

McLENNAN COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Prepared by:
STEVEN G. MOORE, CPA
COUNTY AUDITOR

McLENNAN COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

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County Auditor**



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March 30, 2010

Honorable District Judges
Honorable County Judge
Honorable County Commissioners

The Comprehensive Annual Financial Report of McLennan County, Texas, for the fiscal year ended September 30, 2009, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of McLennan County, Texas. 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, McLennan County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). McLennan County's comprehensive framework, because the cost of internal controls should not outweigh their benefits, 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.

McLennan County's financial statements have been audited by Pattillo, Brown and Hill LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion on McLennan County's financial statements for the fiscal year ended September 30, 2009 that they 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 independent audit of the financial statements of McLennan County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. Specific emphasis was placed on internal controls and compliance with laws and regulations involving the administration of federal awards. This Single Audit Report is available as a separate report from McLennan County.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. McLennan County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Located in Central Texas, McLennan County was incorporated in 1850 and both the County and the County Seat were named after the pioneer, Neil McLennan. The County's population continues to grow and is now currently estimated to be 230,213. This is up 7.8% over the 2000 census of 213,517 and 21.7% over the 1990 census of 189,123. The County has a land area of 1,042 square miles. The decennial census levels in Texas determine which of the various State statutes apply to each particular Texas County.

The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated, which provide for a Commissioners' Court consisting of the County Judge and four Commissioners, one from each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms.

The County provides the full range of county services contemplated by the Constitution and Statutes of the State of Texas. The primary functions include general government, judiciary, public safety, county roads, environmental protection, health, welfare, culture and recreation, conservation, and infrastructure.

The annual budget serves as the foundation for McLennan County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Judge (the County Judge serves as the Budget Officer in Texas Counties under a decennial population of under 225,000) by the first week in July. The County Judge uses these requests as the starting point for developing a proposed budget. The County Auditor is responsible for estimating the revenues for the budget. The County Judge must file the preliminary budget with the County Clerk by July 31. The preliminary budget is also given to the members of the Commissioners' Court at that time. Commissioners' Court then holds budget work sessions to hear specific requests from department heads and make any changes to the preliminary budget the Court deems necessary. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. After all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund, then by department, then by the categories of personal services, supplies, other services and charges, capital expenditures and debt service. Budget-to-actual comparisons are provided in this report for all of the funds for which a budget is adopted by the Commissioners' Court.

It should be pointed out that many of the Texas statutes relating to counties are bracketed based on the most recent decennial census. For example, the preceding paragraph explains that in Texas counties with decennial populations under 225,000, the County Judge is the budget officer. However in the first paragraph of this section, our estimated population is 230,213. The current population has no bearing on which statutes govern McLennan County – it is the population determined by the census in 2000 that is the determining factor. In the year 2010 the population will in all likelihood exceed 225,000, and at that time the County Auditor will become the statutory budget officer, unless the Commissioners' Court makes the decision to appoint a third party budget officer other than the County Judge.

Factors Affecting Financial Condition

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

Local economy. McLennan County experiences the same economic concerns being felt across Texas and the Nation. However, the tough economy is mitigated to a great degree in McLennan County by its diversified and stable economic base, including manufacturing, high technology companies, retail, higher education institutions, service industries, aviation industry and others. McLennan County provides a high quality labor force, attractive real estate opportunities, favorable tax treatment and abundant natural resources.

McLennan County is strategically located at the approximate geographic center of Texas, often referred to as the "Heart of Texas," and is within 200 miles of 70 percent of the Texas population. Major cities such as Austin, Dallas, Fort Worth, Houston, and San Antonio are within minimal driving distances. The NAFTA (North American Free Trade Agreement) continues to have a strong impact on the County. Interstate Highway 35, considered a main gateway to Mexico, passes through the middle of the County.

Long-term financial planning. The Commissioners' Court continues to be very active in economic development to insure and promote continued growth. Vigorous efforts by the McLennan County Commissioners Court and the Greater Waco Chamber of Commerce to attract new industry to the area are continuing, and the prospect of continued growth in the local economy is very encouraging at this time. The establishment of the Waco/McLennan County Economic Development Corporation, a joint venture with the Greater Waco Chamber of Commerce, the Waco

Industrial Foundation, the City of Waco and McLennan County, has been a significant instrument in promoting economic development in our area. Both McLennan County and the City of Waco provide the funding for the Corporation, which provides economic incentives to companies meeting certain social and economic performance standards.

Changes to Other Post Employment Benefits. The County has made the decision to change its Other Post Employment Benefits to mitigate the Unfunded Actuarial Accrued Liability (UAAL). The year ending September 30, 2009 is the implementation year for GASB 45 and the UAAL is significant. The Commissioners' Court passed an order in late December 2008 that any employees coming to work for the County after January 1, 2009 would not be eligible for the 20 year / 12 year vesting for county paid, lifetime health insurance premiums (the terms of this benefit are fully explained in the notes to the financial statements). While this did not affect the UAAL nor the Annual Required Contribution (ARC) for the County in its most recent actuarial study, it is expected that the UAAL liability will benefit favorably by this change.

Construction of New Jail. Through the actions of a blended component unit, the McLennan County Public Facilities Corporation (PFC), \$49 million in revenue bonds were issued in 2009 to finance the construction of a new 816 bed detention facility. The goal is that the detention facility will initially house a relatively small portion of existing County inmate overflow, and that the major portion of inmates housed at the new detention facility will be from third parties who will pay the PFC for housing their inmates. The bond indenture requires that the all rent be used to pay for the operations of the new detention center and provide full debt service for the related revenue bonds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to McLennan County, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the twenty-fourth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the County Auditor's Office. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of District Judges for their support in maintaining the highest standard of professionalism, and to the McLennan County Commissioners' Court for its management of McLennan County's finances and for their work in helping develop information related to reporting infrastructure and for providing the necessary related software tools.

Respectfully submitted,



Steven G. Moore
McLennan County Auditor



Certificate of Achievement for Excellence in Financial Reporting

Presented to

McLennan County
Texas

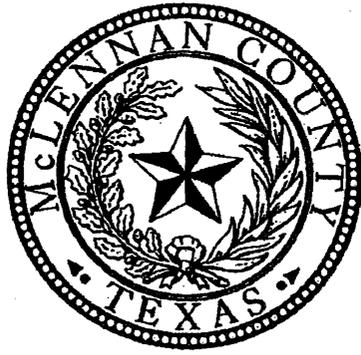
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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



President

Executive Director



**McLENNAN COUNTY, TEXAS
ORGANIZATION**

COUNTY VOTERS

OTHER ELECTED OFFICIALS

Constables (7)
County Clerk
County Treasurer
Criminal District Attorney
District Clerk
Justices of the Peace (8)
Sheriff
Tax Assessor-Collector

COMMISSIONERS' COURT

Commissioners (4) County Judge

JUDICIARY

County
Court-at-Law
Judges (2)

State
District
Judges (5)

Auditor

ELECTIONS COMMISSION

Elections Administrator

TEXAS A&M UNIVERSITY

Agricultural Extension Service

COUNTY BAR ASSOCIATION

Law Library

DEPARTMENT DIRECTORS

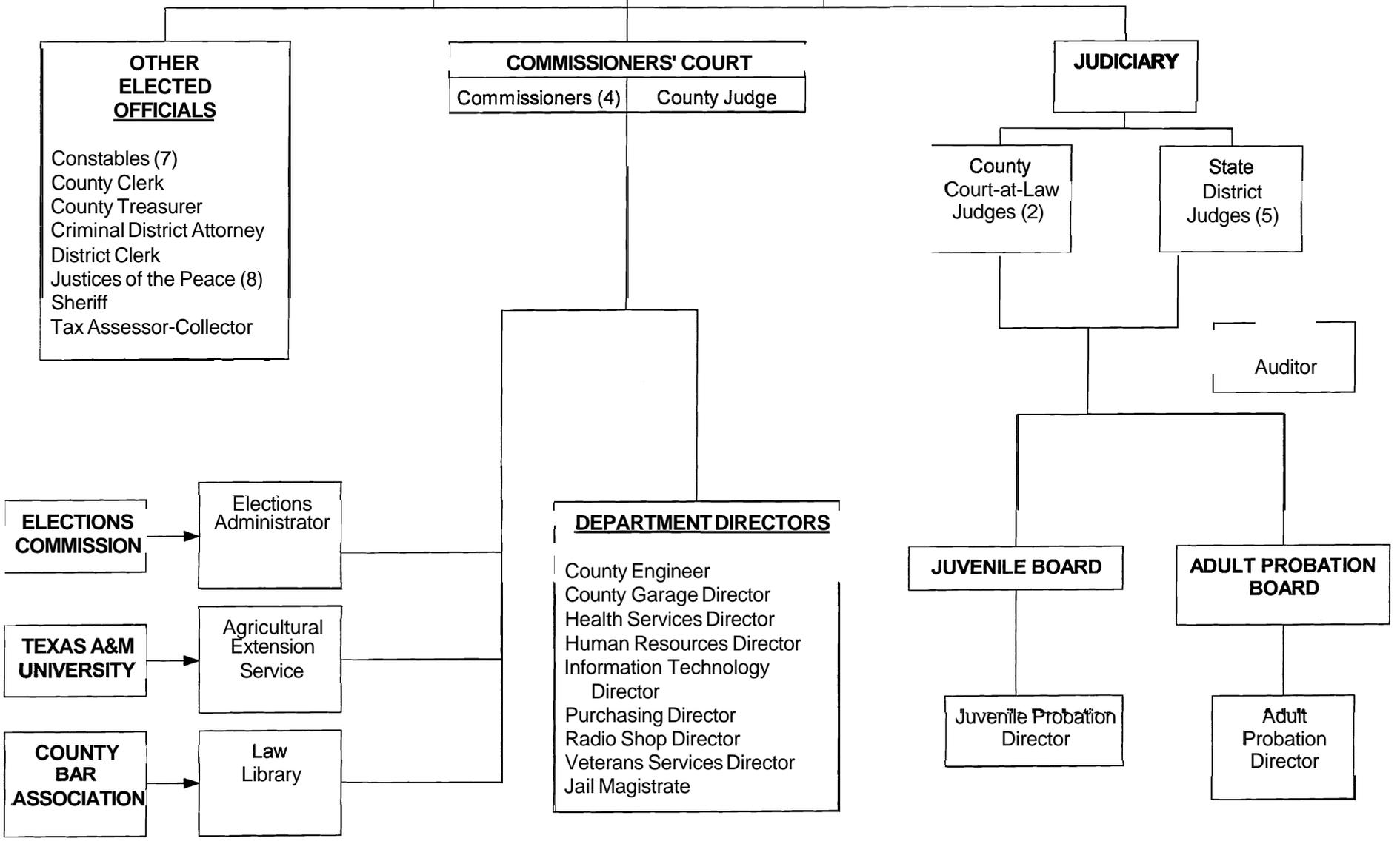
County Engineer
County Garage Director
Health Services Director
Human Resources Director
Information Technology Director
Purchasing Director
Radio Shop Director
Veterans Services Director
Jail Magistrate

JUVENILE BOARD

Juvenile Probation Director

ADULT PROBATION BOARD

Adult Probation Director



MCLENNAN COUNTY, TEXAS

PRINCIPAL OFFICIALS
As of September 30,2009

ELECTED OFFICIALS

District Officials

Judge, 19th Judicial District..... Ralph Strother
Judge, 54th Judicial District.....Matt Johnson
Judge, 74th Judicial District..... Gary Coley, Jr.
Judge, 170th Judicial District.....Jim Meyer
Judge, 414th Judicial District..... Vicki Menard
Criminal District Attorney John Segrest
District Clerk..... Karen Matkin

Commissioners' Court

County Judge.....James Lewis
Commissioner, Precinct 1.....Kelly Snell
Commissioner, Precinct 2..... Lester Gibson
Commissioner, Precinct 3..... Joe Mashek
Commissioner, Precinct 4.....Ray Meadows

County Officials

Judge, County Court at Law, No. 1 Mike Freeman
Judge, County Court at Law, No. 2 Mike Gassaway
County Clerk Jack "Andy" Harwell
County Sheriff.....Larry Lynch
County Treasurer..... William Helton
County Tax Assessor-Collector A. F. "Buddy" Skeen
Constable, Precinct 1.....Travis Bailey
Constable, Precinct 2..... Danny Tate
Constable, Precinct 3..... David Maler
Constable, Precinct 4..... Larry Eschenburg
Constable, Precinct 5..... Stan Hickey
Constable, Precinct 7..... John Johnson
Constable, Precinct 8.....Freddie Cantu
Justice of the Peace, Precinct 1, Place 1Kristi DeCluitt
Justice of the Peace, Precinct 1, Place 2 William Martin
Justice of the Peace, Precinct 2 Belinda Summers
Justice of the Peace, Precinct 3 David Pareya
Justice of the Peace, Precinct 4 Barbara Rusling Lloyd
Justice of the Peace, Precinct 5 Pat Richardson
Justice of the Peace, Precinct 7 Jean Laster
Justice of the Peace, Precinct 8 Fernando Villarreal

APPOINTED OFFICIALS

County AuditorSteven Moore
Director of Juvenile ProbationBobby Campos
Director of Adult ProbationWilliam Seigman
Elections Director..... Kathy Van Wolfe

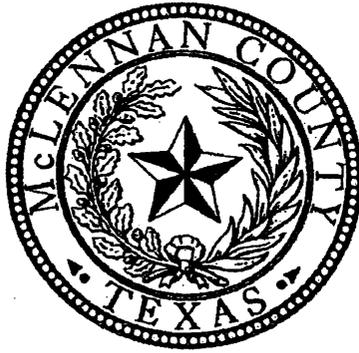
MCLENNAN COUNTY, TEXAS

PRINCIPAL OFFICIALS (continued)

As of September 30, 2009

DEPARTMENTAL DIRECTORS

Purchasing Director Kenneth Bass
Radio Shop Director Wayne Canaday
Vehicle Maintenance Director Charles Garrett
County Engineer..... Steve Hendrick
Human Resources Director..... Herman Kelly
Health Services Director (Interim)..... Lisa Gaskamp
Mental Health Court Director Dorothy Lee
Veterans Services Director Steve Hernandez
Bond Office Director Sharon Payne
Building Maintenance Director Sam Sykora
Information Technology Director Robert Wasson
Jail Magistrate Raymond Britton





INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners' Court
McLennan County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of McLennan County, Texas, as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McLennan County, Texas, as of September 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 28, the Schedule of Funding Progress for the Retirement Plan for the Employees of McLennan County on page 67 and the budgetary comparison information on page 69 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise McLennan County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 express no opinion on them.

Pattillo, Brown & Hill, L.L.P.

March 30, 2010

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2009

This discussion and analysis provides readers of the financial statements of McLennan County, Texas (the County) a narrative overview and analysis of the County's financial activities for the fiscal year that ended September 30, 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that we have furnished in our accompanying letter of transmittal, and in the basic financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The assets of McLennan County exceeded its liabilities at September 30, 2009, by \$85 million. Net assets invested in capital assets (net of depreciation and related debt) account for almost 32% of this amount, with a value of \$27 million. Restricted net assets totaled \$16.7 million or 20% of net assets. Of the remaining net assets, \$41 million, or 48%, may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by a total of \$1.5 million for the year ended September 30, 2009 when compared to the total adjusted net assets reported for the year ended September 30, 2008. This decrease was comprised of a change in net assets from activities in the amount of \$1.5 million. A prior period adjustment reflecting a change in the valuation of receivables resulted in a downward adjustment of net assets \$3.5 million.
- Income from general sources of revenue totaled more than \$63 million, with total expenses in excess of program revenues of \$65 million.
- As of September 30, 2009, McLennan County's governmental funds reported combined ending fund balances of \$64.5 million. Of that amount, \$9.4 million was reserved or designated for specific purposes. An amount of \$11.5 million was unreserved and undesignated in the Special Revenue Funds combined, and \$28.7 million was available for spending at the government's discretion in the General Fund.
- The unreserved and undesignated fund balance for the General Fund of \$28.7 million at September 30, 2009 was 44.4% of the total \$64.7 million in Fiscal Year 2009 General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to McLennan County's basic financial statements. The annual report presented herein is a series of financial statements and notes to those statements, as well as other required supplementary information and schedules. These statements and schedules are organized so the reader can understand McLennan County as a financial operating entity. As the reader moves through the statements, there is ever increasing detail to further explain information presented. The basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the financial statements

This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

There are *two* government-wide financial statements that are designed to provide readers a broad overview of McLennan County's finances in a manner similar to the financial statements of a private-sector business.

The statement of net assets presents information on all of McLennan County's assets and liabilities; the difference *between* the *two* is reported as net assets. This statement is similar to that of the balance sheet of a private-sector business (with primary sections in a business balance sheet being assets, liabilities, and equity). Over time, increases or decreases in net assets may *serve* as a useful indicator of whether the financial position of the County is improving or deteriorating.

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2009

The statement of activities presents information showing how the government's net assets changed during 2009. Because the statement of activities separates program revenue (that is, revenue generated by specific programs through charges for services, fees, licenses, grants received, and other contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on general revenues for funding.

All changes in net assets are reported using the accrual basis of accounting, similar to the method used by most private-sector businesses. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of cash being received or paid. This differs from the fund accounting statements, which are recorded using the modified accrual method to primarily record the inflows and outflows of cash. Items such as uncollected taxes, unpaid vendor invoices for items received in 2009, and earned but unused vacation leave are included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2009.

McLennan County has no separately identified discretely-presented component units included in the government-wide financial statements. By virtue of the County's authority to exercise influence over its operations, the Community Supervision and Corrections Department (Adult Probation Fund) is reflected as a blended component unit special revenue fund and its financial data is included in governmental activities.

In addition McLennan County Public Facilities Corporation (the Corporation or PFC), a nonprofit corporation created under Texas Local Government Code Section 303 on September 2, 2002 is a blended component unit. All of the members of the Board of Directors of the Corporation are appointed by the County's Commissioners' Court, and indeed consists of the same individuals that comprise the Commissioners' Court. During 2009 the Corporation issued revenue bonds totaling \$49,015,000 to fund the construction of a new 816 bed detention facility. A substantial portion of the new detention facility was completed by September 30, 2009

You will find further information regarding these blended component units in the Summary of Significant Accounting Policies in Note I of the notes to the financial statements.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. McLennan County, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial and legal requirements. All funds are divided into two categories: governmental funds and fiduciary funds.

- 1) Governmental Funds are used to account for essentially the same functions reported in the governmental activities in the government-wide financial statements, but unlike the activity statement, the measurement focus is on available resources.
- 2) Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present a separate column of financial data for the General Fund, the Economic Development Fund, the PFC Revenue Bonds Debt Service Fund and the PFC Revenue Bonds Capital Project Fund as the major funds. Data from the remaining governmental funds (i.e., non-major funds) are combined into a single, aggregated presentation. The "governmental fund" financial statements can be found immediately following the "government-wide" financial statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining schedules, included in the Required Supplementary Information section following the notes to the financial statements.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. As mentioned earlier, government-wide financial statements are reported using accrual accounting; governmental fund financial statements focus on near-term inflows and outflows, as well as balances of available resources. In other words, revenue is reported when earned, provided it is collectible within the reporting period or soon enough afterwards to be used to pay liabilities of the current period. Likewise, liabilities are recognized as expenditures only when payment is due since they must

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be liquidated with available cash. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources.

The focus of governmental fund financial statements is more limited than that of government-wide financial statements. Because of the difference in the two types of statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers should better understand the results and long-term impact of near-term financing decisions. The reader is assisted in this comparison between the two bases of accounting by reconciliation statements between the governmental fund balance sheet and the statement of net assets, as well as the governmental fund statement of revenues, expenditures, and changes in fund balances and the statement of activities.

McLennan County utilizes and maintains budgetary controls over its operating funds. Budgetary controls are used to ensure compliance with legal provisions required under state statute governing the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted at the department level for all funds using the primary categories of personal services, supplies, other services and charges, capital outlay and debt service. Specific equipment items included in capital outlays are approved on a capital equipment schedule. Appropriations for Capital Projects Funds are approved on an annual basis. A budgetary comparison statement is provided for the General Fund in this management's discussion and analysis section. Also, the Required Supplementary Information contains budget comparisons for the General Fund and Economic Development Fund. The comparison statement is used to demonstrate compliance with the budget both as originally adopted and as finally amended.

Budgetary comparisons are not presented for the Adult Probation Fund because its budget is determined by a State grantor agency. A budget for the Public Facilities Corporation (PFC) funds is not presented because its budget, which there is none, would have been prepared by its separate corporate board. A Public Facilities Corporation is not required to prepare or adopt a formal budget under Texas Statutes, and in 2009 the activities were limited to a contractual construction project and debt service on the revenue bonds.

Fiduciary Funds

Agency funds are the only fiduciary fund type used by McLennan County. Fiduciary funds are used to account for resources held for the benefit of parties outside McLennan County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs and expenses of McLennan County. The accounting used for fiduciary funds is on the accrual basis. Agency funds are used as clearing accounts for assets held by McLennan County in its role as custodian until the funds are allocated to the parties, organizations, or other government agencies to which they belong. The basic fiduciary fund financial statements can be found following the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Notes to the Financial Statements

The notes provide additional information essential to a complete understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Assets

The table following is a condensed Government-wide Summary of Net Assets as of September 30, 2009 and 2008:

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Summary of Net Assets
September 30,
(\$ in thousands)

	2009	2008
Current and other assets	\$ 79,578	\$ 70,986
Capital assets (net of accumulated depreciation) and construction in progress	104,382	68,591
Total assets	\$ 183,960	\$ 139,577
Current and other liabilities	\$ 7,173	\$ 4,508
Unearned revenues	558	357
Long-term liabilities	90,809	44,262
Total liabilities	\$ 98,540	\$ 49,127
Net assets:		
Invested in capital assets, net of related debt	\$ 27,441	\$ 36,965
Restricted	16,672	5,432
Nonexpendable	47	47
Unrestricted	41,260	48,006
Total net assets	\$ 85,420	\$ 90,450

As noted earlier, net assets (and the change in net assets from year to year) may serve over time as a useful indicator of a government's financial condition. McLennan County's net assets at September 30, 2009 totaled \$85 million, representing a \$5 million decrease from the September 30, 2008 balance.

McLennan County's total assets were just under \$184 million as of September 30, 2009. Of this amount, over \$104.4 million is accounted for by capital assets, which includes net infrastructure of \$10.7 million. Of the remaining County assets, approximately \$66.3 million were accounted for in cash, cash equivalents, and investments; \$9.2 million in taxes and accounts receivable; \$3.3 million due from other governments, \$443 thousand in inventories; and \$284 thousand in prepaid expenses.

Cash and cash equivalents increased \$11.6 million, from \$54.7 million at September 30, 2008 to \$66.3 million at September 30, 2009. The bulk of that increase was generated by proceeds of the PFC Revenue Bonds Series 2009. Of those proceeds, as of September 30, 2009, \$7.1 million was held in the PFC Revenue Bonds Series 2009 Debt Service Fund, and \$4.5 million was held in the PFC Revenue Bonds Series 2009 Capital Projects Fund.

At September 30, 2009 the County had outstanding liabilities of \$98.6 million, with slightly over \$90.8 million in total noncurrent liabilities. Of the long-term liabilities, a little under \$5.8 million was due within a year, with the remainder of \$85 million due over an extended period of time. There is a more in-depth discussion of long-term debt in the notes to the financial statements.

Included in other liabilities in the summary of net assets is \$6 million in accounts payable and accrued liabilities.

A large portion of the County's net assets (almost 32.1%) reflects its investment in capital assets, such as equipment, facilities, infrastructure, etc., less any outstanding related debt used to acquire those assets. Capital assets are used to provide services to citizens.

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An amount representing 19.6% of the County's net assets is subject to restrictions on how they may be used (restricted by either statute or contractual agreement). The remaining balance of \$41.2 million (unrestricted net assets) represents the amount that may be used to meet the County's ongoing obligations.

Statement of Activities

The net assets of McLennan County decreased from governmental operations by \$1.5 million in 2009. The primary reason for the decrease in net assets in 2009 was the initial implementation of GASB 45 and the related recording of the County's Annual Required Contribution (ARC) in the amount of \$3.5 million. Other key elements in changes in net assets are shown in the table and graphs on the following pages.

Total revenues from all governmental activities for McLennan County were \$87 million in 2009 compared to \$86.4 million in 2008, for an increase of \$600 thousand. The primary components of the revenues changes is as follows:

- Property tax revenue, accounting for 53.3% of total revenues, increased \$2.9 million from \$43.5 million in 2008 to \$46.4 million in 2009.
- Sales tax accounted for 14.2% of total revenues, increasing \$63 thousand from \$12.27 million in 2008 to almost \$12.34 million in 2009.
- Grants and contributions accounted for 7.6% of total revenues, showing a decrease of \$1.3 million from \$7.9 million in 2008 to \$6.6 million in 2009. This is primarily due to one-time grants from the State of Texas and Federal Agencies that were received in the Spring of 2008 in conjunction with storm damage from 2007.
- Charges for services totaled \$17.4 million in 2009 comprising 20% of total revenue in 2009, compared to the same amount of charges for services in 2008, which represented 21.1% of total revenue in 2008.
- The remaining 4.9% of revenue in 2009 was provided by other taxes, interest income, rental revenues and miscellaneous sources. In 2008 this same group of revenues comprised 6.2% of revenues. The primary reason for the decrease was other taxes decreased by almost \$600 thousand. This decrease was due to the fact that the County received a one-time commercial payment-in-lieu of taxes of \$700 in 2008 not received in 2009. Also interest earnings declined in 2009 little over \$800 thousand primarily due to declining interest rates felt nationwide.

Expenses for the year totaled about \$88.5 million in 2009 compared to \$80 million in 2008. This represents a 10.7% or \$8.6 million, increase in 2009 compared to 2008. A large portion of that increase was due to the initial recording of the GASB 45 required OPEB Annual Required Contribution (ARC) of \$3.5 million.

Highlights of the expenses, by activity are as follows:

- General administration activities accounted for 19.5% of expenses in 2009, increasing by \$1.4 million, or 9.1%, in 2009 compared to 2008. \$742 thousand of that increase was due to the ARC reflected in General Administration activities.
- Judicial activities, accounted for 8% of expenses in 2009, increasing by \$580 thousand, or 8.7%, in 2009 compared to 2008. \$406 thousand of that increase was due to the ARC reflected in the Judicial activities.
- Public Safety activities, accounted for 44.2% of expenses in 2009, increasing by \$4.5 million, or 12.9%, in 2009 compared to 2008. \$1.9 million of that increase was due to the ARC reflected in the Public Safety activities.
- Public Transportation activities, accounted for 9.7% of expenses in 2009, increasing by \$745 thousand, or 9.5% in 2009 compared to 2008. \$309 thousand of that increase was due to the ARC reflected in the Public Transportation activities

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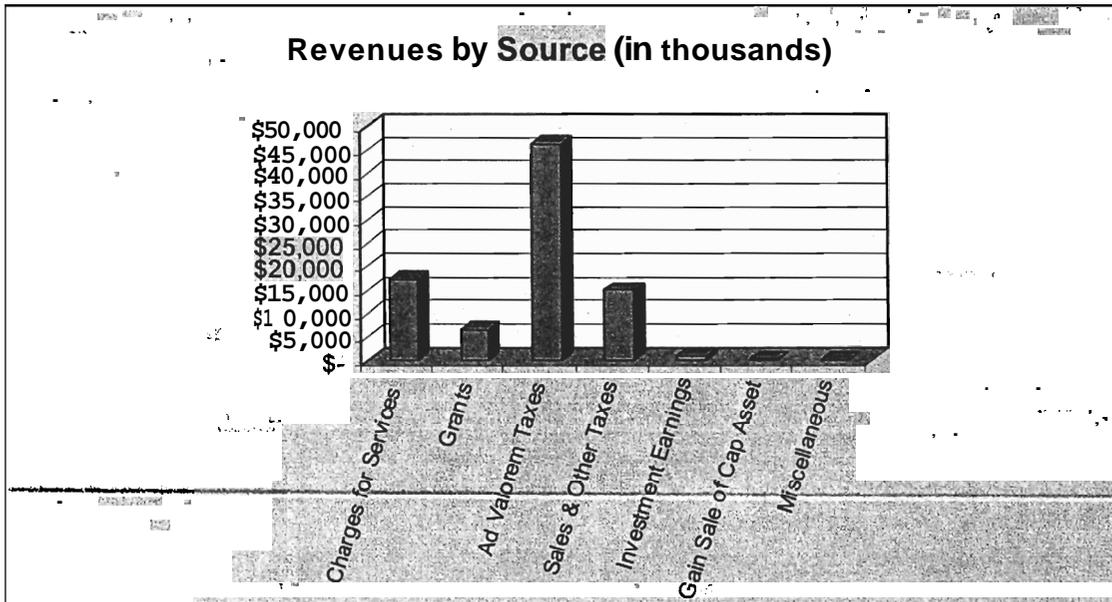
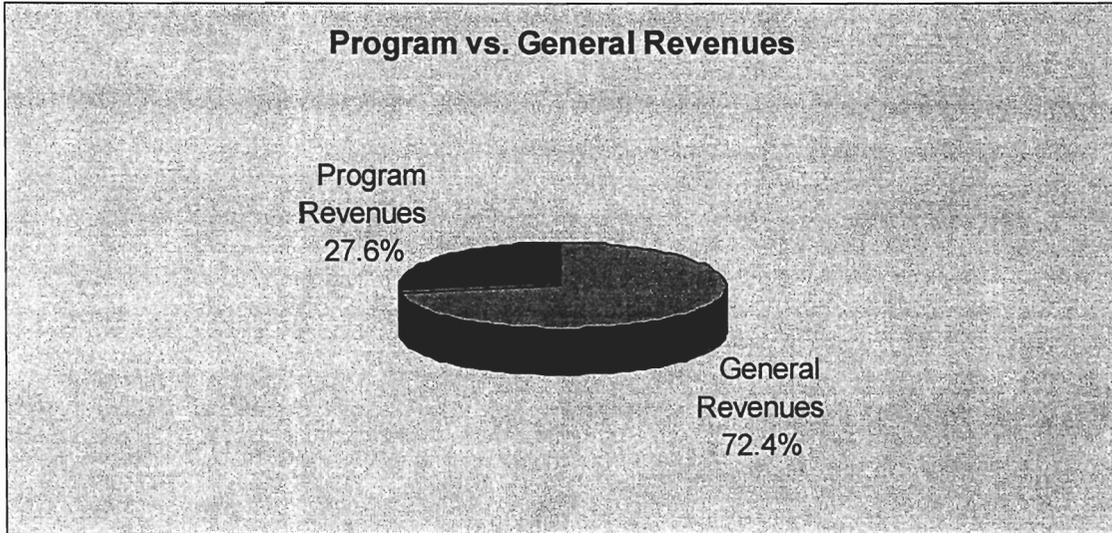
- Health and Welfare activities, accounted for 11.3% of expenses in 2009, increasing by \$317 thousand or less than 1% from 2008. \$146,851 of that increase was due to the ARC reflected in the Health and Welfare activities.
- Culture–Recreation activities, accounted for 1.7% of expenses in 2009, decreasing by \$527 from 2008. Other activities, conservation and economic development accounted for 2.59% of expenses, decreasing \$462 thousand in 2009 from 2008.
- Interest and fiscal charges accounted for 4.56% of expenses, increasing by \$2 million in 2009 from 2008. This is principally comprised of the \$2.2 million of interest on the \$49 million PFC Revenue Bonds issued in January 2009.

Summary of Changes in Net Assets
For the Fiscal Years Ended September 30,
(\$ in thousands)

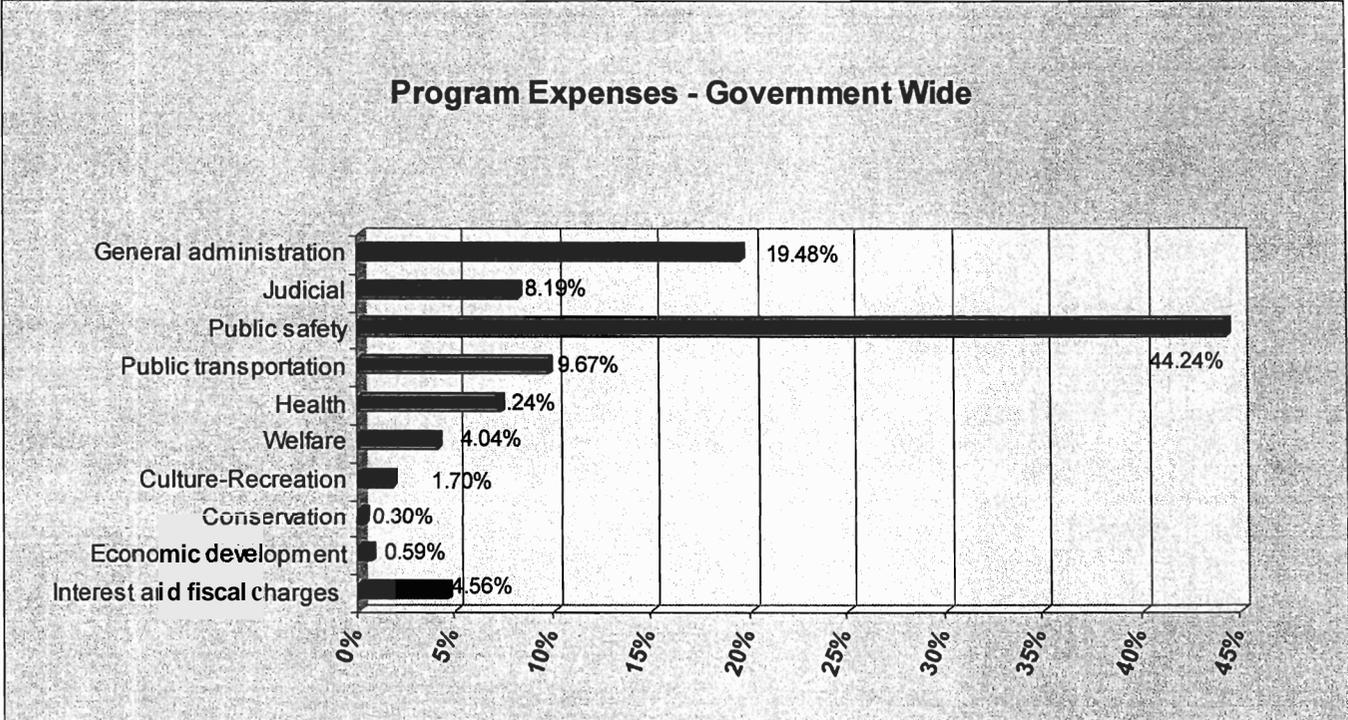
	2009	2008	
	Governmental Activities	Governmental Activities	
Revenues			
<i>Program Revenues</i>			
Charges for services	\$ 17,407	\$ 17,357	
Operating grants and contributions	5,498	7,613	
Capital grants and contributions	1,105	356	\$ 25,326
<i>General Revenues</i>			
Property Taxes	46,383	43,482	
Sales Taxes	12,337	12,274	
Other Taxes	2,617	3,193	
Unrestricted investment earnings	1,149	1,951	
Miscellaneous	520	211	61,111
Total revenues	87,016	61,111	86,437
Expenses			
General administration	17,245	15,808	
Judicial	7,249	6,669	
Public safety	39,169	34,683	
Public transportation	8,565	7,820	
Health	6,409	6,061	
Welfare	3,576	3,607	
Culture-Recreation	1,505	2,032	
Conservation	264	229	
Economic development	522	1,019	
Interest and fiscal charges	4,033	2,030	
Total expenses	88,537	79,958	79,958
Change in net assets	(1,521)	6,479	6,479
Net assets – beginning	90,450	83,971	
Prior period adjustment			
Change in valuation of receivable	(3,509)	-	-
Adjusted net assets – beginning	86,941	83,971	83,971
Net assets, ending	\$ 85,420	\$ 90,450	\$ 90,450

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The following graphic representations show the relationships between various revenue and expense components presented on the Statement of Activities.



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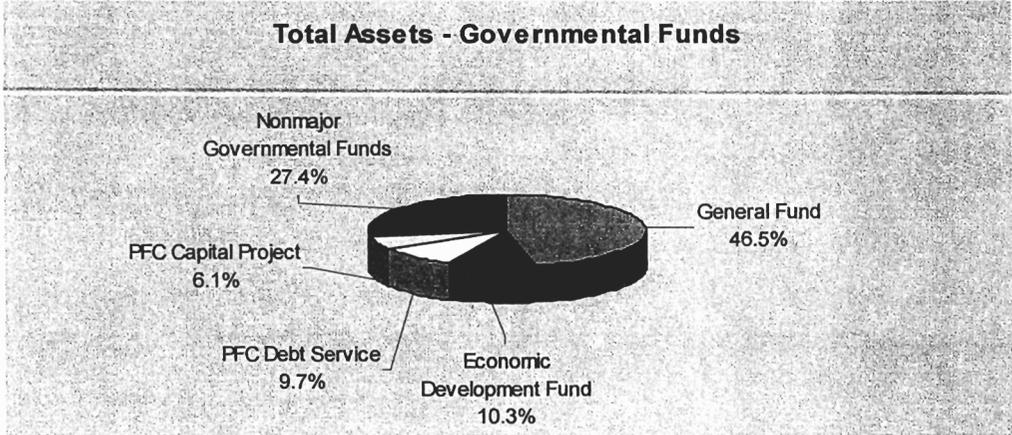
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, McLennan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the County's governmental funds:

Governmental Funds Balance Sheet Analysis

The General Fund, Economic Development Fund, PFC Revenue Bonds Series 2009 Debt Service Fund and PFC Revenue Bonds Series 2009 Capital Project Fund are the funds considered to be major funds in 2009. The General Fund accounted for 46.6% of total governmental fund assets and 44.5% of the governmental fund balances. The Economic Development Fund accounted for 10.3% of the total governmental fund assets and 11.7% of the governmental fund balances. The PFC Revenue Bond Series 2009 Debt Service Fund and PFC Revenue Bond Series 2009 Capital Project Fund accounted for 9.7% and 6% respectively of the total governmental fund assets, and the PFC Revenue Bond Series 2009 Debt Service Fund 19.6% of the total governmental fund liabilities.

A chart showing the relative value of the assets of each major fund, as well as nonmajor governmental funds, is presented in the following chart:



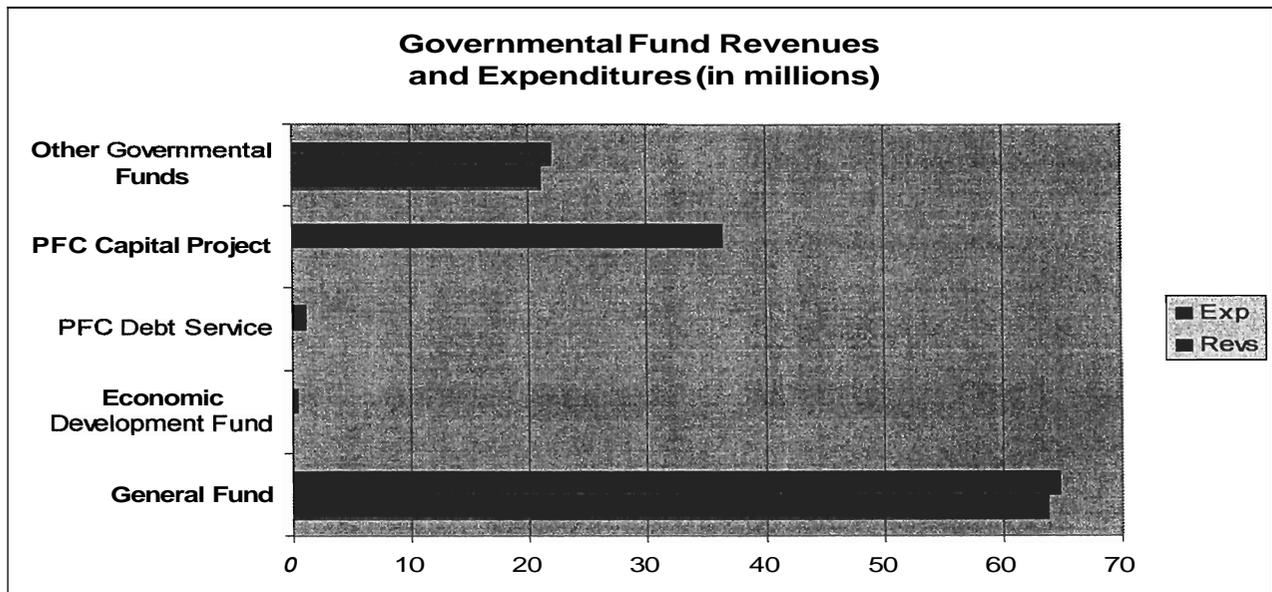
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The focus of McLennan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2009, the County's governmental funds reported combined ending fund balances of over \$64.5 million. Of this total amount, over \$28.7 million (56.3%) is unreserved and available for spending without restrictions for general governmental purposes from the General Fund. \$19.1 million (37.3%) is available for general governmental purposes in the Special Revenue Funds, subject to the expenditures being for the stated activities of the individual special revenue funds. Reserved fund balances in the amount of \$13.4 million are not available for new spending because they have already been committed to capital projects, debt service and education.

The reserved fund balance for debt service funds increased by \$7 million, from \$2 million in 2008 to \$9 million in 2009, due to the proceeds from the issuance of the PFC Revenue Bonds Series 2009 of \$49 million. The bond indenture of that debt issue required that \$8 million of the proceeds be deposited in a trust account for debt service, both in the interim construction period and long-term.

Governmental Funds Revenue/Expenditure Analysis

The following chart shows the revenue and expenditure amounts for the General Fund, Economic Development Fund, PFC Revenue Bonds Series 2009 Debt Service Fund, PFC Revenue Bonds Series 2009 Capital Projects Fund and all nonmajor governmental funds. The PFC Revenue Bond Series 2009 and Economic Development Fund qualify as major funds due to the relative size of their assets, instead of the relative size of their revenues and expenditures.



The revenues in the above chart do not include other financing sources, such as proceeds from new debt, the sale of assets, or other financing sources, nor does it include other financing uses. The General Fund accounts for 75% of all governmental fund revenue and 52% of expenditures.

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GENERAL FUND BUDGETARY HIGHLIGHTS

Original Adopted Budget Compared to Final Budget

The following table shows the changes between the original adopted budget and the final budget, as amended, for General Fund budget as of September 30, 2009:

Comparison of Original Budget and Final Budget
Year Ended September 30, 2009
(\$ in Thousands)

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	
Revenues:			
Taxes	\$ 48,606	\$ 48,606	\$ -
Licenses and Permits	72	72	-
Intergovernmental	1,511	1,515	4
Charges for Services	6,110	6,120	10
Fines and Forfeits	56	56	
Miscellaneous:			
Investment Income, Net	1,056	1,073	17
Other	4,789	4,927	138
Total Miscellaneous	<u>5,845</u>	<u>6,000</u>	<u>155</u>
Total Revenues	<u>62,200</u>	<u>62,369</u>	<u>169</u>
Expenditures:			
Current:			
General Government	19,675	19,120	555
Judicial	6,662	6,692	(30)
Public Safety	32,322	33,783	(1,461)
Public Transportation	226	226	-
Health	8,356	8,568	(212)
Welfare	3,667	3,729	(62)
Culture-Recreation	697	760	(63)
Conservation	311	311	-
Economic Development and Assistance	195	195	-
Debt Service:			
Principal and Retirements	939	1,009	(70)
Interest and Fiscal Charges	339	361	(22)
Total Expenditures	<u>73,389</u>	<u>74,754</u>	<u>(1,365)</u>
Excess (Deficiency) of Revenue over Expenditures	(11,189)	(12,385)	(1,196)
Other Financing Sources (Uses):			
Disposition of Capital Assets			
Issuance of Notes Payable	282	-	(282)
Issuance of Lease Purchase	-	1,571	1,571
Transfers In	1,614	1,688	(74)
Transfers Out	(3,188)	(3,309)	121
Total Other Financing Sources	<u>(1,292)</u>	<u>(50)</u>	<u>1,336</u>
Net Change in Fund Balance	(12,481)	(12,435)	46
Fund Balance at Beginning of Year	<u>24,605</u>	<u>24,605</u>	
Fund Balance at End of Year	<u>\$ 12,124</u>	<u>\$ 12,170</u>	<u>\$ 46</u>

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Under Texas Local Government Code Section 111.042 through 111.0432, "the county auditor shall certify to the Commissioners' Court the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. On certification, the court may (or may not, at their option) adopt a special supplemental budget amendment for the purpose of spending the revenue for general purposes or for any of its intended purposes." Due to this statute, increases in revenues totaling \$169 thousand were certified in the General Fund and added to estimated revenues that were in the original budget. \$88 thousand of the additional revenues certified were due to new intergovernmental agreements and \$48 thousand in insurance proceeds for damages to a building from a windstorm and damages to vehicles.

The increase in the original expenditure appropriations and the final appropriations is explained below.

- *Regarding the \$555 thousand positive change in the General Government function.* The primary contingency line item for McLennan County is maintained within the General Government function each budget year. When appropriations are needed for unforeseen expenditures, an amendment is approved by the Commissioners Court to transfer funds from the contingency line item to the category against which said expenditure will be charged. Such transfers out of the contingency in the General Government function were \$569 thousand. The difference of \$14 thousand was due to the contingency being transferred to accounts within the General Government function.
- *Regarding the \$30 thousand negative change in appropriations for the Judicial function.* This increase was primarily the result of transfers from the contingency line item in the General Government function to fund the increased costs related to court reporters.
- *Regarding the \$1.46 million negative change in the Public Safety function.* The increase in appropriations for this function was primarily the result of a supplemental budget adopted as a result of the certification of revenues for the proceeds of a capital lease in the amount of \$1.2 million. The remaining \$260 thousand was due to transfers from the contingency for funds need to pay jail overtime.
- *Regarding the \$212 thousand negative change in the Health function.* The increase in the appropriations for this function was provided by contingency transfers from the General Government contingency due to the need for additional funding for overtime for jail nurses and for the funding of a new program related to our local hospitals.
- *Regarding the \$62 thousand negative change in the Welfare function.* The increase in appropriations for this function was generated by transfers from contingency to fund additional costs in court appointed attorneys for the indigent.
- *Regarding the \$63 thousand negative change in Culture-Recreation,* The increase in appropriations for this function were primarily the result of a supplemental budget from the certification of revenue from insurance proceeds due to storm damage at the Heart of Texas Fair barns.
- *Regarding the \$92 thousand negative change in Principal and Interest,* \$92 was transferred to from contingency provide for debt service for a new capital lease for Video Visitation Equipment for detention center inmates.
- *Regarding the \$1.6 million positive change in the Issuance of Lease Purchases.* This change represents new capital leases incurred in 2009 for which additional certifications of revenue were prepared, the largest of which was a \$1.2 million capital lease for Video Visitation Equipment.

Actuals compared to Final Budget

Detailed on the following page is a comparison between the final adopted budget and the final actual revenues and expenditures of McLennan County for the fiscal year ending September 30, 2009:

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General Fund Revenues, Expenditures and
Changes in Fund Balance - Budget (**GAAP** Basis) and Actual
Year Ended September 30, 2009
(\$ in Thousands)

	Final Budget	Final Actual	Variance with Final Budget Positiw (Negatiw)
Rewnues:			
Taxes	\$ 48,606	\$ 49,070	\$ 464
Licenses and Permits	72	121	49
Intergovernmental	1,515	2,195	680
Charges for Services	6,120	6,680	560
Fines and Forfeits	56	240	184
Miscellaneous:			
Investment Income, Net	1,073	581	(492)
Other	4,927	4,772	(155)
Total Miscellaneous	<u>6,000</u>	<u>5,353</u>	<u>(647)</u>
Total Revenues	<u>62,369</u>	<u>63,659</u>	<u>1,290</u>
Expenditures:			
Current:			
General Government	19,120	15,759	3,361
Judicial	6,692	6,080	612
Public Safety	33,783	30,423	3,360
Public Transportation	227	221	6
Health	8,568	6,269	2,299
Welfare	3,729	3,548	181
Culture-Recreation	759	739	20
Conservation	311	233	78
Economic Dewlopment and Assistance	195	134	61
Debt Service:			
Principal and Retirements	1,009	914	95
Interest and Fiscal Charges	361	351	10
Total Expenditures	<u>74,754</u>	<u>64,671</u>	<u>10,083</u>
Excess (Deficiency) of Rewnue over Expenditures	(12,385)	(1,012)	11,373
Other Financing Sources (Uses):			
Disposition of Capital Assets	-	16	16
Issuance of Lease Purchase	1,571	1,558	(13)
Transfers In	1,688	239	(1,449)
Transfers Out	(3,309)	(1,934)	1,375
Total Other Financing Sources	<u>(50)</u>	<u>(121)</u>	<u>(71)</u>
Net Change in Fund Balance	(12,435)	(1,133)	11,302
Fund Balance at Beginning of Year	24,605	29,870	5,265
Fund Balance at End of Year	<u>\$ 12,170</u>	<u>\$ 28,737</u>	<u>\$ 16,567</u>

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Actual Revenues Compared to Estimated Revenues

Actual revenues in the General Fund are about \$1.3 million (2.1%) above estimated revenues in the budget. Highlights of these differences are as follows:

- Collections on ad valorem taxes exceeded the estimate by \$126 thousand. Current collections exceeded the estimate by \$3 thousand, and delinquent collections exceeded the estimate by \$123 thousand.
- Actual sales tax collections in 2009 in Texas by exceeding the estimated collections by \$337 thousand, despite the declining retail sales around the Nation.
- Intergovernmental revenues collected were \$680 thousand greater than anticipated. \$38 thousand of this was due to larger than expected funding from the Tobacco Settlement Fund, \$256 thousand was due to larger than expected funding from the State of Texas Indigent Defense Fund, \$160 thousand was due to a change at the State level in funding Vehicle Sales Tax Commissions, \$50 thousand was due to an increase in the amount of United States Department of Justice SCAAP Grant, and \$80 thousand more collected on the County Court at Law Judges judiciary supplement.
- Revenues from Charges for Services exceeded that which was estimated in the budget by \$560 thousand. The primary components of the positive variance were charges for motor vehicle licenses (\$105 thousand), support of Federal prisoners (\$365 thousand), and a new District Clerk's Fee (\$344 thousand). These favorable variances were offset negative variances in various other fees (\$254 thousand).
- Investment revenue was \$492 thousand less than anticipated due to a dramatic decline in interest rates Nationwide. The weighted average interest earned on the County's investments in 2009 was 1.59% compared to 3.144% in 2008.
- Miscellaneous revenue was \$155 thousand less than anticipated. The primary driver of this negative variance was \$182 thousand less in rent for the County's old jail facility which housed fewer outside prisoners in 2009, due to the fact that the County's own prisoners had took up rentable space due to overcrowding in the County's own jail.

Actual Expenditures Compared to Budgeted Expenditures

Actual expenditures were 86.5% of the budget for 2009, compared to 83.9% for 2008. All functions were within budget. The three largest positive variances were in the functions of General Government, Public Safety and Health. Together they accounted for \$9 million (89.5%) of the total positive budget variance of \$10.1 million.

The General Government positive budget variance was \$3.3 million. That positive variance was primarily composed of the following items:

- Salaries and benefits must be included in the budget for each budgeted position, even though there are times some of ~~those~~ positions are not filled. This resulted in a positive variance in personal services expenditures of a little over \$1.2 million, or 36.2% of the positive General Government variance.
- The County was able to ~~procure its~~ insurance needs for \$266 thousand less than what was appropriated.
- The County was able to leave \$616 thousand unused in its contingency accounts.
- Expenditures for maintenance of buildings and equipment ~~were~~ \$184 thousand less than anticipated.
- Expenditures for utilities ~~were~~ \$157 thousand less than anticipated.
- Expenditures for county legal counsel and other purchased services ~~were~~ \$60 thousand less than anticipated.
- Expenditures for supplies ~~were~~ \$169 thousand less than anticipated.

The Public Safety positive budget variance was \$3.4 million. That positive variance was primarily composed of the following items:

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- The County pays a jail management company to manage the old **downtown** jail where certain Federal prisoners are incarcerated on a per diem contract basis. The budget for the fee paid to the management company **was** \$420 thousand more than the actual **expenditures** incurred.
- Salaries and **benefits** must be included in the budget for each budgeted position, even though there are times some of those positions are not filled. This resulted in a positive variance in personal **services** expenditures of \$1.7 million, or 50.6% of the positive **Public Safety** variance.
- Expenditures for utilities at the jail **were** actually \$72 thousand less than the amount budgeted.
- The cost of autopsies and body bags was \$78 thousand less than the appropriation.
- Outside care of inmates was \$65 less than budgeted.
- Motor vehicle operating costs **were** \$163 thousand less than budgeted.

The Health positive budget variance was about \$2.3 million. Under State of Texas statutes, a Texas county is required to bear indigent health costs up to 8% of general tax revenues before reimbursement can be received from the State. The County routinely budgets close to that 8% amount in each year's budget, due to its potential exposure. In 2009, the County's actual expenditures relating to indigent healthcare were \$1.7 million less than the amount budgeted. Additionally, appropriations of \$274 thousand for a jail health supplies was not needed in 2009.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

McLennan County's total investment in capital assets, including construction in progress, for governmental type activities as of September 30, 2009, amounts to more than \$104 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. Major capital asset events during the current fiscal year included the following:

- Vehicles and equipment were added to capital assets, primarily as replacements to vehicles, computers and road and bridge equipment during the year, at a cost of more than \$3.1 million.
- Four bridges had to be replaced at a cost of more than \$1.1 million. Three bridges, originally built between 1900 and 1930, were replaced through the State of Texas bridge replacement program; 1 1940 wooden bridge was converted to culverts.
- A new jail is being constructed by the blended component unit, the McLennan County Public Facility Corporation. The construction costs through the end of the fiscal year caused an increase in construction in progress of more than \$34 million. The jail is expected to be completed in fiscal year 2010.

Additional information about McLennan County's capital assets can be found in Note I (D-4), Note III (C) of the notes to the financial statements and the Capital Assets section immediately preceding the Statistical Section of this report.

Long-Term Debt

At September 30, 2009, McLennan County had slightly more than \$33.2 million in total general obligation debt outstanding. All of the debt of the County's general obligation debt and is backed by the full faith and credit of McLennan County. For internal purposes, various names are used to reference how the debt is used. For example, refunding, permanent improvement, and certificates of obligation are some of the names used to identify the indebtedness. McLennan County maintains a credit rating of **Aa2** from Moody's Investor Services a rating of **AA** from Standard & Poors. There **are** no special assessment bonds of McLennan County at September 30, 2009.

On January 29, 2009, the McLennan County Public Facilities Corporation, a presented as a blended component of McLennan County, issued the \$49,015,000 McLennan County Public Facility Corporation Revenue Bonds Series 2009. The revenue bonds are the liability of the Corporation, and revenues from rental

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2009

of jail space to third party entities will be the sole source to handle the debt service on the revenue bonds and cover all the expenses of the new jail's operations. The proceeds of the revenue bonds are being used to finance the construction of a new 816 bed jail facility adjacent to the County's existing jail and provide funds for interest and sinking purposes in the amount of \$8 million. The revenue bonds were rated AA- by Standard & Poors.

Additional information on the County's long-term debt can be found in Note III (D) in the notes to the financial statements.

Additional information concerning the debt issued by the McLennan County Public Facility Corporation is included in the Subsequent Events notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

There have been several State of Texas and Federal legislative changes that have already impacted the finances of McLennan County and will continue to have an impact on future finances of the County. A listing of conditions and decisions that may impact the future financial condition of the County follows:

- At this time there is much discussion Statewide regarding tax appraisal caps, revenue caps and spending caps. In addition, the possibility of unfunded mandates from the State to Texas counties is always a real threat, including, but not limited to regionalization and cost-sharing of indigent healthcare. The effect or magnitude of any such any legislation will not be known until the summer of 2011, but they are being studied in the interim committee meetings. A non-binding referendum limiting revenue growth in local governments passed by a wide margin in early March of 2008. A similar referendum was presented again on the ballots in March of 2009, where it also passed by a wide margin.
- The County has instituting a new collections program for the Justices of the Peace, the County Courts and the District Courts. Each of these three groups of offices will have a separate collection department and collections of delinquent fines and fees are expected to improve.
- A new program was implemented in the Tax Assessor-Collector's Office, popularly referred to as the "Scofflaw Program". Under this program the County pays a small fee to flag automobile registration records with an indicator that the owner owes delinquent court fines and fees. These delinquent court fines and fees must be paid before the automobile's registration can be made current. The County anticipates increased collection rates as a result of this program, particularly related to traffic law violations.
- The County included a 2% cost of living increase for substantially all full-time employees for the 2009 budget year.
- Due to an increase in real property valuation at January 1, 2009, the County was able to maintain the overall ad valorem tax rate at \$.4647 while raising additional ad valorem **tax** assessment of \$1.59 million in 2010 over 2009.
- It is anticipated that the sales tax revenue for all local governments in Texas will be less in 2010 than they were in 2009. The county has lowered it estimated sales tax receipts in its 2010 budget by \$250 thousand in anticipation of this reality.

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2009

Requests for Information

This financial report is designed to provide a general overview of McLennan County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of County Auditor, McLennan County, 214 N. 4th street, Suite 100, Waco, TX 76701.

BASIC FINANCIAL STATEMENTS

MCLENNAN COUNTY, TEXAS

Statement of Net Assets

September 30, 2009

ASSETS	
Pooled Cash and Investments	\$ 54,519,516
Non-Pooled Cash	11,818,114
Receivables (net of allowances for estimated uncollectibles):	
Taxes	2,378,067
Accounts	6,845,693
Due from Other Governments	3,289,553
Inventories, at Cost	442,914
Prepaid Assets	284,020
Capital Assets (net of accumulated depreciation)	
Land	3,520,645
Buildings and system	48,111,403
Improvements other than buildings	462,400
Machinery and equipment	6,396,726
Infrastructure	10,659,945
Construction in progress	35,231,153
Total Assets	<u>\$ 183,960,149</u>
 LIABILITIES	
Accounts Payable	\$ 4,658,180
Accrued Interest Payable	1,350,804
Due to Other Governments	1,987
Funds Held in Escrow	1,162,189
Unearned Revenue	557,899
Noncurrent liabilities:	
Due within one year	5,775,100
Due in more than one year	85,033,515
Total Liabilities	<u>98,539,674</u>
 NET ASSETS	
Invested in Capital Assets, net of related debt	27,440,541
Restricted Net Assets	
Expendable	
Restricted for Capital Projects	7,334,024
Restricted for Debt Service	9,320,659
Restricted for Education	17,787
Nonexpendable	
Restricted for Education	47,119
Unrestricted	41,260,346
Total Net Assets	<u>\$ 85,420,476</u>

The notes to the financial statements are an integral part of this statement

MCLENNAN COUNTY, TEXAS

Statement of Activities

For the Year Ended September 30, 2009

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General Administration	\$ 17,245,222	\$ 3,164,407	\$ 1,721,299	\$ -	\$ (12,359,516)
Judicial	7,248,749	4,819,355	301,794	-	(2,127,600)
Public Safety	39,168,947	8,979,005	2,663,624	-	(27,526,318)
Public Transportation	8,565,342	256,257	130,925	1,104,671	(7,073,489)
Health	6,409,230	185,069	243,263	-	(5,980,898)
Welfare	3,576,412	-	437,484	-	(3,138,928)
Culture-Recreation	1,504,867	2,450	-	-	(1,502,417)
Conservation	263,812	-	-	-	(263,812)
Economic Development and Assistance	521,606	-	-	-	(521,606)
Interest and fiscal charges	4,032,729	-	-	-	(4,032,729)
Total Governmental Activities	\$ 88,536,916	\$ 17,406,543	\$ 5,498,389	\$ 1,104,671	(64,527,313)
General Revenues:					
Property Taxes					46,382,793
Sales Tax					12,336,697
Alcoholic Beverage Taxes/Other Taxes					2,617,661
Unrestricted Investment Earnings					1,148,987
Gain on Sale of Capital Assets					369,965
Miscellaneous					150,158
Total general revenues					<u>63,006,261</u>
Change in net assets					(1,521,052)
Net assets - beginning					90,450,217
Prior Period Adjustment:					
Change in valuation of receivable					<u>(3,508,689)</u>
Adjusted net assets - beginning					<u>86,941,528</u>
Net assets - ending					<u>\$ 85,420,476</u>

The notes to the financial statements are a integral part of this statement

MCLENNAN COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2009

	General	Economic Development Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	PFC Revenue Bonds Series 2009 Capital Projects Fund	Other Governmental Funds	Total
ASSETS						
Pooled Cash and Investments	\$ 28,164,670	\$ 7,541,460	\$ -	\$ -	\$ 18,886,395	\$ 54,592,525
Non-Pooled Cash	-	-	7,077,967	4,462,316	377,658	11,917,941
Receivables (net of allowances for estimated uncollectibles):						
Taxes	2,004,093	-	-	-	373,974	2,378,067
Accounts	467,660	-	-	-	68,140	535,800
Due from Other Funds	39,632	-	-	-	5,638	45,270
Due from Other Governments	3,055,323	-	-	-	234,230	3,289,553
Inventories, at Cost	201,035	-	-	-	241,880	442,915
Prepaid Assets	284,020	-	-	-	-	284,020
Total Assets	\$ 34,216,433	\$ 7,541,460	\$ 7,077,967	\$ 4,462,316	\$ 20,187,915	\$ 73,486,091
LIABILITIES AND FUND BALANCE						
Liabilities:						
Cash Overdraft	\$ 99,828	\$ -	\$ -	\$ -	\$ 73,009	\$ 172,837
Accounts Payable	3,360,335	-	-	1,725,902	734,132	5,820,369
Due to Other Funds	14,979	-	-	-	30,291	45,270
Due to Other Governments	223	-	-	-	1,764	1,986
Deferred Revenue	2,004,093	-	-	-	931,873	2,935,966
Total Liabilities	5,479,458	-	-	1,725,902	1,771,068	8,976,428
Fund Balance:						
Reserved for Debt Service			7,077,967		2,242,692	9,320,659
Reserved for Capital Projects				2,736,414	1,329,197	4,065,611
Reserved for Education					54,593	54,593
Unreserved - Undesignated reported in:						
General Fund	28,736,975				-	28,736,975
Special Revenue Funds	-	7,541,460			11,521,952	19,063,412
Capital Projects Funds	-				3,268,413	3,268,413
Total Fund Equity	28,736,975	7,541,460	7,077,967	2,736,414	18,416,847	64,509,663
Total Liabilities and Fund Balance	\$ 34,216,433	\$ 7,541,460	\$ 7,077,967	\$ 4,462,316	\$ 20,187,915	\$ 73,486,091

The notes to the financial statements are an integral part of this statement

MCLENNAN COUNTY, TEXAS

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets

September 30, 2009

Total fund balances - governmental funds \$ 64,509,663

Amounts reported for governmental activities in the statement of net assets are different because:

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

These capital assets (net of accumulated depreciation) consist of:

Land	\$ 3,520,645	
Buildings	48,111,403	
Improvements other than buildings	462,400	
Machinery and equipment	6,396,726	
Infrastructure	10,659,945	
Construction in progress	<u>35,231,153</u>	
Total capital assets		104,382,272

Fines and fees earned in the current fiscal year are not available to provide for current financial resources, and are not recorded in the funds.

6,309,892

Property taxes earned in the current fiscal year are not available to provide for current financial resources, and therefore are deferred in the funds.

2,378,067

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Interest payable	(1,350,804)	
General obligation bonds	(3,225,000)	
Notes payable	(151,782)	
Capital leases	(853,562)	
Compensated absences	<u>(1,544,755)</u>	
Total current liabilities		(7,125,903)
General obligation bonds	(30,020,000)	
Revenue Bonds	(49,015,000)	
Unamortized Deferred Amount on Refunding	110,416	
Unamortized Deferred Original Issue Discount	1,804,732	
Unamortized Refunding Bond Issue Cost	264,112	
Unamortized Bond Issue Cost	1,470,450	
Notes payable	(49,176)	
Capital leases	(5,789,503)	
Other Post Employment Benefits	(3,573,010)	
Compensated absences	<u>(236,536)</u>	
Total non-current liabilities		<u>(85,033,515)</u>

Net Assets \$ 85,420,476

The notes to the financial statements are a integral part of this statement

MCLENNAN COUNTY, TEXAS

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2009

	General Fund	Economic Development Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	PFC Revenue Bonds Series 2009 Capital Project Fund	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 49,070,146	\$ -	\$ -	\$ -	\$ 9,428,041	\$ 58,498,187
Licenses and Permits	121,122	-	-	-	1,869,811	1,990,933
Intergovernmental	2,194,990	-	-	-	4,015,615	6,210,605
Charges for Services	6,679,734	-	-	-	3,090,832	9,770,566
Fines and Forfeits	239,592	-	-	-	2,012,229	2,251,821
Miscellaneous	5,353,085	123,867	46,066	80,135	615,321	6,218,473
Total Revenues	63,658,669	123,867	46,066	80,135	21,031,850	84,940,586
Expenditures:						
Current:						
General Government	15,759,143	-	-	1,470,450	464,149	17,693,742
Judicial	6,079,983	-	-	-	516,856	6,596,838
Public Safety	30,422,972	-	-	-	6,331,466	36,754,437
Public Transportation	221,255	-	-	-	7,687,455	7,908,710
Health	6,269,271	-	-	-	-	6,269,271
Welfare	3,547,708	-	-	-	-	3,547,708
Culture-Recreation	738,272	-	-	-	-	738,272
Conservation	232,982	-	-	-	-	232,982
Economic Development and Assistance	134,106	387,500	-	-	-	521,606
Capital Projects	-	-	-	34,951,182	1,787,797	36,738,978
Debt Service:						
Principal and Retirements	914,167	-	-	-	3,523,274	4,437,441
Interest and Fiscal Charges	350,568	-	1,100,455	-	1,539,392	2,990,415
Total Expenditures	64,670,427	387,500	1,100,455	36,421,632	21,850,388	124,430,402
Excess (Deficiency) of Revenue over Expenditures	(1,011,758)	(263,633)	(1,054,389)	(36,341,497)	(818,538)	(39,489,816)
Other Financing Sources (Uses):						
Issuance of Revenue Bonds	-	-	8,132,356	40,882,644	-	49,015,000
Original Issue Discount	-	-	-	(1,804,732)	-	(1,804,732)
Issuance of Refunding Bonds	-	-	-	-	6,307,527	6,307,527
Paid to Refunding Bond Escrow Agent	-	-	-	-	(6,212,169)	(6,212,169)
Disposition of Capital Assets	16,207	-	-	-	202,148	218,355
Issuance of Lease Purchase	1,558,022	-	-	-	-	1,558,022
Transfers In	238,828	1,250,000	-	-	2,065,171	3,553,999
Transfers Out	(1,934,628)	-	-	-	(1,619,371)	(3,553,999)
Total Other Financing Sources (Uses)	(121,571)	1,250,000	8,132,356	39,077,911	743,306	49,082,002
Net Change in Fund Balance	(1,133,329)	986,367	7,077,967	2,736,414	(75,232)	\$ 9,592,187
Fund Balance at Beginning of Year	29,870,304	6,555,093	-	-	18,492,078	54,917,476
Fund Balance at End of Year	\$ 28,736,975	\$ 7,541,460	\$ 7,077,967	\$ 2,736,414	\$ 18,416,846	\$ 64,509,663

The notes to the financial statements are an integral part of this financial statement

MCLENNAN COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds to the
Statement of Activities

For the Year Ended September 30,2009

Net change in fund balances * governmental funds \$ 9,592,187

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

Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:

Capital projects - capital outlay	\$ 38,209,428
Capital projects - functional activities	3,020,215
Depreciation expense	<u>(5,135,178)</u>

Excess of capital outlay over depreciation expense 36,094,465

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. However, in the statement of activities, some items do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Debt issuance and refunding increases long-term debt in statement of net assets.	\$ (56,880,549)
Debt issuance costs	97,876
Original issue discount	1,804,732
Amortization of debt issuance costs	(16,333)
Amortization of deferred refunding amount	13,765
Amortization of original issue discount	<u>(1,085,380)</u>
Debt repayment is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net assets.	4,437,441
Payment to escrow agent for refunding	<u>6,212,169</u>

Total long-term debt (45,416,279)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes receivable	\$ 221,302
Fines and fees receivable	<u>469,028</u>
Total receivables	690,330

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses are detailed as follows:

Other Post Employment Benefits	\$ (3,573,010)
Compensated absences	(113,227)
Accrued interest	<u>45,637</u>
Total expenses	(3,640,600)

The gain on the sale of capital assets is only recognized in the statement of activities and is not reported in governmental funds. 369,965

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,007,235

The proceeds from the sale of capital assets increases financial resources in governmental funds but these items do not require the use of current financial resources in the statement of activities. (218,355)

Change in net assets of governmental activities \$ (1,521,052)

The notes to the financial statements are a integral part of this statement

MCLENNAN COUNTY, TEXAS

Statement of Fiduciary Net Assets

Fiduciary Funds

September 30, 2009

	Agency Funds
Assets	
Equity in Pooled Cash	\$ 610,021
Nonpooled Cash	2,277,704
Nonpooled Investments	4,474,792
Accounts Receivable	2,189
Due From Other Governments	
Accrued Interest	23,249
	<hr/>
	\$ 7,387,955
	<hr/> <hr/>
Liabilities	
Accounts Payable	\$ 4,080,596
Due to Other Governments	950,687
Due to Others	2,356,672
	<hr/>
	\$ 7,387,955
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
September 30, 2009

I Summary of Significant Accounting Policies

The accounting and reporting policies of McLennan County, Texas (the County) reflected in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in Governmental Accounting and Financial Reporting Standards. This financial report has been prepared in accordance with GASB Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) issued in June 1999. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

(a) Reporting Entity

Primary Government

McLennan County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, comprised of the County Judge and four Commissioners, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: justice administration (courts, juries, constables, district attorney, clerks, investigators, sheriff, jail), tax collection, roads and bridge maintenance, public health, agricultural extension services, fairgrounds venue, juvenile services, assistance to indigents and area economic development.

Blended Component Units

The accompanying basic financial statements present the government as defined according to criteria in GASB Statement No. 14, The Financial Reporting Entity and in GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement 14. Blended component units, while legally separate entities, are, in substance, part of the government's operations.

The McLennan County Community Supervision and Corrections Department (also referred to as the Adult Probation Department and CSCD) is a blended component unit of McLennan County and is governed by the McLennan County Board of District Judges, who appoints the Director of the CSCD. The McLennan County Commissioners Court is required by statute to provide facilities, utilities and equipment for the operation of this department. In addition, the County provides administrative functions including accounting, risk management, payroll preparation and purchasing. The McLennan County CSCD is responsible for the management and monitoring of adult residents of McLennan County who are on criminal probation. Funding for salaries of CSCD personnel and many operating expenses is from various State grants.

On September 2, 2008, the Commissioner's Court of McLennan County issued a certificate for order that created a nonprofit public facilities corporation under Chapter 303 of the Texas Local Government Code. The McLennan County Public Facility Corporation (the "Corporation") was organized for the purpose of financing on behalf of the County an eligible jail, criminal detention and correctional facility and be responsible for the operations of such facility. The operations of the facility will be financed on an ongoing basis by the rental of jail space to third party entities, including Federal agencies and other local governments. All of the members of the Board of Directors of the Corporation are appointed by the Commissioners' Court of the County and at September 30, 2009 consisted of the individuals that comprise the Commissioners' Court. The Corporation is included in the Comprehensive Annual Financial Report as a blended component unit, in the Capital Projects Funds for the construction phase, which was completed March 31, 2010 and in the Debt Service Funds. The operations of the PFC's jail will be

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
September 30, 2009

presented in the Special Revenue Funds for the operating phase, expected to begin in the April of 2010. The Corporation issued revenue bonds totaling \$49,015,000 on January 29, 2009 and had completed a significant portion of the construction of the new jail by September 30, 2009.

(b) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report on all the non-fiduciary activities of the County and its blended component units. The effect of inter-fund transfers has been removed from these statements but continues to be reflected on the fund statements. Governmental activities primary support is derived from taxes, intergovernmental revenues and charges for services.

The statement of activities exhibits the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, 2) fines and fees assessed offenders by the judicial system, and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Economic Development Fund, PFC Revenue Bonds Series 2009 Debt Service Fund, and PFC Revenue Bonds Series 2009 Capital Projects Fund meet the criteria or have been selected by management as *major governmental funds*. Each major fund is reported in separate columns in the fund financial statements. Nonmajor funds include other Special Revenue Funds, Debt Service Funds, Capital Projects Funds and a Permanent Fund. The combined amounts for these funds are reflected in a single column in the fund financial statements. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, are district clerk and county clerk fines and fees, justice of the peace fines and fees, revenue from investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements are met.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes levied prior to September 30, 2008 that were due October 1, 2008, have been assessed to finance the budget of the fiscal year ending September 30, 2009. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2009, and beyond the 60 days after year-end have been reflected as deferred revenue and taxes receivable in the fund financial statements. Property taxes and interest earned as of September 30 and received within 60 days of year-end are accrued as income in the current period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is made.

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
September 30, 2009

The government reports the following major governmental funds:

The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment interest income. Primary expenditures are for general administration, judicial, public safety, health services, welfare services, capital acquisition, and debt service.

The Economic Development Fund was established by the Commissioners' Court to account for funds transferred from the General Fund, to be accumulated for use in ongoing cooperative economic development projects.

The PFC Revenue Bonds Series 2009 Debt Service Fund was established to account for the accumulation of resources, as required in the trust indenture, in an interest and sinking fund for use in future principal and interest obligations related to the McLennan County Public Facility Corporation (the "PFC) Revenue Bonds Series 2009. There is no statutory requirement for a budget for this fund by the Commissioners' Court as all of its activity is governed by the trust indenture and the Board of Directors of the Public Facilities Corporation.

The PFC Revenue Bonds Series 2009 Capital Projects Fund was established to account for the proceeds of the issuance of the PFC Revenue Bonds Series 2009 and their expenditure for debt issuance costs the construction of the new 816 bed jail (Jack Harwell Detention Center). There is no statutory requirement for a budget for this fund by the Commissioners' Court and all activities are governed by the Public Facilities Corporation Board.

Additionally, the government reports the following nonmajor funds types:

Special revenue funds are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the County or from Commissioners' Court.

Debt service funds are used to account for the accumulation of resources for and the payment of long-term debt principal and interest. The primary source of revenue for debt service funds is ad valorem taxes. The use of debt service funds to service debt is not required unless legally mandated or if resources are accumulated for payments maturing in future years.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure. The primary source of funding for capital projects funds is ad valorem tax revenue or proceeds from the issuance of debt.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for governmental purposes.

Agency funds are used to account for situations where the County's role is strictly custodial in nature. As a result, all assets reported in an agency fund are offset by a liability to the party on whose behalf the assets are held. Most of these funds are held for legal reasons. Those reasons vary from funds held in trust for minors to funds placed in escrow awaiting a decision and order by the presiding court. Additional agency funds are used to account for cash on hand for tax collections for other governmental entities or for fees collected on behalf of the State and other governmental entities. As a result, all assets reported in the agency funds are offset by a liability to the party or entity on whose behalf the assets are held.

When both restricted and unrestricted resources are available for use, it is McLennan County's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Assets, Liabilities, and Net Assets or Equity

(1) Deposits and Investments

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

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State statutes and the County's official Investment Policy authorize the County to invest in obligations of the U.S. Treasury and Governmental Agencies, commercial paper, repurchase agreements, bankers' acceptances, money market mutual funds and direct obligations of the State of Texas.

The County and its component units report investments at fair market value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of activity and/or statement of revenues, expenditures and changes in fund balance.

(2) Receivables and Payables

Property taxes are recognized as revenues in the period for which the taxes are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to September 30 of the same year. They become due October 1 of that same year and delinquent after January 31 of the following year. Accordingly, receivables and revenues for prior-year levies delinquent at year-end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements.

Accounts receivables from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements have been met and reimbursable costs are incurred.

Reimbursements for services performed are recorded as receivables and revenues when they become eligible for accrual in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements.

Receivables are shown net of an allowance for uncollectable accounts.

Lending or borrowing between funds is reflected as "due to" or "due from" (current portion) or "advances to/from other funds" (noncurrent). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Inter-fund activity reflected in "due to" or "due from" is eliminated on the government-wide statements.

(3) Inventories and Prepaid Items

All inventories are valued at cost using the first in ■ first out (FIFO) method. Inventories of the governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual items are purchased, but year-end adjustments are made to change the expenditure basis to the "consumption" method. Consequently, inventories are considered to be "available and spendable resources" and no reservations of fund balance are recorded for such inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost is recorded as a prepaid item at the time of purchase, but year-end adjustments are made to show the consumption of those items. Consequently, prepaid items are considered to be "available and spendable resources" and no reservations of fund balance are recorded for such prepaid expenses.

(4) Capital Assets — Primary Government

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the government-wide financial statements. The capitalization threshold for the capitalization of assets is set forth in the following schedule:

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Asset Category	Capitalization Threshold
Land and Land Improvements	Capitalize all
Improvements Other than Buildings	\$5,000
Buildings and Building Improvements	
Buildings and Building Improvements	\$50,000
Building Improvements performed/acquired after building acquisition	\$5,000
Infrastructure	
Roads constructed, acquired or donated since 1980	Capitalize all
New Roads constructed 10/01/03	\$300,000 per mile
Major road renovations and improvements	\$100,000 per mile
Bridges	\$20,000
Furniture, Equipment and Other Personal Property	\$5,000
Leasehold Improvements	\$5,000
Works of Art and Historical Treasures	\$5,000

Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life are expensed rather than capitalized.

Capital assets and infrastructure are depreciated using the straight line method over the following estimated useful lives:

Asset Category	Years
Buildings	30
Building and land improvements	10 to 25
Infrastructure - Bridges	25 to 45
Infrastructure - Roads	20
Furniture and Fixtures	10
General Equipment	5 to 15
Computer hardware	3 to 5
Passenger vehicles	5
Road maintenance equipment	10

(5) Longevity Pay

Substantially all employees of the County are compensated on a salary basis. There are a few employees, mostly part-time or temporary, who are compensated on an hourly basis. Longevity pay is added to the salary of each official and each salaried employee of the County at the rate of \$5.00 per month for each full year of continuous service by the employee.

(6) Compensated Absences

Vacation leave is accrued by each salaried employee of the County each month at the rate of 0.0385 hours for each hour worked, up to a maximum balance of 200 hours. After 120 months of continuous service, the accrual rate is increased to 0.0577 hours for each hour worked. Upon termination, employees are paid for all accrued and unused vacation time.

Sick leave accrues at the rate of 0.0462 hours for each hour worked, up to a maximum balance of 720 hours. Sick leave may be used only for sickness and other specified purposes, and no payment is made for any unused sick leave.

A liability for unused vacation and compensatory time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must

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be met to be considered as compensated absences: a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness).

GASB Interpretation 6 indicates that liabilities for compensated absences should only be recognized in the fund statements to the extent the liabilities have matured and are payable out of current available resources. Compensated absences are paid from the same respective governmental operating funds as the ones from which the related employees' salaries were paid.

Compensated absences are accrued in the government-wide statements.

(7) Health & Life Insurance Benefits

The County at its expense provides term life insurance coverage in the face amount of \$10,000 for each official and each salaried employee.

Each official and each salaried employee is provided medical coverage through a choice of either of two HMO's or a PPO. The County pays the premium for this medical coverage, up to the lower of the premiums charged by the three provider options. Covered officials and employees may, at their own option and expense, have their dependents included in this medical coverage.

(8) Other Benefits

Deferred Compensation Plan - The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits the deferral of Federal Income Tax on the deferred portion of the employee's compensation until future years. The deferred portion of compensation is not available to employees until termination, retirement, death, or unforeseeable emergency, and becomes subject to Federal Income Tax when constructively received by the employee.

The assets of the Plan are not subject to the claims of the general creditors of the County, and, in accordance with GASB 32 "Accounting for Deferred Compensation Plans," the County does not present the assets and liabilities related to the Plan in the agency funds.

Cafeteria Plan - All salaried employees have the option of participating in a cafeteria plan created in accordance with Internal Revenue Code Section 125. This plan affords tax savings to the employee by allowing the County to provide certain benefits under an agreement with the employee that reduces the employee's taxable income while increasing his actual net income.

(9) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts, as well as issuance costs and deferred gains or losses on refunding of debt, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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(10) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Fund reservations include debt service and education.

II Reconciliation of Government-Wide and Fund Financial Statements

(a) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net assets as reported in the government-wide statement of net assets. One element of that reconciliation explains, "some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this \$92,159,418 difference are as follows:

Interest payable	\$ 1,350,804
General obligation bonds	3,225,000
Notes payable	151,782
Capital leases	853,562
Compensated absences	1,544,755
Total current liabilities	\$ 7,125,903
General obligation bonds	\$ 30,020,000
Revenue bonds	49,015,000
Unamortized Deferred Amount on Refunding	(110,416)
Unamortized Deferred Original Issue Discount	(1,804,732)
Unamortized Refunding Bond Cost	(264,112)
Unamortized Bond Issue Cost	(1,470,450)
Notes payable	49,176
Capital leases	5,789,503
Other Post Employment Benefits	3,573,010
Compensated absences	236,536
	\$ 85,033,515
Net adjustment to reduce fund balance — total government funds to arrive at net assets – governmental activities	\$ 92,159,418

Another element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." These assets consist of:

Land	\$ 3,520,645
Buildings	48,111,403
Improvements other than buildings	462,400
Machinery and equipment	6,396,726
Infrastructure	10,659,945
Construction in progress	35,231,153
Net adjustments to increase fund balance - total governmental funds to arrive at net assets — governmental activities	\$ 104,382,272

Other miscellaneous elements of the reconciliation explain individual specific amounts reported differently in net assets - governmental activities in contrast to fund statements. For example, there is an amount shown below as "Fines and fees earned in the current fiscal year collected in the future."

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This relates specifically to fines and fees that have been levied but not yet collected. They are revenues in the fiscal year collected since they are not available for expenditure until then. These items are not recorded in the governmental fund statements; in the government-wide statements, the items are shown as a receivable.

Other miscellaneous elements are shown below:

Fines and fees earned in the current fiscal year collected in the future	\$ 6,309,892
Property taxes earned in the current fiscal year but not available to provide current financial resources, and therefore are deferred in the funds	2,378,067

Net adjustments to increase fund balance — total governmental Funds to arrive at net assets — governmental activities	\$ 8,687,959

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances — total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense on capital outlays for County-owned assets only. The details of this \$36,094,465 difference are as follows:

Capital projects – capital outlay	\$ 38,209,428
Capital projects – functional activities	3,020,215
Depreciation expense	(5,135,178)

Net adjustment to decrease net changes in fund Balances — total governmental funds to arrive at Changes in net assets of governmental activities	\$ 36,094,465

Various other elements of that reconciliation associated with the issuance of long-term debt (i.e. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$45,416,279 difference are as follows:

Debt issued or incurred:	
Issuance of long term debt	\$ (56,880,549)
Debt issuance costs	97,876
Original issue discount	1,804,732
Amortization of debt issuance costs	(16,333)
Amortization of deferred refunding amount	13,765
Amortization of original issue discount	(1,085,380)
Principal Payments:	
General obligation debt	4,437,441
Payment to escrow agent for refunding	6,212,169

Net adjustments to increase net changes in fund balance — total government funds to arrive at changes in net assets of government activities	\$ 45,416,279

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Other miscellaneous elements of that reconciliation explain individual specific amounts reported differently in government-wide statement of activities than in the governmental fund statements. The details of this \$1,791,425 difference are as follows:

The gain on disposal of capital assets is reported in the statement of activities but the proceeds from any sales increase financial resources in the governmental funds:

Gain on disposal of capital assets	\$ 369,965
Proceeds from sale of capital assets	<u>(218,355)</u>
	<u>151,610</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes receivable	\$ 221,302
Fines and fees receivable	<u>469,028</u>
	<u>690,330</u>

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

1,007,235

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$3,640,600 difference are as follows:

Other Post Employment Benefits	\$ (3,573,010)
Compensated absences	(113,227)
Accrued interest	<u>45,637</u>
	<u>(3,640,600)</u>

Net adjustment to increase net changes in fund balances – total
Governmental funds to arrive at changes in net assets
of governmental activities

\$ (1,791,425)

III Detailed Notes on All Funds

(a) Deposits and Investments

As of September 30, 2009, McLennan County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Local Government Investment Pools	\$ 4,474,070	.122
Money Market Mutual Funds	\$ 60,444	.159
Certificates of Deposit	\$ 47,200,618	.953
Total Fair Value	<u>\$ 51,735,132</u>	
Portfolio Weighted Average Maturity		.880

Investments in the local government investment pools, TexPool (rated AAAM by S&P) and TexStar (rated AAAM by S&P), are stated at fair value, which is the same as the value of the pool shares. Investments in the money market mutual funds, Fidelity (rated AAAM by S&P), are also stated at fair value, which is the same as the value of the fund shares.

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Regulatory oversight for the operations of these external investment pools is found in the Public Funds Investment Act of the State of Texas. Required oversight for the pools includes compliance with investment guidelines, annual independent audits and the establishment of oversight committees.

Interest Rate Risk. In accordance with the County's investment policy, exposure to declines in fair values is managed by limiting the weighted average maturity of its investment portfolio to two years for individual securities and 90 days for investment pools.

Credit Risk. The County limits its exposure to credit risk by limiting its investments to (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) collateralized mortgage obligations directly issued by a Federal agency, the underlying security for which is guaranteed by an agency of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full credit and good faith of the State of Texas or the United States or their respective agencies; (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than an A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code) that are issued by or through an institution that either has its main office or a branch in Texas, and are guaranteed by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for county and district deposits; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligation described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the state of Texas; (9) certain securities lending programs; (10) certain bankers acceptances with the equivalent with a remaining term of 270 days or less, if rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by two nationally recognized credit rating agencies; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a weighted average stated maturity of 90 days or less; (13) no-load mutual funds registered with the Securities and Exchange Commission that have a weighted average maturity of less than two years, invest exclusively in obligations described in this policy and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and (14) government investment pools that invest solely in such obligations, provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service.

Concentration of Credit Risk. The County further limits its credit risk by requiring diversification in the investment portfolio in its investment policy.

Custodial Credit Risk Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At September 30, 2009, the carrying amount of the County's pooled cash deposits was \$2,313,248, and the bank balance was \$3,060,438. Of the bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation, and the entire remainder, as is required both by State law and County policy, was covered by collateral pledged to the County by the County's depository bank, and held by an independent third party custodian in the County's name. As such, the County has mitigated its exposure to custodial risk with regards to its deposits.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. When the County invests in U.S. Government agency securities, although there were no such investments at September 30, 2009, the County has no custodial risk as the securities are held in safekeeping in the County's name in the County's depository bank, which is not a counterparty for the securities.

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Notes to the Basic Financial Statements
September 30, 2009

(b) Property Taxes and Other Receivables

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. The County bills and collects property taxes for itself and for the following entities: Cities of Bellmead, Beverly Hills, Bruceville-Eddy, Crawford, Gholson, Hewitt, Lacy-Lakeview, Lorena, Mart, McGregor, Moody, Riesel, Robinson, Waco, West, Woodway; McLennan Community College; Independent School Districts of Axtell, Bosqueville, Bruceville- Eddy, China Spring, Connally, Crawford, Gholson, Hallsburg, LaVega, Lorena, Mart, McGregor, Midway, Riesel, Robinson, Waco, West; Special Districts of Castleman Creek, Elm Creek Watershed, McLennan County Water Control District # 2, McLennan and Hill Counties Tehuacana Creek Water Control District #1 Benefit Tax, Downtown Public Improvement District. The County is the only taxing entity controlled by the Commissioners' Court; and the County Tax Assessor/Collector acts only as an intermediary in the collection and distribution of property taxes to the other entities. The County collects and distributes delinquent tax collection fees for law firms.

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded as payable to entities at gross amount due before tax collection commission. Collection commissions are recorded for the County as received from the entities, with the exception of McLennan county commission on its own taxes, where the commission is netted against the gross collections. Tax collections deposited for the County are distributed on a monthly basis to the General Fund, Farm to Market Roads Fund, Jury Fund, Permanent Improvement Capital Projects Fund, and Debt Service Funds of the County. Distribution to the funds is based on the tax rate established for each fund by Commissioners' Court order for the tax year for which the collections are made.

The County participates in three Tax Increment Finance (TIF) Districts. When a TIF District is created with the approval of all participating governmental taxing entities, the property included in the District has its assessed valuation frozen at the base year value. As projects are developed which increase the assessed valuation of the property, the resulting increases in taxes in years after the base year is returned to the TIF zones which financed the improvements, with taxes on the base year provided to the governmental taxing entities.

The county collects taxes on behalf of a taxing entity having a Special Improvement District (SID), reports delinquencies to the taxing entity, and does not manage the collection of delinquencies for the taxing entity.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Grant receivables are monies not yet received from Grantor Agencies to pay for the current period budgeted expenditures.

The County is authorized by the tax laws of the State of Texas to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt.

At the end of the current fiscal year, the various components of property taxes and other receivables reported in the governmental funds were as shown in the table following:

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Delinquent property taxes receivable, Net	
General Fund	\$ 2,004,093
Jury Fund	5,203
Farm to Market Roads Fund	72,736
Debt Service Funds	224,756
Permanent Improvement Fund	71,279
Total Delinquent Property Taxes Receivable, Net	2,378,067
Due From Other Funds	45,270
Due From Other Governments	3,289,553
Miscellaneous Receivables, Net	535,800
	\$6,248,690

Receivables

Receivables as of year end for the government's individual governmental funds (both major and nonmajor), and fiduciary funds in the aggregate, including the applicable allowances for uncollectable accounts, as required by GASB 34, are as follows:

MCLENNAN COUNTY, TEXAS
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McLennan County, Texas
Receivables
September 30, 2009

	General Fund	Economic Development Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	PFC Revenue Bonds Series 2009 Capital Projects Fund	Other Nonmajor Funds	Total All Funds
Receivables:						
Taxes	\$2,226,770	\$ -	\$ -	\$ -	\$ 415,527	\$ 2,642,297
Due from Other Governments	3,055,323	-			234,230	3,289,553
Due from Other Funds	39,632				5,638	45,270
Miscellaneous	472,485				68,140	540,625
Gross Receivables	5,794,210	\$	\$		\$ 723,535	6,517,745
Less allowance for uncollectable accounts:						
Taxes	(222,677)				(41,553)	(264,230)
Miscellaneous	(4,825)				-	(4,825)
Net Receivables	\$ 5,566,708	\$	\$		\$ 681,982	\$ 6,248,690

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(c) Capital Assets

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are valued in two ways: either actual historical cost where the amount can be determined from existing records or using current cost deflated to the year of construction. Once the historical cost is determined, regardless of how it is determined, the asset is then depreciated over its useful life.

At September 30, 2009, the County had increases in total capital assets of \$42.9 million, with slightly over \$34 million recorded as construction in progress for a new jail being constructed by the McLennan County Public Facility Corporation ("the Corporation"), a blended component unit. Three new bridges constructed through the TXDOT off-system bridge replacement program resulted in an increase of more than \$1.1 million. Other increases include \$1.3 million for new video visitation equipment, \$495,000 for door locks and a roof at the Highway 6 jail and \$246,000 for a visitation center that will service the current jail and the jail being constructed by the Corporation.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,356,021	\$ 176,239	\$ 11,615	\$ 3,520,645
Construction in progress	1,443,057	35,655,739	1,867,643	35,231,153
Total capital assets, not being Depreciated	<u>4,799,078</u>	<u>35,831,978</u>	<u>1,879,258</u>	<u>38,751,798</u>
Capital assets being depreciated:				
Buildings	79,295,774	2,796,111	46,554	82,045,331
Improvements, other than buildings	825,771	8,586	-	834,357
Machinery and equipment	20,559,653	3,146,792	916,558	22,789,887
Infrastructure	33,481,248	1,203,729	64,658	34,620,319
Total assets being depreciated	<u>134,162,446</u>	<u>7,155,218</u>	<u>1,027,770</u>	<u>140,289,894</u>
Total capital assets	<u>138,961,524</u>	<u>42,987,196</u>	<u>2,907,028</u>	<u>179,041,692</u>
Less accumulated depreciation for:				
Buildings	31,395,419	2,570,169	31,660	33,933,928
Improvements, other than buildings	334,965	36,992	-	371,957
Machinery and equipment	15,421,977	1,720,862	749,678	16,393,161
Infrastructure	23,217,877	807,155	64,658	23,960,374
Total accumulated depreciation	<u>70,370,238</u>	<u>5,135,178</u>	<u>845,996</u>	<u>74,659,420</u>
Total capital assets being depreciated, Net	<u>63,792,208</u>	<u>2,020,040</u>	<u>181,774</u>	<u>65,630,474</u>
Governmental activities, net	<u>\$ 68,591,286</u>	<u>\$ 37,852,018</u>	<u>\$ 2,061,032</u>	<u>\$ 104,382,272</u>

MCLENNAN COUNTY, TEXAS
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Depreciation expense for FY 2009 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 658,185
Judicial	281,868
Public safety	2,052,634
Public transportation	1,324,022
Health	27,459
Welfare	15,610
Culture and recreation	772,106
Conservation	<u>3,294</u>
Total depreciation expense — governmental activities	<u>\$ 5,135,178</u>

Construction Commitments

McLennan County has two active construction projects as of September 30, 2009. The first project is the construction of the PFC's 816 bed detention facility. The contract for the construction of the detention facility is in the amount of \$37,350,000, of which \$4,557,859 remained unfinished at September 30, 2009. The second project is the renovation of the first and fourth floors of the Annex building, converting them into office space and a multi-purpose jury impaneling / court room. The contract for the renovation of the Annex is in the amount of \$1.1 million, of which \$899 thousand remained unfinished at September 30, 2009. Both of these projects are being liquidated out of the proceeds of debt issuances.

d) Long-Term Debt

General Obligation Bonds

McLennan County issues general obligation bonds and tax notes to finance major capital projects. The original amount of general obligations and tax notes issued in prior years (with outstanding balances at September 30, 2009) was \$45,030,000. The following listing of debt is for general obligation bonds and tax notes outstanding at September 30, 2009; the debt is for governmental activities only:

Description	Interest Rates	Fiscal Year of Issue	Date of Maturity	Bonds Outstanding
Permanent Improvement Bonds Series 2001	4.0 – 5.0%	2001	2021	6,850,000
Certificates of Obligation Series 2003	3.0 – 4.25%	2003	2023	6,175,000
Refunding Bonds Series 2003	3.0 – 3.35%	2003	2013	3,050,000
Refunding Bonds Series 2005	3.5 – 4.0%	2006	2020	7,120,000
Certificates of Obligation Series 2006	3.3 – 4.2%	2006	2025	3,845,000
Refunding Bonds Series 2009	2.0 – 4.0%	2009	2017	<u>6,205,000</u>
Total General Obligation Debt				<u>\$33,245,000</u>

Certificates of Obligation Series 2000 totaling \$10,000,000, dated February 1, 2000 were issued to renovate and expand the Heart of Texas Fairgrounds and pay the cost of issuance of the certificates. These serial bonds were issued at an effective rate of 5.577047%.

Permanent Improvement Bonds Series 2001 totaling \$9,500,000, dated June 1, 2001, were issued, as approved by the County voters on November 7, 2000, to land improvements, and acquisition, construction and improvement of buildings at the Cameron Park Zoo. These serial bonds were issued to bear interest at an effective rate of 4.848158%.

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Certificates of Obligation Series 2003 totaling \$8,000,000, dated August 1, 2003 were issued to construct the new McLennan County Juvenile Services Center on land already owned by the County. These serial bonds were issued at an effective rate of 3.900049%.

Refunding Bonds Series 2003 totaling \$9,760,000, dated November 18, 2003 were issued to advance refund general obligation bonds issued by the County. These bonds were issued at an effective rate of 2.88%. The proceeds were deposited with an escrow agent in an irrevocable trust for the purpose of redeeming the refunded bonds on December 22, 2003. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The net carrying amount of the old debt exceeded the reacquisition price by \$45,000.

Refunding Bonds Series 2005 totaling \$7,315,000, dated December 1, 2005 were issued to advance refund general obligation bonds issued by the County. These bonds were issued at an effective rate of 3.99%. The proceeds were deposited with an escrow agent in an irrevocable trust for the purpose of redeeming the refunded bonds on December 29, 2005. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$385,000.

Certificates of Obligation Series 2006 totaling \$4,250,000, dated February 8, 2006 were issued to pay, in whole or in part, contractual obligations to be incurred for (i) improvements and renovations to the McLennan County Courthouse, the McLennan County Courthouse Annex, the Shrine Building, the Archives Building, the Adult Probation Building, the Info Tech Building, the Building Maintenance/Purchasing Building and the Highway 6 Jail; (ii) the construction of a building or the purchase of an existing building for the maintenance of county vehicles, (iii) the demolition of the Radio Shop and construction of a parking lot thereon, (iv) the construction of a new radio tower, a new building for Justice of the Peace Precinct 8 and a new juvenile shelter at the Juvenile Detention Center, (v) the purchase of land and construction of a new building, or the purchase and renovation of an existing building, for Justice of the Peace Precinct 4, (vi) the purchase of land and construction of a new yard for County Precinct 3 and (vii) the purchase of a new phone system for downtown County buildings, and (viii) for paying legal, fiscal and professional fees in connection with these projects. These serial bonds were issued at an effective rate of 3.966%.

Refunding Bonds Series 2009 totaling \$6,205,000, dated June 1, 2009 were issued to advance refund general obligation bonds issued by the County. These bonds were issued at an effective rate of 2.68%. The proceeds were deposited with an escrow agent in an irrevocable trust for the purpose of redeeming the refunded bonds on June 16, 2009. As a result, the refunded bonds have been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$5,000.

Contractual Maturities of General Obligation Bonds

The annual debt service for general obligation bonds is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total Debt Service
2010	3,225,000	1,264,833	4,489,833
2011	2,930,000	1,164,408	4,094,408
2012	3,040,000	1,070,760	4,110,760
2013	3,170,000	970,387	4,140,387
2014	2,575,000	847,566	3,422,566
2015 – 2019	12,145,000	2,788,176	14,933,176
2020 – 2024	5,830,000	624,765	6,454,765
2025	330,000	13,860	343,860
Total	\$33,245,000	\$8,744,755	\$41,989,755

MCLENNAN COUNTY, TEXAS
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Revenue Bonds

The McLennan County Public Facility Corporation, a blended component unit of the County, issued Revenue Bonds Series 2009 on January 29, 2009 in the face amount of \$49,015,000 at an effective rate of 6.625%. The Revenue Bonds Series 2009 (the "Bonds") to provide funds to (i) finance a project that consists of the development, design and construction and equipping of an 816 bed secure detention center on land in McLennan County, adjacent to the County's existing detention facility (the land, improvements and its operations are collectively referred to as the "Project"), (ii) to establish a reserve fund for the payment of the Bonds; (iii) to pay interest on the Bonds for a period of approximately 16 months from the date of issuance; (iv) to pay certain operating expenses during construction and for up to one year following completion of construction; and (v) to pay costs of issuing the Series 2009 Bonds. The land on which the detention center is built is subject to a ground lease between the County and the PFC.

In relation to the Project, The County has entered into a lease (the "Lease") with the PFC, wherein the County will lease the new detention center from the PFC. The consideration to be paid by the County to the PFC will be all rental payments received from third party entities that pay the County to house their inmates in the new detention facility.

The Revenue Bonds Series 2009 are payable from and secured by a pledge of all of the PFC's right, title and interest in the Lease, all project revenues, including the right to receive the rental payments (from the third parties housing their inmates in the detention center), other amounts due under the Lease, amounts deposited in the debt service fund, and all other accounts established under the Indenture.

The County is required under the Lease to pay rental payments which are sufficient in both time and amount, to pay when due, the principal and interest on the Bonds. The County's obligation to pay the rental payments and other additional amounts required pursuant to the Lease, including operation and maintenance costs, is payable solely from the County's project revenues (rentals from third parties) and other available money appropriated annually for such purpose by the Commissioners' Court for such purpose. If the County fails to appropriate available money which, together with the County's project revenues, is sufficient for the payment of all such amounts in any fiscal year of the County, the Lease will terminate and the PFC may take possession of the Project.

Description	Interest Rates	Fiscal Year of Issue	Date of Maturity	Bonds Outstanding
McLennan County Public Facility Corporation Revenue Bonds Series 2009	6.625%	2009	2035	\$ 49,015,000

Contractual Maturities of Revenue Bonds

The annual debt service for revenue bonds is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total Debt Service
2010	\$ 0	\$ 3,247,244	\$ 3,247,244
2011	750,000	3,247,244	3,997,244
2012	800,000	3,197,556	3,997,556
2013	855,000	3,144,556	3,999,556
2014	910,000	3,087,912	3,997,912
2015 – 2019	5,540,000	14,451,114	19,991,114
2020 – 2024	7,630,000	12,357,282	19,987,282
2025 – 2029	10,525,000	9,470,438	19,995,438
2030 - 2034	14,505,000	5,490,468	19,995,468
2035	7,500,000	496,874	7,996,874
Total	\$ 49,015,000	\$58,190,688	\$107,205,688

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Capital Leases

The County leases some of its assets under capital leases. The economic substance of the capital leases is that the County is financing the acquisition of these assets through the leases over their terms. Accordingly, these acquisitions are reflected in the County's assets and liabilities.

Under State law, the County may not legally obligate the revenue of future years to liquidate any lease obligations due in those years. Therefore, non-appropriation clauses exist in each lease agreement with the provision that in the event funds are not appropriated for the rental payments tentatively required for the next fiscal year, the lessee may terminate that lease agreement.

The County assumes responsibility for all costs and expenses arising from the use, possession and maintenance of all equipment held under the leases. At the end of each of the lease agreements, the security interest of the lessor in the equipment held under the lease is released. A schedule of capital leases, all related to governmental activities is presented on the following page.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, all governmental activities, were as follows:

Fiscal Year Ending September 30,	Obligation
2010	1,219,904
2011	1,241,339
2012	1,241,339
2013	1,046,412
2014	755,912
2015 - 2018	2,774,168
Total minimum lease payments	\$8,279,074
Less: amount representing interest	(1,636,009)
Present value of minimum lease payments	\$6,643,065

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Machinery and equipment	\$ 1,739,628
Buildings	7,198,822
Total Cost	8,938,450
Less: Accumulated depreciation	(1,364,680)
Total	\$ 7,573,770

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2009

Schedule of Lease-Purchase Agreements Outstanding

At September 30, 2009

	Transamerica Financial Services	Kansas State Bank	SunTrust Leasing Corp.	Deere Credit, Inc.	Global Tel*ink	Chase Equipment Leasing
Effective Date	03/26/02	04103107	09118107	12/18107	0710112009	0911412009
Original Lease Amount	\$6,152,518	\$65,800	\$1,230,874	\$116,845	\$1,289,050	\$268,972
Outstanding Principal at September 30, 2009	\$4,244,439	\$11,662	\$828,822	\$69,975	\$1,219,195	\$268,972
Total Future Payments Under Lease Agreement	\$5,533,133	\$11,845	\$987,313	\$78,009	\$1,388,500	\$280,272
Simple Interest Rate	5.28%	5.37%	4.3942%	5.485%	6.872%	2.69%
Lease Term	15 years	3 years	10 years	5 years	4 years	3 years
Property Held Under Lease	Utility Performance Improvement Equipment	Padfoot Roller for Road and Bridge Precinct 1	Utility Performance Improvement Equipment	Wheel Loader	Video Visitation System For Jails	Vehicles for Sheriff' Department
Debt Service	100% General Fund	100% R&B Pct. 1 Fund	100% General Fund	100% R&B Pct. 3 Fund	100% General Fund	100% General Fund

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Notes Payable

Under State law, a Texas county can legally obligate the revenue of future years to liquidate notes payable to financial institutions entered into under Chapter 271 of the Local Government Code. The County has entered into four such financing agreements for the acquisition of capital equipment. These notes payable were entered into with local banks and are not collateralized. Accordingly, these acquisitions and liabilities are reflected in the County's assets and liabilities.

The annual debt service for the notes payable is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total Debt Service
2010	\$ 151,782	\$ 3,314	\$ 155,096
2011	49,176	564	49,740
Total	\$ 200,958	\$ 3,878	\$ 204,836

Debt Related to Capital Assets

The following table presents the amount of the different types of debt that are related to the County's Capital Assets:

Type of Debt	Total Debt	Debt Related to Capital Assets
General Obligation Bonds	\$ 33,245,000	\$ 70,097,708
Revenue Bonds	49,015,000	
Notes Payable	200,958	200,958
Capital Leases	6,643,065	6,643,065
Total	\$ 89,104,023	\$ 76,941,731

All of the County's bonded debt was actually issued to fund capital projects. However, three bond issuances, two of which have been defeased through refunding bonds which are still outstanding, were used to fund the construction and renovation of the Cameron Park Zoo. Related interlocal agreements between the City of Waco and the County stipulated that the City of Waco would be fully responsible for all maintenance, upkeep and the operations of the Zoo facility. Hence, the carrying value of the Zoo is on the general ledger of the City of Waco and not the County. Since the Zoo is not a capital asset of the County the related bonded debt is not included in the debt related to capital assets.

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Notes to the Basic Financial Statements

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A schedule of notes payable existing at September 30, 2009 is as follows:

	First National Bank Of Central Texas	Central National Bank 2007	JP Morgan – Chase Bank 2008
Effective Date	12/08/2004	0211512007	0511512008
Original Note Amount	\$670,825	\$298,788	\$213,636
Outstanding Principal at September 30, 2009	\$36,277	\$43,588	\$121,092
Total Future Payments under Note Obligation	\$36,477	\$44,009	\$124,350
Simple Interest Rate	3.30%	3.85%	3.05%
Term of Note	5 Years	3 Years	3 Years
Purpose of Note	Purchase of Mainframe Computer	Purchase of Sheriff's Vehicles	Purchase of Sheriff's Vehicles
Debt Service	100% General Fund	100% General Fund	100% General Fund

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2009

Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2009, all of which were from governmental activities, were as follows:

	General Obligation Bonds	Revenue Bonds	Capital Leases	Notes Payable	Compensated Absences	Other Post Employment Benefits	Total Governmental Activity
PRINCIPAL:							
Beginning balance	\$ 36,720,000	\$ -	\$ 5,682,404	\$ 561,038	\$ 1,668,064	\$ -	\$ 44,631,506
Additions	6,205,000	49,015,000	1,558,022	-	1,367,813	3,573,010	61,718,845
Reductions	9,680,000	-	597,361	360,080	1,254,585	-	11,892,026
Ending Balance	33,245,000	\$49,015,000	6,643,065	200,958	1,781,292	\$ 3,573,010	94,458,325
UNAMORTIZED REFUNDING COSTS, NET:							
Beginning balance	(369,578)	-	-	-	-	-	(369,578)
Additions	(217)	(3,275,182)	-	-	-	-	(3,275,399)
Amortization	(4,733)	-	-	-	-	-	(4,733)
Ending Balance	(374,528)	(3,275,182)	-	-	-	-	(3,649,710)
NET	\$ 32,870,472	\$45,739,818	\$ 6,643,065	\$ 200,958	\$ 1,781,292	\$ 3,573,010	\$ 90,808,615
Due within one year	\$ 3,225,000	\$ -	\$ 853,562	\$ 151,782	\$ 1,544,756	\$ -	\$ 5,775,100

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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Debt service for general obligation bonds and revenue bonds is provided by the Debt Service Funds, capital lease and notes payable are serviced by the General Fund or the special revenue fund that acquired the equipment, and compensated absences are liquidated by the same funds in which the respective employees are employed.

(e) Operating Leases

McLennan County has no noncancelable long-term operating leases.

(f) Post Employment Benefits Other Than Pension Benefits

PLAN PARTICIPANTS

Members are eligible for retirement with TCDRS at age 60 with 8 years of service, or at any age with 30 years of service, or when age plus years of service equals 75.

NORMAL RETIREMENT BENEFITS

Health Care Benefit Eligibility Conditions

With the exception of employees who come to work for the County on or after January 1, 2009, who do not qualify for retiree health care benefits, each full-time employee who separates from the service of McLennan County, and who, at the time of their separation, is eligible for retirement under Texas County and District Retirement System (TCDRS) guidelines, and either (1) has total creditable service with TCDRS and continuous service as a full-time employee of McLennan County of twenty (20) years or more, or (2) has total creditable service with TCDRS and continuous service as an elected official of McLennan County of twelve (12) years or more; and whose full salary has been paid entirely from McLennan County funds or Grant funds received from Federal, State or other Local Governments by McLennan County, for 20 years or more, or (2) for twelve (12) years or more as an elected official, and is covered by the McLennan County group health program at the time of their retirement, will have the same dollar amount contributed towards their group medical premiums by the County that the County contributes towards such premiums for its full-time employees.

Retiree Health Care Benefit

For eligible retirees, premiums for medical coverage shall be paid by the County, up to the lowest employee premium amount charged by any carrier selected by the County for each month. If the retiree qualifies (must have Medicare A & B, and may have to be 65 or older) and such plan is available through the County, the retiree may elect a senior health plan instead of a traditional group health plan. If the retiree elects a senior health plan and the premium amount is less than the premium amount the County contributes for its full-time employees, the County will pay the lower premium. Premiums for spouses and dependents shall be paid by the retiree.

Each full-time employee who separates from the service of McLennan County, and who is eligible for retirement under TCDRS, and who is covered by the McLennan County group health program at the time of such retirement, but does not meet the minimum requirements set forth above, will be permitted to continue their participation in current or future group health or senior health plan programs, provided by McLennan County for its employees and retirees, at their sole expense. Coverage for spouses and dependents who are participants in the County's group health program on the date of the employee's retirement may also be continued. Premiums for spouses and dependents shall also be paid by the retiree.

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Early Retirement Benefits

Only members who have the required time of continuous service are eligible for retiree health benefits. There are no "early retirement benefits".

Deferred Retirement Benefits

Members who terminate employment without retiring with TCDRS are not eligible for retiree health care benefits.

Death-in-Service Retirement Benefits

Provided the County is able to secure an agreement with its insurance providers for such coverage and such does not cause an increase in the County's insurance costs which the County, in its sole discretion, finds unacceptable, in the event of the death of a retiree who has retired from service with McLennan County under TCDRS, the spouse and dependents will be allowed, at their own option and expense, to continue their participation in such health insurance plans as may be provided by the County. This eligibility extends only to persons covered by the retiree's insurance at the time of the death of the retiree. This eligibility for any spouse ceases at the end of the month in which the spouse marries.

Funding Policy and Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (for funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2009, is as follows:

Annual required contribution	\$ 4,093,662
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	<u>4,093,662</u>
Net employer contributions	<u>(520,652)</u>
Increase in net OPEB obligation	3,573,010
 Net OPEB obligation, beginning of year	 <u>-</u>
 Net OPEB obligation, end of year	 <u><u>\$ 3,573,010</u></u>

Ending status and funding progress

The funded status of the County's retiree health care plan, under GASB Statement No. 45 as of December 31, 2007 is as follows:

Actuarial Valuation Date as of September 30, 2007	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)
2007	-	\$39,122,642	\$39,122,642	0%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$39,122,642 at December 31, 2007.

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Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Growth Rate	3.0% per annum

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(g) Inter-fund Receivables, Payable Balances and Transfers

Activity between funds that represent the current portion of lending/borrowing and inter-fund charges for goods and services arrangements outstanding at fiscal year end are referred to as "due to/from other funds." The composition of inter-fund balances as of September 30, 2009, is as follows:

	Due from Other Funds	Due to Other Funds
Due to / from other funds:		
General Fund	\$ 39,632	\$ 5,638
Nonmajor Funds	5,638	39,632
Total	<u>\$ 45,270</u>	<u>\$ 45,270</u>

In the funds statements, during the Fiscal Year Ending September 30, 2009, the General Fund transferred \$1,250,000 was transferred to the Economic Development Fund, a Major Fund, to be accumulated and expended on economic development projects; The General Fund transferred \$684,628 to Nonmajor Funds. \$549,133 was transferred to the Road and Bridge Precinct Funds to replace a reallocation of revenues mandated by the State, \$110,783 to the Court Reporter-Service Fund in support of the operations of that fund. In the Nonmajor Governmental Funds, Road and Bridge Precinct 1, Precinct 2, Precinct 3 and Precinct 4 Funds transferred a total of \$223,659 to the General Fund, as reimbursement for personnel costs of

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guards used in the inmate roadwork program. Other transfers totaling \$1,395,712 were made between certain Nonmajor Governmental Funds. \$1,334,147 of that amount was a transfer from the Road and Bridge Farm to Market Fund as a distribution of ad valorem farm to market tax collections to Road and Bridge General Fund, Precinct 1 Fund, Precinct 2 Fund, Precinct 3 Fund and Precinct 4 Fund; \$12,322 was transferred between two of the District Attorney's discretionary funds; \$7,301 was transferred between debt service funds in relation to Refunding Bonds Series 2009; and \$772 was transferred between the Permanent School Fund and Available School Fund. \$26,000 was transferred to the Permanent Improvement Fund from the Certificates of Obligation Series 2003 Capital Projects Fund.

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
Transfers In:			
General Fund	\$ -	\$ 238,828	\$ 238,828
Economic Development Fund	1,250,000		1,250,000
Nonmajor Governmental Funds	684,628	1,380,543	2,065,171
Total	\$ 1,934,628	\$ 1,619,371	\$ 3,553,999

(h) Prior Period Adjustment

In 2009, the certain amounts that had been previously included in the accounts receivable of the blended component unit, the Adult Probation Department, were removed, downwardly restating the carrying value of the receivables by a net amount of \$3,508,689.

IV Other Information

(a) Risk Management

Property and liability risks - The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. In order to mitigate losses from such occurrences, the County has risk management programs, as discussed on the following page.

The County participates in insurance risk pools offered by the Texas Association of Counties to provide general liability, public officials' liability, vehicular liability, district and county clerk errors and omissions, and law enforcement liability. Another Texas Association of Counties risk pool provides adequate property damage insurance for the County's buildings and their contents. Premiums are paid into the pool annually, and are based on the prior year's experience factors.

The County operates a mainframe computer installation on which nearly the entire County's financial and court records are maintained. The data is backed up daily and stored offsite in a fireproof storage area.

Texas statutes require public officials' faithful performance bonds for substantially all elected and appointed officials. In addition, the County carries a blanket employee dishonesty bond in the amount of \$100,000 per occurrence for all County employees. In addition, tax office employees are covered by a \$100,000 comprehensive dishonesty, disappearance and destruction policy.

The County maintains and operates a helicopter. Aircraft liability in the amount of \$500,000 is carried through a commercial insurance company.

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The vehicles owned by the County are insured for liability coverage only, with the exception of those vehicles purchased under a capital lease. The County assumes the risk for any property damage to its own vehicles, unless a third party causes the damage, in which case subrogation is pursued with the third party. Full coverage is maintained on the leased vehicles.

Workers' compensation coverage is provided through a risk pool set up by the Texas Association of Counties. Premiums are paid into the pool based on the prior year's experience factor.

Health and medical insurance for employees is offered to employees from two HMO's and one PPO. The County pays the premium for the employee only, at the equal to the lowest of the three plans offered. The County solicits bids from providers annually. Other supplemental insurance policies are offered to employees at their option and cost through third-party providers.

Changes in coverage from prior year - There were no decreases in the insurance coverage maintained by the County in 2009 compared to 2008.

Settlements exceeding coverage - No settlements against the County exceeded the related insurance coverage in any of the past three years.

(b) *Contingent Liabilities*

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

The County is named as a defendant in various lawsuits related to alleged violations of constitutional and employment rights. In all of these cases, the County is denying the allegations and is vigorously defending against them. County officials estimate that the potential claims against the County will not materially adversely affect the financial position of the County.

(c) *Related Party Transactions*

The general laws of the State of Texas prohibit transactions, with certain exceptions, between the County and its officers or between the County and any entity in which a County officer may have a substantial interest. During the fiscal year ended September 30, 2009, there were no transactions which are known to have violated these prohibitions.

(d) *Subsequent Events*

There were reportable subsequent events involving the County as of March 30, 2010.

V Employee Retirement System

(a) *Plan Description*

The County provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The board of trustees is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 517 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the 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 state statutes governing the TCDRS (TCDRS Act). Members employed by McLennan County can retire at

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Notes to the Basic Financial Statements

September 30, 2009

age 60 and above with eight or more years of service, with 30 years of service, regardless of age, or when the sum of their age and years of service equal 75 or more. Members are vested after eight years of employment but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

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.

(b) Funding Policy

The County has elected the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed using the actuarially determined rate of 14.52% for the months of the calendar year in 2009. The contribution rate payable by the employee members for the calendar year 2009 is 7% as adopted by the governing body of the County. The employee contribution rate and the County's contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act has provisions that allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

(c) Annual Pension Cost

For the employer's accounting year ended September 30, 2009, the annual pension cost for the TCDRS plan for its employees was \$5,411,050 and the actual contributions were \$5,411,050. The actual contributions was actuarially determined as a percentage of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 and No. 50 parameters based on the actual actuarial valuations as of December 31, 2008, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.3 percent. Both (a) and (b) included an inflation component of 3.5 percent. 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 payrolls on a closed basis. The remaining amortization period at December 31, 2008 was 15 years.

(d) Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was 76.63% funded. The actuarial accrued liability for benefits was \$127,864,238, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,875,746. The covered payroll (annual payroll of active employees covered by the plan was \$34,617,254. and the ratio of the UAAL to the covered payroll was 86.30%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2009

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	15	15	15
Asset Valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return ⁽¹⁾	8.0%	8.0%	8.0%
Projected salary increases ⁽¹⁾	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

⁽¹⁾Includes inflation at the stated rate

Trend Information for the Retirement Plan For the Employees of McLennan County			
Accounting Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
September 30, 2006	4,523,924	100.00%	\$ -
September 30, 2007	4,895,964	100.00%	\$ -
September 30, 2008	5,411,050	100.00%	\$ -



MCLENNAN COUNTY, TEXAS

Required Supplementary Information

September 30, 2009

Schedule of Funding Progress for the Retirement Plan For the Employees of McLennan County						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage Of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/2006	92,590,380	113,330,492	20,740,112	81.70	31,040,504	66.82
12/31/2007	100,634,195	121,381,333	20,747,138	82.91	32,437,789	63.96
12/31/2008	97,988,492	127,864,238	29,875,746	76.63	34,617,254	86.30

⁽²⁾ Funding information may differ from prior year compliance data due to plan changes effective 1/1/2009.

Stewardship, Compliance and Accountability

Budgetary Information

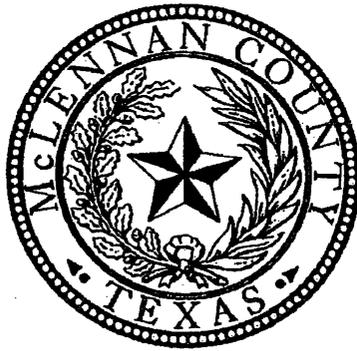
Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the following Special Revenue Funds: Adult Probation Fund, Alcohol and Drug Abuse Prevention and Treatment Fund, District Attorney Fund, Federal Programs Fund, Jail Commissary Fund, Juvenile Probation Fund, Law Enforcement Officers Standards and Education Fund, Law Enforcement Special Fund, Local Government Programs Fund, State Programs Fund and the Tax Office Administration Fund. In some instances, the Special Revenue Fund listed in the previous sentence may have budgets required by the grantor agency. Since Commissioners' Court is not required to adopt a budget for these funds, there are no budgetary comparison schedules in the Required Supplementary Information section. All annual appropriations lapse at fiscal year-end.

On or before the last day of June of each year, all departments of the County submit requests for appropriations to the County Judge, who serves as the statutory Budget Officer. The Budget Officer reviews the requests, receives the revenue estimate from the County Auditor, and makes his recommendations in the form of a preliminary budget, which must be filed on or before July 31. Beginning no earlier than August 15, the Commissioners' Court holds public hearings and publishes notices on the timetable required by state statute. Before September 30, the budget and tax rate are adopted with tax notices mailed on or after October 1.

The appropriated budget is adopted annually by fund, activity, department, and at the legal level of budgetary control for the categories of personal services, supplies, other services and charges, capital outlay and debt service. For management purposes the elected official or department head may request approval from the Commissioners' Court to move appropriations between category line items.

The County uses three levels to manage capital expenditures. As a rule, all assets under \$1,000 are expensed in supplies. From \$1,000 to under \$5,000 are individually identified on separate capital equipment listing by department. There is a separate line item within the supplies category for these expenditures that are expensed; these assets are brought over to the capital asset system for tracking insurance purposes, but are not depreciated. All capital purchases over \$5,000 are individually identified and brought over to the capital asset system for depreciation and inclusion in capital assets under GASB 34 and their expenditure is charged to the 'capital outlay' category. Since pricing fluctuates, it is often necessary to move individual assets between these three management lines.

Encumbrance accounting is utilized by governmental entities. Encumbrances lapse at the end of each fiscal year. Encumbrances do not constitute expenditures or liabilities because the commitments will be re-appropriated and purchase orders reissued during the subsequent year.



MCLENNAN COUNTY, TEXAS

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 48,606,479	\$ 48,606,479	\$ 49,070,146	\$ 463,667
Licenses and Permits	72,300	72,300	121,122	48,822
Intergovernmental	1,511,200	1,514,625	2,194,990	680,365
Charges for Services	6,109,706	6,119,706	6,679,734	560,028
Fines and Forfeits	55,650	55,650	239,592	183,942
Miscellaneous:				
Investment Income, Net	1,056,650	1,073,650	581,073	(492,577)
Other	4,788,678	4,926,855	4,772,012	(154,843)
Total Miscellaneous	5,845,328	6,000,505	5,353,085	(647,420)
Total Revenues	62,200,663	62,369,265	63,658,669	1,289,404
Expenditures:				
Current:				
General Government	19,675,016	19,120,049	15,759,143	3,360,906
Judicial	6,662,377	6,692,362	6,079,983	612,379
Public Safety	32,321,485	33,783,107	30,422,972	3,360,135
Public Transportation	226,350	226,350	221,255	5,095
Health	8,356,201	8,568,207	6,269,271	2,298,936
Welfare	3,667,000	3,729,000	3,547,708	181,292
Culture-Recreation	696,906	759,450	738,272	21,178
Conservation	310,501	311,161	232,982	78,179
Economic Development and Assistance	195,133	195,133	134,106	61,027
Debt Service:				
Principal and Retirements	939,491	1,009,346	914,167	95,179
Interest and Fiscal Charges	338,983	360,628	350,568	10,060
Total Expenditures	73,389,443	74,754,793	64,670,427	10,084,366
Excess (Deficiency) of Revenue over Expenditures	(11,188,780)	(12,385,528)	(1,011,758)	11,373,770
Other Financing Sources (Uses):				
Disposition of Capital Assets	-	-	16,207	16,207
Issuance of Notes Payable	282,000	-	-	-
Issuance of Lease Purchase	-	1,571,050	1,558,022	(13,028)
Transfers In	1,614,098	1,687,970	238,828	-
Transfers Out	(3,187,597)	(3,308,771)	(1,934,628)	(74,999)
Total Other Financing Sources	(1,291,499)	(49,751)	(121,571)	(71,820)
Net Change in Fund Balance	(12,480,279)	(12,435,279)	(1,133,329)	11,301,950
Fund Balance at Beginning of Year	24,604,895	24,604,895	29,870,304	5,265,409
Fund Balance at End of Year	\$ 12,124,616	\$ 12,169,616	\$ 28,736,975	\$ 16,567,359



COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT				
GENERAL ADMINISTRATION				
Commissioners Court:				
Personal Services	\$ 262,557	\$ 264,157	\$ 258,554	\$ 5,603
Supplies	6,550	4,900	3,895	1,005
Other Services & Charges	6,871	6,921	5,517	1,404
Capital Outlay	-	6,000	-	6,000
Total Commissioners Court	<u>275,978</u>	<u>281,978</u>	<u>267,967</u>	<u>14,011</u>
County Judge:				
Personal Services	336,360	336,360	313,679	22,681
Supplies	11,050	10,940	6,335	4,605
Other Services & Charges	96,290	96,400	73,084	23,316
Total County Judge	<u>443,700</u>	<u>443,700</u>	<u>393,097</u>	<u>50,603</u>
Grant Administrator:				
Personal Services	55,314	55,314	7,192	48,122
Supplies	1,100	1,100	42	1,058
Other Services & Charges	751	751	14	737
Total Grant Administrator	<u>57,165</u>	<u>57,165</u>	<u>7,249</u>	<u>49,916</u>
County Clerk - Recording Department:				
Personal Services	621,652	621,652	520,629	101,023
Supplies	23,907	25,507	25,429	78
Other Services & Charges	165,567	163,967	158,528	5,439
Capital Outlay	177,960	177,960	177,690	270
Total County Clerk - Recording Department	<u>989,086</u>	<u>989,086</u>	<u>882,276</u>	<u>106,810</u>
Human Resources Department:				
Personal Services	244,028	244,028	232,102	11,926
Supplies	12,350	12,350	10,738	1,612
Other Services & Charges	6,910	6,910	5,059	1,851
Capital Outlay	10,120	10,120	9,763	357
Total Commissioners Court	<u>273,408</u>	<u>273,408</u>	<u>257,661</u>	<u>15,747</u>
Telephone Department:				
Personal Services	48,614	48,614	47,133	1,481
Supplies	365	365	272	93
Other Services & Charges	68,000	102,156	89,042	13,114
Capital Outlay	80,000	45,844	8,218	37,627
Total Telephone Department	<u>196,979</u>	<u>196,979</u>	<u>144,664</u>	<u>52,315</u>
Maintenance of Buildings:				
Personal Services	1,098,243	1,098,243	983,886	114,357
Supplies	48,674	48,674	27,847	20,827
Other Services & Charges	317,999	317,999	133,173	184,826
Capital Outlay	17,250	17,250	14,674	2,576
Total Maintenance of Buildings	<u>1,482,166</u>	<u>1,482,166</u>	<u>1,159,580</u>	<u>322,586</u>

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT (continued)				
GENERAL ADMINISTRATION (continued)				
Inmate Project Crew:				
Personal Services	56,104	56,104	54,568	1,536
Supplies	2,933	2,933	1,469	1,464
Other Services & Charges	875	875	296	579
Total Inmate Project Crew	59,912	59,912	56,333	3,579
Maintenance of Equipment:				
Personal Services	203,454	203,454	193,083	10,371
Supplies	14,348	13,773	9,240	4,533
Other Services & Charges	32,475	33,050	19,395	13,655
Capital Outlay	17,250	17,250	14,674	2,576
Total Maintenance of Equipment	267,527	267,527	236,393	31,134
County Garage:				
Personal Services	176,665	176,665	172,807	3,858
Supplies	103,989	97,567	94,753	2,814
Other Services & Charges	72,500	87,001	72,760	14,241
Total County Garage	353,154	361,233	340,320	20,913
Engineering Department:				
Personal Services	322,205	322,205	319,163	3,042
Supplies	18,045	21,495	14,528	6,967
Other Services & Charges	51,845	48,395	35,496	12,899
Capital Outlay	15,500	15,500	14,276	1,224
Total Engineering Department	407,595	407,595	383,463	24,132
Custodial Department:				
Supplies	29,478	35,478	33,245	2,233
Other Services & Charges	163,953	157,953	101,466	56,487
Total Custodial Department	193,431	193,431	134,711	58,720
General Expense:				
Personal Services	863,650	863,650	623,849	239,801
Supplies	58,000	58,990	6,103	52,887
Other Services & Charges	1,470,147	1,461,096	665,584	795,512
Capital Outlay	5,300	5,300	5,200	100
Total General Expense	2,397,097	2,389,036	1,300,736	1,088,300
Non-departmental:				
Other Services & Charges	1,348,000	783,590	369,191	414,399
Total Non-departmental	1,348,000	783,590	369,191	414,399
Total General Administration	8,745,198	8,186,806	5,933,642	2,253,164
LEGAL				
County Legal Counsel:				
Other Services & Charges	225,000	225,000	164,985	60,015
Total County Legal Counsel	225,000	225,000	164,985	60,015

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT (continued)				
LEGAL (continued)				
Criminal District Attorney:				
Personal Services	3,064,463	3,065,463	2,885,923	179,540
Supplies	52,700	52,200	44,861	7,339
Other Services & Charges	115,550	115,272	88,645	26,627
Capital Outlay	5,900	5,678	5,678	-
Total District Attorney	<u>3,238,613</u>	<u>3,238,613</u>	<u>3,025,107</u>	<u>213,506</u>
Victims Services:				
Personal Services	31,412	31,412	23,186	8,226
Supplies	10	10	-	10
Total Victims Services	<u>31,422</u>	<u>31,422</u>	<u>23,186</u>	<u>8,236</u>
Total Legal	<u>3,495,035</u>	<u>3,495,035</u>	<u>3,213,278</u>	<u>281,757</u>
ELECTIONS				
Elections Administration:				
Personal Services	321,105	321,105	309,647	11,458
Supplies	24,718	12,106	11,928	178
Other Services & Charges	149,810	157,062	122,360	34,702
Capital Outlay	-	8,785	8,785	-
Total Elections Administration	<u>495,633</u>	<u>499,058</u>	<u>452,720</u>	<u>46,338</u>
General Elections:				
Personal Services	131,786	131,786	115,576	16,210
Supplies	10,500	10,500	9,868	632
Other Services & Charges	20,850	20,850	6,007	14,843
Total General Elections	<u>163,136</u>	<u>163,136</u>	<u>131,452</u>	<u>31,685</u>
Other Elections:				
Personal Services	161,231	161,231	31,885	129,346
Supplies	9,052	9,052	4,323	4,729
Other Services & Charges	39,508	39,508	5,399	34,109
Total Other Elections	<u>209,791</u>	<u>209,791</u>	<u>41,606</u>	<u>168,185</u>
Total Elections	<u>868,560</u>	<u>871,985</u>	<u>625,777</u>	<u>246,208</u>
FINANCIAL ADMINISTRATION				
County Auditor:				
Personal Services	1,150,016	1,150,016	1,104,892	45,124
Supplies	37,400	41,558	33,487	8,071
Other Services & Charges	39,650	39,992	26,780	13,212
Capital Outlay	7,000	2,500	-	2,500
Total County Auditor	<u>1,234,066</u>	<u>1,234,066</u>	<u>1,165,160</u>	<u>68,906</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT (continued)				
FINANCIAL ADMINISTRATION (continued)				
Information Technology:				
Personal Services	1,168,899	1,168,899	1,095,128	73,771
Supplies	51,056	44,056	29,341	14,715
Other Services & Charges	235,537	235,537	131,895	103,642
Capital Outlay	20,000	27,000	22,997	4,003
Total Information Technology	<u>1,475,492</u>	<u>1,475,492</u>	<u>1,279,361</u>	<u>196,131</u>
Information Technology Study:				
Other Services & Charges	85,000	85,000	55,800	29,200
Total Information Technology Study	<u>85,000</u>	<u>85,000</u>	<u>55,800</u>	<u>29,200</u>
Independent Auditing:				
Other Services & Charges	36,000	36,000	29,000	7,000
Total Independent Auditing	<u>36,000</u>	<u>36,000</u>	<u>29,000</u>	<u>7,000</u>
County Treasurer:				
Personal Services	292,395	292,395	288,880	3,515
Supplies	4,465	4,465	3,083	1,382
Other Services & Charges	13,820	13,820	11,519	2,301
Total County Treasurer	<u>310,680</u>	<u>310,680</u>	<u>303,483</u>	<u>7,197</u>
County Tax Assessor-Collector:				
Personal Services	751,194	750,618	662,322	88,297
Supplies	51,223	48,263	31,516	16,747
Other Services & Charges	74,913	77,873	75,294	2,579
Total County Tax Assessor-Collector	<u>877,330</u>	<u>876,754</u>	<u>769,132</u>	<u>107,622</u>
Tax Appraisal Services:				
Other Services & Charges	606,507	606,507	580,188	26,319
Total Tax Appraisal Services	<u>606,507</u>	<u>606,507</u>	<u>580,188</u>	<u>26,319</u>
County Tax Office - Auto Department:				
Personal Services	1,078,960	1,079,536	1,004,395	75,141
Supplies	17,185	17,185	14,235	2,950
Other Services & Charges	42,494	42,494	32,377	10,117
Total County Tax Office - Auto Department	<u>1,138,639</u>	<u>1,139,215</u>	<u>1,051,007</u>	<u>88,208</u>
County Tax Office - Lorena Substation:				
Personal Services	53,701	54,156	52,488	1,668
Supplies	462	462	262	200
Other Services & Charges	13,047	12,592	10,520	2,072
Total County Tax Office - Lorena Substation	<u>67,210</u>	<u>67,210</u>	<u>63,270</u>	<u>3,940</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>GENERAL GOVERNMENT (continued)</u>				
<u>FINANCIAL ADMINISTRATION (continued)</u>				
County Tax Office - McGregor Substation:				
Personal Services	59,110	59,110	53,770	5,340
Supplies	462	462	253	209
Other Services & Charges	4,135	4,135	2,769	1,366
Total County Tax Office - McGregor Substation	63,707	63,707	56,791	6,916
County Tax Office - West Substation:				
Personal Services	53,259	53,259	53,191	68
Supplies	462	462	382	80
Other Services & Charges	3,988	3,988	3,346	642
Total County Tax Office - West Substation	57,709	57,709	56,919	790
Purchasing Department:				
Personal Services	235,567	235,567	227,061	8,506
Supplies	3,030	3,030	2,063	967
Other Services & Charges	3,810	3,810	2,120	1,690
Total Purchasing Department	242,407	242,407	231,244	11,163
Records Management Department:				
Personal Services	279,786	283,786	276,688	7,098
Supplies	29,805	30,415	18,762	11,653
Other Services & Charges	40,255	37,260	34,316	2,944
Capital Outlay	21,900	20,285	15,325	4,960
Total Records Management Department	371,746	371,746	345,091	26,655
Total Financial Administration	6,566,493	6,566,493	5,986,446	580,047
TOTAL GENERAL GOVERNMENT	19,675,286	19,120,319	15,759,143	3,361,176
<u>JUDICIAL</u>				
Mental Health Court Services:				
Personal Services	115,053	115,053	114,202	851
Supplies	2,825	2,825	562	2,263
Other Services & Charges	112,244	112,244	106,072	6,172
Total Mental Health Court Services	230,122	230,122	220,836	9,286
Bonding Office:				
Personal Services	103,858	103,858	102,788	1,070
Supplies	3,230	3,230	1,340	1,890
Other Services & Charges	3,000	3,000	269	2,731
Total Bonding Office	110,088	110,088	104,398	5,690
McLennan County Bail Bond Board:				
Supplies	150	150	-	150
Other Services & Charges	50	50	-	50
Total McLennan County Bail Bond Board	200	200	-	200

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
JUDICIAL (continued)				
County Clerk - Court Department:				
Personal Services	739,392	739,392	642,265	97,127
Supplies	16,073	16,073	15,143	930
Other Services & Charges	17,330	17,330	15,562	1,768
Total County Clerk - Court Department	772,795	772,795	672,970	99,825
County Court at Law No. 1:				
Personal Services	391,610	391,610	383,553	8,057
Supplies	21,175	21,175	13,357	7,818
Other Services & Charges	59,525	59,525	34,609	24,916
Capital Outlay	1,000	1,000	-	1,000
Total County Court at Law No. 1	473,310	473,310	431,518	41,792
County Court at Law No. 2:				
Personal Services	392,987	392,987	384,867	8,120
Supplies	10,175	10,175	1,501	8,674
Other Services & Charges	60,701	60,701	40,939	19,762
Capital Outlay	1,000	1,000	-	1,000
Total County Court at Law No. 2	464,863	464,863	427,307	37,556
19th District Court:				
Personal Services	241,312	241,312	228,055	13,257
Supplies	14,157	17,957	14,418	3,539
Other Services & Charges	34,923	31,123	23,933	7,190
Capital Outlay	5,125	5,125	5,115	10
Total 19th District Court	295,517	295,517	271,521	23,996
54th District Court:				
Personal Services	410,817	410,817	397,448	13,369
Supplies	15,445	15,445	13,857	1,588
Other Services & Charges	43,892	44,467	34,841	9,626
Capital Outlay	7,079	6,504	5,925	579
Total 54th District Court	477,233	477,233	452,071	25,162
74th District Court:				
Personal Services	225,705	225,705	222,145	3,560
Supplies	8,200	7,865	5,335	2,530
Other Services & Charges	28,780	29,115	21,843	7,272
Total 74th District Court	262,685	262,685	249,323	13,362
170th District Court:				
Personal Services	171,554	171,554	163,628	7,926
Supplies	2,275	3,285	1,857	1,428
Other Services & Charges	19,775	19,775	14,871	4,904
Total 170th District Court	193,604	194,614	180,356	14,258

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>JUDICIAL (continued)</u>				
170th District Court - Court Master:				
Supplies	200	200	-	200
Other Services & Charges	2,000	2,000	1,496	504
Total 170th District Court - Court Master	2,200	2,200	1,496	704
414th District Court:				
Personal Services	170,176	172,630	163,014	9,616
Supplies	7,300	7,300	4,272	3,028
Other Services & Charges	14,997	14,997	9,856	5,141
Capital Outlay	6,000	6,000	-	6,000
Total 414th District Court	198,473	200,927	177,143	23,784
Visiting Courtroom				
Supplies	33,060	33,060	-	33,060
Other Services & Charges	13,000	13,000	-	13,000
Capital Outlay	28,100	28,100	-	28,100
Total Visiting Courtroom	74,160	74,160	-	74,160
District Clerk:				
Personal Services	1,180,656	1,180,656	1,146,026	34,630
Supplies	49,654	80,995	80,061	934
Other Services & Charges	83,702	82,883	75,642	7,241
Capital Outlay	125,000	94,478	41,007	53,471
Total District Clerk	1,439,012	1,439,012	1,342,736	96,276
Justice of the Peace - Precinct 1, Place 1:				
Personal Services	220,018	220,018	219,592	426
Supplies	5,450	5,450	3,175	2,275
Other Services & Charges	43,007	55,507	44,783	10,724
Total Justice of the Peace - Precinct 1, Place 1	268,475	280,975	267,549	13,426
Justice of the Peace - Precinct 1, Place 2:				
Personal Services	211,107	211,107	210,144	963
Supplies	7,485	9,127	8,556	571
Other Services & Charges	47,145	50,265	47,978	2,287
Total Justice of the Peace - Precinct 1, Place 2	265,737	270,499	266,678	3,821
Justice of the Peace - Precinct 2:				
Personal Services	98,141	98,141	96,207	1,934
Supplies	2,780	2,780	907	1,873
Other Services & Charges	21,461	21,461	15,779	5,682
Total Justice of the Peace - Precinct 2	122,382	122,382	112,894	9,488

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
JUDICIAL (continued)				
Justice of the Peace - Precinct 3:				
Personal Services	213,714	213,714	212,059	1,656
Supplies	5,974	6,456	4,279	2,177
Other Services & Charges	71,676	71,676	66,399	5,277
Total Justice of the Peace - Precinct 3	291,364	291,846	282,736	9,110
Justice of the Peace - Precinct 4:				
Personal Services	81,441	81,441	78,689	2,752
Supplies	1,550	1,550	1,041	509
Other Services & Charges	23,735	23,735	18,627	5,108
Total Justice of the Peace - Precinct 4	106,726	106,726	98,357	8,369
Justice of the Peace - Precinct 5:				
Personal Services	81,548	81,548	72,130	9,418
Supplies	775	3,673	3,564	109
Other Services & Charges	19,749	19,591	13,657	5,934
Total Justice of the Peace - Precinct 5	102,072	104,812	89,350	15,462
Justice of the Peace - Precinct 7:				
Personal Services	142,909	142,909	140,163	2,746
Supplies	2,850	5,740	4,755	985
Other Services & Charges	25,595	28,437	19,173	9,264
Total Justice of the Peace - Precinct 7	171,354	177,086	164,091	12,995
Justice of the Peace - Precinct 8:				
Personal Services	141,605	141,605	137,286	4,319
Supplies	16,694	16,694	13,342	3,352
Other Services & Charges	19,123	19,428	13,303	6,125
Total Justice of the Peace - Precinct 8	177,422	177,727	163,931	13,796
Jail Magistrate				
Personal Services	36,169	36,169	35,301	868
Supplies	7,400	7,400	2,871	4,529
Other Services & Charges	23,600	23,600	19,127	4,473
Total Jail Magistrate	67,169	67,169	57,299	9,870
JP Collections:				
Personal Services	82,883	82,883	42,256	40,627
Supplies	4,100	4,100	368	3,732
Other Services & Charges	3,681	3,681	1,173	2,508
Total JP Collections	90,664	90,664	43,797	46,867

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>JUDICIAL (continued)</u>				
Tenth Court of Appeals				
Personal Services	3,750	3,750	1,627	2,123
Other Services & Charges	1,000	1,000	0	1,000
Total Tenth Court of Appeals	<u>4,750</u>	<u>4,750</u>	<u>1,627</u>	<u>3,123</u>
Total Judicial	<u>6,662,377</u>	<u>6,692,362</u>	<u>6,079,983</u>	<u>612,379</u>
<u>PUBLIC SAFETY</u>				
<u>FIRE PROTECTION</u>				
Other Services & Charges	129,500	129,500	129,500	-
Total Fire Protection	<u>129,500</u>	<u>129,500</u>	<u>129,500</u>	<u>-</u>
<u>LAW ENFORCEMENT</u>				
Constable - Precinct 1				
Personal Services	542,550	542,550	525,820	16,730
Supplies	7,985	7,985	6,124	1,861
Other Services & Charges	79,668	79,668	70,835	8,833
Total Constable - Precinct 1	<u>630,203</u>	<u>630,203</u>	<u>602,780</u>	<u>27,423</u>
Constable - Precinct 2				
Personal Services	38,449	38,449	35,174	3,275
Supplies	2,210	2,210	1,263	947
Other Services & Charges	13,279	13,357	11,402	1,955
Total Constable - Precinct 2	<u>53,938</u>	<u>54,016</u>	<u>47,839</u>	<u>6,177</u>
Constable - Precinct 3				
Personal Services	95,500	95,500	93,586	1,914
Supplies	2,065	2,065	875	1,190
Other Services & Charges	20,636	20,636	19,289	1,347
Total Constable - Precinct 3	<u>118,201</u>	<u>118,201</u>	<u>113,750</u>	<u>4,451</u>
Constable - Precinct 4				
Personal Services	34,091	34,091	31,805	2,286
Supplies	1,875	1,875	742	1,133
Other Services & Charges	19,945	19,945	17,055	2,890
Total Constable - Precinct 4	<u>55,911</u>	<u>55,911</u>	<u>49,602</u>	<u>6,309</u>
Constable - Precinct 5				
Personal Services	97,427	97,427	78,546	18,881
Supplies	2,100	1,929	1,346	583
Other Services & Charges	21,584	21,755	17,865	3,890
Total Constable - Precinct 5	<u>121,111</u>	<u>121,111</u>	<u>97,757</u>	<u>23,354</u>
Constable - Precinct 6				
Personal Services	6,445	6,445	5,837	608
Supplies	200	200	-	200
Other Services & Charges	2,375	2,375	1,882	493
Total Constable - Precinct 6	<u>9,020</u>	<u>9,020</u>	<u>7,718</u>	<u>1,302</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY (continued)				
LAW ENFORCEMENT (continued)				
Constable - Precinct 7				
Personal Services	268,879	268,879	253,758	15,121
Supplies	5,650	5,650	5,151	499
Other Services & Charges	47,824	47,824	42,819	5,005
Total Constable - Precinct 7	322,353	322,353	301,727	20,626
Constable - Precinct 8				
Personal Services	135,361	135,361	125,969	9,392
Supplies	4,400	4,400	2,523	1,877
Other Services & Charges	24,574	24,574	17,116	7,458
Total Constable - Precinct 8	164,335	164,335	145,608	18,727
County Sheriff:				
Personal Services	5,053,233	5,053,233	4,898,331	154,902
Supplies	587,146	502,146	325,712	176,434
Other Services & Charges	792,293	784,993	660,526	124,467
Capital Outlay	281,726	374,026	307,787	66,239
Total County Sheriff	6,714,398	6,714,398	6,192,356	522,042
D.A.R.E. Program:				
Personal Services	247,118	173,246	169,535	3,711
Supplies	19,550	19,550	8,730	10,820
Other Services & Charges	4,575	4,575	1,996	2,579
Total D.A.R.E. Program	271,243	197,371	180,261	17,110
General Law Enforcement:				
Supplies	500	1,100	-	1,100
Other Services & Charges	401,000	401,000	279,204	121,796
Capital Outlay	20,000	19,400	-	19,400
Total General Law Enforcement	421,500	421,500	279,204	142,296
Radio Tower:				
Supplies	4,305	4,305	754	3,551
Other Services & Charges	26,437	26,437	16,696	9,741
Total Radio Tower	30,742	30,742	17,450	13,292
Total Law Enforcement	8,912,955	8,839,161	8,036,053	803,108
CORRECTIONS				
Feeding and Care of Prisoners:				
Personal Services	10,242,183	10,350,756	9,673,699	677,057
Supplies	471,812	483,512	474,995	8,517
Other Services & Charges	2,910,334	2,898,634	2,681,976	216,658
Capital Outlay	35,141	35,141	31,984	3,157
Total Feeding and Care of Prisoners	13,659,470	13,768,043	12,862,654	905,389

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY (continued)				
CORRECTIONS (continued)				
Jail Visitation Center				
Capital Outlay	-	1,289,050	1,289,050	-
Total Jail Visitation Center	-	1,289,050	1,289,050	-
Electronic Monitoring:				
Personal Services	8	8	-	8
Supplies	3	3	-	3
Total Electronic Monitoring	11	11	-	11
Downtown Jail:				
Other Services & Charges	3,300,000	3,300,000	2,880,067	419,933
Total Downtown Jail	3,300,000	3,300,000	2,880,067	419,933
Juvenile Board:				
Personal Services	17,559	17,559	16,155	1,404
Total Juvenile Board	17,559	17,559	16,155	1,404
Juvenile Detention:				
Personal Services	2,312,526	2,326,344	1,810,139	516,205
Supplies	146,080	148,458	119,834	28,624
Other Services & Charges	265,016	262,638	159,022	103,616
Capital Outlay	6,400	6,400	-	6,400
Total Juvenile Detention	2,730,022	2,743,840	2,088,995	654,845
Juvenile Probation:				
Personal Services	1,929,023	1,937,753	1,679,595	258,158
Supplies	51,113	51,113	40,481	10,632
Other Services & Charges	302,948	302,948	202,720	100,228
Total Juvenile Probation	2,283,084	2,291,814	1,922,796	369,018
Juvenile Accountability Incentive Block Grant:				
Personal Services	34,588	34,901	34,893	8
Total Juvenile Accountability Incentive Block Grant	34,588	34,901	34,893	8
Adult Probation:				
Supplies	25,051	23,174	21,241	1,933
Other Services & Charges	96,617	96,617	81,362	15,255
Capital Outlay	-	1,877	1,877	-
Total Adult Probation	121,668	121,668	104,480	17,188
Total Corrections	22,146,402	23,566,886	21,199,090	2,367,796

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY (continued)				
OTHER PROTECTION				
Courthouse Security:				
Personal Services	649,218	723,090	704,947	18,143
Supplies	6,850	6,850	2,238	4,612
Other Services & Charges	9,675	9,675	8,312	1,363
Capital Outlay	41,435	41,435	-	41,435
Total Courthouse Security	<u>707,178</u>	<u>781,050</u>	<u>715,497</u>	<u>65,553</u>
Civil Defense:				
Other Services & Charges	128,185	128,185	127,550	635
Total Civil Defense	<u>128,185</u>	<u>128,185</u>	<u>127,550</u>	<u>635</u>
Military Units:				
Other Services & Charges	1,500	1,500	1,500	-
Total Military Units	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Total Other Protection	<u>836,863</u>	<u>910,735</u>	<u>844,548</u>	<u>66,187</u>
ENVIRONMENTAL PROTECTION				
Solid Waste Management:				
Other Services & Charges	35,550	35,550	35,357	193
Total Solid Waste Management	<u>35,550</u>	<u>35,550</u>	<u>35,357</u>	<u>193</u>
Groundwater Conservation Program:				
Other Services & Charges	10,000	10,000	(50,000)	60,000
Total Groundwater Conservation Program	<u>10,000</u>	<u>10,000</u>	<u>(50,000)</u>	<u>60,000</u>
Environmental Standards Management:				
Other Services & Charges	121,090	162,150	162,105	45
Total Environmental Standards Management	<u>121,090</u>	<u>162,150</u>	<u>162,105</u>	<u>45</u>
Stormwater Pollution Abatement:				
Other Services & Charges	3,000	3,000	-	3,000
Total Stormwater Pollution Abatement	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Litter Abatement Program:				
Personal Services	62,622	62,622	61,515	1,107
Supplies	400	400	-	400
Other Services & Charges	500	500	-	500
Total Litter Abatement Program	<u>63,522</u>	<u>63,522</u>	<u>61,515</u>	<u>2,007</u>
Other Environmental Protection:				
Other Services & Charges	6,100	6,100	4,804	1,296
Total Other Environmental Protection	<u>6,100</u>	<u>6,100</u>	<u>4,804</u>	<u>1,296</u>
Total Environmental Protection	<u>239,262</u>	<u>280,322</u>	<u>213,781</u>	<u>66,541</u>
TOTAL PUBLIC SAFETY	<u>32,264,982</u>	<u>33,726,604</u>	<u>30,422,972</u>	<u>3,303,632</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>PUBLIC TRANSPORTATION</u>				
Prisoner Utilization Program - Precinct 1				
Personal Services	57,141	57,141	56,008	1,133
Total Prisoner Utilization Program - Precinct 1	57,141	57,141	56,008	1,133
Prisoner Utilization Program - Precinct 2				
Personal Services	56,644	56,644	55,577	1,067
Total Prisoner Utilization Program - Precinct 1	56,644	56,644	55,577	1,067
Prisoner Utilization Program - Precinct 3				
Personal Services	56,560	56,560	54,961	1,599
Total Prisoner Utilization Program - Precinct 1	56,560	56,560	54,961	1,599
Prisoner Utilization Program - Precinct 4				
Personal Services	56,005	56,005	54,709	1,296
Total Prisoner Utilization Program - Precinct 1	56,005	56,005	54,709	1,296
 TOTAL PUBLIC TRANSPORTATION	 226,350	 226,350	 221,255	 5,095
<u>HEALTH</u>				
Health Administration:				
Personal Services	481,764	481,764	390,380	91,384
Supplies	19,560	18,952	18,628	324
Other Services & Charges	84,679	85,287	71,928	13,359
Total Health Administration	586,003	586,003	480,936	105,067
Direct Aid - Indigent Healthcare:				
Supplies	15,000	15,000	5,889	9,111
Other Services & Charges	3,204,000	2,404,000	967,112	1,436,888
Total Direct Aid - Indigent Healthcare	3,219,000	2,419,000	973,002	1,445,998
Direct Aid - Medicaid UPL Program:				
Other Services & Charges	-	800,000	509,666	290,334
Total Direct Aid - Medicaid UPL Program	-	800,000	509,666	290,334
Direct Aid - County Jail Inmates:				
Personal Services	1,626,623	1,635,323	1,360,717	274,606
Supplies	60,330	60,330	28,628	31,702
Other Services & Charges	1,498,500	1,639,800	1,627,659	12,141
Total Direct Aid - County Jail Inmates	3,185,453	3,335,453	3,017,004	318,449

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>HEALTH (continued)</u>				
Public Health:				
Other Services & Charges	225,027	225,027	225,027	-
Total Public Health	225,027	225,027	225,027	-
Rabies and Animal Control:				
Other Services & Charges	60,000	60,000	60,000	-
Total Rabies and Animal Control	60,000	60,000	60,000	-
MHMR Crisis Intervention:				
Personal Services	-	62,006	60,848	1,158
Other Services & Charges	470,000	470,000	332,071	137,929
Total MHMR Crisis Intervention	470,000	532,006	392,919	139,087
Family Practice Clinic:				
Other Services & Charges	610,718	610,718	610,718	-
Total Family Practice Clinic	610,718	610,718	610,718	-
TOTAL HEALTH	8,356,201	8,568,207	6,269,271	2,298,936
<u>WELFARE</u>				
Welfare Administration:				
Personal Services	42,319	42,319	42,295	24
Total Welfare Administration	42,319	42,319	42,295	24
Welfare - Direct Aid:				
Supplies	1,000	1,000	726	275
Other Services & Charges	3,273,100	3,335,100	3,302,740	32,360
Total Welfare - Direct Aid	3,274,100	3,336,100	3,303,466	32,634
Childrens' Protective Services - Direct Aid:				
Supplies	64,250	64,250	2,254	61,996
Other Services & Charges	28,750	28,750	1,312	27,438
Total Childrens' Protective Services - Direct Aid	93,000	93,000	3,566	89,434
Juvenile Interim Home:				
Personal Services	162,305	162,305	139,080	23,225
Supplies	9,875	9,875	5,190	4,685
Other Services & Charges	15,000	15,000	1,605	13,395
Total Juvenile Interim Home	187,180	187,180	145,876	41,304
Veterans Service Office				
Personal Services	48,322	48,322	33,704	14,618
Supplies	2,325	2,325	1,461	864
Other Services & Charges	3,250	3,250	837	2,413
Total Veterans Service Office	53,897	53,897	36,003	17,894

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
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General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>WELFARE (continued)</u>				
Aging Program:				
Other Services & Charges	16,504	16,504	16,504	-
Total Aging Program	16,504	16,504	16,504	-
TOTAL WELFARE	3,667,000	3,729,000	3,547,708	181,292
<u>CULTURE-RECREATION</u>				
Parks:				
Personal Services	4,997	17,157	16,435	722
Supplies	6,542	5,282	2,152	3,130
Other Services & Charges	10,111	5,711	1,936	3,775
Capital Outlay	5,200	5,700	5,512	188
Total Parks	26,850	33,850	26,035	7,815
Public Library:				
Other Services & Charges	661,906	661,906	661,906	-
Total Public Library	661,906	661,906	661,906	-
Historical Survey:				
Supplies	150	150	-	150
Other Services & Charges	500	6,000	226	5,774
Total Historical Survey	650	6,150	226	5,924
Exhibit Buildings and Showbarns:				
Other Services & Charges	7,500	57,544	50,106	7,438
Total Exhibit Buildings and Showbarns	7,500	57,544	50,106	7,438
TOTAL CULTURE-RECREATION	696,906	759,450	738,272	21,178
<u>CONSERVATION</u>				
Agricultural Extension Service:				
Personal Services	231,890	231,890	174,174	57,716
Supplies	4,358	4,933	4,813	121
Other Services & Charges	49,253	49,338	40,295	9,043
Total Agricultural Extension Service	285,501	286,161	219,282	66,879
Soil and Water Conservation:				
Other Services & Charges	25,000	25,000	13,700	11,300
Total Soil and Water Conservation	25,000	25,000	13,700	11,300
TOTAL CONSERVATION	310,501	311,161	232,982	78,179
<u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u>				
Other Services & Charges	195,133	195,133	134,106	61,027

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Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2009

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<u>DEBT SERVICE</u>				
Principal	939,491	1,009,346	914,167	95,179
Interest	338,983	360,628	350,568	10,060
Total Debt Service	<u>1,278,474</u>	<u>1,369,974</u>	<u>1,264,735</u>	<u>105,239</u>
	<u>\$ 73,333,210</u>	<u>\$ 74,698,560</u>	<u>\$ 64,670,427</u>	<u>\$ 10,028,133</u>

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

Economic Development Fund

Year Ended September 30, 2009

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u>				
Other Services & Charges	<u>6,362,440</u>	<u>6,362,440</u>	<u>387,500</u>	<u>5,974,940</u>
	<u>\$ 6,362,440</u>	<u>\$ 6,362,440</u>	<u>\$ 387,500</u>	<u>\$ 5,974,940</u>

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2009

ASSETS

	Hidden Special Revenue	Reclass FB Reserved for Education	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Total
Pooled Cash and Investments	\$ 11,739,960		11,739,960	\$ 2,242,692	\$ 4,856,624	\$ 47,119	\$ 18,886,395
Non-Pooled Cash	377,658		377,658	-	-	-	377,658
Receivables (net of allowances for estimated uncollectibles):							
Taxes	77,940		77,940	224,756	71,279	-	373,974
Accounts	63,652		63,652	-	4,488	-	68,140
Due from Other Funds	-		-	-	5,638	-	5,638
Due from Other Governments	234,230		234,230	-	-	-	234,230
Inventories, at Cost	241,880		241,880	-	-	-	241,880
Total Assets and Other Debits	\$ 12,735,320	\$ -	\$ 12,735,320	\$ 2,467,447	\$ 4,938,028	\$ 47,119	\$ 20,187,915

LIABILITIES AND FUND BALANCE

Liabilities:							
Cash Overdraft	73,009		73,009	-	-	-	\$ 73,009
Accounts Payable	464,992		464,992	-	269,140	-	734,132
Due to Other Funds	30,291		30,291	-	-	-	30,291
Due to Other Governments	1,764		1,764	-	-	-	1,764
Deferred Revenue	635,838		635,838	224,756	71,279	-	931,873
Total Liabilities	1,205,894	-	1,205,894	224,756	340,418	-	1,771,069
Fund Balance:							
Reserved for:							
Reserved for Capital Projects					1,329,197	-	1,329,197
Reserved for Debt Service				2,242,692	-	-	2,242,692
Reserved for Education	6,385	1,089	7,473	-	-	47,119	54,593
Unreserved - Undesignated	11,523,041	(1,089)	11,521,952	-	3,268,413	-	14,790,365
Total Fund Equity and Other Credits	11,529,426	-	11,529,426	2,242,692	4,597,610	47,119	18,416,846
Total Liabilities and Fund Balance	\$ 12,735,320	\$ -	\$ 12,735,320	\$ 2,467,447	\$ 4,938,028	\$ 47,119	\$ 20,187,915

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2009

	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Total
Revenues:					
Taxes	\$ 1,444,455	\$ 4,979,756	\$ 3,003,831	\$ -	\$ 9,428,041
Licenses and Permits	1,869,811	-	-	-	1,869,811
Intergovernmental	4,008,579	4,389	2,647	-	4,015,615
Charges for Services	3,090,832	-	-	-	3,090,832
Fines and Forfeits	2,012,229	-	-	-	2,012,229
Miscellaneous	490,599	53,119	70,830	772	615,321
Total Revenues	12,916,505	5,037,264	3,077,309	772	21,031,850
Expenditures:					
Current:					
General Government	365,273	97,876	-	-	464,149
Judicial	516,856	-	-	-	516,856
Public Safety	6,331,466	-	-	-	6,331,466
Public Transportation	7,687,455	-	-	-	7,687,455
Capital Projects	-	-	1,787,797	-	1,787,797
Debt Service:					
Principal and Retirements	43,274	3,480,000	-	-	3,523,274
Interest and Fiscal Charges	6,420	1,532,973	-	-	1,539,392
Total Expenditures	14,951,743	5,110,849	1,787,797	-	21,850,388
Excess (Deficiency) of Revenue over Expenditures	(2,035,238)	(73,585)	1,289,512	772	(818,538)
Other Financing Sources (Uses):					
Issuance of Refunding Bonds	-	6,307,527	-	-	6,307,527
Paid to Refunding Bond Escrow Agent	-	(6,212,169)	-	-	(6,212,169)
Disposition of Capital Assets	80,431	-	121,717	-	202,148
Transfers In	2,024,568	14,603	26,000	-	2,065,171
Transfers Out	(1,570,128)	(22,470)	(26,000)	(772)	(1,619,371)
Total Other Financing Sources	534,871	87,490	121,717	(772)	743,306
Net Change in Fund Balance	(1,500,367)	13,905	1,411,229	0	(75,232)
Fund Balance at Beginning of Year	13,029,792	2,228,786	3,186,381	47,119	18,492,078
Fund Balance at End of Year	\$ 11,529,426	\$ 2,242,692	\$ 4,597,610	\$ 47,119	\$ 18,416,846

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

Special Revenue Funds are used to account for revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds used by the County are listed below:

Adult Probation Fund

The Adult Probation Fund is used to account for the activities of the blended component, the McLennan County Community Supervision and Corrections Department. The primary financial resources are comprised of intergovernmental revenues and charges for services. Primary expenditures are for public safety personnel costs. The budget for the Adult Probation Fund is established by the grantor agencies.

Alcohol and Drug Abuse Prevention and Treatment Fund

The Alcohol and Drug Abuse Prevention and Treatment Fund was established to account for certain funds used to encourage the youth of the County to resist the use of drugs.

Revenues of this fund are derived from fees earned by the Criminal District Attorney in the prosecution of welfare fraud cases, supplemented by transfers from the Law Enforcement Special Fund.

Expenditures are made for the costs of providing drug-free activities for the students of the area schools upon request by the school officials, subject to the approval of the Criminal District Attorney and the Commissioners' Court.

Alcohol and Drug Court Program Fund

The Alcohol and Drug Court Program Fund was established to account for the proceeds of fees charged to selected defendants in cases involving alcohol and drug cases, as provided by Health and Safety Code Section 469.001. This statute provides for the creation of a drug court for alcohol and drug diversion monitoring and enforcement for a period of approximately one year for the participants. The fees and expenses of this court are accounted for in this fund, and is under the budgetary authority of the Commissioners' Court

Available School Fund

The Available School Fund account receives, as an operating transfer, the interest earned in the Permanent School Fund, a Permanent Fund. The interest is accumulated in the Available School Fund until the balance meets or exceeds \$10,000, after which it is allocated to the Independent School Districts in McLennan County.

Court Reporter Service Fund

The Court Reporter Service Fund was established to account for statutory fees collected by court clerks on certain civil cases and for the expenditure of such funds.

Dispute Resolution Fund

The Dispute Resolution Fund was created to account for statutory fees collected by the District and County Clerks, and for the expenditure of those funds for the purchase of mediation services.

District Attorney Fund

The District Attorney Fund was established to account for certain funds received by the Criminal District Attorney, and for the expenditure of such funds for the purposes provided in the State statutes.

Revenues of the District Attorney Administration Fund are derived from fees which are imposed on the persons responsible for the issuance of hot checks pursuant to Article 53.08, Code of Criminal Procedure, and funds received from the State pursuant to House Bill 510.

Expenditures of hot check fee collections are restricted to the operational costs of the office of the Criminal District Attorney, and may be made for any such purpose except to supplement the salary of the Criminal District Attorney. Except for these restrictions, the Criminal District Attorney has sole discretion as to the use of such

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

funds. Funds received pursuant to House Bill 510 may be used to supplement the salaries of employees in the office of the Criminal District Attorney.

District Clerk Errors and Omissions Fund

The Commissioners' Court established the District Clerk Errors and Omissions Fund in accordance with Texas Government Code Section 51.302 to account for filing fees collected and dedicated to expenditures for loss claims against the District Clerk's Office.

Family Protection Fund

Section 51.961 of the Texas Government Code provides for the establishment of a Family Protection Fee. The Family Protection Fund was established to account for these fee revenues and expenditure of those funds providing child abuse and family violence prevention services.

Federal Programs Fund

The Federal Programs Fund was established to account for revenues in the form of grants from United States Government agencies, and for the expenditures of such funds in accordance with the conditions of the grant contracts.

Jail Commissary Fund

The Jail Commissary Fund is used to account for revenues generated by the sale of personal items to jail inmates and the expenditure of those funds for the benefit of the inmates as required by State law.

Jury Fund

The Jury Fund is a constitutionally designated fund. Revenues for this fund are derived from ad valorem taxes and from jury fees charged in jury cases in accordance with State law. Expenditures are made from the Jury Fund for jury service and jury-connected expenses for five District Courts, two County Courts-at-Law and for nine Justice Courts.

Juror lists are prepared from the property tax rolls and voter registration lists. Jurors are randomly selected from the resultant list and are then summoned for service. Both civil and criminal jury panels are chosen from the jury list.

Juvenile Probation Fund

The Juvenile Probation Fund was established in compliance with the Human Resources Code, Section 75.067. Juvenile Probation assistance is provided by the State and administered by the Juvenile Board having jurisdiction in the County. The Juvenile Board consists of the District Judges, the County Judge and the Judges of the County Courts-at-Law. Revenues of the Juvenile Probation Fund are derived primarily from funds supplied by the State. Expenditures are for salaries of probation officers and clerical staff, supplies, communications, travel and transportation expenses and certain other operational items required for the supervision of probationers.

Law Enforcement Officers Standards and Education Fund

The Law Enforcement Officers Standards and Education Fund is used to account for a fee, of the same name, collected on criminal cases. The expenditures from this fund are to be used only for education and training of the County's law enforcement personnel.

Law Enforcement Special Fund

The Law Enforcement Special Fund is used to account for resources forfeited to the County and/or to its officers pursuant to Chapter 59, Code of Criminal Procedure, (formerly Article 4476-15, Section 5.08(f), Revised Texas Civil Statutes) and for the expenditures of such funds for authorized purposes.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

Law Library Fund

The Law Library Fund was created by the Commissioners Court pursuant to Article 1702h, Revised Texas Civil Statutes, for the establishment and maintenance of the County Law Library. Revenues are derived from law library fees assessed against each civil case filed in the County Courts-at-Law and in the District Courts, except tax suits.

Local Government Programs Fund

The Local Government Sponsored Programs Fund was established to account for funds received from other counties and funds transferred to the McLennan County General Fund as matching funds for a multi-jurisdictional drug task force grant included in the State Sponsored Programs Fund, and for the expenditures of such funds in accordance with the grant contract.

State Programs Fund

The State Government Sponsored Programs Fund is used to account for revenues received in the form of grants from agencies of the State of Texas, and for the expenditures of such funds in accordance with the conditions of the grant contracts.

Tax Office Administration Fund

The Tax Office Administration Fund was established in compliance with the Tax Code, to account for the interest earned on monthly vehicle inventory tax deposits required of automobile dealers prior to the time such deposits are applied to the actual vehicle inventory taxes. Expenditures are for expenses of the Tax Office at the discretion of the County Tax Assessor-Collector.

ROAD AND BRIDGE FUNDS

The County is divided into four precincts, each of which is administered by one of the four County Commissioners. Each precinct has its separate budget for the construction and maintenance of roads in the precinct. The principal sources of revenues for these funds are ad valorem taxes, licenses and permits, intergovernmental revenues and fines and forfeits.

Road and Bridge General Fund

The Road and Bridge General Fund is a fund established to account for current funds used for the purpose of providing general support to the Road and Bridge Precinct Funds in constructing and maintaining roads and bridges. The Road and Bridge General Fund is used to account for the cost of operations of the County Engineer's Office, the County Garage and the Sign Shop. Transfers of funds from the Road and Bridge Farm-to-Market Roads Fund finance the operations of this fund.

Road and Bridge Farm-to-Market Roads Fund

The Road and Bridge Farm-to-Market Roads Fund is used to account for revenues from ad valorem taxes resulting from the Farm-to-Market Roads tax levy, and for the subsequent transfer of such funds to the Road and Bridge General Fund, the Road and Bridge Right-of-Way Acquisition Fund and to Road and Bridge Precinct 1 Fund through the Road and Bridge Precinct 4 Fund.

Road and Bridge Right-of-Way Acquisition Fund

The Road and Bridge Right-of-Way Acquisition Fund is used to account for the purchase of right-of-way for the construction of county roads, farm-to-market roads and state highways. Revenue consist primarily of intergovernmental revenues, in cases where a portion of the cost is to be paid by other governments, and investment income. Other financing sources are transfers from the Road and Bridge Farm-to-Market Roads Fund.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

Road and Bridge Precinct 1 Fund, Road and Bridge Precinct 2 Fund
Road and Bridge Precinct 3 Fund, and Road and Bridge Precinct 4 Fund

The four Road and Bridge Precinct Funds are used to account for the revenues and expenditures associated with the construction and maintenance of roads and bridges in the four individual precincts. Revenues for each of these funds are derived from licenses and permits, intergovernmental revenues, fines and forfeits, investment income, sale of supplies, etc. Other financing sources consist primarily of transfers from the Road and Bridge Farm-to-Market Roads Fund.

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

September 30, 2009

	Adult Probation	Alcohol and Drug Abuse Prevention and Treatment	Alcohol and Drug Court Program	Available School	Court Reporter Service	Dispute Resolution	District Attorney Administration	District Clerk Errors and Omissions	Family Protection	Federal Programs
\$	2,495,843	14,258	58,262	17,787	15,000	8,828	208	89,786	20,942	-
	218,102	-	1,321	-	-	-	17,313	-	-	-
	-	-	-	-	-	-	-	-	-	-
	14	-	-	-	-	-	-	-	-	-
	-	280	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
\$	2,713,958	14,538	59,583	17,787	15,000	8,828	17,522	89,786	20,942	-

ASSETS
 Pooled Cash and Investments
 Non-Pooled Cash and Investments
 Receivables (net of allowances for estimated uncollectibles):
 Taxes
 Accounts
 Due from Other Governments
 Inventories

Total Assets

95

LIABILITIES AND FUND BALANCE

Liabilities:
 Cash Overdraft
 Accounts Payable
 Due to Other Funds
 Due to Other Governments
 Deferred Revenue

Total Liabilities

Fund Balances:
 Reserved for Education
 Unreserved Fund Balance
 Total Fund Balances

Total Liabilities and Fund Balance

\$	-	-	-	-	-	-	-	-	-	-
	45,862	-	1,922	-	4,449	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	531,506	-	-	-	-	-	-	-	-	-
	577,368	-	1,922	-	4,449	-	-	-	-	-
	-	-	-	7,473	-	-	-	-	-	-
	2,136,590	14,538	57,661	10,313	10,551	8,828	17,522	89,786	20,942	-
	2,136,590	14,538	57,661	17,787	10,551	8,828	17,522	89,786	20,942	-
\$	2,713,958	14,538	59,583	17,787	15,000	8,828	17,522	89,786	20,942	-

continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

September 30, 2009

	Jury	Juvenile Probation	Law Enforcement Standards and Education	Law Enforcement Special	Law Library	Local Government Programs	State Programs	Tax Office Administration
Jail Commissary								
\$	124,651	1,123,375	39,992	663,464	238,357	-	-	80,746
	4,591	-	4,000	-	-	-	-	-
Taxes	5,203	-	-	-	-	-	-	-
Accounts	-	-	-	21,035	129	30,456	-	-
Due from Other Governments	29,784	24,705	-	77	-	14,858	59,660	-
Inventories	-	-	-	-	-	-	-	-
Total Assets	\$ 164,229	\$ 1,148,080	\$ 39,992	\$ 688,577	\$ 238,486	\$ 45,314	\$ 59,660	\$ 80,746

ASSETS
 Pooled Cash and Investments
 Non-Pooled Cash and Investments
 Receivables (net of allowances for estimated uncollectibles):
 Taxes
 Accounts
 Due from Other Governments
 Inventories

LIABILITIES AND FUND BALANCE

Cash Overdraft								
Accounts Payable	240	73,522	946	227	9,704	362	31,603	38
Due to Other Funds	-	-	-	-	-	-	-	291
Due to Other Governments	-	-	-	-	-	-	-	1,764
Deferred Revenue	5,203	26,393	-	-	-	-	-	-
Total Liabilities	240	99,915	946	227	9,704	45,314	59,660	2,093
Fund Balances:								
Reserved for Education	-	-	-	-	-	-	-	-
Unreserved Fund Balance	213,878	1,048,165	39,046	688,350	228,782	-	1	78,653
Total Fund Balances	213,878	1,048,165	39,046	688,350	228,782	-	1	78,653
Total Liabilities and Fund Balance	\$ 214,118	\$ 1,148,080	\$ 39,992	\$ 688,577	\$ 238,486	\$ 45,314	\$ 59,660	\$ 80,746

Liabilities:
 Cash Overdraft
 Accounts Payable
 Due to Other Funds
 Due to Other Governments
 Deferred Revenue

Fund Balances:
 Reserved for Education
 Unreserved Fund Balance
 Total Fund Balances

Total Liabilities and Fund Balance

continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

September 30, 2009

	Road and Bridge General	Road and Bridge Farm to Market Roads	Road and Bridge Right-of-Way Acquisition	Road and Bridge Precinct 1	Road and Bridge Precinct 2	Road and Bridge Precinct 3	Road and Bridge Precinct 4	Nonmajor Special Revenue Funds
\$	18,775	184,553	148,340	1,384,018	1,951,833	630,021	2,308,993	11,739,961
-	-	-	12,896	-	12,896	10,833	14,960	377,658
-	72,736	-	-	-	-	-	-	77,940
-	-	-	275	225	74	2	2	63,652
-	-	-	26,216	26,216	22,022	30,411	30,411	234,230
42,977	-	-	38,970	44,051	33,729	82,153	82,153	241,880
\$	61,752	257,289	148,340	1,462,375	2,035,221	696,678	2,436,518	12,735,320

ASSETS

Pooled Cash and Investments
Non-Pooled Cash and Investments
Receivables (net of allowances for estimated uncollectibles):

Taxes

Accounts

Due from Other Governments

Inventories

Total Assets

LIABILITIES AND FUND BALANCE

Liabilities:

Cash Overdraft

Accounts Payable

Due to Other Funds

Due to Other Governments

Deferred Revenue

Total Liabilities

Fund Balances:

Reserved for Education

Unreserved Fund Balance

Total Fund Balances

Total Liabilities and Fund Balance

\$	-	-	-	-	-	-	-	73,009
432	-	-	64,388	-	61,350	32,052	137,895	464,992
30,000	-	-	-	-	-	-	-	30,291
-	-	-	-	-	-	-	-	1,764
-	72,736	-	-	-	-	-	-	635,838
30,432	72,736	-	64,388	61,350	32,052	137,895	1,205,894	
-	-	-	-	-	-	-	-	7,473
31,320	184,553	148,340	1,397,987	1,973,871	664,626	2,298,623	11,521,952	
31,320	184,553	148,340	1,397,987	1,973,871	664,626	2,298,623	11,529,426	
\$	61,752	257,289	148,340	1,462,375	2,035,221	696,678	2,436,518	12,735,320



MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Year Ended September 30, 2009

	Adult Probation	Alcohol and Drug Abuse Prevention and Treatment	Alcohol and Drug Court Program	Available School	Court Reporter Service	Dispute Resolution	District Attorney Administration	District Clerk Errors and Omissions	Family Protection	Federal Programs
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	834,160	-	-	-	-	-	34,450	-	-	10,509
Charges for Services	2,472,364	840	41,204	-	59,405	59,197	108,115	2,632	5,125	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	48,357	260	612	317	296	70	-	1,490	302	-
Total Revenues	3,354,881	1,100	41,817	317	59,701	59,267	142,565	4,122	5,427	10,509
Expenditures:										
Current:										
General Government	-	-	-	-	498	-	163,437	-	-	-
Judicial	-	-	-	-	164,345	72,000	-	878	-	-
Public Safety	3,999,795	4,000	3,229	-	-	-	-	-	-	10,509
Public Transportation	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirements	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	3,999,795	4,000	3,229	-	164,843	72,000	163,437	878	-	10,509
Excess (Deficiency) of Revenue over Expenditures	(644,914)	(2,900)	38,587	317	(105,142)	(12,733)	(20,872)	3,244	5,427	-
Other Financing Sources (Uses):										
Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	772	110,783	17,411	12,322	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	772	110,783	17,411	12,322	-	-	-
Net Change in Fund Balance	(644,914)	(2,900)	38,587	1,089	5,641	4,678	(8,550)	3,244	5,427	-
Fund Balance at Beginning of Year	2,781,504	17,439	19,074	16,698	4,910	4,150	26,071	86,541	15,515	-
Fund Balance at End of Year	\$ 2,136,590	\$ 14,538	\$ 57,661	\$ 17,787	\$ 10,551	\$ 8,828	\$ 17,522	\$ 89,786	\$ 20,942	\$ -

continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Year Ended September 30, 2009

	Jury	Juvenile Probation	Law Enforcement Standards and Education Officer	Law Enforcement Special	Law Library	Local Government Programs	State Programs	Tax Office Administration
Revenues:								
Taxes	\$ 49,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	125,062	1,303,402	24,884	6,115	-	194,795	150,913	-
Charges for Services	10,314	27,457	-	-	137,932	-	-	30
Fines and Forfeits	604	-	-	226,732	-	-	-	7,325
Miscellaneous	341	20,492	-	15,468	3,691	-	1,854	4,830
Total Revenues	187,888	1,351,352	24,884	248,315	141,623	194,795	152,767	12,185
Expenditures:								
Current:								
General Government	-	-	1,610	13,139	72,098	-	51,933	63,558
Judicial	229,349	-	-	-	50,284	-	-	-
Public Safety	-	1,494,378	30,771	350,432	-	194,795	100,834	-
Public Transportation	-	-	-	-	-	-	-	-
Debt Service:								
Principal Retirements	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	229,349	1,494,378	32,381	363,571	122,382	194,795	152,767	63,558
Excess (Deficiency) of Revenue over Expenditures	(41,461)	(143,026)	(7,497)	(115,256)	19,241	-	-	(51,373)
Other Financing Sources (Uses):								
Disposition of Capital Assets	-	-	-	7,412	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(12,322)	-	-	-	-
Total Other Financing Sources	-	-	-	(4,910)	-	-	-	-
Net Change in Fund Balance	23,835	(41,461)	(7,497)	(120,166)	19,241	-	-	(51,373)
Fund Balance at Beginning of Year	190,042	200,487	1,191,191	46,543	808,516	209,541	1	130,027
Fund Balance at End of Year	\$ 213,878	\$ 159,026	\$ 1,048,165	\$ 39,046	\$ 688,350	\$ 228,782	\$ 1	\$ 78,653

continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Year Ended September 30, 2009

	Road and Bridge General	Road and Bridge Farm to Market Roads	Road and Bridge Right-of-Way Acquisition	Precinct 1	Precinct 2	Precinct 3	Precinct 4	Nonmajor Special Revenue Funds
Revenues:								
Taxes	\$ -	\$ 1,394,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444,455
Licenses and Permits	-	-	-	467,453	467,453	392,660	542,245	1,869,811
Intergovernmental	-	571	-	354,014	321,917	287,558	360,231	4,008,579
Charges for Services	-	-	-	-	-	-	-	3,090,832
Fines and Forfeits	-	7,207	-	442,591	442,591	371,776	513,404	2,012,229
Miscellaneous	961	1,960	2,626	140,450	52,007	132,777	59,431	490,599
Total Revenues	961	1,404,290	2,626	1,404,507	1,283,967	1,184,771	1,475,311	12,916,505

Expenditures:

Current:

General Government	-	-	-	-	-	-	-	366,273
Judicial	-	-	-	-	-	-	-	516,856
Public Safety	-	-	-	-	-	-	-	6,331,466
Public Transportation	160,498	-	23,215	1,597,076	2,224,940	1,555,703	2,126,024	7,687,455
Debt Service:								
Principal Retirements	-	-	-	22,407	-	20,867	-	43,274
Interest and Fiscal Charges	-	-	-	1,283	-	5,136	-	6,420
Total Expenditures	160,498	-	23,215	1,620,766	2,224,940	1,581,706	2,126,024	14,951,743
Excess (Deficiency) of Revenue over Expenditures	(159,537)	1,404,290	(20,588)	(216,259)	(940,972)	(396,935)	(650,713)	(2,035,238)

Other Financing Sources (Uses):

Disposition of Capital Assets	-	-	-	19,000	49,709	4,310	-	80,431
Transfers In	134,147	-	-	437,283	437,283	367,318	507,249	2,024,568
Transfers Out	-	(1,334,147)	-	(56,566)	(56,015)	(55,776)	(55,302)	(1,570,128)
Total Other Financing Sources	134,147	(1,334,147)	-	399,717	430,977	315,852	451,947	534,871

Net Change in Fund Balance

Net Change in Fund Balance	(25,390)	70,143	(20,588)	183,458	(509,996)	(81,083)	(198,766)	(1,500,367)
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Fund Balance at Beginning of Year

Fund Balance at Beginning of Year	56,710	114,410	168,928	1,214,529	2,483,867	745,709	2,497,389	13,029,792
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Fund Balance at End of Year

Fund Balance at End of Year	\$ 31,320	\$ 184,553	\$ 148,340	\$ 1,397,987	\$ 1,973,871	\$ 664,626	\$ 2,298,623	\$ 11,529,426
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MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Alcohol and Drug Court Program

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services - Drug Court Costs	\$ 18,200	\$ 18,200	\$ 41,204	\$ 23,004
Miscellaneous:				
Investment Income	50	50	612	562
Total Miscellaneous	50	50	612	562
Total Revenues	18,250	18,250	41,817	23,567
Expenditures:				
General Government:				
Alcohol and Drug Court Department				
Supplies	-	3,000	681	2,319
Other Services and Charges	35,896	32,896	2,548	30,348
Total Expenditures	35,896	35,896	3,229	32,667
Net Change in Fund Balance	(17,646)	(17,646)	38,587	(9,100)
Fund Balance at Beginning of Year	17,646	17,646	19,074	1,428
Fund Balance at End of Year	\$ -	\$ -	\$ 57,661	\$ (7,672)

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Available School Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 100	\$ 100	\$ 317	\$ 217
Total Revenues	100	100	317	217
Expenditures:				
Education				
Other Services & Charges	19,567	19,567	-	19,567
Total Expenditures	19,567	19,567	-	19,567
Excess (Deficiency) of Revenue over Expenditures	(19,467)	(19,467)	317	19,784
Other Financing Sources:				
Transfers In	2,757	2,757	772	(1,985)
Net Change in Fund Balance	(16,710)	(16,710)	1,089	17,799
Fund Balance at Beginning of Year	16,710	16,710	16,698	(12)
Fund Balance at End of Year	\$ -	\$ -	\$ 17,787	\$ 17,787

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Court Reporter Service Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 53,800	\$ 53,800	\$ 59,405	\$ 5,605
Miscellaneous - Investment Income	3,500	3,500	296	(3,204)
Total Revenues	57,300	57,300	59,701	2,401
Expenditures:				
General Government				
Other Services and Charges	5,500	600	498	102
Judicial:				
Other Services and Charges	127,500	172,400	164,345	8,055
Total Expenditures	133,000	173,000	164,843	8,157
Excess (Deficiency) of Revenue over Expenditures	(75,700)	(115,700)	(105,142)	10,558
Other Financing Sources				
Transfers In	70,783	110,783	110,783	-
Net Change in Fund Balance	(4,917)	(4,917)	5,641	10,558
Fund Balance at Beginning of Year	4,917	4,917	4,910	(7)
Fund Balance at End of Year	\$ -	\$ -	\$ 10,551	\$ 10,551

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Dispute Resolution Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 54,250	\$ 54,250	\$ 59,197	\$ 4,947
Miscellaneous - Investment Income	300	300	70	(230)
Total Revenues	54,550	54,550	59,267	4,717
Expenditures:				
Judicial:				
Other Services and Charges	72,000	72,000	72,000	-
Excess (Deficiency) of Revenue over Expenditures	(17,450)	(17,450)	(12,733)	4,717
Other Financing Sources:				
Transfers In	17,411	17,411	17,411	-
Net Change in Fund Balance	(39)	(39)	4,678	4,717
Fund Balance at Beginning of Year	39	39	4,150	4,111
Fund Balance at End of Year	\$ -	\$ -	\$ 8,828	\$ 8,828

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

District Clerk Errors and Omissions Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 2,600	\$ 2,600	\$ 2,632	\$ 32
Miscellaneous - Investment Income	2,800	2,800	1,490	(1,310)
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>4,122</u>	<u>(1,278)</u>
Expenditures:				
Judicial:				
Other Services and Charges	<u>92,423</u>	<u>92,423</u>	<u>878</u>	<u>91,545</u>
Net Change in Fund Balance	<u>(87,023)</u>	<u>(87,023)</u>	<u>3,244</u>	<u>90,267</u>
Fund Balance at Beginning of Year	<u>87,023</u>	<u>87,023</u>	<u>86,541</u>	<u>(482)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,786</u>	<u>\$ 89,786</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Family Protection Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services -				
Family Protection Fees	\$ 5,350	\$ 5,350	\$ 5,125	\$ (225)
Miscellaneous:				
Investment Income	350	350	302	(48)
Total Miscellaneous	350	350	302	(48)
Total Revenues	5,700	5,700	5,427	(273)
Expenditures:				
General Government:				
Family Protection Department				
Other Services and Charges	21,365	21,365	-	21,365
Total Expenditures	21,365	21,365	-	21,365
Net Change in Fund Balance	(15,665)	(15,665)	5,427	(21,638)
Fund Balance at Beginning of Year	15,665	15,665	15,515	(150)
Fund Balance at End of Year	\$ -	\$ -	\$ 20,942	\$ (21,788)

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Jury Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 52,090	\$ 52,090	\$ 49,903	\$ (2,187)
Intergovernmental -				
Payment in Lieu of Taxes	110,051	110,051	125,062	15,011
Fines and Forfeitures	10	10	604	594
Charges for Services				
Jury Fees	8,530	8,530	10,314	1,784
Miscellaneous:				
Investment Income, Net	5,000	5,000	2,006	(2,995)
Total Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>2,006</u>	<u>(2,995)</u>
 Total Revenues	 <u>175,681</u>	 <u>175,681</u>	 <u>187,888</u>	 <u>12,207</u>
Expenditures:				
Judicial:				
Jury Service:				
Personal Services	270,000	270,000	210,078	59,923
Supplies	27,690	27,690	3,160	24,530
Other Services and Charges	25,392	25,392	16,111	9,281
Total Expenditures	<u>323,082</u>	<u>323,082</u>	<u>229,349</u>	<u>93,733</u>
 Net Change in Fund Balance	 (147,401)	 (147,401)	 (41,461)	 105,940
Fund Balance at Beginning of Year	<u>147,401</u>	<u>147,401</u>	<u>200,487</u>	<u>53,086</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,026</u>	<u>\$ 159,026</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Law Library Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services -				
Law Library Fees	\$ 127,010	\$ 127,010	\$ 137,932	\$ 10,922
Miscellaneous:				
Investment Income	6,000	6,000	3,691	(2,309)
Total Miscellaneous	6,000	6,000	3,691	(2,309)
 Total Revenues	 133,010	 133,010	 141,623	 8,613
Expenditures:				
General Government:				
Law Library				
Personal Services	36,817	36,817	31,295	5,522
Supplies	57,850	57,850	39,222	18,628
Other Services and Charges	165,053	158,893	1,581	157,312
Total Law Library	259,720	253,560	72,098	181,462
Judicial				
Supplies	57,840	64,000	50,284	13,716
 Total Expenditures	 317,560	 317,560	 122,382	 195,178
 Net Change in Fund Balance	 (184,550)	 (184,550)	 19,241	 203,791
Fund Balance at Beginning of Year	184,550	184,550	209,541	24,991
Fund Balance at End of Year	\$ -	\$ -	\$ 228,782	\$ 228,782

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge General Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment Income, Net	\$ 5,000	\$ 5,000	\$ 961	\$ (4,039)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>961</u>	<u>(4,039)</u>
Expenditures:				
Public Transportation:				
County Engineer				
Personal Services	<u>117,919</u>	<u>117,919</u>	<u>117,326</u>	<u>593</u>
Total County Engineer	<u>117,919</u>	<u>117,919</u>	<u>117,326</u>	<u>593</u>
Sign Shop				
Personal Services	51,533	51,533	43,857	7,676
Supplies	14,550	14,550	(971)	15,521
Other Services & Charges	<u>600</u>	<u>600</u>	<u>285</u>	<u>315</u>
Total Sign Shop	<u>66,683</u>	<u>66,683</u>	<u>43,172</u>	<u>23,511</u>
Total Expenditures	<u>184,602</u>	<u>184,602</u>	<u>160,498</u>	<u>24,104</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(179,602)</u>	<u>(179,602)</u>	<u>(159,537)</u>	<u>20,065</u>
Other Financing Sources (Uses):				
Transfers In	<u>134,147</u>	<u>134,147</u>	<u>134,147</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>134,147</u>	<u>134,147</u>	<u>134,147</u>	<u>-</u>
Net Change in Fund Balance	(45,455)	(45,455)	(25,390)	20,065
Fund Balance at Beginning of Year	<u>45,455</u>	<u>45,455</u>	<u>56,710</u>	<u>11,255</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,320</u>	<u>\$ 31,320</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Farm-to Market Roads Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,254,397	\$ 1,254,397	\$ 1,394,552	\$ 140,155
Intergovernmental	-	-	571	571
Fines and Forfeits	1,400	1,400	7,207	5,807
Miscellaneous - Investment Income	150	150	1,960	1,810
Total Revenues	<u>1,255,947</u>	<u>1,255,947</u>	<u>1,404,290</u>	<u>148,343</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	1,255,947	1,255,947	1,404,290	148,343
Other Financing Uses:				
Transfers Out:	<u>(1,334,147)</u>	<u>(1,334,147)</u>	<u>(1,334,147)</u>	<u>-</u>
Net Change in Fund Balance	(78,200)	(78,200)	70,143	148,343
Fund Balance at Beginning of Year	<u>78,200</u>	<u>78,200</u>	<u>114,410</u>	<u>36,210</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,553</u>	<u>\$ 184,553</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Right of Way-Acquisition Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment Income, Net	\$ 6,000	\$ 6,000	\$ 2,626	\$ (3,374)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>2,626</u>	<u>(3,374)</u>
Expenditures:				
Public Transportation:				
Capital Outlay	<u>169,379</u>	<u>169,379</u>	<u>23,215</u>	<u>146,164</u>
Total Expenditures	<u>169,379</u>	<u>169,379</u>	<u>23,215</u>	<u>146,164</u>
Net Change in Fund Balance	(163,379)	(163,379)	(20,588)	142,791
Fund Balance at Beginning of Year	<u>163,379</u>	<u>163,379</u>	<u>168,928</u>	<u>5,549</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,340</u>	<u>\$ 148,340</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Precinct 1 Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 431,250	\$ 431,250	\$ 467,453	\$ 36,203
Intergovernmental -				
State Shared Revenues	314,500	314,500	354,014	39,514
Fines and Forfeits	406,375	406,375	442,591	36,216
Miscellaneous:				
Investment Income, Net	45,000	45,000	22,935	(22,065)
Sale of Supplies	9,100	9,100	9,801	701
Other	210	101,277	107,714	6,437
Total Miscellaneous	54,310	155,377	140,450	(14,927)
Total Revenues	1,206,435	1,307,502	1,404,507	97,005
Expenditures:				
Public Transportation:				
Personal Services	1,111,324	1,111,324	970,222	141,102
Supplies	763,175	514,504	399,542	114,962
Other Services and Charges	788,847	1,195,164	101,588	1,093,576
Capital Outlay	190,307	152,728	125,725	27,003
Total Public Transportation	2,853,653	2,973,720	1,597,076	1,376,644
Debt Service:				
Principal and Retirements	22,408	22,408	22,407	1
Interest and Fiscal Charges	1,284	1,284	1,283	1
Total Debt Service	23,692	23,692	23,690	2
Total Expenditures	2,877,345	2,997,412	1,620,766	1,376,646
Excess (Deficiency) of Revenue over Expenditures	(1,670,910)	(1,689,910)	(216,259)	1,473,651
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	19,010	19,000	(10)
Transfers In	437,283	437,283	437,283	-
Transfers Out	(56,566)	(56,566)	(56,566)	-
Total Other Financing Sources	380,727	399,727	399,717	(10)
Net Change in Fund Balance	(1,290,183)	(1,290,183)	183,458	1,473,641
Fund Balance at Beginning of Year	1,290,183	1,290,183	1,214,529	(75,654)
Fund Balance at End of Year	-	-	1,397,987	1,397,987

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Precinct 2 Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 431,250	\$ 431,250	\$ 467,453	\$ 36,203
Intergovernmental -				
State Shared Revenues	314,500	314,500	321,917	7,417
Fines and Forfeits	406,375	406,375	442,591	36,216
Miscellaneous:				
Investment Income, Net	90,000	90,000	40,781	(49,219)
Sale of Supplies	6,200	6,200	8,013	1,813
Other	420	3,563	3,213	(350)
Total Miscellaneous	<u>96,620</u>	<u>99,763</u>	<u>52,007</u>	<u>(47,756)</u>
Total Revenues	<u>1,248,745</u>	<u>1,251,888</u>	<u>1,283,967</u>	<u>32,079</u>
Expenditures:				
Public Transportation:				
Personal Services	1,194,145	1,194,145	1,019,768	174,377
Supplies	997,334	794,797	538,543	256,254
Other Services and Charges	1,376,699	1,450,889	127,606	1,323,283
Capital Outlay	<u>360,021</u>	<u>541,220</u>	<u>539,023</u>	<u>2,197</u>
Total Public Transportation	<u>3,928,199</u>	<u>3,981,051</u>	<u>2,224,940</u>	<u>1,756,111</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(2,679,454)</u>	<u>(2,729,163)</u>	<u>(940,972)</u>	<u>1,788,191</u>
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	49,719	49,709	(10)
Transfers In	437,283	437,283	437,283	-
Transfers Out	<u>(56,015)</u>	<u>(56,015)</u>	<u>(56,015)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>381,278</u>	<u>430,987</u>	<u>430,977</u>	<u>(10)</u>
Net Change in Fund Balance	(2,298,176)	(2,298,176)	(509,996)	1,788,180
Fund Balance at Beginning of Year	<u>2,298,176</u>	<u>2,298,176</u>	<u>2,483,867</u>	<u>185,691</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,973,871</u>	<u>\$ 1,973,871</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Precinct 3 Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 362,250	\$ 362,250	\$ 392,660	\$ 30,410
Intergovernmental -				
State Shared Revenues	263,900	263,900	287,558	23,658
Fines and Forfeits	344,933	344,933	371,776	26,843
Miscellaneous:				
Investment Income, Net	28,000	28,000	12,310	(15,690)
Sale of Supplies	8,200	10,615	11,062	447
Other	320	103,527	109,405	5,878
Total Miscellaneous	<u>36,520</u>	<u>142,142</u>	<u>132,777</u>	<u>(9,365)</u>
Total Revenues	<u>1,007,603</u>	<u>1,113,225</u>	<u>1,184,771</u>	<u>71,546</u>
Expenditures:				
Public Transportation:				
Personal Services	906,038	906,038	797,947	108,091
Supplies	786,650	848,650	585,360	263,290
Other Services and Charges	322,227	319,697	49,674	270,023
Capital Outlay	<u>75,100</u>	<u>123,362</u>	<u>122,722</u>	<u>640</u>
Total Public Transportation	<u>2,090,015</u>	<u>2,197,747</u>	<u>1,555,703</u>	<u>642,044</u>
Debt Service:				
Principal and Retirements	20,867	20,867	20,867	-
Interest and Fiscal Charges	<u>5,137</u>	<u>5,137</u>	<u>5,136</u>	<u>1</u>
Total Debt Service	<u>26,004</u>	<u>26,004</u>	<u>26,003</u>	<u>1</u>
Total Expenditures	<u>2,116,019</u>	<u>2,223,751</u>	<u>1,581,706</u>	<u>642,045</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(1,108,416)</u>	<u>(1,110,526)</u>	<u>(396,935)</u>	<u>(570,499)</u>
Other Financing Sources (Uses):				
Disposition of Capital Assets	-	2,110	4,310	2,200
Transfers In	367,318	367,318	367,318	-
Transfers Out	<u>(55,776)</u>	<u>(55,776)</u>	<u>(55,776)</u>	<u>-</u>
Total Other Financing Sources	<u>311,542</u>	<u>313,652</u>	<u>315,852</u>	<u>2,200</u>
Net Change in Fund Balance	(796,874)	(796,874)	(81,083)	715,791
Fund Balance at Beginning of Year	<u>796,874</u>	<u>796,874</u>	<u>745,709</u>	<u>(51,165)</u>
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>664,626</u>	<u>664,626</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road and Bridge Precinct 4 Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 500,250	\$ 500,250	\$ 542,245	\$ 41,995
Intergovernmental -				
State Shared Revenues	364,100	364,100	360,231	(3,869)
Fines and Forfeits	471,395	471,395	513,404	42,009
Miscellaneous:				
Investment Income, Net	90,000	90,000	43,601	(46,399)
Sale of Supplies	8,200	8,200	4,530	(3,670)
Other	210	210	11,300	11,090
Total Miscellaneous	<u>98,410</u>	<u>98,410</u>	<u>59,431</u>	<u>(38,979)</u>
Total Revenues	<u>1,434,155</u>	<u>1,434,155</u>	<u>1,475,311</u>	<u>41,156</u>
Expenditures:				
Public Transportation:				
Personal Services	1,197,724	1,197,724	937,286	260,438
Supplies	1,485,562	1,530,562	941,681	588,881
Other Services and Charges	1,121,554	1,123,656	124,969	998,687
Capital Outlay	<u>325,001</u>	<u>277,899</u>	<u>122,088</u>	<u>155,811</u>
Total Public Transportation	<u>4,129,841</u>	<u>4,129,841</u>	<u>2,126,024</u>	<u>2,003,817</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(2,695,686)</u>	<u>(2,695,686)</u>	<u>(650,713)</u>	<u>2,044,973</u>
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	10	-	(10)
Transfers In	507,249	507,249	507,249	-
Transfers Out	<u>(55,302)</u>	<u>(55,302)</u>	<u>(55,302)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>451,957</u>	<u>451,957</u>	<u>451,947</u>	<u>(10)</u>
Net Change in Fund Balance	(2,243,729)	(2,243,729)	(198,766)	2,044,963
Fund Balance at Beginning of Year	<u>2,243,729</u>	<u>2,243,729</u>	<u>2,497,389</u>	<u>253,660</u>
Fund Balance at End of Year	<u>-</u>	<u>-</u>	<u>2,298,623</u>	<u>2,298,623</u>

McLENNAN COUNTY, TEXAS

Nonmajor Government Funds

Nonmajor Debt Service Funds – Purpose of Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt Service Funds are required only when they are legally mandated and/or if resources are being accumulated for general long-term debt principal and interest payments maturing in future years. A separate Debt Service Fund is established for each long-term debt issue, except for such items as are serviced directly from the General Fund or from Special Revenue Funds.

Debt Service Fund - Certificates of Obligation - Series 1996

The Debt Service Fund Certificates of Obligation Series 1996, was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation - Series 1996. Since this obligation was refunded in 2009, the balance of this fund will be transferred to the General Fund in 2010.

Debt Service Fund - Refunding Bonds - Series 1998

The Debt Service Fund - Refunding Bonds - Series 1998, was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Refunding Bonds – Series 1998. Since this obligation was refunded in 2009, the balance of this fund will be transferred to the General Fund in 2010.

Debt Service Fund – Certificates of Obligation – Series 2000

The Debt Service Fund Certificates of Obligation Series 2000, was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation - Series 2000.

Debt Service Fund – Permanent Improvement Bonds – Series 2001

The Debt Service Fund Permanent Improvement Bonds Series 2001 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Permanent Improvement Bonds – Series 2001.

Debt Service Fund – Certificates of Obligation – Series 2003

The Debt Service Fund Certificates of Obligation Series 2003 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation – Series 2003.

Debt Service Fund – Refunding Bonds – Series 2003

The Debt Service Fund Certificates of Obligation Series 2003 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation – Series 2003.

Debt Service Fund – Note Payable 2004

The Debt Service Fund Note Payable 2004 was established to account for the accumulation of resources for, and the payment of, a bank note issued under Chapter 271 of the Texas Local Government Code, issued to generate proceeds for acquisition of a mainframe computer. This debt has been paid in full, and the remaining balance in this fund will be transferred to the General Fund in 2010

Debt Service Fund – Refunding Bonds – Series 2005

The Debt Service Fund Certificates of Obligation Series 2005 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation – Series 2005.

McLENNAN COUNTY, TEXAS

Nonmajor Government Funds

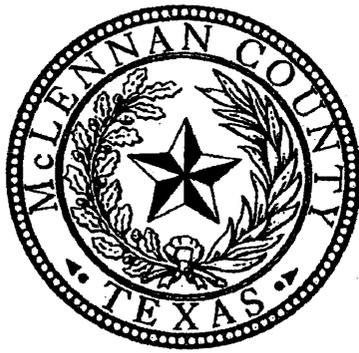
Nonmajor Debt Service Funds – Purpose of Funds

Debt Service Fund – Certificates of Obligation – Series 2006

The Debt Service Fund Certificates of Obligation Series 2006 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation – Series 2006

Debt Service Fund - Refunding Bonds – Series 2009

The Debt Service Fund Certificates of Obligation Series 2009 was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest resulting from the issuance of Certificates of Obligation – Series 2009.



MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Debt Service Funds

September 30, 2009

	Certificates of Obligation Series 1996	Refunding Bonds Series 1998	Certificates of Obligation Series 2000	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003
\$	370,781	105,120	327,010	319,827	292,269
	-	-	-	37,459	29,135
\$	370,781	105,120	327,010	357,286	321,404

ASSETS

Pooled Cash and Investments
Receivables (net of allowances for
estimated uncollectibles):

Taxes

Total Assets

LIABILITIES AND FUND BALANCE

Liabilities:

Deferred Revenue

Total Liabilities

Fund Balance Reserved for Debt Service

Total Liabilities and Fund Balance

\$	-	-	-	37,459	29,135
	-	-	-	37,459	29,135
	370,781	105,120	327,010	319,827	292,269
\$	370,781	105,120	327,010	357,286	321,404

(continued)

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Debt Service Funds

September 30, 2009

	Refunding Bonds Series 2003	Note Payable 2004	Refunding Bonds Series 2005	Certificates of Obligation Series 2006	Refunding Bonds Series 2009	Nonmajor Debt Service Funds Total
Pooled Cash and Investments	\$ 441,730	\$ 962	\$ 243,552	\$ 132,394	\$ 9,047	\$ 2,242,692
Receivables (net of allowances for estimated uncollectibles):						
Taxes	55,669	-	40,581	16,128	45,784	224,756
Total Assets	\$ 497,399	\$ 962	\$ 284,132	\$ 148,522	\$ 54,831	\$ 2,467,447
 <u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Deferred Revenue	\$ 55,669	\$ -	\$ 40,581	\$ 16,128	\$ 45,784	\$ 224,756
Total Liabilities	55,669	-	40,581	16,128	45,784	224,756
Fund Balance Reserved for Debt Service	441,730	962	243,552	132,394	9,047	2,242,692
Total Liabilities and Fund Balance	\$ 497,399	\$ 962	\$ 284,132	\$ 148,522	\$ 54,831	\$ 2,467,447

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Nonmajor Debt Service Funds

For the Year Ended September 30, 2009

	Certificates of Obligation Series 1996	Refunding Bonds Series 1998	Certificates of Obligation Series 2000	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003
Revenues:					
Taxes	\$ 808,335	\$ 159,689	\$ 479,022	\$ 738,471	\$ 568,847
Intergovernmental	712	141	422	651	501
Miscellaneous	8,603	2,318	7,410	7,217	6,409
Total Revenues	817,650	162,148	486,854	746,339	575,756
Expenditures:					
General Government	-	-	-	-	-
Debt Service:					
Principal Retirements	530,000	125,000	450,000	395,000	325,000
Interest and Fiscal Charges	287,425	37,300	31,375	349,075	248,325
Total Expenditures	817,425	162,300	481,375	744,075	573,325
Excess (Deficiency) of Revenue over Expenditures	225	(152)	5,479	2,264	2,431
Other Financing Sources (Uses):					
Issuance of Refunding Bonds	-	-	-	-	-
Paid to Refunding Bond Escrow Agent	-	-	-	-	-
Transfers In	6,531	770	-	-	-
Transfers Out	(6,531)	(770)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balance	225	(152)	5,479	2,264	2,431
Fund Balance at Beginning of Year	370,556	105,272	321,531	317,563	289,838
Fund Balance at End of Year	\$ 370,781	\$ 105,120	\$ 327,010	\$ 319,827	\$ 292,269

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Nonmajor Debt Service Funds

For the Year Ended September 30, 2009

	Refunding Bonds Series 2003	Computer Note 2004	Refunding Bonds Series 2005	Certificates of Obligation Series 2006	Refunding Bonds Series 2009	Nonmajor Debt Service Funds Total
Revenues:						
Taxes	\$ 1,566,767	\$ -	\$ 339,294	\$ 319,333	\$ -	\$ 4,979,756
Intergovernmental	1,381	-	299	281	-	4,389
Miscellaneous	13,622	98	4,455	2,948	40	53,119
Total Revenues	1,581,769	98	344,048	322,562	40	5,037,264
Expenditures:						
General Government	-	-	-	-	97,876	97,876
Debt Service:						
Principal Retirements	1,440,000	-	55,000	160,000	-	3,480,000
Interest and Fiscal Charges	139,855	-	286,469	157,373	(4,224)	1,532,973
Total Expenditures	1,579,855	-	341,469	317,373	93,652	5,110,849
Excess (Deficiency) of Revenue over Expenditures	1,914	98	2,579	5,189	(93,612)	(73,585)
Other Financing Sources (Uses):						
Issuance of Refunding Bonds	-	-	-	-	6,307,527	6,307,527
Paid to Refunding Bond Escrow Agent	-	-	-	-	(6,212,169)	(6,212,169)
Transfers In	-	-	-	-	7,301	14,603
Transfers Out	-	(15,169)	-	-	-	(22,470)
Total Other Financing Sources (Uses)	-	(15,169)	-	-	102,659	87,490
Net Change in Fund Balance	1,914	(15,071)	2,579	5,189	9,047	13,905
Fund Balance at Beginning of Year	439,816	16,033	240,972	127,205	-	2,228,786
Fund Balance at End of Year	\$ 441,730	\$ 962	\$ 243,552	\$ 132,394	\$ 9,047	\$ 2,242,692

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation - Series 1996

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 803,728	\$ 803,728	\$ 808,335	\$ 4,607
Intergovernmental	330	330	712	382
Miscellaneous	14,000	14,000	8,603	(5,397)
Total Revenues	<u>818,058</u>	<u>818,058</u>	<u>817,650</u>	<u>(408)</u>
Expenditures:				
Debt Service:				
Principal Retirements	530,000	530,000	530,000	-
Interest and Fiscal Charges	<u>287,425</u>	<u>287,425</u>	<u>287,425</u>	<u>-</u>
Total Expenditures	<u>817,425</u>	<u>817,425</u>	<u>817,425</u>	<u>-</u>
Net Change in Fund Balance	633	633	225	(408)
Fund Balance at Beginning of Year	<u>306,726</u>	<u>306,726</u>	<u>370,556</u>	<u>63,830</u>
Fund Balance at End of Year	<u>\$ 307,359</u>	<u>\$ 307,359</u>	<u>\$ 370,781</u>	<u>\$ 63,422</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Refunding Bonds - Series 1998

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 155,962	\$ 155,962	\$ 159,689	\$ 3,727
Intergovernmental	15	15	141	126
Miscellaneous	3,500	3,500	2,318	(1,182)
Total Revenues	<u>159,477</u>	<u>159,477</u>	<u>162,148</u>	<u>2,671</u>
Expenditures:				
Debt Service:				
Principal Retirements	125,000	125,000	125,000	-
Interest and Fiscal Charges	37,300	37,300	37,300	-
Total Expenditures	<u>162,300</u>	<u>162,300</u>	<u>162,300</u>	<u>-</u>
Net Change in Fund Balance	(2,823)	(2,823)	(152)	2,671
Fund Balance at Beginning of Year	<u>97,111</u>	<u>97,111</u>	<u>105,272</u>	<u>8,161</u>
Fund Balance at End of Year	<u>\$ 94,288</u>	<u>\$ 94,288</u>	<u>\$ 105,120</u>	<u>\$ 10,832</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation - Series 2000

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 466,493	\$ 466,493	\$ 479,022	\$ 12,529
Intergovernmental	420	420	422	2
Miscellaneous	14,000	14,000	7,410	(6,590)
Total Revenues	480,913	480,913	486,854	5,941
Expenditures:				
Debt Service:				
Principal Retirements	450,000	450,000	450,000	-
Interest and Fiscal Charges	31,375	31,375	31,375	-
Total Expenditures	481,375	481,375	481,375	-
 Excess (Deficiency) of Revenues over Exenditures and Other Financing Uses	 (462)	 (462)	 5,479	 5,941
 Fund Balance at Beginning of Year	 303,268	 303,268	 321,531	 18,263
 Fund Balance at End of Year	 <u>\$ 302,806</u>	 <u>\$ 302,806</u>	 <u>\$ 327,010</u>	 <u>\$ 24,204</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Permanent Improvement Bonds - Series 2001

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 715,431	\$ 715,431	\$ 738,471	\$ 23,040
Intergovernmental	325	325	651	326
Miscellaneous	12,000	12,000	7,217	(4,783)
Total Revenues	<u>727,756</u>	<u>727,756</u>	<u>746,339</u>	<u>18,583</u>
Expenditures:				
Debt Service:				
Principal Retirements	395,000	395,000	395,000	-
Interest and Fiscal Charges	<u>349,075</u>	<u>349,075</u>	<u>349,075</u>	<u>-</u>
Total Expenditures	<u>744,075</u>	<u>744,075</u>	<u>744,075</u>	<u>-</u>
Net Change in Fund Balance	(16,319)	(16,319)	2,264	18,583
Fund Balance at Beginning of Year	<u>282,290</u>	<u>282,290</u>	<u>317,563</u>	<u>35,273</u>
Fund Balance at End of Year	<u>\$ 265,971</u>	<u>\$ 265,971</u>	<u>\$ 319,827</u>	<u>\$ 53,856</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation - Series 2003

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 552,926	\$ 552,926	\$ 568,847	\$ 15,921
Intergovernmental	370	370	501	131
Miscellaneous	10,000	10,000	6,409	(3,591)
Total Revenues	<u>563,296</u>	<u>563,296</u>	<u>575,756</u>	<u>12,460</u>
Expenditures:				
Debt Service:				
Principal Retirements	325,000	325,000	325,000	-
Interest and Fiscal Charges	248,325	248,325	248,325	-
Total Expenditures	<u>573,325</u>	<u>573,325</u>	<u>573,325</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	(10,029)	(10,029)	2,431	12,460
Fund Balance at Beginning of Year	<u>264,369</u>	<u>264,369</u>	<u>289,838</u>	<u>25,469</u>
Fund Balance at End of Year	<u>\$ 254,340</u>	<u>\$ 254,340</u>	<u>\$ 292,269</u>	<u>\$ 37,929</u>

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Refunding Bonds, Series 2003

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,535,749	\$ 1,535,749	\$ 1,566,767	\$ 31,018
Intergovernmental	400	400	1,381	981
Miscellaneous	26,000	26,000	13,622	(12,378)
Total Revenues	1,562,149	1,562,149	1,581,769	19,620
Expenditures:				
Debt Service:				
Principal Retirements	1,385,000	1,385,000	1,440,000	(55,000)
Interest and Fiscal Charges	181,405	181,405	139,855	41,550
	<u>1,566,405</u>	<u>1,566,405</u>	<u>1,579,855</u>	<u>(13,450)</u>
Total Expenditures	1,566,405	1,566,405	1,579,855	(13,450)
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(4,256)	(4,256)	1,914	33,070
Fund Balance at Beginning of Year	-	-	439,816	439,816
Fund Balance at End of Year	\$ (4,256)	\$ (4,256)	\$ 441,730	\$ 472,886

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Computer Note 2004

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 98	\$ 98
Total Revenues	-	-	98	98
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	98	98
Other Financing Uses				
Transfers Out	15,169	15,169	15,169	-
Net Change in Fund Balance	(15,169)	(15,169)	(15,071)	98
Fund Balance at Beginning of Year	15,169	15,169	16,033	864
Fund Balance at End of Year	\$ -	\$ -	\$ 962	\$ 962

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Refunding Bonds, Series 2005

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 326,981	\$ 326,981	\$ 339,294	\$ 12,313
Intergovernmental	10	10	299	289
Miscellaneous	6,000	6,000	4,455	(1,545)
Total Revenues	332,991	332,991	344,048	11,057
Expenditures:				
Debt Service:				
Principal Retirements	55,000	55,000	55,000	-
Interest and Fiscal Charges	286,469	286,469	286,469	0
	341,469	341,469	341,469	0
Total Expenditures	341,469	341,469	341,469	0
Excess (Deficiency) of Revenue over Expenditures	(8,478)	(8,478)	2,579	11,057
Fund Balance at Beginning of Year	222,909	222,909	240,972	18,063
Fund Balance at End of Year	\$ 214,431	\$ 214,431	\$ 243,552	\$ 29,121

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation, Series 2006

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 304,331	\$ 304,331	\$ 319,333	\$ 15,002
Intergovernmental	10	10	281	271
Miscellaneous	4,500	4,500	2,948	(1,552)
Total Revenues	308,841	308,841	322,562	13,721
Expenditures:				
Debt Service:				
Principal Retirements	160,000	160,000	160,000	-
Interest and Fiscal Charges	157,373	157,373	157,373	1
	317,373	317,373	317,373	1
Total Expenditures	317,373	317,373	317,373	1
Excess (Deficiency) of Revenue over Expenditures	(8,532)	(8,532)	5,189	13,720
Fund Balance at Beginning of Year	115,112	115,112	127,205	12,093
Fund Balance at End of Year	\$ 106,580	\$ 106,580	\$ 132,394	\$ 25,813

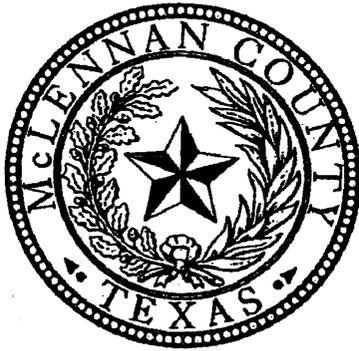
MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Refunding Bonds, Series 2009

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 4,224	\$ 40	\$ (4,184)
Total Revenues	-	4,224	40	(4,184)
Expenditures:				
General Government:				
Other Services and Charges	-	106,883	97,876	9,007
Debt Service:				
Interest and Fiscal Charges	-	-	(4,224)	4,224
	-	-	(4,224)	4,224
Total Expenditures	-	106,883	93,652	13,231
Excess (Deficiency) of Revenue over Expenditures	-	(102,659)	(93,612)	9,047
Other Financing Sources (Uses):				
Issuance of Refunding Bonds	-	6,307,527	6,307,527	(0)
Paid to Refunding Bond Escrow Agent	-	(6,212,169)	(6,212,169)	(0)
Transfers In	-	7,301	7,301	0
Total Other Financing Sources (Uses)	-	102,659	102,659	(0)
Net Change in Fund Balance	-	-	9,047	9,047
Fund Balance at Beginning of Year			-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 9,047	\$ 9,047



McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Nonmajor Capital Projects Funds – Purpose of Funds

Capital Projects Funds are used to account for the purchase or construction of land, buildings and infrastructure. Capital Projects Funds are not ordinarily used to account for the acquisition of furniture, fixtures, machinery, equipment and other relatively minor or comparatively short-lived general fixed assets. Capital Projects Funds in use by the County are as follows:

Permanent Improvement Fund

The Permanent Improvement Fund is a constitutional fund used to account for the acquisition of and improvements to land and buildings on a continuing basis. The Commissioners Court in its annual budget include specific appropriations for expenditures from this fund. The principal source of revenues for the Permanent Improvement Fund is ad valorem taxes.

Permanent Improvement Bonds - Series 2001

The Permanent Improvement Bonds Series 2001 Capital Projects Fund is used to account for the proceeds of the sale of the named permanent improvement bonds, and for the expenditure of the funds in improving land and acquiring, building and improving structures at the Cameron Park Zoo. This project is substantially complete and the remaining funds will be expended in 2010.

Certificates of Obligation Fund – Series 2003

The Certificates of Obligation Fund Series 2003 Capital Projects Fund is used to account for the proceeds of the sale of the named certificates of obligation issue, and for the expenditure of those proceeds in the construction of the new McLennan County Juvenile Center on existing County land.

Certificates of Obligation Fund – Series 2006

Certificates of Obligation Series 2006 Capital Projects Fund is used to account for the proceeds of the sale of the named certificates of obligation issued and for the expenditure of those proceeds to pay, in whole or in part, contractual obligations to be incurred for (i) improvements and renovations to the McLennan County Courthouse, the McLennan County Courthouse Annex, the Shrine Building, the Archives Building, the Adult Probation Building, the Info Tech Building, the Building Maintenance/Purchasing Building and the Highway 6 Jail; (ii) the construction of a building or the purchase of an existing building for the maintenance of county vehicles, (iii) the demolition of the Radio Shop and construction of a parking lot thereon, (iv) the construction of a new radio tower, a new building for Justice of the Peace Precinct 8 and a new juvenile shelter at the Juvenile Detention Center, (v) the purchase of land and construction of a new building, or the purchase and renovation of an existing building, for Justice of the Peace Precinct 4, (vi) the purchase of land and construction of a new yard for County Precinct 3 and (vii) the purchase of a new phone system for downtown County buildings, and (viii) for paying legal, fiscal and professional fees in connection with these projects.

Sheriff Center HVAC Project

The Sheriff Center HVAC Project Fund is used to account for the proceeds of a lease purchase agreement and for the expenditure of those proceeds. The expenditures will be used for the renovation of a donated building for a new Sheriff's Center, and specifically for the replacement of the HVAC system and other electrical components of the building to increase energy efficiency. This project is completed and the remaining balance will be transferred to the General Fund in 2010.

Road Bond Fund - Series 1961

The Road Bond Fund - Series 1961 consists of the remaining proceeds from the sale of road bonds, and is available for the purchase of right-of-way and the construction of roads.

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Capital Projects Funds

September 30, 2009

	Permanent Improvement	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003	Certificates of Obligation Series 2006	Sheriff Center HVAC Project	Road Bonds Series 1961	Nonmajor Capital Projects Funds Total
Pooled Cash and Investments	\$ 3,375,055	\$ 2,184	\$ 63	\$ 1,471,481	\$ -	\$ 7,841	\$ 4,856,624
Receivables (net of allowances for estimated uncollectibles):							
Taxes	71,279	-	-	-	-	-	71,279
Accounts	4,488	-	-	-	-	-	4,488
Due from Other Funds	-	-	-	-	5,638	-	5,638
Total Assets and Other Debits	\$ 3,450,822	\$ 2,184	\$ 63	\$ 1,471,481	\$ 5,638	\$ 7,841	\$ 4,938,028

ASSETS

LIABILITIES AND FUND BALANCE

Liabilities:							
Accounts Payable	\$ 111,130	\$ -	\$ -	\$ 158,010	\$ -	\$ -	\$ 269,140
Deferred Revenue	71,279	-	-	-	-	-	71,279
Total Liabilities	182,409	-	-	158,010	-	-	340,418
Fund Balance:							
Reserved for:							
Capital Projects	3,268,413	2,184	63	1,313,471	5,638	7,841	1,329,197
Unreserved - Undesignated	3,268,413	2,184	63	1,313,471	5,638	7,841	3,268,413
Total Fund Equity and Other Credits							4,597,610
Total Liabilities and Fund Balance	\$ 3,450,822	\$ 2,184	\$ 63	\$ 1,471,481	\$ 5,638	\$ 7,841	\$ 4,938,028

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Nonmajor Capital Projects Funds

For the Year Ended September 30, 2009

	Permanent Improvement	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003	Certificates of Obligation Series 2006	Sheriff Center HVAC Project	Road Bonds Series 1961	Nonmajor Capital Project Funds Total
Revenues:							
Taxes	\$ 3,003,831	\$ -	\$ -	\$ -	\$ -	\$ -	3,003,831
Intergovernmental	2,647	-	-	-	-	-	2,647
Miscellaneous	38,791	37	285	31,587	-	132	70,830
Total Revenues	3,045,269	37	285	31,587	-	132	3,077,309
Expenditures:							
Current:							
Capital Projects	858,460	-	-	929,336	-	-	1,787,797
Total Expenditures	858,460	-	-	929,336	-	-	1,787,797
Excess (Deficiency) of Revenue over Expenditures	2,186,809	37	285	(897,750)	-	132	1,289,512
Other Financing Sources (Uses):							
Disposition of Capital Assets	121,717	-	-	-	-	-	121,717
Transfers In	26,000	-	-	-	-	-	26,000
Transfers Out	-	-	(26,000)	-	-	-	(26,000)
Total Financing Sources (Uses)	147,717	-	(26,000)	-	-	-	121,717
Net Change in Fund Balance	2,334,526	37	(25,715)	(897,750)	-	132	1,411,229
Fund Balance at Beginning of Year	933,887	2,147	25,779	2,211,221	5,638	7,709	3,186,381
Fund Balance at End of Year	\$ 3,268,413	\$ 2,184	\$ 63	\$ 1,313,471	\$ 5,638	\$ 7,841	\$ 4,597,610

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Permanent Improvement Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,901,760	\$ 2,901,760	\$ 3,003,831	\$ 102,071
Intergovernmental	375	375	\$ 2,647	2,272
Miscellaneous - Investment Income	35,003	35,003	38,791	3,788
Total Revenues	2,937,138	2,937,138	3,045,269	108,131
Expenditures:				
Capital Projects:				
Land Purchases	-	145,025	13,025	132,000
Improvements Other than Buildings	28,928	37,514	8,586	28,928
Construction and Renovation Projects:				
Construction Costs	3,999,016	3,947,122	819,874	3,127,248
Architects, Engineers and Other	-	20,000	16,975	3,025
Total Construction Projects	3,999,016	3,967,122	836,849	3,130,273
Total Expenditures	4,027,944	4,149,661	858,460	3,291,201
Excess (Deficiency) of Revenues Over Expenditures	(1,090,806)	(1,212,523)	2,186,809	(3,183,069)
Other Financing Sources				
Disposition of Capital Assets	-	121,717	121,717	-
Transfers In	26,000	26,000	26,000	-
Total Other Financing Sources	26,000	147,717	147,717	-
Net Change in Fund Balance	(1,064,806)	(1,064,806)	2,334,526	(3,183,069)
Fund Balance at Beginning of Year	1,064,806	1,064,806	933,887	(130,919)
Fund Balance at End of Year	\$ -	\$ -	\$ 3,268,413	\$ (3,313,988)

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Permanent Improvement Bonds Fund - Series 2001

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 37	\$ 37
Total Revenues	-	-	37	37
Expenditures:				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	37	37
Fund Balance at Beginning of Year			2,147	2,147
Fund Balance at End of Year	\$ -	\$ -	\$ 2,184	\$ 2,184

Note: Activity was not budgeted for this fund in 2009. It will be closed out in 2010

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation Fund - Series 2003

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Miscellaneous - Investment Income	\$ -	\$ -	\$ 285	\$ 285
Total Revenues	-	-	285	285
Expenditures:				
Total Expenditures	-	-	-	-
Other Financing Uses:				
Transfers Out	26,000	26,000	26,000	-
Total Financing Uses	26,000	26,000	26,000	-
Total Expenditures and Other Financing Uses	26,000	26,000	26,000	-
Net Change in Fund Balance	(26,000)	(26,000)	(25,715)	285
Fund Balance at Beginning of Year	26,000	26,000	25,779	(221)
Fund Balance at End of Year	\$ -	\$ -	\$ 63	\$ 63

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Certificates of Obligation Fund - Series 2006

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 50,000	\$ 50,000	\$ 31,587	\$ (18,413)
Total Revenues	50,000	50,000	31,587	(18,413)
Expenditures:				
Capital Projects:				
Construction and Renovation Projects:				
Architectural and Engineering	-	43,968	43,967	1
Construction Costs	2,191,292	2,147,324	885,369	1,261,955
Total Expenditures	2,191,292	2,191,292	929,336	1,261,956
Excess (Deficiency) of Revenue over Expenditures	(2,141,292)	(2,141,292)	(897,750)	1,243,542
Fund Balance at Beginning of Year	2,141,292	2,141,292	2,211,221	69,929
Fund Balance at End of Year	\$ -	\$ -	\$ 1,313,471	\$ 1,313,471

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Sheriff Center HVAC Project

For the Year Ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Miscellaneous - Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
Fund Balance at Beginning of Year			5,638	5,638
Fund Balance at End of Year	\$ -	\$ -	\$ 5,638	\$ 5,638

Note: Activity was not budgeted for this fund in 2009. It will be closed out in 2010

MCLENNAN COUNTY, TEXAS

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual

Road Bonds Series 1961

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 240	\$ 240	\$ 132	\$ (108)
Total Revenues	<u>240</u>	<u>240</u>	<u>132</u>	<u>(108)</u>
Expenditures:				
Supplies	7,981	7,981	-	7,981
Total Expenditures	<u>7,981</u>	<u>7,981</u>	<u>-</u>	<u>7,981</u>
Net Change in Fund Balance	(7,741)	(7,741)	132	7,873
Fund Balance at Beginning of Year	<u>7,741</u>	<u>7,741</u>	<u>7,709</u>	<u>(32)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,841</u>	<u>\$ 7,841</u>



McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Nonmajor Permanent Fund – Purpose of Funds

The Permanent Fund type is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for governmental purposes.

Permanent School Fund

The Permanent School Fund received the proceeds from the sale of the County school property in the early 1900's. The corpus of the fund must remain intact and the investment income is transferred to the Available School Fund (a special revenue fund) for subsequent allocation to the independent school districts in the County.

MCLENNAN COUNTY, TEXAS

Balance Sheet

Nonmajor Governmental Funds

Permanent School Fund

September 30, 2009

ASSETS

Pooled Cash and Investments	\$ 47,119
Total Assets and Other Debits	<u>\$ 47,119</u>

LIABILITIES AND FUND BALANCE

Fund Balance:	
Reserved for Education	<u>47,119</u>
Total Fund Balance	<u>\$ 47,119</u>

MCLENNAN COUNTY, TEXAS

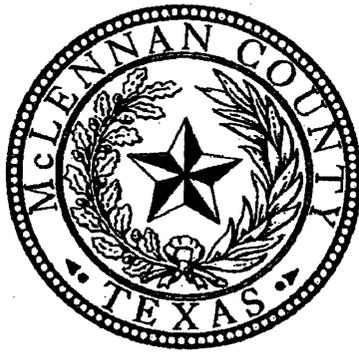
Nonmajor Governmental Funds

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual

Permanent School Fund

Year Ended September 30, 2009

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 2,000	\$ 2,000	\$ 772	\$ (1,228)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>772</u>	<u>(1,228)</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	<u>2,000</u>	<u>2,000</u>	<u>772</u>	<u>(1,228)</u>
Other Financing Uses:				
Transfers Out	<u>2,757</u>	<u>2,757</u>	<u>(772)</u>	<u>(3,529)</u>
Net Change in Fund Balance	4,757	4,757	-	(4,757)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>47,119</u>	<u>47,119</u>
Fund Balance at End of Year	<u>\$ 4,757</u>	<u>\$ 4,757</u>	<u>\$ 47,119</u>	<u>\$ 42,362</u>



McLENNAN COUNTY, TEXAS

Agency Funds – Purpose of Funds

Agency funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The Agency funds used by the County are listed below:

Adult Probation Department Fund

This is a departmental fund used by the Adult Probation Department to account for collections from probationers for fines, probation fees, court costs, probationer support and restitution. All such collections are subsequently remitted to the appropriate individual, County official or County fund.

Bail Security Fund

Established to account for collateral pledged by bail bondsmen in accordance with the Bail Bond Board requirements as a condition to the issuance of the bail bondsmen's licenses.

Cafeteria Plan Fund

Funds withheld through payroll belonging to employees are accounted for in this fund until such time as they are reimbursed to the employees for qualifying medical and/or childcare expenses.

County Clerk Court Registry Fund

County Court Registry funds are accounted for in this fund. Amounts received are required to be preserved until such time as they may be distributed in accordance with court orders issued by a court of competent jurisdiction. In some instances, the funds are invested in savings accounts and time deposits for the benefit of the litigants as directed by the Court.

County Sheriff Inmate Deposit Fund

Funds belonging to jail inmates are accounted for in this fund until such time as they are paid out on behalf of the inmates or returned to the inmates upon discharge.

County Tax Assessor Collector Automobile Fund

Collections by the County Tax Assessor-Collector are initially accounted for in the Automobile Registration Fund. All such collections are subsequently remitted to the appropriate State of County entities.

County Tax Assessor Collector Vehicle Inventory Tax Fund

Vehicle dealers make payments of vehicle inventory tax to this fund each month based on their sales for the month. The payments accumulate in this fund from January 1 to December 31 each year. At December 31, an assessment is made on each dealer. Dealers whose accumulated payments exceed the year-end assessment receive a refund, and dealers whose accumulated payments are deficient are required to pay the deficiency. The interest earned on this fund is under the control of the Tax Collector to defray administrative costs of collection and assessment, and is accounted for in the Tax Office Administration Fund in the Special Revenue Funds.

County Tax Assessor Collector Ad Valorem Tax Fund

The ad valorem tax collections by the County Tax Assessor-Collector are initially accounted for in the Ad Valorem Tax Fund. All such collections are subsequently remitted to the appropriate State, County and other taxing entities.

CSCD Employee Dishonesty Recovery Fund

The CSCD Employee Dishonesty Recovery Fund was created to account for the proceeds of restitution and fidelity bond monies collected related to an employee embezzlement. It is maintained in this fund pending the outcome of court proceedings.

District Attorney Seizure Fund

The Criminal District Attorney Seizure Fund was established to account for cash seized in criminal cases. The funds are held in this fund until their disposition, primarily as forfeitures to law enforcement agencies and the Criminal District Attorney's office, as established by court action.

McLENNAN COUNTY, TEXAS

Agency Funds – Purpose of Funds

District Clerk Child Support Trust

Collections by the District Clerk of court-ordered child support payments and the subsequent disbursement of such payments to the appropriate recipients are accounted for in the District Clerk Child Support Trust.

District Clerk Court Registry Fund

District Court Registry funds are accounted for in this fund. Amounts received are required to be preserved until such time as they may be distributed in accordance with court orders issued by a court of competent jurisdiction. In some instances, the funds are invested in savings accounts and time deposits for the benefit of the litigants as directed by the Court.

Drug Task Force Seizure Fund

The Drug Task Force Seizure Fund was established to account for cash seized in criminal drug-related cases. The funds are held in this fund until their disposition, primarily as forfeitures to the Drug Task Force, is established by court action.

Fee Officers Fee Fund

The Fee Officers Fee Fund was established to account for the fee receipts and disbursements of elected County officials. Each fee officer may at any time have cash, bank checking accounts and time deposits which are in an agency status pending remittance of appropriate revenue amounts to the County Treasurer, or pending statutory or court-ordered remittances to entities other than the County. Separate funds are maintained in the county accounting records for the fee receipts and disbursements of each fee officer. For the purposes of this report, however, all such funds are considered to comprise a single Fee Officers Fee Fund.

General Sales Tax Fund

State General Sales Tax collections are accounted for in this fund until such time as remittances are made to the appropriate agencies.

Juvenile Probation Fund

The Juvenile Probation Department Fund was established to account for the receipts and disbursements of court ordered restitution collected from juveniles and remitted to the victims of crime, as per court order.

State Fees and Tax on Fines Fund

Statutory additions to fines for the support of the Criminal Justice Planning Fund, the Law Enforcement Officers Standards and Education Fund, the Law Enforcement Management Institute Fund, the Compensation to Victims of Crime Fund, the State Judicial Training Fund, the Operators and Chauffeurs License Fund, the Comprehensive Rehabilitation Fund, the Breath Alcohol Testing Fund, the Abused Children's Counseling Fund, the Juvenile Probation Diversion Fund, Crimestopper Fees Fund, the State General Revenue Fund and the State Arrest Fee and Warrant Service Fund are accounted for in this fund pending transmittal to the State on a periodic basis.

MCLENNAN COUNTY, TEXAS

Statement of Fiduciary Net Assets

Fiduciary Funds

September 30, 2009

	Agency Funds
Assets	
Equity in Pooled Cash	\$ 610,021
Nonpooled Cash	2,277,704
Nonpooled Investments	4,474,792
Accounts Receivable	2,189
Due From Other Governments	-
Accrued Interest	23,249
	<hr/>
	\$ 7,387,955
	<hr/> <hr/>
Liabilities	
Accounts Payable	\$ 4,080,596
Due to Other Governments	950,687
Due to Others	2,356,672
	<hr/>
	\$ 7,387,955
	<hr/> <hr/>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2009

continued

Description	Balance 10/1/2008	Additions	Deductions	Balance 9/30/2009
<u>ADULT PROBATION DEPARTMENT FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 151,560	\$ 5,331,324	\$ 5,466,789	\$ 16,095
Total Assets	<u>\$ 151,560</u>	<u>\$ 5,331,324</u>	<u>\$ 5,466,789</u>	<u>\$ 16,095</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 1,122	\$ 5,116	\$ 5,049	\$ 1,189
Due to Others	150,438	5,456,013	5,591,545	14,906
Total Liabilities	<u>\$ 151,560</u>	<u>\$ 5,461,129</u>	<u>\$ 5,596,594</u>	<u>\$ 16,095</u>
<u>BAIL SECURITY FUND</u>				
<u>Assets</u>				
Accounts Receivable	\$ 1,103			\$ 1,103
Total Assets	<u>\$ 1,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,103		\$ -	\$ 1,103
Total Liabilities	<u>\$ 1,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103</u>
<u>CAFETERIA PLAN FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 13,259	\$ 140,156	\$ 140,527	\$ 12,888
Total Assets	<u>\$ 13,259</u>	<u>\$ 140,156</u>	<u>\$ 140,527</u>	<u>\$ 12,888</u>
<u>Liabilities</u>				
Accounts Payable	\$ 13,259	\$ 120,483	\$ 120,854	\$ 12,888
Total Liabilities	<u>\$ 13,259</u>	<u>\$ 120,483</u>	<u>\$ 120,854</u>	<u>\$ 12,888</u>
<u>COUNTY CLERK COURT REGISTRY FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 36,000	\$ -	\$ -	\$ 36,000
Nonpooled Cash	537,493	1,325,548	1,264,197	598,844
Nonpooled Investments	984,611	273,321	205,818	1,052,114
Accrued Interest	35,741	5,001	40,742	-
Total Assets	<u>\$ 1,593,845</u>	<u>\$ 1,603,870</u>	<u>\$ 1,510,757</u>	<u>\$ 1,686,958</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,197,057	\$ 1,172,593	\$ 1,166,758	\$ 1,202,892
Due to Others	396,788	431,477	344,199	484,066
Total Liabilities	<u>\$ 1,593,845</u>	<u>\$ 1,604,070</u>	<u>\$ 1,510,957</u>	<u>\$ 1,686,958</u>
<u>COUNTY SHERIFF INMATE DEPOSIT FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 125,130	\$ 1,462,983	\$ 1,490,339	\$ 97,774
Total Assets	<u>\$ 125,130</u>	<u>\$ 1,462,983</u>	<u>\$ 1,490,339</u>	<u>\$ 97,774</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2009

continued

Description	Balance 10/1/2008	Additions	Deductions	Balance 9/30/2009
<u>COUNTY SHERIFF INMATE DEPOSIT FUND (continued)</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 54,302	\$ 634,619	\$ 655,633	\$ 33,288
Due to Others	70,828	808,852	815,194	64,486
Total Liabilities	<u>\$ 125,130</u>	<u>\$ 1,443,471</u>	<u>\$ 1,470,827</u>	<u>\$ 97,774</u>
<u>COUNTY TAX ASSESSOR COLLECTOR</u>				
<u>AUTOMOBILE FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 149,814	\$ 59,793,531	\$ 59,538,021	\$ 405,324
Total Assets	<u>\$ 149,814</u>	<u>\$ 59,793,531</u>	<u>\$ 59,538,021</u>	<u>\$ 405,324</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 106,375	\$ 59,788,645	\$ 59,489,696	\$ 405,324
Due to Others	43,439	96,117,097	96,160,536	-
Total Liabilities	<u>\$ 149,814</u>	<u>\$ 155,905,742</u>	<u>\$ 155,650,232</u>	<u>\$ 405,324</u>
<u>COUNTY TAX ASSESSOR COLLECTOR</u>				
<u>VEHICLE INVENTORY TAX FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 9,574	\$ 2,289,034	\$ 2,290,164	\$ 8,444
Nonpooled Investments	686,120	1,142,970	1,240,995	588,095
Total Assets	<u>\$ 695,694</u>	<u>\$ 3,432,004</u>	<u>\$ 3,531,159</u>	<u>\$ 596,539</u>
<u>Liabilities</u>				
Due to Others	\$ 695,694	\$ 1,049,296	\$ 1,148,451	\$ 596,539
Total Liabilities	<u>\$ 695,694</u>	<u>\$ 1,049,296</u>	<u>\$ 1,148,451</u>	<u>\$ 596,539</u>
<u>COUNTY TAX ASSESSOR COLLECTOR</u>				
<u>AD VALOREM TAX FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 292,162	\$ 326,913,941	\$ 326,933,889	\$ 272,214
Total Assets	<u>\$ 292,162</u>	<u>\$ 326,913,941</u>	<u>\$ 326,933,889</u>	<u>\$ 272,214</u>
<u>Liabilities</u>				
Accounts Payable	\$ 178,594	\$ 4,112,498	\$ 4,169,780	\$ 121,312
Due to Other Governments	106,451	297,290,743	297,246,853	150,341
Due to Others	7,117	377,052,282	377,058,838	561
Total Liabilities	<u>\$ 292,162</u>	<u>\$ 678,455,523</u>	<u>\$ 678,475,471</u>	<u>\$ 272,214</u>
<u>CSCD EMPLOYEE DISHONESTY</u>				
<u>RECOVERY FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 160,482	\$ 2,776	\$ 38	\$ 163,220
Total Assets	<u>\$ 160,482</u>	<u>\$ 2,776</u>	<u>\$ 38</u>	<u>\$ 163,220</u>
<u>Liabilities</u>				
Due to Others	\$ 160,482	\$ 2,776	\$ 38	\$ 163,220
Total Liabilities	<u>\$ 160,482</u>	<u>\$ 2,776</u>	<u>\$ 38</u>	<u>\$ 163,220</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2009

continued

Description	Balance 10/1/2008	Additions	Deductions	Balance 9/30/2009
<u>DISTRICT ATTORNEY SEIZURES FUND</u>				
<u>Assets</u>				
Nonpooled Investments	\$ 338,348	\$ 127,329	\$ 276,740	\$ 188,937
Total Assets	<u>\$ 338,348</u>	<u>\$ 127,329</u>	<u>\$ 276,740</u>	<u>\$ 188,937</u>
<u>Liabilities</u>				
Due to Others	\$ 338,348	\$ 127,329	\$ 276,740	\$ 188,937
Total Liabilities	<u>\$ 338,348</u>	<u>\$ 127,329</u>	<u>\$ 276,740</u>	<u>\$ 188,937</u>
<u>DISTRICT CLERK CHILD SUPPORT TRUST</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 1,317	\$ 9,576	\$ 10,893	\$ -
Total Assets	<u>\$ 1,317</u>	<u>\$ 9,576</u>	<u>\$ 10,893</u>	<u>\$ -</u>
<u>Liabilities</u>				
Due to Others	\$ 1,317	\$ 9,576	\$ 10,893	\$ -
Total Liabilities	<u>\$ 1,317</u>	<u>\$ 9,576</u>	<u>\$ 10,893</u>	<u>\$ -</u>
<u>DISTRICT CLERK COURT REGISTRY FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 226,196	\$ 1,484,766	\$ 1,673,100	\$ 37,862
Nonpooled Investments	2,467,696	637,299	463,227	2,641,768
Accrued Interest	28,026	23,249	28,026	23,249
Total Assets	<u>\$ 2,721,918</u>	<u>\$ 2,145,314</u>	<u>\$ 2,164,353</u>	<u>\$ 2,702,879</u>
<u>Liabilities</u>				
Accounts Payable	\$ 2,721,918	\$ 2,145,314	\$ 2,164,353	\$ 2,702,879
Total Liabilities	<u>\$ 2,721,918</u>	<u>\$ 2,145,314</u>	<u>\$ 2,164,353</u>	<u>\$ 2,702,879</u>
<u>DRUG TASK FORCE SEIZURE FUND</u>				
<u>Assets</u>				
Nonpooled Investments	\$ 3,873	\$ 5	\$ -	\$ 3,878
Total Assets	<u>\$ 3,873</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 3,878</u>
<u>Liabilities</u>				
Due to Others	\$ 3,873	\$ 5	\$ -	\$ 3,878
Total Liabilities	<u>\$ 3,873</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 3,878</u>
<u>FEE OFFICERS FEE FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 871,921	\$ 9,103,315	\$ 9,136,514	\$ 838,722
Accounts Receivable	3,169	3,070	5,153	1,086
Total Assets	<u>\$ 875,090</u>	<u>\$ 9,106,385</u>	<u>\$ 9,141,667</u>	<u>\$ 839,808</u>
<u>Liabilities</u>				
Accounts Payable	\$ 385	\$ 59,371	\$ 59,533	\$ 223
Due to Other Governments	1,545	10,765	10,379	1,931
Due to Others	873,160	20,901,643	20,937,149	837,654
Total Liabilities	<u>\$ 875,090</u>	<u>\$ 20,971,779</u>	<u>\$ 21,007,061</u>	<u>\$ 839,808</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2009

continued

Description	Balance 10/1/2008	Additions	Deductions	Balance 9/30/2009
<u>GENERAL SALES TAX FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 385	\$ 1,962	\$ 1,891	\$ 456
Total Assets	<u>\$ 385</u>	<u>\$ 1,962</u>	<u>\$ 1,891</u>	<u>\$ 456</u>
<u>Liabilities</u>				
Accounts Payable	\$ 385	\$ 1,954	\$ 1,883	\$ 456
Total Liabilities	<u>\$ 385</u>	<u>\$ 1,954</u>	<u>\$ 1,883</u>	<u>\$ 456</u>
<u>JUVENILE PROBATION DEPARTMENT FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 646	\$ 86,186	\$ 84,407	\$ 2,425
Total Assets	<u>\$ 646</u>	<u>\$ 86,186</u>	<u>\$ 84,407</u>	<u>\$ 2,425</u>
<u>Liabilities</u>				
Due to Others	\$ 646	\$ 27,706	\$ 25,927	\$ 2,425
Total Liabilities	<u>\$ 646</u>	<u>\$ 27,706</u>	<u>\$ 25,927</u>	<u>\$ 2,425</u>
<u>STATE FEES AND TAX ON FINES FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 449,190	\$ 2,109,600	\$ 2,161,333	\$ 397,457
Total Assets	<u>\$ 449,190</u>	<u>\$ 2,109,600</u>	<u>\$ 2,161,333</u>	<u>\$ 397,457</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 57,826	\$ 52,271	\$ 5,555
Due to Other Governments	449,190	1,780,722	1,838,010	391,902
Total Liabilities	<u>\$ 449,190</u>	<u>\$ 1,838,548</u>	<u>\$ 1,890,281</u>	<u>\$ 397,457</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 659,316	\$ 2,254,494	\$ 2,303,789	\$ 610,021
Nonpooled Cash	2,365,813	407,800,204	407,888,313	2,277,704
Nonpooled Investments	4,480,648	2,180,924	2,186,780	4,474,792
Accounts Receivable	4,272	3,070	5,153	2,189
Accrued Interest	63,767	28,250	68,768	23,249
Total Assets	<u>\$ 7,573,816</u>	<u>\$ 412,266,942</u>	<u>\$ 412,452,803</u>	<u>\$ 7,387,955</u>
<u>Liabilities</u>				
Accounts Payable	\$ 4,167,003	\$ 8,304,658	\$ 8,391,065	\$ 4,080,596
Due to Other Governments	664,683	358,875,991	358,589,987	950,687
Due to Others	2,742,130	501,984,052	502,369,510	2,356,672
Total Liabilities	<u>\$ 7,573,816</u>	<u>\$ 869,164,701</u>	<u>\$ 869,350,562</u>	<u>\$ 7,387,955</u>



CAPITAL ASSETS USED
IN THE OPERATION OF
GOVERNMENTAL FUNDS



MCLENNAN COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Capital Assets:		
Land	\$ 3,520,645	\$ 3,356,021
Buildings	82,045,331	79,295,774
Improvements Other than Buildings	834,357	825,771
Machinery and Equipment	22,789,887	20,559,653
Infrastructure	34,620,319	33,481,248
Construction in Progress	<u>35,231,153</u>	<u>1,443,057</u>
 Total Capital Assets	 <u>\$ 179,041,692</u>	 <u>\$ 138,961,524</u>
Investment in Capital Assets:		
General Fund Revenues	\$ 11,373,155	\$ 9,705,110
Special Revenue Fund Revenues	46,367,650	44,641,220
Capital Projects Funds:		
General Obligation Bonds	62,842,705	60,951,678
Revenue Bonds	34,951,182	
Permanent Improvement Fund	16,622,848	15,817,674
Performance Improvement Fund	6,233,774	7,195,464
Donations	639,562	639,562
Other Sources	<u>10,816</u>	<u>10,816</u>
 Total Investment in Capital Assets	 <u>\$ 179,041,692</u>	 <u>\$ 138,961,524</u>

MCLENNAN COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
As of September 30, 2009

Function and Activity	Total	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress
General Government:							
General Administration	\$ 5,813,253	\$ 1,132,772	\$ 2,829,245	\$ 285,586	\$ 1,561,330	\$ 262	\$ 4,058
Legal	1,567,054	-	1,359,413	-	30,976	-	176,665
Elections	915,122	-	625,606	-	289,516	-	-
Financial Administration	4,775,710	-	2,445,488	-	2,330,222	-	-
Total General Government	13,071,139	1,132,772	7,259,752	285,586	4,212,044	262	180,723
Public Safety:							
Fire Protection	23,000	-	-	-	23,000	-	-
Law Enforcement	9,921,258	117,249	5,270,111	11,201	4,522,697	-	-
Corrections	73,505,660	284,997	35,621,442	275,666	2,145,943	369,455	34,828,157
Other Protection	555,674	-	47,969	-	287,353	202,689	17,663
Environmental Protection	18,827	-	-	-	18,827	-	-
Total Public Safety	84,024,419	382,246	40,939,522	286,867	6,997,820	572,144	34,845,820
Public Transportation:							
Engineering	5,016	-	-	-	5,016	-	-
Maintenance	12,189,752	467,881	683,321	160,198	10,850,407	-	27,945
Infrastructure	34,047,913	-	-	-	-	34,047,913	-
Total Public Transportation	46,242,681	467,881	683,321	160,198	10,855,423	34,047,913	27,945
Judicial Health Welfare Culture-Recreation Conservation							
Judicial	8,111,302	126,796	7,117,373	8,226	682,242	-	176,665
Health	816,750	16,487	772,920	9,232	18,111	-	-
Welfare	495,338	25,221	468,554	1,563	-	-	-
Culture-Recreation	26,088,348	1,354,242	24,644,390	79,198	10,518	-	-
Conservation	191,715	15,000	159,499	3,487	13,729	-	-
Total Capital Assets	\$ 179,041,692	\$ 3,520,645	\$ 82,045,331	\$ 834,357	\$ 22,789,887	\$ 34,620,319	\$ 35,231,153

MCLENNAN COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended September 30, 2008

Function and Activity	General Capital Assets September 30, 2008	Additions	Reductions	General Capital Assets September 30, 2009
General Government:				
General Administration	\$ 5,561,004	\$ 305,494	\$ 53,245	\$ 5,813,253
Legal	1,388,281	184,708	5,935	1,567,054
Elections	900,891	14,231	-	915,122
Financial Administration	4,776,956	69,329	70,575	4,775,710
Total General Government	12,627,132	573,762	129,755	13,071,139
Public Safety:				
Fire Protection	23,000	-	-	23,000
Law Enforcement	9,405,677	2,570,684	2,055,103	9,921,258
Corrections	36,454,413	37,059,299	8,052	73,505,660
Other Protection	513,410	42,264	-	555,674
Environmental Protection	35,812	-	16,985	18,827
Total Public Safety	46,432,312	39,672,247	2,080,140	84,024,419
Public Transportation:				
Engineering	5,016	-	-	5,016
Maintenance	11,669,228	1,129,102	608,578	12,189,752
Infrastructure	32,908,843	1,203,729	64,659	34,047,913
Total Public Transportation	44,583,087	2,332,831	673,237	46,242,681
Judicial	7,869,285	265,913	23,896	8,111,302
Health	791,934	24,816	-	816,750
Welfare	490,141	5,197	-	495,338
Culture - Recreation	25,977,378	110,970	-	26,088,348
Conservation	190,255	1,460	-	191,715
Total Governmental Funds Capital Assets	\$ 138,961,524	\$ 42,987,196	\$ 2,907,028	\$ 179,041,692



McLENNAN COUNTY, TEXAS
STATISTICAL SECTION

This part of the County's Comprehensive annual financial report presents detailed information to enhance the understanding of the information in the financial statements, note disclosures, and required supplementary information and what the data indicates about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to aid in understanding how the County's financial performance and well-being have changed over time.	164
Revenue Capacity These schedules contain information to aid in assessing the County's most significant local revenue source – property tax.	175
Debt Capacity These schedules present information to aid in assessing the County's ability to issue additional debt in the future.	180
Demographic and Economic Information These schedules offer demographic and economic indicators to aid in understanding the environment within which the County's financial activities take place.	186
Operating Information These schedules contain service and infrastructure data to aid in understanding how the information in the County's financial report relates to the services the County provides and the activities it performs.	188

MCLENNAN COUNTY, TEXAS
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Invested in capital assets, net of debt	\$ 33,599,862	\$ 40,643,659	\$ 40,691,733	\$ 38,878,368
Restricted	18,412,712	5,467,588	3,298,142	7,417,897
Nonexpendable	46,844	46,844	46,844	46,844
Unrestricted	<u>15,206,590</u>	<u>20,401,539</u>	<u>24,083,062</u>	<u>27,884,919</u>
Total governmental activities net assets	<u>\$ 67,266,008</u>	<u>\$ 66,559,630</u>	<u>\$ 68,119,781</u>	<u>\$ 74,228,028</u>

Source: McLennan County Financial Records

Accrual Basis financial information for the County government entity wide is available back to 2003 only, the year GASB 34 was implemented.

Table I

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 36,068,109	\$ 36,965,521	\$ 27,440,541
7,649,937	5,431,865	16,672,470
46,844	47,119	47,119
<u>40,206,343</u>	<u>48,005,712</u>	<u>41,260,346</u>
<u>\$ 83,971,233</u>	<u>\$ 90,450,217</u>	<u>\$ 85,420,476</u>

MCLENNAN COUNTY, TEXAS
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year	
	2003	2004
Expenses		
Governmental Activities		
General Administration	\$ 13,081,875	\$ 13,447,122
Judicial	4,963,966	5,135,561
Public Safety	28,459,088	29,053,807
Public Transportation	7,499,769	7,175,631
Health	4,312,989	4,718,525
Welfare	2,649,209	2,852,400
Culture - Recreation	3,167,814	7,217,311
Conservation	180,691	191,524
Economic Development and Assistance	1,183,298	398,113
Interest and Fiscal Charges	2,298,097	2,561,584
Total Primary Government Expenses	<u>67,796,796</u>	<u>72,751,578</u>
Program Revenues		
Governmental Activities		
Charges for Services		
General Government	2,596,930	2,740,396
Judicial	3,954,338	3,851,094
Public Safety	8,015,377	8,883,294
Other Functions	176,339	786,714
Operating Grants and Contributions	8,097,054	6,292,629
Capital Grants and Contributions	-	471,732
Total Primary Government Program Revenues	<u>22,840,038</u>	<u>23,025,859</u>
Net (Expense) Revenue	<u>(44,956,758)</u>	<u>(49,725,719)</u>
General Revenues and Other Changes in Net Assets		
Governmental Activities		
Taxes		
Property Taxes	28,162,392	31,126,569
Other Taxes	11,447,099	12,564,557
Investment Earnings	923,847	756,094
Gain (loss) on Sale of Capital Assets	30,499	(535,420)
Miscellaneous	955,205	76,729
Total Primary Government	<u>41,519,042</u>	<u>43,988,529</u>
Changes in Net Assets of Primary Government	<u>\$ (3,437,716)</u>	<u>\$ (5,737,190)</u>

Source: McLennan County Financial Records

Accrual Basis financial information for the County government entity wide is available back to 2003 only, the year GASB 34 was implemented.

Table II

	2005	2006	2007	2008	2009
\$	14,908,121	\$ 14,435,895	\$ 14,855,034	\$ 15,808,261	\$ 17,245,222
	5,285,769	5,751,910	6,227,910	6,669,017	7,248,749
	30,992,140	32,310,783	33,214,912	34,683,156	39,168,947
	7,697,780	7,313,020	6,988,809	7,819,709	8,565,342
	4,482,532	4,629,481	5,266,641	6,061,339	6,409,230
	2,883,475	3,036,068	3,283,753	3,607,159	3,576,412
	2,309,208	2,791,759	1,400,841	2,032,111	1,504,867
	204,172	212,725	234,964	229,446	263,812
	290,206	959,154	616,903	1,018,783	521,606
	2,367,571	2,297,051	2,168,398	2,029,542	4,032,729
	<u>71,420,974</u>	<u>73,737,846</u>	<u>74,258,165</u>	<u>79,958,523</u>	<u>88,536,916</u>
	2,623,890	3,249,953	3,310,693	3,243,070	3,164,407
	4,409,914	3,779,238	4,395,474	4,567,278	4,819,355
	8,756,883	9,546,714	8,989,499	8,883,675	8,979,005
	865,836	995,049	703,067	663,445	443,776
	7,739,254	6,882,132	5,366,998	7,613,051	5,498,389
	267,486	1,677,870	1,458,719	356,397	1,104,671
	<u>24,663,263</u>	<u>26,130,956</u>	<u>24,224,450</u>	<u>25,326,916</u>	<u>24,009,603</u>
	<u>(46,757,711)</u>	<u>(47,606,890)</u>	<u>(50,033,715)</u>	<u>(54,631,607)</u>	<u>(64,527,313)</u>
	34,379,131	37,573,209	39,671,579	43,482,285	46,382,793
	12,785,221	13,766,423	14,265,859	15,467,345	14,954,358
	1,048,467	2,361,846	2,983,877	1,950,448	1,148,987
	-	(20,471)	1,118,564	-	369,965
	105,043	34,130	71,784	210,513	150,158
	<u>48,317,862</u>	<u>53,715,137</u>	<u>58,111,663</u>	<u>61,110,591</u>	<u>63,006,261</u>
\$	<u>1,560,151</u>	<u>\$ 6,108,247</u>	<u>\$ 8,077,948</u>	<u>\$ 6,478,984</u>	<u>\$ (1,521,052)</u>

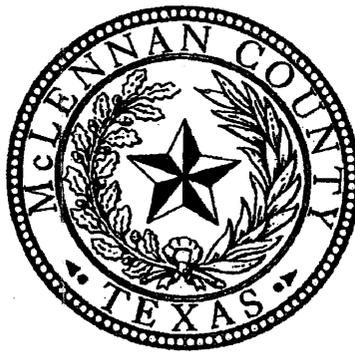


Table III

MCLENNAN COUNTY, TEXAS
Governmental Activities Tax Revenues By Source
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009
Property Taxes	\$ 28,162,392	\$ 31,126,569	\$ 34,379,131	\$ 37,573,209	\$ 39,671,579	\$ 43,482,285	\$ 46,382,793
Sales Taxes	9,662,504	10,278,307	10,512,117	11,459,220	11,845,607	12,273,951	12,336,697
Alcoholic Beverage and Other Taxes	1,784,595	2,286,250	2,273,104	2,307,203	2,420,252	3,193,394	2,617,661
Total Taxes	\$ 39,609,491	\$ 43,691,126	\$ 47,164,352	\$ 51,339,632	\$ 53,937,438	\$ 58,949,630	\$ 61,337,151

Source: McLennan County Financial Records

Accrual Basis financial information for the County government entity wide is available back to 2003 only, the year GASB 34 was implemented.

MCLENNAN COUNTY, TEXAS
Governmental Fund Balances
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2000	2001	2002	2003
General Fund:				
Reserved for Prepaids	\$ 165,044	\$ 740,279	\$ 635,432	\$ 457,296
Unreserved	22,697,287	25,772,102	22,373,407	19,769,413
Total General Fund	\$ 22,862,331	\$ 26,512,381	\$ 23,008,839	\$ 20,226,709
All Other Governmental Funds:				
Reserved for :				
Capital projects	\$ 9,246,244	\$ 11,467,056	\$ 12,992,251	\$ 15,081,580
Debt Service	872,891	1,031,364	1,169,147	1,444,655
Education	49,622	52,174	53,229	53,956
Unreserved, reported in:				
Special Revenue Funds	10,454,204	12,269,741	12,620,589	12,950,809
Capital Projects Funds	2,385,756	1,419,703	1,884,069	1,849,375
Total All Other Governmental Funds	\$ 23,008,717	\$ 26,240,038	\$ 28,719,285	\$ 31,380,375

Source: McLennan County Financial Records

Table IV

2004	2005	2006	2007	2008	2009
\$ 329,657	\$ 305,649	\$ 211,578	\$ 204,210	\$ -	\$ -
18,757,829	19,663,517	23,611,104	27,411,353	29,870,304	28,736,975
<u>\$ 19,087,486</u>	<u>\$ 19,969,166</u>	<u>\$ 23,822,682</u>	<u>\$ 27,615,563</u>	<u>\$ 29,870,304</u>	<u>\$ 28,736,975</u>
\$ 2,072,835	\$ 683,083	\$ 4,735,797	\$ 4,366,068	\$ 2,252,494	\$ 4,065,611
1,764,950	1,795,381	1,920,477	2,054,747	2,228,786	9,320,659
54,000	55,302	57,590	60,440	62,078	54,593
14,080,033	14,838,339	16,586,260	17,547,553	19,569,926	19,063,412
1,061,173	607,072	749,880	1,214,204	933,887	3,268,413
<u>\$ 19,032,991</u>	<u>\$ 17,979,177</u>	<u>\$ 24,050,004</u>	<u>\$ 25,243,012</u>	<u>\$ 25,047,171</u>	<u>\$ 35,772,688</u>

MCLENNAN COUNTY, TEXAS
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2000	2001	2002	2003
Revenues				
Taxes	\$ 32,426,022	\$ 34,686,971	\$ 36,245,914	\$ 37,707,025
Licenses and Permits	1,703,421	1,753,448	1,715,402	1,784,595
Intergovernmental	6,422,058	7,811,465	6,781,101	8,079,601
Charges for Services	7,805,408	8,224,251	8,428,786	8,243,117
Fines and Forfeitures	1,787,926	1,778,243	1,749,475	1,875,732
Other	8,573,491	7,958,950	6,478,512	6,212,642
Total Revenues	58,718,326	62,213,328	61,399,190	63,902,712
Expenditures				
General Administration	10,809,072	12,926,397	12,633,645	12,677,454
Judicial	4,256,439	4,704,061	4,438,832	4,783,359
Public Safety	23,884,056	24,493,452	26,388,346	27,247,039
Public Transportation	6,277,187	6,496,061	6,599,557	6,991,895
Health	3,416,984	3,362,930	4,021,706	4,288,371
Welfare	1,346,615	1,586,981	1,962,145	2,614,096
Culture - Recreation	349,696	407,245	460,436	545,340
Education	9,100	-	-	-
Conservation	181,119	181,679	245,728	175,091
Economic Development	223,873	239,995	291,462	1,183,298
Capital Outlay	2,071,508	8,233,995	5,524,867	6,904,656
Debt Service:				
Principal Retirement	2,007,545	2,243,527	4,345,080	2,771,384
Interest and Fiscal Charges	1,491,089	2,109,681	2,386,772	2,249,163
Total Expenditures	56,324,283	66,986,004	69,298,576	72,431,146
(Deficiency) Revenues over Expenditures	2,394,043	(4,772,676)	(7,899,386)	(8,528,434)
Other Financing Sources/Uses				
Transfers In	2,409,820	2,888,408	2,333,245	2,166,532
Transfers Out	(2,409,820)	(2,888,408)	(2,333,245)	(2,166,532)
Disposition of Fixed Assets	98,344	194,202	433,353	32,960
Proceeds of Lease Purchase Agreement	-	1,957,293	6,440,682	296,617
Issuance of Notes Payable	-	-	-	-
Issuance of General Obligation Bonds	10,000,000	9,500,000	-	8,000,000
Issuance of Refunding Bonds	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issuance of Revenue Bonds	-	-	-	-
Original Issue Discount	-	-	-	-
Other	2,764	2,552	1,055	-
Total Other Financing Sources/Uses	10,101,108	11,654,047	6,875,090	8,329,577
Net Change in Fund Balances	\$ 12,495,151	\$ 6,881,371	\$ (1,024,296)	\$ (198,857)
Debt Service as a percentage of noncapital expenditures	6.45%	7.41%	10.56%	7.66%

Source: McLennan County Financial Records

Table V

2004	2005	2006	2007	2008	2009
\$ 41,389,630	\$ 44,851,266	\$ 48,871,633	\$ 51,552,447	\$ 56,359,250	\$ 58,498,187
1,810,976	1,786,102	1,820,253	1,887,215	1,913,187	1,990,933
6,887,086	8,493,880	8,512,786	5,907,990	7,529,708	6,210,605
8,294,901	8,412,576	9,169,759	9,299,340	10,031,263	9,770,566
2,057,102	2,132,639	2,323,514	1,870,289	1,871,241	2,251,821
6,134,187	6,482,995	8,357,361	8,705,285	7,004,436	6,218,473
<u>66,573,882</u>	<u>72,159,458</u>	<u>79,055,306</u>	<u>79,222,566</u>	<u>84,709,085</u>	<u>84,940,586</u>
12,922,682	15,209,233	14,116,613	14,456,603	15,368,379	16,223,292
4,926,142	5,366,157	5,516,560	5,993,688	6,446,573	6,596,838
27,837,675	29,782,974	30,989,699	31,715,864	33,202,863	36,754,437
6,444,817	6,828,980	6,275,772	6,651,633	7,177,322	7,908,710
4,705,664	4,458,959	4,613,184	5,235,375	6,005,100	6,269,271
2,819,041	2,849,378	3,002,493	3,262,859	3,595,216	3,547,708
543,990	570,007	603,470	633,514	660,270	738,272
-	-	-	-	-	-
194,064	200,154	209,955	232,401	233,962	232,982
398,113	290,206	959,154	616,903	1,018,783	521,606
13,511,774	2,284,006	1,784,761	1,896,997	2,947,063	38,209,428
3,410,486	3,525,089	3,665,635	3,962,713	4,337,593	4,437,441
2,575,126	2,373,019	2,310,875	2,227,671	2,054,590	2,990,415
<u>80,289,574</u>	<u>73,738,162</u>	<u>74,048,171</u>	<u>76,886,221</u>	<u>83,047,714</u>	<u>124,430,402</u>
(13,715,692)	(1,578,704)	5,007,135	2,336,345	1,661,371	(39,489,816)
3,299,494	2,827,897	7,431,894	3,103,306	3,466,318	3,553,999
(3,299,494)	(2,827,897)	(7,310,828)	(3,103,306)	(3,466,318)	(3,553,999)
117,855	19,743	112,927	1,299,262	67,049	218,355
-	451,299	111,836	1,051,495	116,845	1,558,022
-	935,529	321,379	298,788	213,636	-
-	-	4,250,000	-	-	-
9,916,232	-	2,422,266	-	-	6,307,527
(9,805,000)	-	(2,422,266)	-	-	(6,212,169)
-	-	-	-	-	49,015,000
-	-	-	-	-	(1,804,732)
-	-	-	-	-	-
<u>229,087</u>	<u>1,406,571</u>	<u>4,917,208</u>	<u>2,649,545</u>	<u>397,530</u>	<u>49,082,002</u>
<u>\$ (13,486,605)</u>	<u>\$ (172,133)</u>	<u>\$ 9,924,343</u>	<u>\$ 4,985,890</u>	<u>\$ 2,058,901</u>	<u>\$ 9,592,187</u>
<u>8.96%</u>	<u>8.25%</u>	<u>8.27%</u>	<u>8.26%</u>	<u>8.11%</u>	<u>8.93%</u>



MCLENNAN COUNTY, TEXAS
Taxable Assessed Value and Actual Value of Property
Last Ten Fiscal Years
(in thousands of dollars)
(Unaudited)

Fiscal Year	Real Property		Personal Property		Total		Direct Tax Rate per \$100 of valuation	Statutory Ratio of Assessed Value to True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value		
2000	\$ 4,712,666	\$ 4,712,666	\$ 1,740,091	\$ 1,740,091	\$ 6,452,757	\$ 6,452,757	\$ 0.4362	100.00%
2001	\$ 5,060,143	\$ 5,060,143	\$ 1,824,313	\$ 1,824,313	\$ 6,884,456	\$ 6,884,456	\$ 0.4566	100.00%
2002	\$ 5,549,856	\$ 5,549,856	\$ 1,618,608	\$ 1,618,608	\$ 7,168,464	\$ 7,168,464	\$ 0.4696	100.00%
2003	\$ 6,782,069	\$ 6,782,069	\$ 1,760,346	\$ 1,760,346	\$ 8,542,415	\$ 8,542,415	\$ 0.4286	100.00%
2004	\$ 7,213,337	\$ 7,213,337	\$ 1,995,056	\$ 1,995,056	\$ 9,208,393	\$ 9,208,393	\$ 0.4407	100.00%
2005	\$ 7,922,995	\$ 7,922,995	\$ 2,196,989	\$ 2,196,989	\$ 10,119,984	\$ 10,119,984	\$ 0.4449	100.00%
2006	\$ 8,710,431	\$ 8,710,431	\$ 2,119,471	\$ 2,119,471	\$ 10,829,902	\$ 10,829,902	\$ 0.4599	100.00%
2007	\$ 9,438,987	\$ 9,438,987	\$ 2,184,785	\$ 2,184,785	\$ 11,623,772	\$ 11,623,772	\$ 0.4519	100.00%
2008	\$ 10,112,257	\$ 10,112,257	\$ 2,232,182	\$ 2,232,182	\$ 12,344,439	\$ 12,344,439	\$ 0.4652	100.00%
2009	\$ 11,021,761	\$ 11,021,761	\$ 2,303,630	\$ 2,303,630	\$ 13,325,391	\$ 13,325,391	\$ 0.4647	100.00%

The assessment date is January 1
 Source: McLennan County Tax Assessor-Collector

McLENNAN COUNTY, TEXAS
 Property Tax Rates - Direct and Overlapping Governments
 (Per \$100 of Assessed Value) (1)
 Last Ten Fiscal Years
 (Unaudited)

Jurisdiction	Fiscal Year									
	2000 1999	2001 2000	2002 2001	2003 2002	2004 2003	2005 2004	2006 2005	2007 2006	2008 2007	2009 2008
Fiscal Year Ending Date - September 30										
Tax Roll Date - October 1 (2)										
County-wide Taxing Entities:										
McLennan County	\$ 0.4362	\$ 0.4566	\$ 0.4696	\$ 0.4286	\$ 0.4407	\$ 0.4449	\$ 0.4599	\$ 0.4519	\$ 0.4652	\$ 0.4647
McLennan County College District	0.1136	0.1174	0.1197	0.1165	0.1261	0.1261	0.1211	0.1204	0.1511	0.1511
Special Districts:										
County-Line Special Districts:										
McLennan and Hill Counties Tehuacana										
Creek Water Control and Improvement District No. 1	0.02214	0.0221	0.0241	0.0241	0.0283	0.0283	0.0283	0.0284	0.0250	0.0250
McLennan and Hill Counties Tehuacana										
Creek Water Control and Improvement District - Benefit Tax	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	0.0000	0.0000	0.0000
Other Special Districts:										
Castleman Creek Special Improvement District	-	-	0.1200	0.1200	0.1370	0.1370	0.1370	0.1304	0.1304	0.1304
Downtown Special Improvement District	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0000	0.0000
Elm Creek Watershed Authority	0.0340	0.0300	0.0280	0.0275	0.0286	0.0286	0.0294	0.0294	0.0283	0.0306
McLennan County Water Control and Improvement District No. 2	-	-	-	-	-	-	-	-	-	-
Tax Increment District No. 1	-	-	-	-	-	-	-	-	-	-
Tax Increment District No. 2	-	-	-	-	-	-	-	-	-	-
Cities:										
Bellmead	0.3647	0.3584	0.3529	0.3107	0.3103	0.3052	0.2964	0.2788	0.2533	0.2470
Beverly Hills	-	-	-	-	-	0.2500	0.0000	0.2829	0.2829	0.2829
Bruceville-Eddy	0.4597	0.4929	0.4929	0.4644	0.4338	0.4239	0.4495	0.4495	0.4426	0.4637
Crawford	0.4338	0.4259	0.4557	0.3678	0.3543	0.3341	0.3267	0.3402	0.3822	0.3822
Gholson	-	-	0.2500	0.2334	0.2454	0.2454	0.2454	0.2340	0.2179	0.2179
Hewitt	0.5000	0.5000	0.5000	0.4550	0.4842	0.4842	0.4842	0.4842	0.4842	0.4842
Lacy-Lakeview	0.2539	0.2715	0.3033	0.2883	0.2927	0.2810	0.2920	0.3285	0.3285	0.3285
Lorena	0.4208	0.4208	0.4239	0.4234	0.4314	0.4353	0.5246	0.5004	0.5068	0.5068
Mart	0.8076	0.9000	0.9085	0.8000	0.7842	0.7099	0.8320	0.7842	0.7988	0.7988
McGregor	0.5367	0.5533	0.5567	0.5402	0.5349	0.5400	0.5700	0.5650	0.5577	0.5772
Moody	0.5213	0.5508	0.6010	0.6010	0.5973	0.6130	0.4886	0.5004	0.5396	0.5395
Riesel (3)	0.3300	0.3300	0.3960	0.3590	0.3570	0.1627	0.2500	0.2500	0.2500	0.2500
Robinson	0.7148	0.7148	0.7148	0.7148	0.6997	0.6997	0.6997	0.6997	0.7862	0.7962
Waco	0.3208	0.3208	0.3247	0.6925	0.2990	0.3390	0.3590	0.3676	0.4140	0.4548
West	0.4646	0.4646	0.4829	0.2900	0.4572	0.4572	0.4572	0.4572	0.4572	0.4572
Woodway										

(Continued)

Continued

McLENNAN COUNTY, TEXAS

Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value) (1)

Last Ten Fiscal Years
(Unaudited)

Jurisdiction	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fiscal Year Ending Date - September 30										
Tax Roll Date - October 1 (2)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
School Districts:										
County-Line School Districts:										
Axtell Independent School District	1.3050	1.3700	1.4200	1.3800	1.5000	1.4970	1.5000	1.3700	1.1700	1.1700
Bruceville-Eddy Independent School District	1.3200	1.3500	1.3800	1.4100	1.4100	1.4500	1.4500	1.4500	1.3250	1.3250
China Spring Independent School District	1.4777	1.5000	1.5000	1.5600	1.5725	1.5380	1.5900	1.4595	1.4296	1.4296
Crawford Independent School District	1.3918	1.4979	1.5299	1.5299	1.5492	1.5492	1.6200	1.4915	1.2479	1.3778
Lorena Independent School District	1.5070	1.5710	1.5910	1.6894	1.6894	1.7546	1.7000	1.5815	1.2474	1.2474
Mart Independent School District	1.5002	1.6150	1.6850	1.6500	1.6500	1.6329	1.5380	1.4204	1.1954	1.1954
Moody Independent School District	1.3800	1.3800	1.3800	1.3800	1.4200	1.4200	1.4200	1.2591	0.9867	0.9867
Oglesby Independent School District	1.4000	1.4000	1.4000	1.5000	1.5000	1.5000	1.5000	1.3041	1.1052	1.1050
Riesel Independent School District	1.4700	1.4322	1.5537	1.6486	1.6334	1.6271	1.6454	1.5126	1.1963	1.1499
Robinson Independent School District	1.6102	1.6815	1.6815	1.6403	1.6571	1.6510	1.6274	1.5109	1.1800	1.3150
Valley Mills Independent School District	1.6500	1.6400	1.6400	1.6950	1.6750	1.6750	1.6700	1.5100	1.3140	1.3140
West Independent School District	1.5000	1.5000	1.5800	1.4974	1.6293	1.6964	1.7364	1.5510	1.2253	1.2253
Other School Districts:										
Bosqueville Independent School District	1.4185	1.4947	1.4989	1.5910	1.5898	1.4921	1.5300	1.4198	1.5613	1.5551
Connally Independent School District	1.5269	1.5105	1.6496	1.4985	1.6243	1.6470	1.6520	1.5118	1.2300	1.2300
Gholson Independent School District	1.3671	1.4273	1.5000	1.4052	1.4500	1.4524	1.4524	1.3278	1.0400	1.0400
Hallsburg Independent School District	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.3700	1.0401	1.0400
LaVega Independent School District	1.5360	1.5360	1.5360	1.5080	1.5400	1.7200	1.6925	1.5366	1.1828	1.1828
McGregor Independent School District	1.5200	1.5100	1.6500	1.6500	1.6500	1.6500	1.6500	1.5211	1.2100	1.2100
Midway Independent School District	1.5000	1.6400	1.6400	1.6020	1.6220	1.6220	1.6220	1.5065	1.3200	1.3200
Waco Independent School District	1.5130	1.5812	1.5920	1.4850	1.5242	1.5383	1.5640	1.4438	1.3591	1.3664

(1) Source - Tax Rates obtained from McLennan County Tax-Assessor/Collector's office.

(2) The tax roll generally provides funds for use in the fiscal year ending in the following calendar year.

(3) The City of Riesel started collecting taxes in FY 2005.

McLENNAN COUNTY, TEXAS
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	2008 Tax Roll* Assessed Value	Rank	Percentage of Total Assessed Value	1999 Tax Roll* Assessed Value	Rank	Percentage of Total Assessed Value
Oncor Electric Delivery Co.	\$ 118,764,026	1	0.8913%	\$ -		
Mars SnackFood U.S.	99,685,656	2	0.7481%	113,541,492	2	1.7596%
Coca-Cola Company	71,366,216	3	0.5356%			
L-3 Communications	63,436,046	4	0.4761%			
Inland Western Waco Central LP	57,641,480	5	0.4326%			
Southwestern Bell Telephone Co.	57,479,392	6	0.4314%	78,112,010	3	1.2105%
Allergan Inc.	47,932,331	7	0.3597%			
CBL/Richland Mall LP	40,075,097	8	0.3007%			
Butt H E Grocery Co	39,873,095	9	0.2992%			
Pilgrim's Pride Corp	35,512,349	10	0.2665%			
TXU Electric Company				135,593,830	1	2.1013%
Raytheon E-Systems, Inc.				54,157,671	4	0.8393%
Owens-Brockway Services				53,803,731	5	0.8338%
Huck Manufacturing Co.				48,498,103	6	0.7516%
Minute Maid				45,955,440	7	0.7122%
Paragon Trade Brands				43,432,353	8	0.6731%
Vision Pharmaceuticals				34,503,959	9	0.5347%
Sherwin Williams Co., Inc.				29,011,510	10	0.4496%
	<u>\$ 631,765,688</u>		<u>4.7411%</u>	<u>\$ 636,610,099</u>		<u>9.8657%</u>
Total Assessed Valuation	<u>\$ 13,325,390,930</u>			<u>\$ 6,452,756,982</u>		

* The Tax Roll provides funds for the following Fiscal Year.

Source: McLennan County Tax Assessor-Collector

McLENNAN COUNTY, TEXAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy	Through June 30 Fiscal Year		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
		Current Tax Collections	Percent of Levy Collected			
2000	22,838,203	22,024,420	96.44%	741,977	22,766,397	99.69%
2001	25,586,354	24,657,462	96.37%	579,958	25,237,420	98.64%
2002	26,982,531	25,877,949	95.91%	542,683	26,420,632	97.92%
2003	28,604,693	27,218,896	95.16%	767,544	27,986,440	97.84%
2004	31,233,306	30,272,749	96.92%	575,551	30,848,300	98.77%
2005	35,047,055	33,409,321	95.33%	560,371	33,969,692	96.93%
2006	37,993,593	36,878,049	97.06%	551,825	37,429,874	98.52%
2007	40,322,975	39,184,618	97.18%	627,846	39,812,464	98.73%
2008	44,027,709	42,941,073	97.53%	658,412	43,599,485	99.03%
2009	46,790,326	46,071,513	98.46%	543,959	46,615,472	99.63%

Source: McLennan County Financial Records

Table X

MCLENNAN COUNTY, TEXAS
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Bank Notes Payable	Capital Leases Obligation	Total Long Term Debt (1)	Percent of Personal Income	Per Capita
2000	35,905,000	-	-	1,362,453	37,267,453	0.77	175
2001	43,450,000	-	-	3,065,387	46,515,387	0.94	218
2002	40,925,000	-	-	7,661,331	48,586,331	0.93	224
2003	46,780,000	-	-	7,331,564	54,111,564	1.04	250
2004	44,135,000	-	-	6,186,160	50,321,160	0.90	229
2005	41,410,000	806,476	806,476	5,966,422	48,182,898	0.80	217
2006	43,150,000	852,505	852,505	5,580,479	49,582,984	0.78	221
2007	40,040,000	768,009	768,009	6,162,545	46,970,554	0.67	208
2008	36,720,000	561,038	561,038	5,682,403	42,963,441	0.59	188
2009	33,245,000	49,015,000	200,958	6,643,065	89,104,023	1248.66	387

(1) Excludes Compensated Absences
Source: McLennan County Financial Records

Table XI

MCLENNAN COUNTY, TEXAS
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population	Assessed Value (in thousands of dollars)	Gross Bonded Debt	Less: Amounts Available for Debt Service	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2000	213,517	6,452,757	35,905,000	872,891	35,032,109	0.54	164
2001	213,517	6,884,456	43,450,000	1,031,364	42,418,636	0.62	199
2002	216,517	7,168,464	40,925,000	1,169,147	39,755,853	0.55	184
2003	216,517	8,542,415	46,780,000	1,444,655	45,335,345	0.53	209
2004	219,807	9,208,393	44,135,000	1,764,950	42,370,050	0.46	193
2005	222,500	10,119,984	41,410,000	1,795,381	39,614,619	0.39	178
2006	224,668	10,829,902	43,150,000	1,920,477	41,229,523	0.38	184
2007	226,189	11,623,772	40,040,000	2,054,747	37,985,253	0.33	168
2008	228,123	12,344,439	36,720,000	2,228,786	34,491,214	0.28	151
2009	230,213	13,325,391	82,260,000	9,320,659	72,939,341	0.55	317

Source: McLennan County Financial Records

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2009
(Unaudited)

Jurisdiction	As of	Net Debt Outstanding (1)	Percentage Applicable to County (2)	Amount Applicable to County
<u>County-Wide Taxing Entities:</u>				
McLennan County (3)	9/30/2009	\$ 74,925,976	100%	\$ 74,925,976
McLennan County College District	8/31/2009	84,470,000	100%	84,470,000
<u>Special Districts:</u>				
County-Line Special Districts:				
Aquilla-Hackberry Creek Conservation District	9/30/2009	-	25%	-
McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District No. 1	9/30/2009	-	99.46%	-
McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District - Benefit Tax	9/30/2009	-	79.87%	-
Other Special Districts:				
Elm Creek Watershed Authority	9/30/2009	-	100%	-
McLennan County Water Control and Improvement District No. 2	9/30/2009	-	100%	-
Tax Increment District No. 1	9/30/2009	-	100%	-
Tax Increment District No. 2	9/30/2009	-	100%	-
<u>Cities:</u>				
Bellmead	9/30/2009	2,437,871	100%	2,437,871
Beverly Hills	9/30/2009	-	100%	-
Bruceville-Eddy	12/31/2009	-	100%	-
Crawford	10/31/2009	556,073	100%	556,073
Gholson	9/30/2009	-	100%	-
Hewitt	9/30/2009	5,173,954	100%	5,173,954
Lacy-Lakeview	9/30/2009	3,085,000	100%	3,085,000
Lorena	9/30/2009	1,372,475	100%	1,372,475
Mart	9/30/2009	192,841	100%	192,841
McGregor	9/30/2009	2,215,701	100%	2,215,701
Moody	9/30/2009	123,000	100%	123,000
Riesel	9/30/2009	79,839	100%	79,839
Robinson	9/30/2009	3,602,860	100%	3,602,860
Waco	9/30/2009	98,915,555	100%	98,915,555
West	9/30/2009	-	100%	-
Woodway	9/30/2009	4,710,000	100%	4,710,000
(continued)				

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2008
(Unaudited)

Jurisdiction	As of	Net Debt Outstanding (1)	Percentage Applicable to County (2)	Amount Applicable to County
School Districts:				
County-Line School Districts:				
Axtell Independent School District	8/31/2009	\$ -	93.41%	\$ -
Bruceville-Eddy Independent School District	6/30/2009	7,500,000	97.41%	7,305,750
China Spring Independent School District	6/30/2009	36,838,865	97.01%	35,737,383
Crawford Independent School District	8/31/2009	5,894,997	96.64%	5,696,925
Lorena Independent School District	8/31/2009	12,537,936	97.98%	12,284,670
Mart Independent School District	8/31/2009	3,145,000	79.04%	2,485,808
Moody Independent School District	8/31/2009	-	53.77%	-
Oglesby Independent School District	8/31/2009	806,964	7.11%	57,375
Riesel Independent School District	8/31/2009	2,154,831	49.98%	1,076,985
Robinson Independent School District	8/31/2009	11,194,986	98.51%	11,028,181
Valley Mills Independent School District	8/31/2009	8,554,999	46.38%	3,967,809
West Independent School District	8/31/2009	5,133,670	98.48%	5,055,638
Other School Districts:				
Bosqueville Independent School District	6/30/2009	10,810,889	100%	10,810,889
Connally Independent School District	8/31/2009	20,962,854	100%	20,962,854
Gholson Independent School District	8/31/2009	-	100%	-
Hallsburg Independent School District	6/30/2009	-	100%	-
LaVega Independent School District	8/31/2009	22,069,993	100%	22,069,993
McGregor Independent School District	8/31/2009	9,458,171	100%	9,458,171
Midway Independent School District	8/31/2009	21,373,470	100%	21,373,470
Waco Independent School District	8/31/2009	206,415,094	100%	206,415,094
		<u>\$666,713,864</u>		<u>\$ 657,648,140</u>

- (1) Source - Except as otherwise indicated, the net debt information in this table was obtained by direct contact with individual jurisdictions without further verification.
- (2) Source - The portion of the debt of any jurisdiction which is considered to be applicable to McLennan County is determined by the ratio of the total assessed value of property of the jurisdiction located within McLennan County to the total assessed value of all property taxed by the entity. This information is obtained by direct contact with the various appraisal districts.
- (3) Source - McLennan County Financial Records

MCLENNAN COUNTY, TEXAS
Legal Debt Margin
Last Ten Fiscal Years
(in thousands of dollars)
(Unaudited)

	2000	2001	2002	2003
<u>Debt Limit (Article 3, Section 52 of the Texas Constitution)</u>				
Assessed Value of Real Property	\$ 4,712,666	\$ 5,060,143	\$ 5,549,856	\$ 6,782,069
Debt Limit (One-fourth of the assessed value of Real Property	1,178,167	1,265,036	1,387,464	1,695,517
Road Bonds Outstanding	-	-	-	-
Legal Debt Margin	<u>\$ 1,178,167</u>	<u>\$ 1,265,036</u>	<u>\$ 1,387,464</u>	<u>\$ 1,695,517</u>
<u>Debt Limit (Under Texas General Laws)</u>				
Assessed Value of All Taxable Property	\$ 6,452,757	\$ 6,884,456	\$ 7,168,464	\$ 8,542,415
Debt Limit (5%)	322,638	344,223	358,423	427,121
Outstanding General Obligation Bonds, Net of Assets in Debt Service Funds	35,032	42,419	39,756	45,335
Legal Debt Margin	<u>\$ 287,606</u>	<u>\$ 301,804</u>	<u>\$ 318,667</u>	<u>\$ 381,786</u>

Source: McLennan County Financial Records

As to bonds issued under Article 3, Section 52e of the Texas Constitution, counties "may issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of such district or territory.

Government Code 1301.003(c) states "the total indebtedness of any county for the purpose provided in this chapter, shall not be increased by any issue of bonds to a sum exceeding five percent of its said taxable values.

Table XIII

2004	2005	2006	2007	2008	2009
\$ 7,213,337	\$ 7,922,995	\$ 8,710,431	\$ 9,438,987	\$ 10,112,257	\$ 11,021,761
1,803,334	1,980,749	2,177,608	2,359,747	2,528,064	2,755,440
-	-	-	-	-	-
<u>\$ 1,803,334</u>	<u>\$ 1,980,749</u>	<u>\$ 2,177,608</u>	<u>\$ 2,359,747</u>	<u>\$ 2,528,064</u>	<u>\$ 2,755,440</u>
\$ 9,208,393	\$ 10,119,984	\$ 10,829,902	\$ 11,623,772	\$ 12,344,439	\$ 13,325,391
460,420	505,999	541,495	581,189	617,222	666,270
42,370	39,615	41,230	37,985	34,491	72,939
<u>\$ 418,050</u>	<u>\$ 466,384</u>	<u>\$ 500,265</u>	<u>\$ 543,204</u>	<u>\$ 582,731</u>	<u>\$ 593,331</u>

MCLENNAN COUNTY, TEXAS
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Population (1)	Personal Income (in thousands of dollars) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Median Age (4)	Unemployment Rate (5)
2000	213,517	4,850,893	22,719	39,430	31.9	3.3%
2001	213,517	4,960,000	23,230	39,327	-	3.9%
2002	216,517	5,197,058	24,003	39,680	-	4.0%
2003	216,517	5,197,924	24,007	39,916	-	4.7%
2004	219,807	5,607,716	25,512	40,491	-	4.0%
2005	225,500	5,991,480	26,928	40,835	32.4	4.7%
2006	224,668	6,385,514	28,422	41,066	-	4.8%
2007	226,189	7,014,000	30,265	41,086	-	4.2%
2008	228,123	7,323,133	31,410	41,366	-	4.6%
2009	230,213	7,135,959	30,467	41,685	-	6.7%

Source:

- (1) U.S. Census Bureau
- (2) Perryman Group
- (3) Texas Education Agency
- (4) U.S. Census Bureau (available only for selected years)
- (5) Texas Workforce Commission

MCLENNAN COUNTY, TEXAS
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Industry	2009			2000		
		Full Time Equivalent Employees	Rank	Percentage of Total County Workforce	Full Time Equivalent Employees (1)	Rank (1)	Percentage of Total County Workforce (1)
Waco Independent School Dist	Public Education	2525	1	2.17 %	>1,000	-	-
Baylor University	University	2497	2	2.15 %	>1,000	-	-
Providence Health Center	Medical Center / Hospital	2495	3	2.14 %	>1,000	-	-
L-3 Integrated Systems (Raytheon E-Systems in 1999)	Aircraft Modification	1750	4	1.50 %	>1,000	-	-
City of Waco	City Government	1515	5	1.30 %	>1,000	-	-
Hillcrest Baptist Medical Center	Medical Center / Hospital	1513	6	1.30 %	>1,000	-	-
Wal-Mart Stores (all locations)	Retail Stores	1455	7	1.25 %	-	-	-
H.E. Butt Grocery Co. (all stores)	Retail Grocery Stores	1350	8	1.16 %	>400	-	-
Sanderson Farms Inc.	Poultry Processing & Hatchery	1234	9	1.06 %	-	-	-
Midway Independent School Dist	Public Education	1011	10	0.87 %	>400	-	-

Source: Greater Waco Chamber of Commerce

Note (1) Information on principal employers from 2000 is only available in terms of brackets (i.e. over 1,000 employees, over 700 employees, etc.) From that information it is not possible to determine the ranking nor the percentage of the workforce for that year.

MCLENNAN COUNTY, TEXAS
County Employees by Function
Last Ten Fiscal Years
(Unaudited)

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Administration	53	53	51	50	50	51	56	56	56	55
Judicial	83	88	84	89	92	90	96	97	104	105
Legal Services	36	36	36	39	39	39	44	46	47	47
Elections	5	5	5	5	5	5	5	5	5	5
Financial Administration	80	81	82	83	83	83	84	85	86	85
Public Safety	342	352	358	363	378	392	395	417	501	502
Health and Welfare	26	27	28	30	30	30	30	42	39	38
Conservation	7	7	7	7	7	7	7	7	7	7
Public Transportation	85	82	85	82	86	86	77	78	80	80
Total	717	731	736	748	770	783	794	833	925	924

(1) Information derived from the annual salary schedules adopted by McLennan County Commissioner's Court.



McLennan County, Texas
Operating Indicators by Function
Last Seven Fiscal Years
(unaudited)

	2003	2004	2005	2006	2007	2008	2009
General Government							
County Auditor:							
Employees full time	18	18	18	18	18	18	18
Vouchers processed	31,645	32,396	31,919	32,927	33,737	34,156	33,474
Accounts payable checks issued	16,936	17,304	17,773	18,213	18,551	18,906	18,994
Internal audit months completed	386	386	385	385	365	370	371
County Judge							
Employees full time	4	4	4	4	4	4	4
Probate cases filed	N/A	N/A	436	605	553	559	534
Guardianship cases filed	N/A	N/A	51	70	69	48	51
Hearings held	N/A	N/A	563	734	682	651	647
County Treasurer:							
Employees full time	5	5	5	5	5	5	5
Payroll checks and advices issued	20,946	21,100	21,574	21,966	21,811	22,679	22,700
Cash receipts processed	3,611	3,594	3,229	3,514	3,407	3,479	3,638
Human Resources:							
Employees full time	4	4	4	4	4	4	4
New hires processed	136	115	138	132	141	165	127
Terminations processed	119	117	137	140	146	144	135
Purchasing:							
Employees full time	4	4	4	4	4	4	4
Purchase orders processed	6,367	6,004	6,049	6,144	6,376	6,259	5,997
Tax Assessor/Collector:							
Employees full time	35	37	37	37	36	37	36
Motor vehicle registrations	N/A	182,713	188,837	193,919	197,351	201,880	182,052
Ad valorem assessment notices issued	11,1374	11,2603	11,6163	11,7372	12,5207	12,2141	11,7231
Judicial							
Bail Bond Office							
Employees full time	2	2	2	2	2	2	2
Bonds Posted	11,384	11,565	12,673	12,301	13,393	12,606	11,500
Dismissals	986	1,249	1,152	980	1,298	1,421	855
Dispositions	6,916	8,007	11,154	8,384	9,270	9,389	7,046
County Clerk:							
Employees full time	24	24	24	24	25	26	26
Civil cases	1583	1727	1859	2298	2627	2128	1901
Criminal cases	5308	5249	5063	5553	6197	5834	5282
Probate cases	638	691	623	674	623	610	584
Marriage licenses	2120	2188	2018	2036	2195	1998	1866

(Continued)

(Continued)

McLennan County, Texas
Operating Indicators by Function
Last Four Fiscal Years
(unaudited)

	2003	2004	2005	2006	2007	2008	2009
Judicial (cont.)							
District Clerk:							
Employees full time	21	21	21	22	25	25	25
Civil cases	4,118	4,203	3,845	4,034	5,956	6,302	6,874
Criminal cases	2,004	2,273	2,316	2,678	3,175	3,311	2,132
Juvenile cases	604	662	535	662	648	640	640
Jurors Summoned	N/A	23,000	26,000	27,600	27,600	28,400	27,700
Jurors Impaneled	N/A	1,004	1,004	960	906	1,105	1,056
Justices of the Peace:							
Employees full time	25	25	25	25	24	24	24
Civil cases filed	2,691	2,945	2,814	3,735	3,987	4,912	3,732
Criminal cases filed	20,178	17,780	19,701	19,150	18,398	18,466	18,054
Mental Health Court Services							
Employees full time	2	2	2	2	2	2	2
Mental health cases filed	393	438	401	366	396	252	217
90 day commitments	213	270	264	227	270	172	137
Warrants issued	172	230	212	254	287	291	293
Public Safety							
Constables:							
Employees full time	22	22	22	22	24	24	24
Civil process (1)	13181	12704	12673	10896	12670	12004	10857
County Sheriff							
Employees full time	98	95	94	94	97	97	97
Total arrests	11772	12575	12992	13000	42129	40287	40235
Total charges	31717	35622	38673	39185	42411	40646	40417
Jail							
Employees full time	177	187	185	185	186	229	232
Total prisoner days	285,891	282,662	271,184	309,781	328,777	322,175	315,133
Prisoner hospital expenditures	\$ 157,976	\$ 160,857	\$ 176,942	\$ 188,319	\$ 290,267	\$ 172,989	\$ 312,150
Prisoner physician expenditures	\$ 231,040	\$ 254,507	\$ 274,672	\$ 313,329	\$ 324,129	\$ 55,215	\$ 92,448
Prisoner pharmacy expenditures	\$ 277,369	\$ 363,479	\$ 362,797	\$ 346,818	\$ 336,296	\$ 638,187	\$ 540,354
Welfare							
County Welfare Department							
Employees full time	14	13	14	14	13	10	10
Clients registered	6,554	6,299	5,443	5,100	4,347	4,599	4,283
Clients seen	4,609	4,606	4,434	4,407	4,128	4,124	4,044
Clients screened	2,793	2,489	2,203	2,163	1,532	1,450	1,668
Pauper burials	40	52	47	62	75	48	64

Source: Various County departments

(1) Constable, Precinct 2 and Constable, Precinct 3 have not reported the number of papers served since 2007.

Statistical data for the County government is available back to 2003 only, the year GASB 34 was implemented.



McLennan County
Capital Asset Statistics by Function
Last Seven Fiscal Years
(unaudited)

Function	2003	2004	2005	2006	2007	2008	2009
General Government							
General Administration	61,159	61,159	62,359	61,159	61,159	61,159	59,808
Legal	13,295	13,295	13,295	13,295	13,295	13,295	13,295
Elections	6,662	6,662	6,662	6,662	6,662	6,662	6,662
Financial Administration	63,365	63,365	63,365	63,365	63,365	63,365	53,460
Judicial	61,105	61,105	61,105	61,105	65,151	65,151	65,151
Public Safety							
Law Enforcement	26,518	26,518	26,518	26,518	59,668	59,668	35,195
Corrections	251,323	251,323	236,187	298,079	296,343	298,243	240,704
Other Protection	390	390	390	390	390	390	390
Public Transportation							
Engineering	1,935	1,935	1,935	1,935	1,935	1,935	1,935
Maintenance	31,840	31,840	30,640	31,168	31,840	36,640	37,869
Health	7,763	7,763	7,763	7,763	7,763	7,763	7,763
Welfare	51,832	51,832	51,832	51,832	4,193	4,193	4,418
Culture/Recreation	459,150	501,150	501,150	501,150	502,764	502,764	425,731
Conservation	5,000	5,000	5,000	5,000	5,000	5,000	5,311
Infrastructure:							
Road miles	1,071	1,074	1,074	1,074	1,074	1,074	1,074
Number of bridges	200	190	190	190	190	188	185

Source: McLennan County Auditor's Office

Note: All items show square footage unless otherwise indicated.

Statistical data for the County government is available back to 2003 only, the year GASB 34 was implemented.

