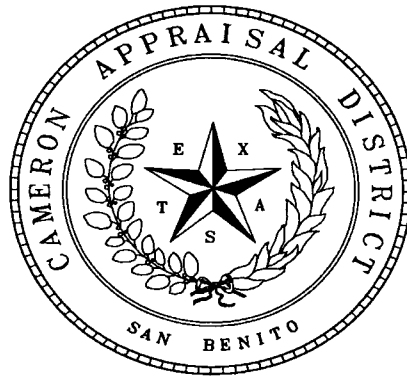
Total Net Change in Fund Balances - Governmental Funds	\$	40,000
Fixed assets are expensed as capital outlay in governmental fund statements, however these expenditures are capitalized as fixed assets in Statement of Net Assets.		127,665
Compensated absences are expensed as paid in the governmental fund statements, however they are expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Assets.		737
Depreciation expense is reflected in entity wide statements, however it is not reflected in governmental fund statements.		(109,649)
Changes in Net Assets-Governmental Funds	\$	<u>58,753</u>

**Cameron Appraisal District
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010**

	<u>Agency</u>
	<u>Education & Public Relations</u>
ASSETS	
Cash and cash equivalents	\$ 11,740
<i>Total Assets</i>	<u>11,740</u>
LIABILITIES	
Due to employee	<u>11,740</u>
<i>Total Liabilities</i>	<u>11,740</u>
NET ASSETS	
Held in Trust	<u>\$ -</u>

The notes to these statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS



Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies

A. Nature of Operations

The ratification of Senate Bill 621 by the Texas Legislature provided, in part, for each county within Texas to organize and operate a separate and distinct appraisal district. Consequently, in April 1980, a Board of Directors was named to direct the affairs of the then newly created Cameron Appraisal District (the "District"). The organization is responsible for conducting property appraisals and providing property values for each of forty separate taxing jurisdictions in Cameron County. Effective October 1980, the organization began operation with the hiring of a chief appraiser.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. The discussion of component units below summarizes the relevant guidelines considered by the District in determining the nature of their operational or financial relationships.

The blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with data of the primary government. The District does not have any component units that are considered blended component units.

The discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the District. The District does not have any component units that are considered discretely presented component units.

C. Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements-and Managements' Discussion and Analysis for State and Local Governments* ("GASB Statement No. 34"). This statement, known as the "reporting model" statement, affects the way the District prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial information.

Management's Discussion and Analysis

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. GASB Statement No. 34 was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

GASB Statement No. 34 requires financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis." This analysis is similar to the analysis that private-sector companies provide in their annual reports.

Government-Wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities, such as building and infrastructure, including roads and bridges, and general obligation debt. Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current or soon thereafter, as in the case with the modified accrual basis of accounting.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies

(continued)

Schedule of Net Assets

The schedule of net assets is designed to display the financial position of the primary government, governmental and business-type activities, and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide schedule of net assets and report related depreciation expense, the cost of "using up" capital assets, in the statement of activities. The net assets of a government are divided into three categories:

- 1) invested in capital assets-net of related debt;
- 2) restricted;
- 3) unrestricted;

Statement of Activities

The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function, such as user charges or intergovernmental grants.

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many governments revise their original budget throughout the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of the final budget and actual results.

GASB Statement Nos. 34, 37, and 38

In 2004, the District implemented the following new standards:

GASB Statement No. 34, *Basic Financial Statements-and Managements' Discussion and Analysis for State and Local Governments*, established new accounting and financial reporting standards for external financial reporting by state and local governments in order to enhance the understandability and usefulness of the financial reports to citizenry, legislative and oversight bodies, and investors and creditors.

GASB Statement No. 37, *Basic Financial Statements-and Managements' Discussion and Analysis for State and Local Governments: Omnibus and Amendment of GASB Statements No. 21 and No. 34*, revises the escheat reporting requirements, limits the topics discussed in Management's Discussion and Analysis, eliminates capitalization of construction-period interest requirements on capital assets used in governmental activities and further clarifies provisions of GASB Statement No. 34.

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, modifies, establishes, and rescinds certain financial statement disclosure requirements. The implementation of these standards had the following impact on the accompanying financial statements:

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies

(continued)

- Presentation of Management's Discussion and Analysis (MD&A) section
- Presentation of government-wide financial statements
- Major funds presentation for the District's fund-level statements as defined by the above GASB statements
- Major funds presentation for the District's fund-level statements as defined by the above GASB statements
- Reporting certain additional footnote disclosures
- Changing beginning equity for the inclusion of general capital assets

D. Government-Wide and Fund Accounting

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. While the previous reporting model emphasized fund types-the total of all funds of a particular type-in the new reporting model, the focus is on either the District as a whole or on major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental.

In the government-wide statement of net assets, the governmental activity column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt. The District generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The District may defer the use of restricted assets based on a review of the specific transaction.

The government-wide financial statements report information on all non-fiduciary activities of the primary government.

The government-wide statement of activities reflects both the gross and net cost per functional category, which is otherwise being supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function. The District does not allocate indirect expenses.

The governmental fund major fund statement in the fund financial statements is presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statement with the governmental column of the government-wide presentation.

The focus of the revised reporting model is on the District as a whole and the fund financial statements, including the major individual fund of the governmental category. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies
(continued)

- *Governmental Funds:* Governmental funds are those funds through which most governmental functions are typically financed.
 - *General Fund:* The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include charges for services. Expenditures include administrative services, information systems, appraisal services, capital expenditures, building and equipment debt services, if applicable

E. Basis of Accounting

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

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

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

F. Estimates

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

G. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

The District considers all deposits and investments with an original maturity of three months or less to be cash and cash equivalents.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies

(continued)

Deposits and Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act ("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 fund may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area are conducted as part of the audit of the general purpose financial statements disclosed in the areas of investment practices, management reports and establish appropriate policies. The District adheres to the requirements of the Act. Additionally, investment practices of the District are in accordance with local policies.

For District investments, both the statutes of the state of Texas and policies mandated by the District's Board of Directors, which are more restrictive, authorize the District to invest only in certificates of deposit issued by federally insured banks or savings and loans associations.

In accordance with GASB Statement No. 31, money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported as amortized costs.

Analysis of Specific Risk

GASB Statement No. 34 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- a. Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk. The District's investment policy states that no investment shall have a legal stated maturity of more than twelve months. By limiting the exposure of its investments, the District reduces its risk to the rising or decreasing interest rates.
- b. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designated to give an indication of credit risk. At year end, the District was not exposed to credit risk.
- c. Custodial Credit Risk – Deposits and investments are exposed to custodial risk if they are not covered by depository insurance and the deposits and investments are uncollateralized, collateralized securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial risk. See Note III for more information on the coverage of this risk.
- d. Concentration of Credit Risk – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the policy of Cameron Appraisal District to diversify its portfolio to eliminate the risk of loss resulting from over concentration of liquid assets with a specific maturity, a specific insurer or a specific class of investments. At year end the District was not exposed to concentration of credit risk.
- e. Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Cameron Appraisal District
 San Benito, Texas
 Notes to Financial Statements
 December 31, 2010

Due From Governmental Entities

The District's primary revenue source is from assessments to taxing jurisdictions for services provided by the District. Assessments are imposed annually based on the amount approved by the Board of Directors in the annual budget. As required by law, the assessment is allocated in four equal payments due on the last day of each quarter, with the first quarterly payment due before January 1 of the year in which the budget takes effect. If unpaid on the due date, such assessments become delinquent. A delinquent payment incurs a penalty of 5 percent of the amount of the payment and accrues interest at an annual rate of 10 percent. Assessments that are applicable to the District's subsequent fiscal year are recorded as Advance Payments of Assessments a form of deferred revenue.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when the uncollectability of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. As of December 31, 2010, there was no allowance for doubtful accounts as all are considered collectible.

Capital Assets

Capital assets, which include equipment, improvements, and vehicles, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

The District provides for depreciation on assets using the straight-line method in order to amortize costs of assets over their estimated useful lives. The following estimated useful lives are used in providing for depreciation:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	20-50 years
Furniture and fixtures	10 years
Software	5 years
Equipment	5-10 years

Due to Governmental Entities

By Texas Property Tax Code Sec. 6.06 (j) each calendar year, the chief appraiser and finance director review the actual assessments versus the amount actually spent or obligated to be spent during the calendar. If assessments are greater than the amount spent or obligated, then the chief appraiser shall credit the excess amount against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made. The District generally credits the excess in the second quarter of the following year. The following table is the calculation of the excess amount for the year ending December 31, 2010. The District generally credits the excess in the second quarter of the following year.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies
(continued)

The following table is the calculation of the excess amount for the year ending December 31, 2010:

Assessments	\$ 3,707,818
District's Expenses	<u>3,537,522</u>
Amount due to entities	<u>\$ 170,296</u>

It has been the District's practice not to include investment and miscellaneous income into the determination of the actual assessments versus the amount actually spent or obligated to be spent.

Compensated Absences

1. Personal and Personal Sick Leave

All regular employees are granted sick and vacation leave benefits in varying amounts. A maximum of fifteen days of annual vacation leave may be accrued, and if annual vacation balances exceeding fifteen days will be reduced to fifteen days as of January of each year. As for sick leave, an employee may earn up to twelve days per year. Unused sick time can be carried over up to a maximum of 90 days. All vested compensated absences are accrued when incurred in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Long-term debt consists primarily of notes payable and compensated absences. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, and the payment of principal and interest is reported as expenditures. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

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

Net Assets

In the government-wide financial statements, net assets are classified as Invested in Capital Assets-Net of Related Debt, Restricted Net Assets, or Unrestricted Net Assets. The three categories are described below:

- *Invested in Capital Assets-Net of Related Debt:* This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 1-Summary of Significant Accounting Policies

(continued)

- *Restricted Net Assets:* This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. Currently, the District has no restricted net assets.
- *Unrestricted Net Assets:* This category represents the net assets of the District which are not restricted for any project or any other purpose.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Unreserved fund balance is that portion of fund balance which is undesignated and available for budgeting in future years.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The District has provided the following reserves:

- *Reserved* – designated fund balance as represents amounts designated by the District’s Board of Directors for the establishment of a General Designated Fund. The designations of these funds include potential uses for information systems, building maintenance and a general contingency.
- *Unreserved* – fund balance is that portion of fund balance which is undesignated and available for budgeting in future years.

Note 2- Stewardship, Compliance, and Accountability

A. Budgetary Data

The District uses the following procedures in establishing the budget reflected in the financial statements:

- Prior to the June 15, the Board of Directors and taxing units are presented with a proposed budget for the year beginning the following January 1 by the chief appraiser. The budget includes proposed expenditures and the means of financing those expenditures. The budget determines the annual assessments due from taxing jurisdictions.
- Public hearing in conducted to obtain citizens’ comments.
- The budget must be approved by September 15. The budget for the year ending December 31, 2011 was legally enacted on August 16, 2010.

The budget is incorporated into the accounting system of the District and considered a management and planning tool. An annual budget is legally adopted for the General Fund only.

B. Budget Basis of Accounting

The District prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the District’s method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP are principal payments on loan paid and capital expenditures capitalized under GAAP.

Cameron Appraisal District
 San Benito, Texas
 Notes to Financial Statements
 December 31, 2010

Note 3 - Cash and Cash Equivalents

(Continued)

C. Excess of General Fund Expenditures over appropriations

Expenditures exceeded appropriations of the contractual services line item by \$58,263 which was caused by an unexpected increase in legal service fees and of the capital outlay (equipment purchased) line item by \$57,611, this was due to the fact that most of the capital outlay expenditures were paid from insurance proceeds that were recuperated after damage caused by a hurricane flood.

At December 31, 2010, the District's Deposits are summarized as follows:

	Carrying Amounts	Bank Balance
Checking accounts	<u>\$1,283,940</u>	<u>\$1,372,494</u>
Total Deposits	\$1,283,940	\$1,372,494

The District's deposits were held during the year in a financial institution and were carried at cost. The financial institution provides insurance through the FDIC and pledges collateral to secure these deposits, as needed. A third-party bank in joint custody for the District and the depository bank hold certain collateralized securities (Category 2).

At December 31, 2010, the insurance and collateral pledged are summarized as follows:

Financial institution:	FDIC Coverage	Security Pledged	Bank Balance
BBVA Compass	<u>\$250,000</u>	<u>\$1,361,236</u>	<u>\$1,290,384</u>

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1: Deposits which are insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2: Deposits which are collateralized with securities held by the pledging Financial Institution's trust department or agent in the District's name.
- Category 3: Deposits which are not collateralized or insured.

Cameron Appraisal District
 San Benito, Texas
 Notes to Financial Statements
 December 31, 2010

Note 4 - Capital Assets

A summary of changes in capital assets for governmental activities is as follows:

	Balance			Balance
	12/31/2009	Additions	Deletions	12/31/2010
<i>Non-depreciable assets:</i>	\$ 27,738	\$ -	\$ -	\$ 27,738
Land	27,738	-	-	27,738
<i>Total Non-depreciable assets</i>				
 <i>Depreciable assets:</i>				
Buildings and Improvements	723,860	8,495	3,553	728,802
Furniture and Equipment	1,477,773	119,170	100,300	1,496,643
<i>Total Depreciable assets</i>	2,201,633	127,665	103,853	2,225,445
 <i>Less accumulated depreciation for:</i>				
Buildings and Improvements	456,213	22,806.00	3,553	475,466
Furniture and Equipment	1,315,169	86,843.0	100,300	1,301,712
	1,771,382	109,649	103,853	1,777,178
<i>Total depreciable assets net of accumulated depreciation</i>	430,251	18,016	-	448,267
 Total assets	\$ 457,989	\$ 18,016	\$ -	\$ 476,005

Depreciation expense for the year totaled \$109,649, and was charged to the following functions:

Salaries and other compensation	\$ 62,361
Contractual services	5,551
Supplies and training	17,297
Insurance and benefits	19,915
Other expenses	2,801
Maintenance and capital outlay	1,725
	\$ 109,649

Cameron Appraisal District
 San Benito, Texas
 Notes to Financial Statements
 December 31, 2010

Note 5 – Due to Governmental Entities

Assessments were greater than the amount spent or obligated, excess amount will be applied against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made. This year's assessment refund consists of:

Taxing Units	2010 Assessment Revenue	2010 Expenditure Allocation	Allocation Percent	2010 Assessment Refund
Brownsville ISD	\$ 616,966	\$ (588,540)	16.64%	\$ 28,425
Harlingen ISD	389,585	(371,704)	10.51%	17,881
La Feria ISD	53,977	(51,563)	1.46%	2,414
Los Fresnos CISD	161,490	(154,073)	4.36%	7,416
Point Isabel ISD	426,649	(406,849)	11.50%	19,800
Rio Hondo ISD	31,069	(29,646)	0.84%	1,423
San Benito ISD	118,932	(113,535)	3.21%	5,397
Santa Maria ISD	5,407	(5,161)	0.15%	246
Santa Rosa ISD	10,155	(9,701)	0.27%	454
South Texas ISD	89,100	(84,983)	2.40%	4,116
City of Brownsville	401,489	(383,023)	10.83%	18,465
City of Harlingen	181,055	(172,841)	4.89%	8,213
City of San Benito	44,492	(42,469)	1.20%	2,023
City of Port Isabel	21,009	(20,045)	0.57%	964
Town of South Padre Island	68,736	(65,558)	1.85%	3,178
City of Los Fresnos	11,651	(11,108)	0.31%	543
City of La Feria	14,440	(13,778)	0.39%	662
City of Rio Hondo	4,972	(4,749)	0.13%	223
Town of Laguna Vista	10,372	(9,900)	0.28%	472
City of Santa Rosa	2,059	(1,965)	0.06%	94
Town of Indian Lake	1,088	(1,038)	0.03%	50
Town of Palm Valley	5,431	(5,180)	0.15%	252
City of Combes	3,854	(3,683)	0.10%	170
City of Primera	6,659	(6,355)	0.18%	304
Town of Rancho Viejo	8,830	(8,426)	0.24%	404
Cameron County Drainage District #1	15,807	(15,079)	0.43%	728
SBCC Drainage District #3	25,412	(24,248)	0.69%	1,163
Cameron County District #4	469	(447)	0.01%	21
Southmost Union Junior College	193,048	(184,134)	5.21%	8,914
Valley Mud #2	10,302	(9,823)	0.28%	478
Brownsville Navigation District	37,480	(35,750)	1.01%	1,730

Cameron Appraisal District
 San Benito, Texas
 Notes to Financial Statements
 December 31, 2010

Note 5 – Due to Governmental Entities
(Continued)

Laguna Madre Water District	29,182	(27,831)	0.79%	1,351
CC Emergency Service District #1	31,144	(29,688)	0.84%	1,456
Cameron County	638,850	(609,669)	17.23%	29,181
Cameron County Drainage District #5	22,594	(21,557)	0.61%	1,037
Paseo De La Resaca Mud #1	3,043	(2,904)	0.08%	139
Paseo De La Resaca Mud #2	4,730	(4,513)	0.13%	217
Paseo De La Resaca Mud #3	4,222	(4,026)	0.11%	196
Town of Bayview	1,070	(1,021)	0.03%	49
Lyford ISD	998	(955)	0.03%	44
Totals	\$ 3,707,818	\$ (3,537,522)	100%	\$ 170,296

Note 6 – Deferred Revenues

Deferred revenues are recorded when a taxing entity prepays their assessment for a preceding year during the year. Since the amount paid is not revenue for this fiscal year, it becomes deferred revenue to be recognized in the assessment year. The total amount of prepaid assessments that were collected from the entities are described below, by type of taxing entity:

Taxing Units by Type	2011 Prepaid Assessment
Municipalities and Cities	\$ 85,722
School Districts	511,248
County	152,354
MUD	5,218
Drainage Districts	15,169
Emergency Districts	7,448
Total Deferred Revenue	\$ 777,159

Note 7 - Other Information

A. Risk Management

Cameron County Appraisal District is exposed to various uncertainties for losses related to intentional and unintentional tort; theft of damage to and destruction of real and personal property; errors-and-omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the District carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in any of the past three years.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 7 - Other Information

(Continued)

B. Commitments

1. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel and management that resolution of these matters will not have a material adverse effect on the condition of the District at December 31, 2010.

C. Retirement Plan

1. *Plan Description*

Cameron County Appraisal District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 509 nontraditional defined benefit pension plans. TCDRS in aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more.

Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute.

At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. *Annual Pension Cost*

For the year ending December 31, 2010, the annual pension cost for the TCDRS plan was \$ 253,296.59 for employer and \$ 127,682.58 for employee. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with GASB Statement No. 27 of the Governmental Accounting Standards Board (GASB 27), titled *Accounting for Pensions by State and Local Governmental Employers*. The employee contribution rate used for December 31, 2009 and December 31, 2010 was 7% and 7%; the employer contribution rates were 12.11 % and 12.85%, respectively.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8% investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.3%. Both (a) and (b) included an inflation component of 3.5%.

Cameron Appraisal District
San Benito, Texas
Notes to Financial Statements
December 31, 2010

Note 7 - Other Information
(Continued)

The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

3. Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 83.19% funded. The actuarial accrued liability for benefits was \$ 6,339,315, and the actuarial value of assets was \$ 5,273,811, resulting in an unfunded actuarial accrued liability (UAAL) of \$ 1,065,504.

The schedule of funding progress, presented as RSI following the notes to the financial, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 8 – Prior Period Adjustments

A. Prior Period Adjustment

Prior period adjustments were needed in several funds in order to properly state the correct financial position of the District. The prior period adjustment amounts and the reasons are as follows:

Government-Wide Statements:

Net Assets:	
Adjustment to correct prior year revenue posted as current.	<u>\$3,499</u>
Total increase in Net assets	<u><u>\$3,499</u></u>

Note 9 – Subsequent Events

A. Subsequent Events

For the purposes of reporting subsequent events, management has considered events occurring up to May 5, 2011, the date the report was available to be issued. No subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION



Cameron Appraisal District
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>		<u>Budget</u>	<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
			<u>Basis</u>	<u>Budget Basis</u>
Revenues				
Assessments	\$ 3,707,818	\$ 3,707,818	\$ 3,537,522	\$ (170,296)
Investment income	-	-	4,972	4,972
Miscellaneous income	-	-	35,470	35,470
Total Revenues	<u>3,707,818</u>	<u>3,707,818</u>	<u>3,577,964</u>	<u>(129,854)</u>
Expenditures				
Salaries and other compensation	2,079,538	2,079,538	1,971,174	108,364
Contractual services	188,300	188,300	175,391	12,909
Supplies and training	606,228	606,228	566,081	40,147
Insurance and benefits	605,552	605,552	622,259	(16,707)
Other expenses	62,200	62,200	88,501	(26,301)
Capital outlay	166,000	166,000	169,611	(3,611)
Total Expenditures	<u>3,707,818</u>	<u>3,707,818</u>	<u>3,593,017</u>	<u>114,801</u>
Other Financing Uses				
Insurance Proceeds	-	-	(54,757)	54,757
Total Expenditures and Other Financing Uses	<u>3,707,818</u>	<u>3,707,818</u>	<u>3,538,260</u>	<u>169,558</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	-	-	39,704	39,704
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>39,704</u>	<u>39,704</u>
Fund Balance at Beginning of Period	1,489,210	1,489,210	1,489,210	-
Prior Period Adjustments	3,499	3,499	3,499	-
Fund Balance at End of Period	<u>\$ 1,492,709</u>	<u>\$ 1,492,709</u>	<u>\$ 1,532,413</u>	<u>\$ 39,704</u>

The notes to these statements are an integral part of these statements.

Cameron Appraisal District
 San Benito, Texas
 Schedule of Funding Progress - Texas County
 and District Retirement System

for the year ended December 31, 2010

(unaudited)

Accounting Year-End	Annual Pension Cost "APC"	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	256,297	100%	-
12/31/2009	280,248	100%	-
12/31/2008	244,000	100%	-
12/31/2007	245,000	100%	-
12/31/2006	216,008	100%	-
12/31/2005	215,208	100%	-

Actuarial Valuation Date	Actuarial Value of Asset (a)	Actuarial Accrued Liability ("AAL") (b)	Unfund AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Annual Covered Payroll* Covered	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2010	n/a	n/a	n/a	n/a	n/a	n/a
12/31/2009	5,781,956	6,596,726	814,770	87.650%	1,901,302	42.850%
12/31/2008	5,273,811	6,339,315	1,065,504	83.192%	1,713,796	62.172%
12/31/2007	5,391,175	6,144,290	753,115	87.743%	1,741,424	43.247%
12/31/2006	4,935,861	5,649,928	714,067	87.361%	1,696,846	42.082%
12/31/2005	4,233,240	5,138,781	905,541	82.378%	1,590,598	56.931%

n/a - Information is not available as of May 5, 2011

Cameron Appraisal District
San Benito, Texas
Notes to Required Supplementary Information
December 31, 2010

A. Budget Basis of Accounting

The District prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP Basis). The budget and all transactions are presented in accordance with the District's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General fund to provide a meaningful comparison of actual results with the budget.

B. Budget Reconciliation to GAAP

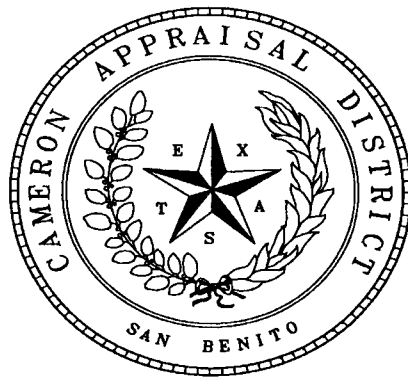
The major differences between the budget basis and GAAP basis are,

1. Capital purchases and lease principal payments are outflows for budgetary purposes, but are not expenditures for financial reporting purposes
2. Depreciation expenses which are reflected in the GAAP basis budget are not considered in the budget basis.
3. Compensated absences are included in the GAAP basis budget when incurred, while on the budget basis they are expensed as paid.

Reconciliation amounts are summarized below:

	Revenues		Net Major Adjustment
	Increases	Decreases	Needed for GAAP
None	-	-	-
Adjustments to Reconcile to GAAP Basis	-	-	-
	Expenditures		Net Major Adjustment
	Increases	Decreases	Needed for GAAP
Capital Outlay Expenditures	-	(127,665)	(127,665)
Change in Compensated Absences Incurred	-	(737)	(737)
Depreciation Expense	109,649	-	109,649
Adjustments to Reconcile to GAAP Basis	109,649	(128,402)	(18,753)

INTERNAL CONTROL / COMPLIANCE SECTION



 *Oscar R. González, CPA
&
Associates, P.L.L.C.*
Certified Public Accountants

208 W. Ferguson Unit #1 • Pharr, Texas 78577

Tel: (956) 787-9909 • Fax: (956) 787-3067

Email: org110n@aol.com

*Oscar R. González
Melissa González*

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

To Members of the Board of the
Cameron Appraisal District,
San Benito, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cameron Appraisal District, as of and for the year ended December 31, 2010, which collectively comprise the Cameron Appraisal District's basic financial statements and have issued our report thereon dated May 5, 2011. 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 Cameron Appraisal District'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 Cameron Appraisal District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cameron Appraisal District's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Appraisal District'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*.

This report is intended solely for the information and use of management, board members, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Oscar R. Gonzalez

Oscar R. Gonzalez, CPA & Associates, PLLC

Pharr, Texas

May 5, 2011

Cameron Appraisal District
San Benito, Texas
Schedule of Findings and Responses
December 31, 2010

FINDINGS: NONE

STATISTICAL SECTION



Cameron Appraisal District

San Benito, Texas

Statistical Section

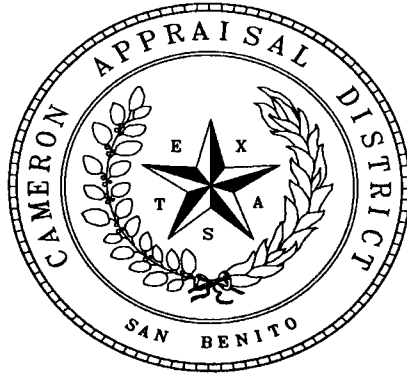
(unaudited)

This part of the District'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 District's overall financial health.

Contents	Page
Financial Trends	45 - 48
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	49 - 54
These schedules contain information to help the reader assess the District's most significant local revenue source.	
Debt Capacity	55
These schedules presents information to help the reader assess the affordability of the District's current levels of outstanding debts.	
Demographic and Economic Information	56 - 58
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	59 - 60
These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it perform.	

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

FINANCIAL TRENDS



Cameron Appraisal District
San Benito, Texas

Net Assets By Component

Last Five Fiscal Years

(Unaudited)

	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental activities					
Invested in capital assets - net of related debt	\$ 476,006	\$ 457,989	\$ 601,822	\$ 700,682	\$ 832,766
Restricted	-	-	-	-	-
Unrestricted net assets	1,485,852	1,445,027	1,445,027	1,610,623	1,182,705
Total governmental activities net assets	\$ 1,961,858	\$ 1,903,016	\$ 2,046,849	\$ 2,311,305	\$ 2,015,471

Cameron Appraisal District
San Benito, Texas

Changes In Net Assets

Last Five Fiscal Years

(Unaudited)

	Fiscal Year				
	2010	2009	2008	2007	2006
Expenses					
Governmental activities					
Appraisal services	\$ 3,574,264	\$ 3,547,693	\$ 3,578,239	\$ 3,613,846	\$ 3,481,903
Total governmental activities expenses	<u>3,574,264</u>	<u>3,547,693</u>	<u>3,578,239</u>	<u>3,613,846</u>	<u>3,481,903</u>
Program Revenues					
Governmental activities					
Charges of services:					
Assessments	<u>3,537,522</u>	<u>3,365,741</u>	<u>3,620,382</u>	<u>3,645,291</u>	<u>3,573,590</u>
Total governmental activities program revenues	<u>3,537,522</u>	<u>3,365,741</u>	<u>3,620,382</u>	<u>3,645,291</u>	<u>3,573,590</u>
Total Net (Expense) Revenue					
Governmental activities	(36,742)	(181,952)	42,143	31,445	91,687
General Revenues and Other					
Changes in Net Assets					
Governmental activities					
Investment income	5,268	11,406	59,034	103,908	90,361
Miscellaneous income	<u>35,470</u>	<u>23,305</u>	<u>12,622</u>	<u>13,328</u>	<u>13,631</u>
Total governmental activities	40,738	34,711	71,656	117,236	103,992
Special items	<u>54,757</u>	-	-	-	-
Total Change in Net Assets					
Governmental activities	\$ <u>58,753</u>	\$ <u>(147,241)</u>	\$ <u>113,799</u>	\$ <u>148,681</u>	\$ <u>195,679</u>

Cameron Appraisal District
San Benito, Texas

Fund Balance - Governmental Funds

Last Five Fiscal Years

(Unaudited)

	Fiscal Year				
	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 1,492,709	\$ 1,441,619	\$ 450,000	\$ -	\$ -
Unreserved	40,090	47,593	1,040,426	1,722,574	1,448,951
Total General Fund	\$ 1,532,799	\$ 1,489,212	\$ 1,490,426	\$ 1,722,574	\$ 1,448,951

Cameron Appraisal District

San Benito, Texas

Changes in Fund Balance - Governmental Funds

Last Six Fiscal Years

(Unaudited)

	Fiscal Year				
	2010	2009	2008	2007	2006
Revenues					
Assessments from tax units	\$ 3,537,522	\$ 3,365,741	\$ 3,351,750	\$ 3,645,291	\$ 3,573,590
Investment income	5,268	11,406	59,034	103,908	90,361
Miscellaneous income	35,470	23,305	12,622	13,328	13,631
Total Revenues	3,578,260	3,400,452	3,423,406	3,762,527	3,677,582
Expenditures					
Salaries & other compensation	1,971,174	1,901,289	1,720,845	1,738,716	1,690,165
Contractual service	175,391	138,472	120,827	160,359	204,948
Supplies & expenses	559,093	470,285	565,510	588,492	471,287
Insurance & benefits	629,247	636,402	590,018	649,414	607,038
Other expenses	88,501	122,227	102,150	118,242	120,257
Maintenance & Capital outlay	169,611	132,901	103,790	186,757	248,337
Debt service					
Principal	-	-	144,528	44,214	44,214
Interest	-	-	7,607	-	-
Total expenditures	3,593,017	3,401,576	3,355,275	3,486,194	3,386,246
Excess of Revenues Over (Under) Expenditures	(14,757)	(1,124)	68,131	276,333	291,336
Other Financing Sources					
Insurance Proceeds	54,757	-	-	-	-
Net Change in fund balance	\$ 40,000	\$ (1,124)	\$ 68,131	\$ 276,333	\$ 291,336

REVENUE CAPACITY



Cameron Appraisal District

San Benito, Texas

Top Five Principal Commercial, Industrial, and Business Personal Property Owners By Appraised Valuation

Last Five Fiscal Years

(Unaudited)

Property Owners	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)	2006 Appraised Property (a)
Commercial Real Property					
CBL/SUNRISE COMMONS LP	\$ 37,798,983	\$ 37,883,063	\$ 37,851,631	\$ 37,851,631	\$ 37,635,243
H E BUTT GROCERY CO	29,837,144	29,971,001	30,305,578	26,086,565	26,801,413
COLUMBIA VALLEY HEALTHCARE SYS LP	27,844,994	29,957,816	29,957,816	29,957,816	33,510,779
HMC REALTY LLC	24,502,011	25,227,692	25,228,459	25,228,459	25,458,318
WAL-MART STORES EAST INC	22,646,633	22,602,525	37,182,654	37,286,260	34,532,873
VALLEY BAPTIST MED DEV CORP	-	-	-		23,637,631
Total commercial real property	\$ 142,629,765	\$ 145,642,097	\$ 160,526,138	\$ 156,410,731	\$ 181,576,257
Business Personal Property					
WAL-MART STORES INC	\$ 38,074,653	\$ 39,373,919	\$ 37,182,654	\$ 37,286,260	\$ 34,532,873
H E BUTT GROCERY CO	22,217,270	22,518,570	19,985,377	21,261,253	20,694,336
HOME DEPOT USA INC	16,299,081	17,721,369	15,634,963	16,814,136	17,181,988
KEPPEL AMFELS	-	16,500,000	12,608,032	-	-
ESCO MARINE INC	-	12,918,536	12,282,636	-	-
HMC LIMITED	12,044,897	-	-	12,309,728	13,847,503
DILLARD'S INC	-	-	-	11,674,928	11,592,403
GENERAL ELECTRIC CAPITAL CORP	-	-	-	-	-
STRIPES LLC	19,226,324	-	-	-	-
Total business personal property	\$ 107,862,225	\$ 109,032,394	\$ 97,693,662	\$ 99,346,305	\$ 97,849,103

(a) Amounts shown for these property owners may not include valuations, which may be substantial, attributable certain subsidiaries and affiliates which are not grouped with the property owners shown. The amounts do not include exemption nor take into consideration any pending litigated values.

Source: Cameron Appraisal District

Cameron Appraisal District

San Benito, Texas

Top Five Principal Commercial, Industrial, and Business Personal Property Owners By Appraised Valuation

Last Five Fiscal Years

(Unaudited)

Property Owners	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)	2006 Appraised Property (a)
Industrial Real Property					
TITAN WHEEL INTERNATIONAL INC	\$ 13,083,032	\$ 13,083,032	\$ 13,619,893	\$ 18,732,378	\$ 19,586,037
BIP NAFTA BUSINESS PARK I LTD PRT	8,157,236	8,232,507	7,560,000	7,560,000	7,798,680
RICH-SEAPAK CORP	7,434,810	7,434,810	7,434,810	7,434,810	7,434,810
KEPPEL AMFELS INC	8,083,836	8,000,000	5,964,088	5,964,088	6,148,186
TRICO TECHNOLOGIES	-	-	5,242,691	5,511,265	6,625,632
FRUIT OF THE LOOM TEXAS INC	-	-	-	-	-
NAFTA DEVELOPMENT GROUP INC	-	-	-	-	-
FINSA/HAR-VEST LTD	8,483,226	8,518,024	-	-	-
Total industrial real property	\$ 45,242,140	\$ 45,268,373	\$ 39,821,482	\$ 45,202,541	\$ 47,593,345
Industrial Personal Property					
DELPHI ELECTRONIC & SAFETY	-	\$ 35,444,674	\$ 56,244,047	\$ 48,256,726	\$ 50,430,415
RICH-SEAPAK CORP	25,137,037	-	38,756,886	33,811,910	34,223,949
TRICO PRODUCTS CORP	26,888,876	29,364,128	33,289,196	34,579,782	39,556,907
PANASONIC AUTOMOTIVE ELECTRONICS	-	-	21,000,400	26,034,212	36,105,821
TRANSMONTAIGNE PRODUCT, INC	23,613,397	20,544,298	20,073,055	-	-
UNITED LAUNCH ALLIANCE LLC	35,148,338	24,844,244	-	21,416,844	-
LOCKHEED MARTIN	-	-	-	-	21,296,143
DYNASOL LLC	-	20,385,122	-	-	-
GLH LP	24,331,532	-	-	-	-
Total industrial personal property	\$ 135,119,180	\$ 130,582,466	\$ 169,363,584	\$ 164,099,474	\$ 181,613,235

- (a) Amounts shown for these property owners may not include valuations, which may be substantial, attributable certain subsidiaries and affiliates which are not grouped with the property owners shown. The amounts do not include exemption nor take into consideration any pending litigated values.

Source: Cameron Appraisal District

Cameron Appraisal District
San Benito, Texas

Top Five Principal Commercial, Industrial, and Business
Personal Property Owners By Appraised Valuation

Last Six Fiscal Years

(Unaudited)

Property Owners	2010 Appraised Property (a)	2009 Appraised Property (a)	2008 Appraised Property (a)	2007 Appraised Property (a)	2006 Appraised Property (a)
Minerals					
RINCON PETROLEUM CORP	\$ 1,131,290	\$ -	\$ 535,760	\$ 393,000	\$ 657,780
FAULCONER VERNON E	333,720	261,250	527,370	154,860	150,980
ROSETTA RESOURCES OPERATING	-	14,100	27,410	21,350	-
EOG RESOURCES	43,930	-	26,830	12,470	18,930
PINNACLE OPERATING COMPANY INC	-	11,700	17,160	11,700	-
RIO GRANDE ROYALTY CO INC	32,950	-	-	-	15,110
NEW AGE ENERGY-RJ/ORRI	32,950	-	-	-	14,200
CRAIN RESOURCES LTD	-	15,440	-	-	-
GRIFFITH MINERAL PARTNERS	-	15,090	-	-	-
Total minerals	\$ 1,574,840	\$ 317,580	\$ 1,134,530	\$ 593,380	\$ 857,000
Utilities					
AEP TEXAS CENTRAL CO	\$ 111,829,750	\$ 99,410,550	\$ 95,834,490	\$ 88,204,300	\$ 104,875,630
SOUTHWESTERN BELL TELE	53,745,560	62,629,070	66,944,120	74,853,360	72,344,960
UNION PACIFIC RR CO	28,147,250	25,494,010	22,648,920	20,719,200	19,749,980
TWE-ADVANCED/NEWHOUSE PRTNSHIP	22,172,580	20,802,700	21,987,590	23,549,690	-
MAGIC VALLEY ELEC COOP	12,343,320	13,020,056	18,795,560	16,314,020	15,942,040
TX & KANSAS CITY CABLE PTRS LP	-	-	-	-	24,149,430
Total utilities	\$ 228,238,460	\$ 221,356,386	\$ 226,210,680	\$ 223,640,570	\$ 237,062,040

(a) Amounts shown for these property owners may not include valuations, which may be substantial, attributable certain subsidiaries and affiliates which are not grouped with the property owners shown. The amounts do not include exemption nor take into consideration any pending litigated values.

Source: Cameron Appraisal District

Cameron Appraisal District
San Benito, Texas

Revenue Base
Last Five Fiscal Years
(Unaudited)

Taxing Entity	Fiscal Year 2010		Fiscal Year 2009		Fiscal Year 2008		Fiscal Year 2007		Fiscal Year 2006		Fiscal Year 2005	
	Levy	Percentage	Levy	Percentage	Levy	Percentage	Levy	Percentage	Levy	Percentage	Levy	Percentage
Brownsville I.S.D.	\$ 53,382,448	16.640%	\$ 52,931,405	16.760%	\$ 51,069,707	17.320%	\$ 61,639,120	20.320%	\$ 56,893,668	20.240%	\$ 56,893,668	20.240%
Cameron County	55,298,963	17.230%	53,738,393	17.010%	48,928,978	16.590%	45,413,918	14.970%	41,561,524	14.790%	41,561,524	14.790%
Point Isabel I.S.D.	36,902,522	11.500%	37,210,277	11.780%	32,841,612	11.140%	33,425,736	11.020%	30,526,709	10.860%	30,526,709	10.860%
City of Brownsville	34,741,468	10.830%	34,308,303	10.860%	32,822,842	11.130%	30,741,516	10.130%	27,930,676	9.940%	27,930,676	9.940%
Harlingen I.S.D.	33,714,729	10.510%	33,135,679	10.490%	31,887,005	10.810%	38,152,889	12.580%	37,739,109	13.430%	37,739,109	13.430%
Texas Southmost College District	16,701,520	5.210%	16,647,944	5.270%	15,360,034	5.210%	13,817,049	4.560%	12,262,774	4.360%	12,262,774	4.360%
City of Harlingen	15,677,296	4.890%	14,988,796	4.750%	14,522,362	4.920%	13,737,247	4.530%	12,547,864	4.460%	12,547,864	4.460%
Los Fresnos I.S.D.	13,974,909	4.360%	13,752,228	4.350%	12,839,911	4.350%	13,651,464	4.500%	12,264,990	4.360%	12,264,990	4.360%
San Benito I.S.D.	10,298,051	3.210%	9,851,473	3.120%	8,735,557	2.960%	10,201,054	3.360%	9,914,260	3.530%	9,914,260	3.530%
South Texas I.S.D.	7,708,248	2.400%	7,692,573	2.440%	7,037,500	2.390%	5,237,746	1.730%	4,633,907	1.650%	4,633,907	1.650%
Town of South Padre	5,946,300	1.850%	5,944,245	1.880%	5,479,052	1.860%	4,772,418	1.570%	4,196,142	1.490%	4,196,142	1.490%
La Feria I.S.D.	4,676,943	1.460%	4,319,891	1.370%	3,931,475	1.330%	4,220,083	1.390%	3,754,596	1.340%	3,754,596	1.340%
City of San Benito	3,852,062	1.200%	3,703,826	1.170%	3,526,581	1.200%	3,428,391	1.130%	3,215,106	1.140%	3,215,106	1.140%
Brownsville Navigation Dst.	3,242,632	1.010%	3,229,690	1.020%	3,403,509	1.150%	3,376,858	1.110%	3,475,578	1.240%	3,475,578	1.240%
Cameron County Emer. Distr. #1	2,688,975	0.840%	2,761,388	0.870%	2,493,840	0.850%	2,264,644	0.750%	1,996,641	0.710%	1,996,641	0.710%
Rio Hondo I.S.D.	2,692,797	0.840%	2,629,696	0.830%	2,350,252	0.800%	2,690,921	0.890%	2,583,829	0.920%	2,583,829	0.920%
Laguna Madre Water District	2,524,399	0.790%	2,529,510	0.800%	2,308,742	0.780%	2,368,484	0.780%	2,238,576	0.800%	2,238,576	0.800%
SBCC Drainage Dist. #3	2,199,392	0.690%	2,148,904	0.680%	2,052,740	0.700%	1,954,859	0.640%	1,952,608	0.690%	1,952,608	0.690%
CC Drainage Dist. #5	1,955,256	0.610%	1,922,516	0.610%	1,822,984	0.620%	1,713,165	0.560%	1,656,143	0.590%	1,656,143	0.590%
City of Port Isabel	1,818,129	0.570%	1,785,856	0.570%	1,645,703	0.560%	1,485,441	0.490%	1,434,268	0.510%	1,434,268	0.510%
CC Drainage Dist. #1	1,367,661	0.430%	1,354,118	0.430%	1,326,478	0.450%	1,289,712	0.430%	1,264,716	0.450%	1,264,716	0.450%
City of La Feria	1,249,769	0.390%	1,225,157	0.390%	1,098,261	0.370%	955,696	0.320%	897,784	0.320%	897,784	0.320%
City of Los Fresnos	1,007,521	0.310%	1,025,915	0.320%	967,254	0.330%	865,781	0.290%	783,289	0.280%	783,289	0.280%
Valley MUD #2	891,004	0.280%	900,007	0.280%	872,636	0.300%	832,864	0.270%	767,179	0.270%	767,179	0.270%
Santa Rosa I.S.D.	879,946	0.270%	811,693	0.260%	758,358	0.260%	862,716	0.280%	809,530	0.290%	809,530	0.290%
Town of Laguna Vista	898,015	0.280%	866,017	0.270%	736,561	0.250%	377,583	0.120%	351,063	0.120%	351,063	0.120%
Town of Rancho Viejo	764,303	0.240%	744,956	0.240%	727,447	0.250%	690,974	0.230%	644,099	0.230%	644,099	0.230%
City of Primera	576,475	0.180%	559,297	0.180%	492,856	0.170%	436,794	0.140%	390,755	0.140%	390,755	0.140%
Santa Maria I.S.D.	468,139	0.150%	449,283	0.140%	444,049	0.150%	541,502	0.180%	465,897	0.170%	465,897	0.170%
Town of Palm Valley	469,817	0.150%	472,580	0.150%	434,085	0.150%	399,100	0.130%	369,226	0.130%	369,226	0.130%
City of Rio Hondo	430,740	0.130%	402,733	0.130%	373,035	0.130%	329,946	0.110%	300,268	0.110%	300,268	0.110%
Paseo de la Resaca #2	409,324	0.130%	402,014	0.130%	330,840	0.110%	305,469	0.100%	276,993	0.100%	276,993	0.100%
Paseo de la Resaca #3	365,152	0.110%	369,865	0.120%	317,683	0.110%	255,178	0.080%	179,396	0.060%	179,396	0.060%
City of Combes	334,038	0.100%	300,302	0.100%	282,018	0.100%	271,744	0.090%	248,594	0.090%	248,594	0.090%
Paseo de la Resaca #1	263,362	0.080%	256,019	0.080%	248,746	0.080%	243,080	0.080%	228,015	0.080%	228,015	0.080%
City of San Rosa	178,196	0.060%	172,919	0.050%	176,452	0.060%	171,055	0.060%	148,021	0.050%	148,021	0.050%
Palm Valley Est Utility Dist.	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%	-	0.000%
Lyford I.S.D.	86,607	0.030%	76,166	0.020%	86,303	0.030%	-	0.000%	-	0.000%	-	0.000%
Town of Bayview	92,556	0.030%	90,736	0.030%	84,544	0.030%	78,318	0.030%	67,366	0.020%	67,366	0.020%
Town of Indian Lake	94,207	0.030%	92,657	0.030%	83,845	0.030%	89,841	0.030%	87,145	0.030%	87,145	0.030%
CC Drainage Dist. #4	40,591	0.010%	39,356	0.010%	37,772	0.010%	34,847	0.010%	30,754	0.010%	30,754	0.010%
	\$ 320,864,463	100%	\$ 315,844,382	100%	\$ 294,939,609	100%	\$ 303,325,201	100%	\$ 281,089,061	100%	\$ 281,089,061	100%

Source: Cameron Appraisal District

Cameron Appraisal District

San Benito, Texas

Top Ten Revenue Sources

Last Five Fiscal Years

(Unaudited)

Payor	2010		2009		2008		2007		2006	
	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank	Assessments	Rank
Cameron County	\$ 625,851	1	\$ 599,530	1	\$ 600,603	2	\$ 545,774	2	\$ 528,388	2
Brownsville I.S.D.	604,162	2	590,527	2	626,880	1	740,764	1	723,310	1
Point Isabel I.S.D.	417,648	3	415,135	3	403,131	3	401,703	4	388,097	4
City of Brownsville	393,190	4	382,759	4	402,900	4	369,444	5	355,093	5
Harlingen I.S.D.	381,570	5	369,677	5	391,413	5	458,512	3	479,791	3
Texas Southmost College Dist.	189,021	6	185,732	6	188,544	6	166,050	6	155,901	8
City of Harlingen	177,429	7	167,222	7	178,262	7	165,091	7	159,526	6
Los Fresnos I.S.D.	158,163	8	153,426	8	157,610	8	164,060	8	155,929	7
San Benito I.S.D.	116,549	9	109,907	9	107,229	9	122,594	9	126,044	9
South Texas I.S.D.	87,239	10	85,822	10	86,385	10	62,946	10	58,913	10

Source: Cameron Appraisal District

Cameron Appraisal District
San Benito, Texas

Top Ten Revenue Types

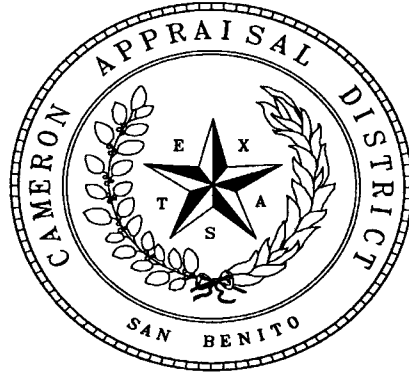
Last Five Fiscal Years

(Unaudited)

<u>Payor Type</u>	<u>2010</u> <u>Assessments</u>	<u>2009</u> <u>Assessments</u>	<u>2008</u> <u>Assessments</u>	<u>2007</u> <u>Assessments</u>	<u>2006</u> <u>Assessments</u>
Municipalities and Cities	\$ 771,078	\$ 743,961	\$ 778,883	\$ 707,028	\$ 681,584
School Districts	1,828,234	1,816,945	1,865,575	2,050,510	2,028,882
County	625,851	599,530	600,603	545,774	528,388
MUD	21,831	21,508	21,726	19,668	18,455
Water Districts	65,269	28,220	28,340	28,464	28,460
Drainage Districts	62,959	60,968	64,321	59,999	62,349
Emergency Districts	30,476	30,807	30,612	27,216	25,384
Special Districts	36,699	36,032	41,778	40,582	44,186
Other	189,021	185,732	188,544	166,050	155,901
	\$ 3,631,418	\$ 3,523,703	\$ 3,620,382	\$ 3,645,291	\$ 3,573,589

Source: Cameron Appraisal District

DEBT CAPACITY



Cameron Appraisal District
San Benito, Texas

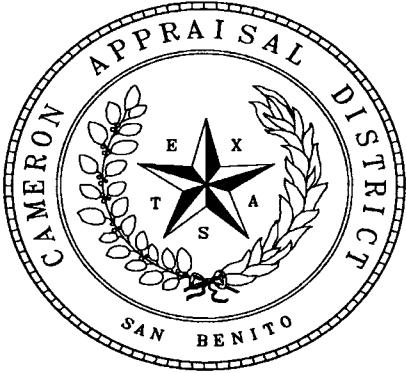
Ratios of Outstanding Debt By Type

Last Five Fiscal Years

(Unaudited)

Year	Note Payable	Bond Payable	Total Primary Government	Number of Tax Units	Cost Per Tax Unit
2010 \$	-	\$ -	\$ -	40	\$ -
2009	-	-	-	40	-
2008	-	-	-	40	-
2007	152,135	-	152,135	40	3,803
2006	304,270	-	304,270	40	7,607

DEMOGRAPHIC AND ECONOMIC INFORMATION



Cameron Appraisal District

San Benito, Texas

Demographic Statistics - Primary Metropolitan Statistical Area - Last Ten Years

(Unaudited)

Year	Estimated Population	Personal Income (c)	Estimated Per Capita Income	Unemployment Rate (a)
2010	406,220	\$ n/a	\$ n/a	11.200%
2009	396,371	28,855	22,388	9.700%
2008	389,164	28,342	22,090	6.800%
2007	387,210	27,126	20,553	6.000%
2006	379,708	25,795	19,366	6.600%
2005	372,703	24,893	18,537	7.600%
2004	365,815	24,222	17,821	8.800%
2003	358,366	23,539	17,396	9.500%
2002	350,407	22,892	16,736	9.000%
2001	342,684	22,142	15,910	7.900%
2000	335,227	21,553	15,092	7.000%

n/a - Information not available as of May 5, 2011.

Source: Real Estate Center At Texas A&M University, from the Market Report 2011 for the
Brownsville-Harlingen area.

Cameron Appraisal District
San Benito, Texas

Full-Time Equivalent Appraisal District Employees by Function/Program

(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Number of regular positions:										
Administration services	7	7	7	7	7	8	8	8	8	7
Appraisal services	25	25	27	24	24	23	20	19	19	20
Support Staff/Other	18	18	15	16	16	15	17	18	19	19
Geographic Information Systems	3	3	3	3	3	3	6	5	3	3
Information systems	3	3	4	5	6	6	6	6	7	7
Total regular positions	<u>56</u>	<u>56</u>	<u>56</u>	<u>55</u>	<u>56</u>	<u>55</u>	<u>57</u>	<u>56</u>	<u>56</u>	<u>56</u>

Source: Cameron Appraisal District

* Data represents employed positions at year-end based on human resources records, within the Cameron Appraisal District.

Cameron Appraisal District
San Benito, Texas

Ten Largest Employers - Last Five Years

(Unaudited)

Employer	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank
BISD	7,434	1	7,434	1	7,300	1	7,080	1	6,926	1
HCISD	2,848	2	2,675	3	2,675	2	2,582	2	2,396	2
VBMC	2,647	3	2,931	2	2,214	5	2,024	5	2,062	3
UT-BROWNSVILLE	2,386	4	2,386	4	2,264	4	2,077	4	1,828	4
CAMERON CNTY	2,076	5	2,076	5	1,750	6	1,838	6	1,714	5
AMFELS	1,695	6	1,695	6	2,361	3	2,273	3	1,185	6
HEB	1,552	7	1,521	8			-		-	
WAL-MART	1,511	8	1,608	7	1,463	8	1,174	7	1,119	7
CITY OF BROWNVILLE	1,178	9	1,178	9	1,300	10	1,114	8	1,072	8
DISH NETWORK	1,036	10	-		-		925	9	-	
VICKI ROY	-		-		-		888	10	878	9
CONVERGYS	-		1,000	10	-		-		875	10
SBCISD	-		-		1,700	7	-		-	
STRIPES LTD	-		-		1,440	9	-		-	

Source: Cameron Appraisal District

OPERATING INFORMATION



Cameron Appraisal District

San Benito, Texas

Operating Indicators

Last Five Fiscal Years

(Unaudited)

Function/program	Fiscal Year				
	2010	2009	2008	2007	2006
Appraisal:					
Appraisal value (in thousands)	\$ 17,807,316,711	\$ 17,651,379,798	\$ 17,595,253,181	\$ 16,549,387,180	\$ 15,293,286,138
Number of parcels	204,844	203,261	201,601	197,737	193,977
Accounts appraised	204,844	203,261	201,601	197,737	193,977
Appraisal review board members	12	12	12	12	12
Taxing entities	40	40	40	40	40
Informal hearings	7,280	6,494	3,986	6,052	8,219
Formal hearings	1,770	1,565	2,243	1,607	1,386
Full notices mailed - real property	177,401	179,546	178,017	170,336	172,589
Accounts:					
Residential accounts	111,765	109,927	109,326	106,734	102,559
Commercial accounts	17,113	16,893	17,029	16,479	15,838
Mobile home accounts	6,681	6,714	6,827	6,792	7,002
Leased equipment - multi-locations	1,031	1,080	1,100	1,043	962
Leased vehicle - multi-locations	295	297	288	259	239
Mineral accounts	75	47	79	105	110
District accounts	1,053	1,038	1,017	1,011	983
Exemptions:					
Homestead	58,659	58,398	57,511	56,350	55,010
Over 65	19,151	18,885	18,534	18,207	17,882
Disabled veterans	1,817	1,684	1,599	1,508	1,352
Disabled residential homestead	2,962	2,975	2,873	2,717	2,576
Abatements	5	2	5	8	11
Absolute	10,881	10,796	10,269	10,074	10,069
Freeport	118	128	121	113	122

Source: Cameron Appraisal District

Source: Real Estate Center At Texas A&M University, from the Market Report 2011 for the Brownsville-Harlingen area.

Cameron Appraisal District
San Benito, Texas

Capital Assets Statistics By Functions

Last Five Fiscal Years

(Unaudited)

Function/program;	Fiscal Year				
	2010	2009	2008	2007	2006
Appraisal services:					
Land	\$ 27,738	\$ 27,738	\$ 27,738	\$ 27,738	\$ 27,738
Building	728,802	723,860	701,844	695,976	695,976
Improvement	1,496,643	1,477,773	1,451,476	1,374,370	1,334,588
Total for appraisal services	\$ 2,253,183	\$ 2,229,371	\$ 2,181,058	\$ 2,098,085	\$ 2,058,303
Information systems					
Servers	\$ 751,061	\$ 640,742	\$ 640,742	\$ 640,742	\$ 640,742
Storage area networks	39,674	39,674	39,674	23,543	23,543
Mainframe	354,739	354,739	354,739	354,739	354,739
UPS	3,287	3,287	3,287	3,287	3,287
Total for information systems	\$ 1,148,762	\$ 1,038,443	\$ 1,038,443	\$ 1,022,311	\$ 1,022,311

Source: Cameron Appraisal District