

McLENNAN COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Prepared by:
STAN CHAMBERS, CPA
COUNTY AUDITOR

McLENNAN COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2010

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County Auditor**



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Fax (254) 757-5157
Stan.chambers@co.McLennan.tx.us

April 25, 2011

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, 2010, 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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial 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, 2010 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 234,906 according to the 2010 census. This is up 10% over the 2000 census of 213,517 and 24.2% 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 Budget Officer by the first week in July. The County Budget Officer 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 Budget Officer must file the proposed budget with the County Clerk by July 31. The proposed 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 proposed 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.

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 was 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.

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, 2009. This was the twenty-fifth 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.

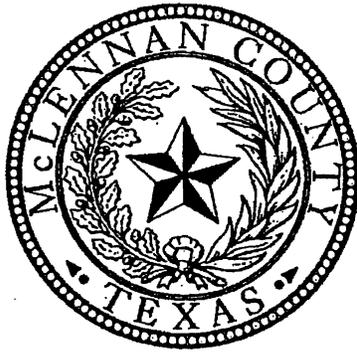
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Stan Chambers, CPA
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, 2009

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



A stylized, handwritten signature in black ink, appearing to be "J. J.", positioned above the title "President".

President

A handwritten signature in black ink that reads "Jeffrey R. Enser", positioned above the title "Executive Director".

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)

County
Auditor

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

**ELECTIONS
COMMISSION**

Elections
Administrator

**TEXAS A&M
UNIVERSITY**

Agricultural
Extension
Service

**COUNTY
BAR
ASSOCIATION**

Law
Library

JUVENILE BOARD

Juvenile Probation
Director

ADULT PROBATION BOARD

Adult
Probation
Director

MCLENNAN COUNTY, TEXAS

PRINCIPAL OFFICIALS As of September 30, 2010

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 1 Kristi 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 Auditor Steven Moore
Director of Juvenile Probation Bobby Campos
Director of Adult Probation William Seigman
Elections Director Kathy Van Wolfe

MCLENNAN COUNTY, TEXAS

PRINCIPAL OFFICIALS (continued)

As of September 30, 2010

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.....Eva Cruz
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
Budget Officer Adam Harry



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, 2010, 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, 2010, 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 April 25, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 27, the Schedule of Funding Progress for the Retirement Plan for the Employees of McLennan County on page 63, and the budgetary comparison information on pages 65 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Pattillo, Brown & Hill, LLP

April 25, 2011

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2010

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, 2010. 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, 2010, by \$80 million. Net assets invested in capital assets (net of depreciation and related debt) account for almost 36% of this amount, with a value of \$29 million. Restricted net assets totaled \$4.2 million or 14% of net assets. Of the remaining net assets, \$40 million, or 49%, 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 \$5.4 million for the year ended September 30, 2010 when compared to the total net assets reported for the year ended September 30, 2009.
- Income from general sources of revenue totaled more than \$62 million, with total expenses in excess of program revenues of \$67 million.
- As of September 30, 2010, McLennan County's governmental funds reported combined ending fund balances of \$57.1 million. Of that amount, \$7.2 million was reserved or designated for specific purposes. An amount of \$11 million was unreserved and undesignated in the Special Revenue Funds combined, and \$27.1 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 \$27.1 million at September 30, 2010 was 41% of the total \$66.1 million in Fiscal Year 2010 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.

The statement of activities presents information showing how the government's net assets changed during 2010. Because the statement of activities separates program revenue (that is, revenue generated by specific programs

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2010

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 2010, 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 2010.

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, 2008 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. The new detention facility was completed in 2010 and started operating in June of that year.

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

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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.

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, 2010 and 2009:

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September 30, 2010
Summary of Net Assets
September 30,
(\$ in thousands)

	2010	2009
Current and other assets	\$ 72,057	\$ 79,578
Capital assets (net of accumulated depreciation and construction in progress)	106,502	104,382
Total assets	\$ 178,559	\$ 183,960
Current and other liabilities	\$ 5,579	\$ 7,173
Unearned revenues	645	558
Long-term liabilities	92,273	90,809
Total liabilities	\$ 98,497	\$ 98,540
Net assets:		
Invested in capital assets, net of related debt	\$ 29,135	\$ 27,441
Restricted	11,362	16,672
Nonexpendable	47	47
Unrestricted	39,518	41,260
Total net assets	\$ 80,062	\$ 85,420

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, 2010 totaled \$80 million, representing a \$5 million decrease from the September 30, 2009 balance.

McLennan County's total assets were just under \$179 million as of September 30, 2010. Of this amount, over \$106.5 million is accounted for by capital assets, which includes net infrastructure of \$11.4 million. Of the remaining County assets, approximately \$56.7 million were accounted for in cash, cash equivalents, and investments; \$8.7 million in taxes and accounts receivable; \$4.1 million due from other governments, \$398 thousand in inventories; and \$412 thousand in prepaid expenses.

Cash and cash equivalents decreased \$9.6 million, from \$66.3 million at September 30, 2009 to \$56.7 million at September 30, 2010. The primary reason for the decrease was due to the construction payments for the new jail facility out of the PFC Revenue Bonds Series 2009 Capital Projects Fund in the amount of 4.3 million.

At September 30, 2010 the County had outstanding liabilities of \$98.5 million, with slightly over \$92.3 million in total noncurrent liabilities. Of the long-term liabilities, a little under \$5.5 million was due within a year, with the remainder of \$86.8 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 \$4 million in accounts payable and accrued liabilities.

A large portion of the County's net assets (almost 36.4%) 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.

An amount representing 14.2% 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 \$39.5 million (unrestricted net assets) represents the amount that may be used to meet the County's ongoing obligations.

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Statement of Activities

The net assets of McLennan County decreased from governmental operations by \$5.4 million in 2010. The primary reason for the decrease in net assets in 2010 was due to the change in net other post employment benefits (OPEB) obligation in the amount of \$3.8 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 \$88.8 million in 2010 compared to \$87 million in 2009, for an increase of \$1.8 million. The primary components of the revenues changes is are as follows:

- Property tax revenue, accounting for 53.8% of total revenues, increased \$1.4 million from \$46.4 million in 2009 to \$47.8 million in 2010.
- Sales tax accounted for 14.1% of total revenues, increasing \$159 thousand from \$12.34 million in 2009 to almost \$12.5 million in 2010.
- Grants and contributions accounted for 6.3% of total revenues, showing a decrease of \$1 million from \$6.6 million in 2009 to \$5.6 million in 2010. This is primarily due to a reclassification of unrestricted general administration revenue from operating grants and contributions to charges for services.
- Charges for services totaled \$21.1 million in 2010 comprising 23.8% of total revenue in 2010, compared to 17.4 million of charges for services in 2009, which represented 20% of total revenue in 2009.
- The remaining 2% of revenue in 2010 was provided by other taxes, interest income, rental revenues and miscellaneous sources. In 2009 this same group of revenues comprised 4.9% of revenues. This is primarily due to the reclassification of revenue for specific services that were included in other taxes in 2009.

Expenses for the year totaled about \$94.1 million in 2010 compared to \$88.5 million in 2009. This represents a 5.9% or \$5.5 million, increase in 2010 compared to 2009. A large portion of that increase was due to the change in net OPEB obligation of \$3.8 million.

Highlights of the expenses, by activity are as follows:

- General administration activities accounted for 19% of expenses in 2010, increasing by \$763 thousand, or 4.4%, in 2010 compared to 2009. \$793 thousand of that increase was due to OPEB reflected in General Administration activities.
- Judicial activities, accounted for 7.9% of expenses in 2010, increasing by \$169 thousand, or 2.3%, in 2010 compared to 2008. \$435 thousand of that increase was due to OPEB reflected in the Judicial activities.
- Public Safety activities, accounted for 44.8% of expenses in 2010, increasing by \$3 million, or 7.6%, in 2010 compared to 2009. \$2 million of that increase was due to OPEB reflected in the Public Safety activities.
- Public Transportation activities, accounted for 8.3% of expenses in 2010, decreasing by \$787 thousand, or 9.2% in 2010 compared to 2009. \$317 thousand of that increase was due to OPEB reflected in the Public Transportation activities
- Health and Welfare activities, accounted for 11.3% of expenses in 2010, increasing by \$600 thousand or 6% from 2009. \$170,694 of that increase was due to OPEB reflected in the Health and Welfare activities.
- Culture–Recreation activities, accounted for 1.6% of expenses in 2010, decreasing by \$9 thousand from 2009. Other activities, conservation and economic development accounted for 1.9% of expenses, decreasing \$1 million in 2010 from 2009.

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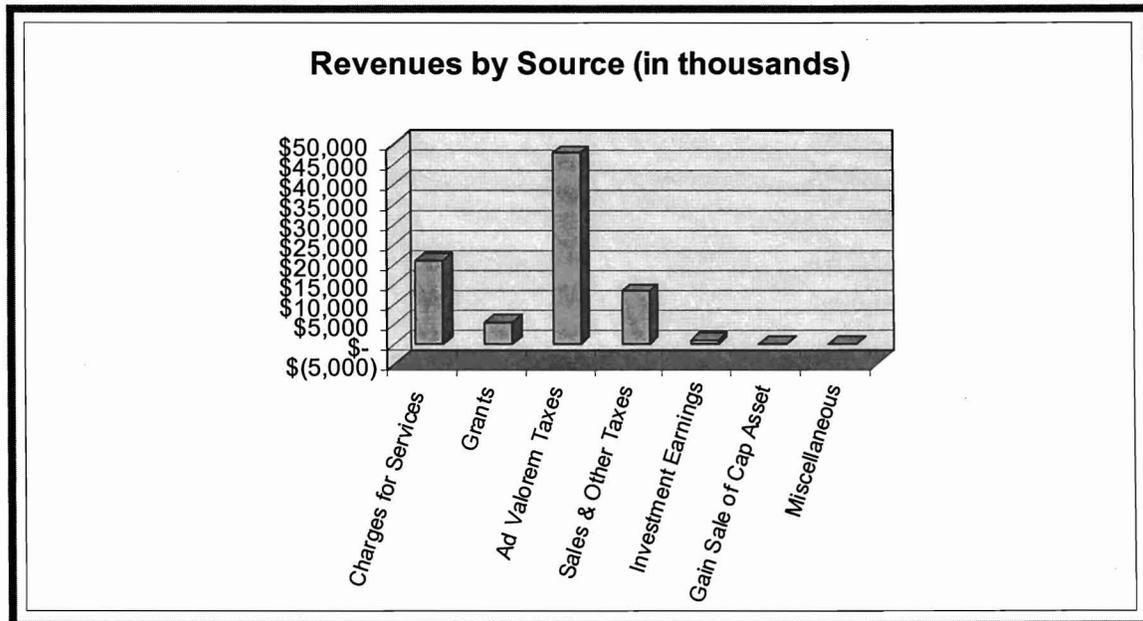
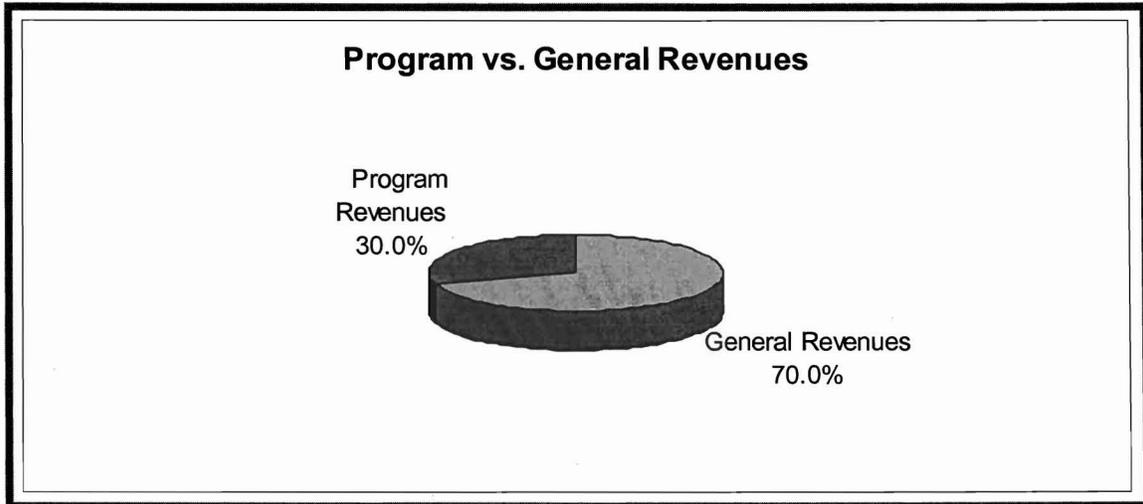
- Interest and fiscal charges accounted for 5.2% of expenses, increasing by \$860 thousand in 2010 from 2009.

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

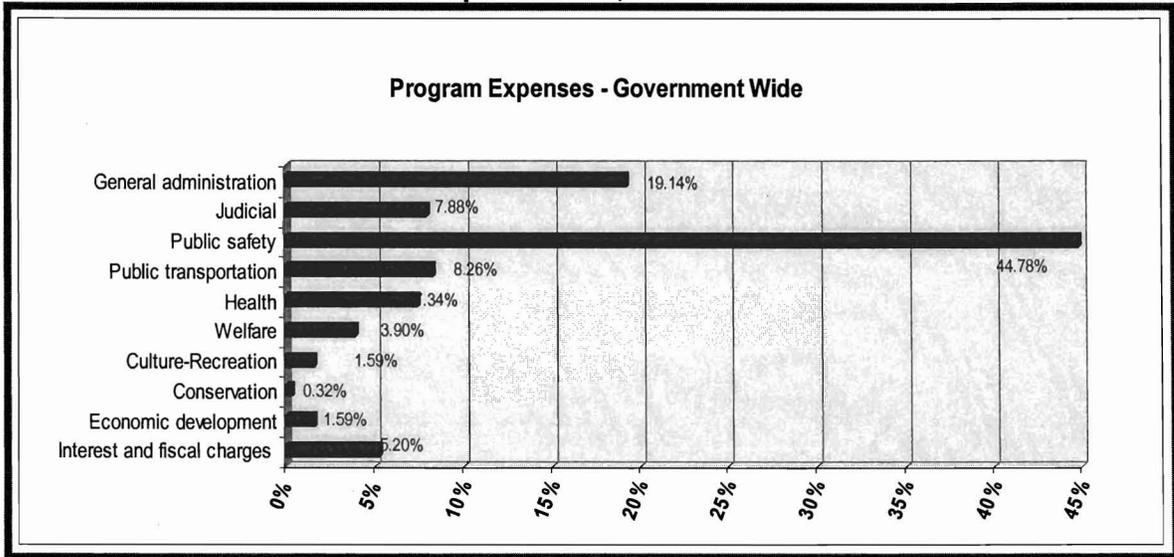
	2010		2009	
	Governmental Activities		Governmental Activities	
Revenues				
<i>Program Revenues</i>				
Charges for services	\$ 21,091		\$ 17,407	
Operating grants and contributions	4,648		5,498	
Capital grants and contributions	917	\$ 26,656	1105	\$ 24,010
<i>General Revenues</i>				
Property Taxes	47,789		46,383	
Sales Taxes	12,496		12,337	
Other Taxes	657		2,617	
Unrestricted investment earnings	1,040		1,149	
Miscellaneous	114	62,096	520	63,006
Total revenues		88,752		87,016
Expenses				
General administration	18,008		17,245	
Judicial	7,417		7,249	
Public safety	42,139		39,169	
Public transportation	7,779		8,565	
Health	6,912		6,409	
Welfare	3,673		3,576	
Culture-Recreation	1,495		1,505	
Conservation	302		264	
Economic development	1,492		522	
Interest and fiscal charges	4,893		4,033	
Total expenses		94,110		88,537
Change in net assets		(5,358)		(1,521)
Net assets – beginning		85,420		90,450
Prior period adjustment				
Change in valuation of receivable				(3,509)
Adjusted net assets – beginning		85,420		86,941
Net assets, ending		\$ 80,062		\$ 85,420

**McLennan County, Texas
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The following graphic representations show the relationships between various revenue and expense components presented on the Statement of Activities.



**McLennan County, Texas
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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

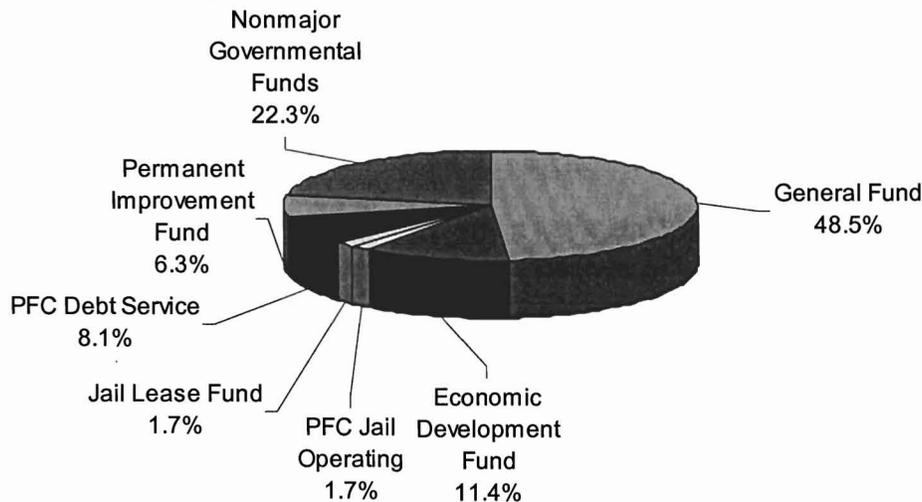
As noted earlier, McLennan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the County's governmental funds:

Governmental Funds Balance Sheet Analysis

The General Fund, Economic Development Fund, PFC Jail Operating Fund, Jail Lease Fund, PFC Revenue Bonds Series 2009 Debt Service Fund and Permanent Improvement Fund are the funds considered to be major funds in 2010. The General Fund accounted for 48.5% of total governmental fund assets and 47.6% of the governmental fund balances. The Economic Development Fund accounted for 11.4% of the total governmental fund assets and 13.2% of the governmental fund balances. The PFC Revenue Bond Series 2009 Debt Service Fund accounted for 8.1% of the total governmental fund assets and 9.3% of the total governmental fund balances. The Permanent Improvement Fund accounted for 6.3% of the total governmental fund assets and 6.7% of the total governmental fund balances.

A chart showing the relative value of the assets of each major fund, as well as nonmajor governmental funds, follows:

Total Assets - Governmental Funds



**McLennan County, Texas
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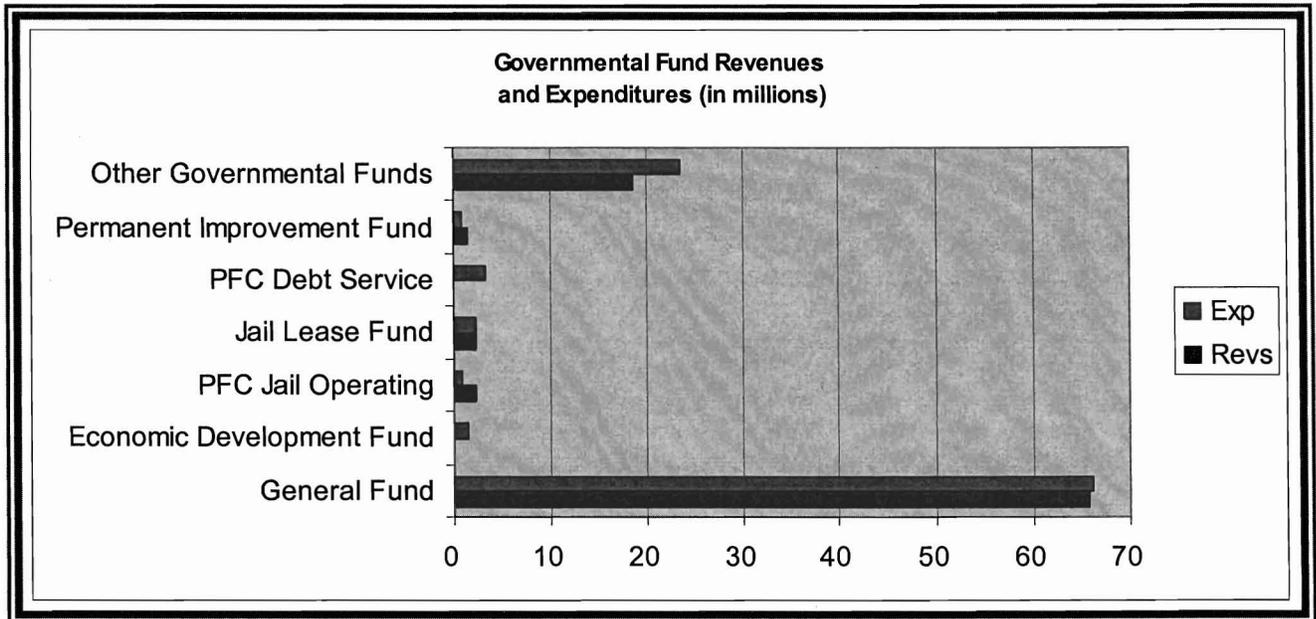
The focus of McLennan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2010, the County's governmental funds reported combined ending fund balances of over \$57 million. Of this total amount, over \$27.1 million (47.6%) is unreserved and available for spending without restrictions for general governmental purposes from the General Fund. \$18.6 million (32.5%) 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 \$11.4 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 capital project funds decreased by \$4 million, from \$4 million in 2009 to \$0 in 2010, due to the construction payments for the new jail facility. The jail facility was completed during 2010. The reserved fund balance for debt service funds decreased by \$2 million, from \$9 million in 2009 to \$7 million in 2010. The primary reason for this decrease is due to debt service payments made during the year.

The fund balance for the General Fund decreased by \$1.5 million, primarily due to a transfer to the economic development fund. The fund balance for the Economic Development Fund remained virtually unchanged due to incentive payments to companies for expanded facilities and increased number of jobs.

Governmental Funds Revenue/Expenditure Analysis

The following chart shows the revenue and expenditure amounts for the General Fund, Economic Development Fund, PFC Jail Operating Fund, Jail Lease Fund, PFC Revenue Bonds Series 2009 Debt Service Fund, Permanent Improvement Fund and all nonmajor governmental funds. The Permanent Improvement Fund, PFC Revenue Bond Series 2009 Debt Service 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 PFC Jail Operating Fund and the Jail Lease Fund qualify as major funds due to the relative size of their liabilities.



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 66% of all governmental fund revenue and 66% 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, 2010:

Comparison of Original Budget and Final Budget			
Year Ended September 30, 2010			
(\$ in Thousands)			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 50,203	\$ 50,203	\$ -
Licenses and Permits	80	80	-
Intergovernmental	1,764	1,781	17
Charges for Services	5,784	6,117	333
Fines and Forfeits	136	136	-
Miscellaneous:			
Investment Income, Net	467	475	8
Other	4,822	4,900	78
Total Miscellaneous	<u>5,289</u>	<u>5,375</u>	<u>86</u>
Total Revenues	<u>63,256</u>	<u>63,692</u>	<u>436</u>
Expenditures:			
Current:			
General Government	20,389	20,185	204
Judicial	6,526	6,550	(24)
Public Safety	33,412	33,500	(88)
Public Transportation	232	236	(4)
Health	9,337	9,427	(90)
Welfare	3,787	3,787	-
Culture-Recreation	744	834	(90)
Conservation	323	323	-
Economic Development and Assistance	195	195	-
Debt Service:			
Principal and Retirements	1,110	1,110	-
Interest and Fiscal Charges	390	390	-
Total Expenditures	<u>76,445</u>	<u>76,537</u>	<u>(92)</u>
Excess (Deficiency) of Revenue over Expenditures	(13,189)	(12,845)	344
Other Financing Sources (Uses):			
Disposition of Capital Assets	-	-	-
Issuance of Notes Payable	125	125	-
Issuance of Lease Purchase	-	-	-
Transfers In	2,111	2,211	(100)
Transfers Out	(3,311)	(3,413)	102
Total Other Financing Sources	<u>(1,075)</u>	<u>(1,077)</u>	<u>2</u>
Net Change in Fund Balance	(14,264)	(13,922)	342
Fund Balance at Beginning of Year	<u>24,605</u>	<u>24,605</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,341</u>	<u>\$ 10,683</u>	<u>\$ 342</u>

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Under Texas Local Government Code Section 111.0707 through 111.07075, "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 \$437 thousand were certified in the General Fund and added to estimated revenues that were in the original budget.

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

- *Regarding the \$204 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 \$508 thousand. The difference of \$304 thousand was due to the contingency being transferred to accounts within the General Government function.
- *Regarding the \$24 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.
- *Regarding the \$88 thousand negative change in the Public Safety function.* The increase in this function was provided by contingency transfers from the General Government contingency. \$25 thousand was for furniture, fixtures and equipment at the new Jack Harwell Detention Center and \$32 thousand was to overhaul the helicopter.
- *Regarding the \$4 thousand negative change in the Public Transportation function.* The increase in the appropriations for this function was the result of an interfund transfer from the Road and Bridge Precinct 1 Fund.
- *Regarding the \$90 thousand negative change in the Health function.* The increase in the appropriations for this function was primarily the result of supplemental budgets from the certification of revenue. \$40 thousand was from an intergovernmental agreement and \$35 thousand was from a refund for UPL.
- *Regarding the \$90 thousand negative change in Culture-Recreation.* The increase in appropriations for this function was primarily the result of an interfund transfer from the Permanent Improvement Fund.

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, 2010:

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General Fund Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended September 30, 2010
(\$ in Thousands)

	Final Budget	Final Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 50,203	\$ 51,885	\$ 1,682
Licenses and Permits	80	125	45
Intergovernmental	1,781	2,089	308
Charges for Services	6,117	6,234	117
Fines and Forfeits	136	255	119
Miscellaneous:			-
Investment Income, Net	475	479	4
Other	4,900	4,589	(311)
Total Miscellaneous	5,375	5,068	(307)
Total Revenues	63,692	65,656	1,964
Expenditures:			
Current:			
General Government	20,185	16,701	3,484
Judicial	6,550	6,198	352
Public Safety	33,500	30,026	3,474
Public Transportation	236	223	13
Health	9,427	6,737	2,690
Welfare	3,787	3,640	147
Culture-Recreation	834	803	31
Conservation	323	270	53
Economic Development and Assistance	195	134	61
Debt Service:			
Principal and Retirements	1,110	972	138
Interest and Fiscal Charges	390	365	25
Total Expenditures	76,537	66,069	10,468
Excess (Deficiency) of Revenue over Expenditures	(12,845)	(413)	12,432
Other Financing Sources (Uses):			
Disposition of Capital Assets	-	23	23
Issuance of Notes Payable	125	-	(125)
Transfers In	2,211	762	(1,449)
Transfers Out	(3,413)	(1,963)	1,450
Total Other Financing Sources	(1,077)	(1,178)	(101)
Net Change in Fund Balance	(13,922)	(1,591)	12,331
Fund Balance at Beginning of Year	24,605	28,737	4,132
Fund Balance at End of Year	\$ 10,683	\$ 27,146	\$ 16,463

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Actual Revenues Compared to Estimated Revenues

Actual revenues in the General Fund are about \$2 million (3.1%) above estimated revenues in the budget. Highlights of these differences are as follows:

- Collections on ad valorem taxes exceeded the estimate by \$936 thousand. Current collections exceeded the estimate by \$733 thousand, and delinquent collections exceeded the estimate by \$203 thousand.
- Actual sales tax collections in 2010 in Texas by exceeding the estimated collections by \$746 thousand, despite the declining retail sales around the Nation.
- Intergovernmental revenues collected were \$308 thousand greater than anticipated. \$33 thousand of this was due to larger than expected funding from the Tobacco Settlement Fund, \$151 thousand was due to larger than expected funding from the State of Texas Indigent Defense Fund, \$16 thousand was due to an increase in the amount of United States Department of Justice SCAAP Grant, and \$70 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 \$117 thousand. The primary components of the positive variance were charges for motor vehicle licenses (\$134 thousand) and support of Federal prisoners (\$442 thousand). These favorable variances were offset negative variances in various other fees (\$459 thousand).
- Investment revenue was \$4 thousand more than anticipated. The weighted average interest earned on the County's investments in 2010 was .789% compared to 1.59 in 2009.
- Miscellaneous revenue was \$311 thousand less than anticipated. The primary driver of this negative variance was \$291 thousand less in Jail telephone commission.

Actual Expenditures Compared to Budgeted Expenditures

Actual expenditures were 86.3% of the budget for 2010, compared to 86.5% for 2009. 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 \$9.6 million (92.2%) of the total positive budget variance of \$10.5 million.

The General Government positive budget variance was \$3.5 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 \$940 thousand, or 27% of the positive General Government variance.
- The County was able to procure its insurance needs for \$192 thousand less than what was appropriated.
- The County was able to leave \$1.1 million unused in its contingency accounts.
- Expenditures for maintenance of buildings and equipment were \$187 thousand less than anticipated.
- Expenditures for utilities were \$213 thousand less than anticipated.
- Expenditures for county legal counsel and other purchased services were \$57 thousand less than anticipated.
- Expenditures for supplies were \$108 thousand less than anticipated.

The Public Safety positive budget variance was \$3.5 million. That positive variance was primarily composed of the following items:

- 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 \$342 thousand more than the actual expenditures incurred.

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- 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 \$1.5 million, or 44.3% of the positive Public Safety variance.
- Expenditures for utilities at the jail were actually \$86 thousand less than the amount budgeted.
- The cost of autopsies and body bags was \$4 thousand less than the appropriation.
- Outside care of inmates was \$372 less than budgeted.
- Motor vehicle operating costs were \$75 thousand less than budgeted.

The Health positive budget variance was about \$2.7 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 2010, the County's actual expenditures relating to indigent healthcare were \$1.8 million less than the amount budgeted.

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, 2010, amounts to more than \$106 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 \$2.6 million.
- Two bridges and seven roads had to be replaced at a cost of more than \$1.3 million. The bridges, originally built between 1900 and 1950, were replaced through the State of Texas bridge replacement program.
- A new jail was constructed by the blended component unit, the McLennan County Public Facility Corporation. The jail was completed in the current fiscal year with a total cost of more than \$37 million.

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, 2010, McLennan County had slightly more than \$30 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 Aa1 from Moody's Investor Services a rating of AA from Standard & Poors. There are no special assessment bonds of McLennan County at September 30, 2010.

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 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 construction was completed in the Spring of 2010. The revenue bonds were rated AA- by Standard & Poors.

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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:

- The Texas State legislature began its regular session on January 11, 2011. At this time, there is much discussion regarding the deficit at the state level, which some estimates have as high as \$27 billion. The possibility of budget cuts and 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. In addition, there is much discussion regarding tax appraisal caps, revenue caps and spending caps. The effect or magnitude of any such legislation will not be known until the summer of 2011.
- The County included a 2% cost of living increase for substantially all full-time employees for the 2010 budget year.
- Due to an increase in real property valuation at January 1, 2010, the County was able to slightly decrease the overall ad valorem tax rate from \$.4647 to \$.4643 while raising additional ad valorem tax assessment of \$978 thousand in 2011 over 2010.
- It is anticipated that the beverage tax revenue for all local governments in Texas will be less in 2011 than they were in 2010 due to a bill that is moving through the Texas legislature. If the bill becomes law, the amount of mixed beverage tax received by the County will reduce from 8% to 2%.

**McLennan County, Texas
Management's Discussion and Analysis
September 30, 2010**

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, 2010

ASSETS

Pooled Cash and Investments	\$	50,980,771
Non-Pooled Cash		5,707,675
Receivables (net of allowances for estimated uncollectibles):		
Taxes		2,651,244
Accounts		6,096,833
Due from Other Governments		4,107,868
Inventories, at Cost		398,083
Prepaid Assets		412,468
Deferred Charges		1,702,011
Capital Assets (net of accumulated depreciation)		
Land		3,537,312
Buildings and system		83,900,148
Improvements other than buildings		481,006
Machinery and equipment		6,888,002
Infrastructure		11,420,980
Construction in progress		274,201
Total Assets	\$	<u>178,558,602</u>

LIABILITIES

Accounts Payable	\$	2,985,108
Accrued Interest Payable		1,329,209
Due to Other Governments		3,797
Funds Held in Escrow		1,260,881
Unearned Revenue		645,234
Noncurrent liabilities:		
Due within one year		6,251,425
Due in more than one year		86,021,181
Total Liabilities		<u>98,496,835</u>

NET ASSETS

Invested in Capital Assets, net of related debt		29,135,069
Restricted Net Assets		
Expendable		
Restricted for Capital Projects		4,181,988
Restricted for Debt Service		7,383,060
Restricted for Education		18,861
Nonexpendable		
Restricted for Education		46,970
Unrestricted		39,295,819
Total Net Assets	\$	<u>80,061,767</u>

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

MCLENNAN COUNTY, TEXAS

Statement of Activities

For the Year Ended September 30, 2010

Functions/Programs:	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
General Administration	\$ 18,008,573	\$ 6,755,330	\$ 225,157	\$ -	\$ (11,028,086)
Judicial	7,417,422	3,325,698	311,541	-	(3,780,183)
Public Safety	42,138,549	10,639,237	3,631,200	-	(27,868,112)
Public Transportation	7,778,514	208,665	128,358	916,841	(6,524,650)
Health	6,911,882	147,604	-	-	(6,764,278)
Welfare	3,673,446	-	351,302	-	(3,322,144)
Culture-Recreation	1,495,216	14,847	-	-	(1,480,369)
Conservation	302,347	-	-	-	(302,347)
Economic Development and Assistance	1,491,617	-	-	-	(1,491,617)
Interest and fiscal charges	4,892,990	-	-	-	(4,892,990)
Total Governmental Activities	<u>\$ 94,110,556</u>	<u>\$ 21,091,381</u>	<u>\$ 4,647,558</u>	<u>\$ 916,841</u>	<u>(67,454,776)</u>
General Revenues:					
					47,789,261
					12,495,586
					657,124
					1,040,369
					113,727
					<u>62,096,067</u>
					(5,358,709)
					<u>85,420,476</u>
					<u>\$ 80,061,767</u>

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

MCLENNAN COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2010

	General	Economic Development Fund	PFC Jail Operating Fund	Jail Lease Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	Permanent Improvement Fund	Other Governmental Funds	Total
ASSETS								
Pooled Cash and Investments	\$ 26,110,652	\$ 7,549,402	\$ -	\$ 7,788	\$ -	\$ 3,993,231	\$ 13,319,697	\$ 50,980,771
Non-Pooled Cash	132,519	-	-	-	5,068,841	-	506,315	5,707,675
Receivables (net of allowances for estimated uncollectibles):								
Taxes	2,187,310	-	-	-	-	142,080	321,854	2,651,244
Accounts	360,708	-	-	-	-	-	20,949	381,658
Due from Other Funds	30,000	-	1,147,222	-	264,796	-	-	1,442,018
Due from Other Governments	2,638,097	-	-	1,139,434	-	-	330,337	4,107,868
Inventories, at Cost	161,106	-	-	-	-	-	236,977	398,083
Prepaid Assets	412,488	-	-	-	-	-	-	412,488
Total Assets	\$ 32,032,860	\$ 7,549,402	\$ 1,147,222	\$ 1,147,222	\$ 5,333,637	\$ 4,135,310	\$ 14,736,131	\$ 66,081,783
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	\$ 2,697,014	\$ -	\$ 882,426	\$ -	\$ -	\$ 181,138	\$ 485,412	\$ 4,245,990
Due to Other Funds	-	-	264,796	1,147,222	-	-	30,000	1,442,018
Due to Other Governments	2,623	-	-	-	-	-	1,175	3,797
Deferred Revenue	2,187,310	-	-	-	-	142,080	967,088	3,296,477
Total Liabilities	4,886,946	-	1,147,222	1,147,222	-	323,218	1,483,674	8,988,282
Fund Balance:								
Reserved for Debt Service	-	-	-	-	5,333,637	-	1,827,246	7,160,883
Reserved for Education	-	-	-	-	-	-	54,429	54,429
Unreserved - Undesignated reported in:								
General Fund	27,145,913	-	-	-	-	-	-	27,145,913
Special Revenue Funds	-	7,549,402	-	-	-	-	11,000,885	18,550,287
Capital Projects Funds	-	-	-	-	-	3,812,093	369,896	4,181,989
Total Fund Equity	27,145,913	7,549,402	-	-	5,333,637	3,812,093	13,252,456	57,093,501
Total Liabilities and Fund Balance	\$ 32,032,860	\$ 7,549,402	\$ 1,147,222	\$ 1,147,222	\$ 5,333,637	\$ 4,135,310	\$ 14,736,131	\$ 66,081,783

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, 2010

Total fund balances - governmental funds \$ 57,093,501

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	\$ 3,537,312	
Buildings	83,900,148	
Improvements other than buildings	481,006	
Machinery and equipment	6,888,002	
Infrastructure	11,420,980	
Construction in progress	<u>274,201</u>	
Total capital assets		106,501,649

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. 5,715,178

Property taxes earned in the current fiscal year are not
available to provide for current financial resources, and
therefore are deferred in the funds. 2,651,244

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	(1,329,209)	
General obligation bonds	(2,930,000)	
Notes payable	(49,176)	
Capital leases	(944,301)	
Compensated absences	<u>(1,577,948)</u>	
Total current liabilities		(6,830,634)

General obligation bonds	(27,090,000)	
Revenue Bonds	(49,015,000)	
Unamortized Deferred Amount on Refunding	119,346	
Unamortized Deferred Original Issue Discount	1,804,732	
Unamortized Refunding Bond Issue Cost	231,561	
Unamortized Bond Issue Cost	1,470,450	
Capital leases	(4,966,462)	
Other Post Employment Benefits	(7,356,791)	
Compensated absences	<u>(267,007)</u>	
Total non-current liabilities		<u>(85,069,171)</u>

Net Assets \$ 80,061,767

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, 2010

	General Fund	Economic Development Fund	PFC Jail Operating Fund	Jail Lease Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 51,884,694	\$ -	\$ -	\$ -	\$ -	\$ 1,408,309	\$ 6,718,668	\$ 60,011,671
Licenses and Permits	125,096	-	-	-	-	-	1,876,892	2,001,988
Intergovernmental	2,089,198	-	-	-	-	927	4,858,766	6,948,891
Charges for Services	6,234,355	-	2,214,842	2,214,842	-	-	3,009,746	13,673,785
Fines and Forfeits	254,632	-	-	-	-	-	1,790,466	2,045,098
Miscellaneous	5,068,545	115,359	2	-	170,496	54,369	462,532	5,871,302
Total Revenues	65,656,521	115,359	2,214,844	2,214,842	170,496	1,463,604	18,717,069	90,552,734
Expenditures:								
Current:								
General Government	16,701,292	-	-	-	-	-	246,158	16,947,450
Judicial	6,198,387	-	-	-	-	-	529,224	6,727,611
Public Safety	30,025,828	-	882,426	2,214,842	-	-	7,338,136	40,461,232
Public Transportation	223,202	-	-	-	-	-	7,220,003	7,443,205
Health	6,736,717	-	-	-	-	-	-	6,736,717
Welfare	3,639,835	-	-	-	-	-	-	3,639,835
Culture-Recreation	802,649	-	-	-	-	-	3,200	805,849
Conservation	270,402	-	-	-	-	-	-	270,402
Economic Development and Assistance	134,200	1,357,417	-	-	-	-	-	1,491,617
Capital Projects	-	-	-	-	-	832,495	3,729,023	4,561,517
Debt Service:								
Principal	971,624	-	-	-	-	-	3,275,880	4,247,504
Interest and Fiscal Charges	365,080	-	-	-	3,247,244	-	1,277,073	4,889,397
Total Expenditures	66,069,216	1,357,417	882,426	2,214,842	3,247,244	832,495	23,618,697	98,222,337
Excess (Deficiency) of Revenue over Expenditures	(412,695)	(1,242,058)	1,332,418	-	(3,076,748)	631,110	(4,901,628)	(7,669,602)
Other Financing Sources (Uses):								
Disposition of Capital Assets	23,494	-	-	-	-	-	93,097	116,591
Issuance of Lease Purchase	-	-	-	-	-	-	136,850	136,850
Transfers In	734,916	1,250,000	-	-	1,332,418	2,170	3,297,271	6,616,775
Transfers Out	(1,936,776)	-	(1,332,418)	-	-	(89,600)	(3,257,981)	(6,616,775)
Total Other Financing Sources	(1,178,366)	1,250,000	(1,332,418)	-	1,332,418	(87,430)	269,237	253,441
Net Change in Fund Balance	(1,591,062)	7,942	-	-	(1,744,331)	543,680	(4,632,391)	(7,416,161)
Fund Balance at Beginning of Year	28,736,975	7,541,460	-	-	7,077,967	3,268,413	17,884,847	64,509,663
Fund Balance at End of Year	\$ 27,145,913	\$ 7,549,402	\$ -	\$ -	\$ 5,333,637	\$ 3,812,093	\$ 13,252,456	\$ 57,093,501

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, 2010

Net change in fund balances - governmental funds \$ (7,416,161)

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	\$ 4,561,517
Capital projects - functional activities	3,191,557
Depreciation expense	<u>(6,250,179)</u>

Excess of capital outlay over depreciation expense	1,502,895
--	-----------

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.	\$ (136,850)
Amortization of debt issuance costs	(32,551)
Amortization of deferred refunding amount	8,930
Debt repayment is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net assets.	<u>4,245,933</u>

Total long-term debt	4,085,462
----------------------	-----------

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

Property taxes receivable	\$ 273,176
Fines and fees receivable	<u>(582,259)</u>
Total receivables	(309,083)

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	\$ (3,783,781)
Compensated absences	(63,663)
Accrued interest	<u>21,595</u>
Total expenses	(3,825,849)

The gain on the sale of capital assets is only recognized in the statement of activities and is not reported in governmental funds.	(803)
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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.	721,421
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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.	(116,591)
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Change in net assets of governmental activities	<u><u>\$ (5,358,709)</u></u>
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The notes to the financial statements are a integral part of this statement

MCLENNAN COUNTY, TEXAS

Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

September 30, 2010

	Agency Funds
Assets	
Equity in Pooled Cash	\$ 667,511
Nonpooled Cash	2,706,159
Nonpooled Investments	4,663,195
Accounts Receivable	14,016
Accrued Interest	9,611
	<hr/>
	\$ 8,060,492
	<hr/>
Liabilities	
Accounts Payable	\$ 4,487,627
Due to Other Governments	843,005
Due to Others	2,729,860
	<hr/>
	\$ 8,060,492
	<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, 2010

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, 2010 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

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
September 30, 2010

completed March 31, 2010 and in the Debt Service Funds. The operations of the PFC's jail are presented in the Special Revenue Funds for the operating phase, which began in June of 2010.

(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 Jail Operating Fund, Jail Lease Fund, PFC Revenue Bonds Series 2009 Debt Service Fund, and Permanent Improvement 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, sales and other taxes, state and federal grants, federal prisoner reimbursements and detention center revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes levied prior to September 30, 2009 that were due October 1, 2009, have been assessed to finance the budget of the fiscal year ending September 30, 2010. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2010, 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, 2010

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 Jail Operating Fund was established to account for the operations related to the McLennan County Public Facility Corporation's Jack Harwell Detention Center. There is no statutory requirement for a budget for this fund by the Commissioners' Court as all of its activity is governed by the Board of Directors of the Public Facilities Corporation.

The Jail Lease Fund was established to account for the lease of the Jack Harwell Detention Center from the Public Facilities Corporation by McLennan County and the operations of that facility. The operation is contracted by Community Education Centers ("CEC"). The principal source of revenues for the Jail Lease Fund is the revenues generated by the facility.

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 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 Commissioner's Court in its annual budget includes specific appropriations for expenditures from this fund. The principal source of revenues for the Permanent Improvement Fund is ad valorem taxes.

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

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
September 30, 2010

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.

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

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
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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:

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.

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(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

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 base HMO's, two alternate HMO's or one PPO. The County pays medical coverage premiums for eligible employees up to the lowest premium amount charged by any carrier for the base plan selected by the County. 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.

MCLENNAN COUNTY, TEXAS
Notes to the Basic Financial Statements
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(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.

(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 Detailed Notes on All Funds

(a) Deposits and Investments

As of September 30, 2010, McLennan County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Local Government Investment Pools	\$ 233	.000
Mutual Funds	\$ 60,480	.000
Money Markets	\$ 12,153,277	.000
Certificates of Deposit	\$ 37,620,072	.789
Total Fair Value	<u>\$ 49,834,062</u>	
Portfolio Weighted Average Maturity		.789

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 mutual funds, Fidelity (rated AAAM by S&P), are stated at fair value, which is the same as the value of the fund shares. Investments in money markets, First National Bank of Central Texas and Alliance Bank, are also stated at fair value, which is the same as the value of the fund shares.

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

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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, 2010, \$49,266,394 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank	\$49,266,394
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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, 2010, 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.

(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

MCLENNAN COUNTY, TEXAS
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amount due before tax collection commission with the exception of McLennan Community College and the Special Districts of Elm Creek Watershed and the McLennan and Hill Counties Tehuacana Creek Water Control District #1 Benefit Tax. Collection commissions are recorded for the County as a receivable from the entities, with the exception of McLennan County's own taxes, whereas the commission is applied to the receivable when received from the entity. 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:

Delinquent property taxes receivable, Net	
General Fund	\$ 2,187,309
Jury Fund	4,422
Farm to Market Roads Fund	95,256
Debt Service Funds	222,177
Permanent Improvement Fund	142,080
Total Delinquent Property Taxes Receivable, Net	<u>2,651,244</u>
Due From Other Funds	1,442,018
Due From Other Governments	4,107,868
Miscellaneous Receivables, Net	<u>381,658</u>
Total Receivables, Net	<u>\$8,582,788</u>

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:

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Notes to the Basic Financial Statements

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McLennan County, Texas
Receivables
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	General Fund	Economic Development Fund	PFC Jail Operating Fund	Jail Lease Fund	PFC Revenue Bonds Series 2009 Debt Service Fund	Permanent Improvement Fund	Other Nonmajor Funds	Total All Funds
Receivables:								
Taxes	\$2,430,344	\$ -	\$ -	\$ -	\$ -	\$ 157,866	\$357,616	\$2,945,826
Due from Other Govts	2,638,097	-	-	1,139,434	-	-	330,337	4,107,868
Due from Other Funds	30,000	-	1,147,222	-	264,796	-	-	1,442,018
Miscellaneous	365,533	-	-	-	-	-	20,949	386,482
Gross Receivables	5,463,974	\$ -	\$1,147,222	\$1,139,434	\$ 264,796	\$ 157,866	\$708,902	\$8,882,194
Less allowance for uncollectible accts:								
Taxes	(243,034)	-	-	-	-	(15,787)	(35,762)	(294,583)
Miscellaneous	(4,825)	-	-	-	-	-	-	(4,825)
Net Receivables	\$5,216,115	\$ -	\$1,147,222	\$1,139,434	\$ 264,796	\$ 142,079	\$673,140	\$8,582,786

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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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, 2010, the County had increases in total capital assets of \$49.2 million, with \$37 million recorded for the completion of the new jail and the visitation center constructed by the McLennan County Public Facility Corporation ("the Corporation"), a blended component unit. Other increases include \$1.4 million for the visiting courtroom, \$1.3 million for rebuilt roads and bridges, \$294,000 for the Homeland Security tower project and \$201,000 recorded as construction in progress for the courthouse roof.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,520,645	\$ 16,667	\$ -	\$ 3,537,312
Construction in progress	35,231,153	3,822,630	38,779,582	274,201
Total capital assets, not being Depreciated	<u>38,751,798</u>	<u>3,839,297</u>	<u>38,779,582</u>	<u>3,811,513</u>
Capital assets being depreciated:				
Buildings	82,045,331	41,098,813	1,988,216	121,155,928
Improvements, other than buildings	834,357	57,148	-	891,505
Machinery and equipment	22,789,887	2,661,036	536,811	24,914,112
Infrastructure	34,620,319	1,618,103	128,618	36,109,804
Total assets being depreciated	<u>140,289,894</u>	<u>45,435,100</u>	<u>2,653,645</u>	<u>183,071,349</u>
Total capital assets	<u>179,041,692</u>	<u>49,274,397</u>	<u>41,433,227</u>	<u>186,882,862</u>
Less accumulated depreciation for:				
Buildings	33,933,928	3,321,853	-	37,255,781
Improvements, other than buildings	371,957	38,542	-	410,499
Machinery and equipment	16,393,161	2,032,716	399,768	18,026,109
Infrastructure	23,960,374	857,068	128,618	24,688,824
Total accumulated depreciation	<u>74,659,420</u>	<u>6,250,179</u>	<u>528,386</u>	<u>80,381,213</u>
Total capital assets being depreciated, Net	<u>65,630,474</u>	<u>39,184,921</u>	<u>2,125,259</u>	<u>102,690,136</u>
Governmental activities, net	<u>\$ 104,382,272</u>	<u>\$ 43,024,218</u>	<u>\$ 40,904,841</u>	<u>\$ 106,501,649</u>

MCLENNAN COUNTY, TEXAS

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Depreciation expense for FY 2010 was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 800,366
Judicial	301,679
Public safety	2,933,120
Public transportation	1,388,976
Health	27,818
Welfare	15,792
Culture and recreation	778,926
Conservation	<u>3,502</u>
Total depreciation expense — governmental activities	<u>\$ 6,250,179</u>

Construction Commitments

McLennan County has one active construction project, repair of the Courthouse roof, as of September 30, 2010. The original contract for repair was \$715,000. This was amended 09/21/10 to \$820,500, of which \$201,720 was spent at September 30, 2010. Because of underlying damages not visible till work began, the total cost of the project remains undetermined as of September 30, 2010. Portions of this project will be paid using grant funds.

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, 2010) was \$45,030,000. The following listing of debt is for general obligation bonds and tax notes outstanding at September 30, 2010; 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	6,430,000
Certificates of Obligation Series 2003	3.0 – 4.25%	2003	2023	5,835,000
Refunding Bonds Series 2003	3.0 – 3.35%	2003	2013	2,030,000
Refunding Bonds Series 2005	3.5 – 4.0%	2006	2020	6,590,000
Certificates of Obligation Series 2006	3.3 – 4.2%	2006	2025	3,675,000
Refunding Bonds Series 2009	2.0 – 4.0%	2009	2017	<u>5,460,000</u>
 Total General Obligation Debt				 <u>\$30,020,000</u>

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%.

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%.

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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 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 \$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
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	2,520,000	756,151	3,276,151
2016 – 2020	11,900,000	2,300,150	14,200,150
2021 – 2025	3,885,000	370,500	4,255,500
Total	\$ 30,020,000	\$ 7,479,922	\$ 37,499,922

MCLENNAN COUNTY, TEXAS

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September 30, 2010

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") were issued to provide funds to (i) finance a project that consists of the development, design, 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
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	970,000	3,027,626	3,997,626
2016 – 2020	5,905,000	14,084,088	19,989,088
2021 – 2025	8,140,000	11,851,794	19,991,794
2023 – 2030	11,220,000	8,773,158	19,993,158
2031 - 2035	19,465,000	4,529,510	23,994,510
Total	\$ 49,015,000	\$ 54,943,444	\$ 103,958,444

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

Advance and Current Refundings

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in these financial statements. There are currently no outstanding amounts of defeased debt.

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, 2010, all governmental activities, were as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Obligation</u>
2011	1,270,701
2012	1,270,701
2013	1,075,774
2014	785,274
2015	765,699
2016 – 2018	<u>2,019,828</u>
Total minimum lease payments	\$ 7,187,977
Less: amount representing interest	<u>(1,277,214)</u>
Present value of minimum lease payments	<u>\$ 5,910,763</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Machinery and equipment	\$ 1,810,179
Buildings	<u>7,198,822</u>
Total Cost	9,009,001
Less: Accumulated depreciation	<u>(1,817,960)</u>
Total	<u>\$ 7,191,041</u>

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

Schedule of Lease-Purchase Agreements Outstanding

At September 30, 2010

	Transamerica Financial Services	SunTrust Leasing Corp.	Deere Credit, Inc.	Global Tel*ink	Chase Equipment Leasing	Chase Equipment Leasing
Effective Date	03/26/02	09/18/07	12/18/07	07/01/2009	09/14/2009	01/22/10
Original Lease Amount	\$6,152,518	\$1,230,874	\$116,845	\$1,289,050	\$268,972	136,850
Outstanding Principal at September 30, 2010	\$3,870,463	\$763,065	\$47,917	\$927,916	\$181,713	\$119,690
Total Future Payments Under Lease Agreement	\$4,904,388	\$894,998	\$52,006	\$1,022,500	\$186,848	\$127,237
Simple Interest Rate	5.28%	4.3942%	5.485%	6.872%	2.69%	2.80%
Lease Term	15 years	10 years	5 years	4 years	3 years	5 years
Property Held Under Lease	Utility Performance Improvement Equipment	Utility Performance Improvement Equipment	Wheel Loader	Video Visitation System For Jails	Vehicles for Sheriff Department	Motorgrader
Debt Service	100% General Fund	100% General Fund	100% R&B Pct. 3 Fund	100% General Fund	100% General Fund	100% R&B Pct. 3 Fund

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

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 one 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
2011	49,176	564	49,740
Total	\$ 49,176	\$ 564	\$ 49,740

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	\$ 30,020,000	\$ 71,406,641
Revenue Bonds	49,015,000	
Notes Payable	49,176	49,176
Capital Leases	5,910,763	5,910,763
Total	\$ 84,994,939	\$ 77,366,580

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.

A schedule of notes payable existing at September 30, 2010 is as follows:

	JP Morgan – Chase Bank 2008
Effective Date	05/15/2008
Original Note Amount	\$213,636
Outstanding Principal at September 30, 2010	\$49,176
Total Future Payments under Note Obligation	\$49,740
Simple Interest Rate	3.05%
Term of Note	3 Years
Purpose of Note	Purchase of Sheriff's Vehicles
Debt Service	100% General Fund

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2010, 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
<u>PRINCIPAL:</u>							
Beginning balance	\$ 33,245,000	\$49,015,000	\$ 6,643,065	\$ 200,958	\$ 1,781,292	\$ 3,573,010	\$94,458,325
Additions	-	-	136,850	-	1,579,684	4,254,447	5,970,981
Reductions	3,225,000	-	869,152	151,782	1,516,021	470,667	6,232,622
Ending Balance	\$ 30,020,000	\$49,015,000	\$ 5,910,763	\$ 49,176	\$ 1,844,955	\$ 7,356,790	\$94,196,684
<u>UNAMORTIZED REFUNDING COSTS, NET:</u>							
Beginning balance	(110,416)	(1,804,732)	-	-	-	-	(1,915,148)
Amortization	(8,930)	-	-	-	-	-	(8,930)
Ending Balance	(119,346)	(1,804,732)	-	-	-	-	(1,924,078)
NET	\$ 29,900,654	\$47,210,268	\$ 5,910,763	\$ 49,176	\$ 1,844,955	\$ 7,356,790	\$92,272,606
Due within one year	\$ 2,930,000	\$ 750,000	\$ 944,301	\$ 49,176	\$ 1,577,948	\$ -	\$ 6,251,425

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

Debt service for general obligation bonds and revenue bonds is provided by the Debt Service Funds, capital leases 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 DESCRIPTION

The County's OPEB provides health benefits to eligible retired employees and is a single employer plan. Separately issued financial statements are not available for the plan.

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, at the same dollar amount contributed towards their group medical premiums by the County that the County contributes toward such premiums for its full-time employees. 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

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

Eligible members who terminate employment without retiring with TCDRS can continue the same medical coverage in which they were enrolled at termination. If eligible members elect not to continue medical coverage at termination, they are not eligible for retiree health care benefits when they activate their retirement from TCDRS.

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, 2010, is as follows:

Annual required contribution	\$ 4,093,662
Interest on OPEB obligation	160,785
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	<u>4,254,447</u>
Net employer contributions	<u>(470,667)</u>
Increase in net OPEB obligation	3,783,780
 Net OPEB obligation, beginning of year	 <u>3,573,010</u>
 Net OPEB obligation, end of year	 <u><u>\$ 7,356,790</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and one preceding year were as follows (information prior to 2009 is not available):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2009	\$ 4,093,662	12.72%	\$ 3,573,010
09/30/2010	4,254,447	11.06%	7,356,790

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

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, 2009 is as follows:

Actuarial Valuation Date as of December 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (JAAL) (b) - (a)	Funded Ratio (a) / (b)
2007	-	\$39,122,642	\$39,122,642	0%
2009	-	\$35,532,816	\$35,532,816	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 \$35,532,816 at December 31, 2009.

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, 2010, is as follows:

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

	Due from Other Funds	Due to Other Funds
Due to / from other funds:		
General Fund	\$ 30,000	\$ -
PFC Jail Operating Fund	1,147,222	264,796
PFC Rev Bonds 2009 Debt Svc Fund	264,796	
Jail Lease Fund		1,147,222
Nonmajor Funds	-	30,000
Total	<u>\$ 1,442,018</u>	<u>\$ 1,442,018</u>

In the funds statements, during the Fiscal Year Ending September 30, 2010, the General Fund transferred \$1,250,000 to the Economic Development Fund, a Major Fund, to be accumulated and expended on economic development projects. The General Fund transferred \$686,776 to Nonmajor Funds. \$605,569 was transferred to the Road and Bridge Precinct Funds to replace a reallocation of revenues mandated by the State, \$75,707 was transferred to the Court Reporter-Service Fund in support of the operations of that fund, and \$5,500 was transferred to Historical Commission Fund. In the Nonmajor Governmental Funds, Road and Bridge Precinct 1, Precinct 2, Precinct 3 and Precinct 4 Funds transferred a total of \$235,586 to the General Fund, as reimbursement for personnel costs of guards used in the inmate roadwork program. The Permanent Improvement Fund transferred \$89,600 to the General Fund in support of certain expenditures incurred by the General Fund. Other transfers totaling \$2,610,495 were made between certain Nonmajor Governmental Funds. \$2,289,695 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; \$320,000 was transferred between debt service funds; and \$800 was transferred between the Permanent School Fund and Available School Fund.

	Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
Transfers In:			
General Fund	\$ -	\$ 734,916	\$ 734,916
Economic Development Fund	1,250,000	-	1,250,000
Nonmajor Governmental Funds	686,776	2,610,495	3,297,271
Total	<u>\$ 1,936,776</u>	<u>\$ 3,345,411</u>	<u>\$ 5,282,187</u>

III 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

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 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.

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 base HMO's, two alternate HMO's and one PPO. The County pays medical coverage premiums for eligible employees up to the lowest premium amount charged by any carrier for the base plan selected by the County. The County solicits bids annually from providers. 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 2010 compared to 2009.

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. If any expenditures are determined to be disallowed under terms of the grant, the County would be required to reimburse the grantor agency. 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.

The County has entered into a lease agreement with the Public Facilities Corporation ("PFC"), wherein the County leases the new detention center from the PFC. The operation of the facility is governed by the Facility Operation and Management Agreement between McLennan County and Community Education Centers ("CEC"). Per the agreement in Section 3.04(a), CEC shall be paid a fixed daily fee of \$36 per prisoner, provided current interest and sinking requirements are met. Based on operations at the facility through September 30, 2010, the amount of revenue earned by CEC is \$882,426, which is included on the financial statements as a liability. This represents the amount of revenue that exceeds the current interest

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

and sinking requirements but is less than the daily rate of \$36 per prisoner as stated in the agreement. The difference between the revenue earned by CEC to date and the potential revenue per the agreement is \$697,830. This is not booked as a liability, as it is not payable to the Operator until the time that the facility houses enough prisoners to generate revenues that exceed the interest and sinking requirements in an amount that would allow for the full compensation to the Operator.

(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, 2010, there were no transactions which are known to have violated these prohibitions.

(d) Subsequent Events

There were no reportable subsequent events involving the County as of March 30, 2010.

IV 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 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 15.03% for the months of the calendar year in 2010. The contribution rate payable by the employee members for the calendar year 2010 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2010

(c) Annual Pension Cost

For the employer's accounting year ended September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$5,576,112 and the actual contributions were \$5,576,112. The actual contributions were 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, 2009, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 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, 2009 was 20 years.

(d) Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 78.72% funded. The actuarial accrued liability for benefits was \$136,282,678, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,004,106. The annual covered payroll (actuarial) of active employees covered by the plan was \$36,178,602 and the ratio of the UAAL to the covered payroll was 80.17%.

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

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Actuarial valuation date	12/31/07	12/31/08	12/31/09
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	20	20
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%	5.4%
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, 2007	4,895,964	100.00%	\$ -
September 30, 2008	5,411,050	100.00%	\$ -
September 30, 2009	5,576,112	100.00%	\$ -

MCLENNAN COUNTY, TEXAS

Required Supplementary Information

September 30, 2010

Schedule of Funding Progress for the Retirement Plan For the Employees of McLennan County						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
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
12/31/2009	107,278,572	136,282,678	29,004,106	78.72	36,178,602	80.17

⁽²⁾ Funding information may differ from prior year compliance data due to plan changes effective 1/1/2010.

Stewardship, Compliance and Accountability

Budgetary Information

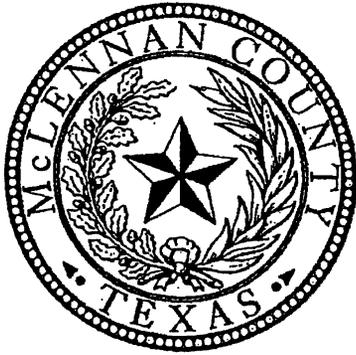
Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the following Special Revenue Funds: Adult Probation Fund, Alcohol and Drug Abuse Prevention and Treatment Fund, Court Records Preservation Fund, District Attorney Administration 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, PFC Jail Operating Fund, State Programs Fund, Records Management & Technology 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. The PFC Revenue Bonds Series 2009 Debt Service Fund also does not have an annual adopted budget. Since Commissioners' Court is not required to adopt a budget for these funds, there are no budgetary comparison schedules presented. 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 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 with the County Clerk and the County Auditor. Within ten calendar days after preliminary budget is filed, 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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 50,202,640	\$ 50,202,640	\$ 51,884,694	\$ 1,682,054
Licenses and Permits	80,350	80,350	125,096	44,746
Intergovernmental	1,764,180	1,780,691	2,089,198	308,507
Charges for Services	6,126,145	6,459,145	6,234,355	(224,790)
Fines and Forfeits	136,490	136,490	254,632	118,142
Miscellaneous:				
Investment Income, Net	466,420	475,420	479,591	4,171
Other	4,821,405	4,899,707	4,588,954	(310,753)
Total Miscellaneous	5,287,825	5,375,127	5,068,545	(306,582)
Total Revenues	63,597,630	64,034,443	65,656,521	1,622,078
Expenditures:				
Current:				
General Government	20,641,912	20,438,470	16,701,292	3,737,178
Judicial	6,643,214	6,667,677	6,198,387	469,290
Public Safety	33,412,001	33,499,529	30,025,828	3,473,701
Public Transportation	231,715	235,586	223,202	12,384
Health	9,336,731	9,427,285	6,736,717	2,690,568
Welfare	3,787,292	3,787,292	3,639,835	147,457
Culture-Recreation	744,392	834,452	802,649	31,803
Conservation	322,896	322,896	270,402	52,494
Economic Development and Assistance	195,133	195,133	134,200	60,933
Debt Service:				
Principal and Retirements	1,109,539	1,109,539	971,624	137,915
Interest and Fiscal Charges	389,975	389,975	365,080	24,895
Total Expenditures	76,814,800	76,907,834	66,069,216	10,838,618
Excess (Deficiency) of Revenue over Expenditures	(13,217,170)	(12,873,391)	(412,695)	12,460,696
Other Financing Sources (Uses):				
Disposition of Capital Assets	100	100	23,494	23,394
Issuance of Notes Payable	125,000	125,000	-	(125,000)
Transfers In	2,110,995	2,210,966	734,916	(12)
Transfers Out	(3,311,064)	(3,412,814)	(1,936,776)	-
Total Other Financing Sources	(1,074,969)	(1,076,748)	(1,178,366)	(101,618)
Net Change in Fund Balance	(14,292,139)	(13,950,139)	(1,591,062)	12,359,077
Fund Balance at Beginning of Year	24,604,895	24,604,895	28,736,975	4,132,080
Fund Balance at End of Year	\$ 10,312,756	\$ 10,654,756	\$ 27,145,913	\$ 16,491,157

MCLENNAN COUNTY, TEXAS

Required Supplementary Information

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

Economic Development Fund

For the Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment Income, Net	100,000	100,000	115,359	15,359
Total Miscellaneous	100,000	100,000	115,359	15,359
Total Revenues	100,000	100,000	115,359	15,359
Expenditures:				
Current:				
Economic Development and Assistance	8,155,093	8,155,093	1,357,417	6,797,676
Total Expenditures	8,155,093	8,155,093	1,357,417	6,797,676
Excess (Deficiency) of Revenue over Expenditures	(8,055,093)	(8,055,093)	(1,242,058)	(6,813,035)
Other Financing Sources (Uses):				
Transfers In	1,250,000	1,250,000	1,250,000	-
Total Other Financing Sources	1,250,000	1,250,000	1,250,000	-
Net Change in Fund Balance	(6,805,093)	(6,805,093)	7,942	(6,813,035)
Fund Balance at Beginning of Year	6,805,093	6,805,093	7,541,460	736,367
Fund Balance at End of Year	\$ -	\$ -	\$ 7,549,402	\$ 7,549,402

MCLENNAN COUNTY, TEXAS

Required Supplementary Information

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

Jail Lease Fund

For the Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	7,220,000	7,220,000	2,214,842	(5,005,158)
Total Revenues	<u>7,220,000</u>	<u>7,220,000</u>	<u>2,214,842</u>	<u>(5,005,158)</u>
Expenditures:				
Current:				
Public Safety	7,220,000	7,220,000	2,214,842	5,005,158
Total Expenditures	<u>7,220,000</u>	<u>7,220,000</u>	<u>2,214,842</u>	<u>5,005,158</u>
Excess (Deficiency) of Revenue over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MCLENNAN COUNTY, TEXAS

Required Supplementary Information

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

Permanent Improvement Fund

For the Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,368,912	\$ 1,368,912	\$ 1,408,309	\$ 39,397
Intergovernmental	350	350	927	577
Miscellaneous:				
Investment Income, Net	19,000	19,000	54,369	35,369
Total Miscellaneous	19,000	19,000	54,369	35,369
Total Revenues	1,388,262	1,388,262	1,463,605	75,343
Expenditures:				
Current:				
Capital Projects	4,122,000	4,122,000	832,495	3,289,505
Total Expenditures	4,122,000	4,122,000	832,495	3,289,505
Excess (Deficiency) of Revenue over Expenditures	(2,733,738)	(2,733,738)	631,110	3,364,848
Other Financing Sources (Uses):				
Transfers In	2,170	2,170	2,170	-
Transfers Out	-	-	(89,600)	(89,600)
Total Other Financing Sources	2,170	2,170	(87,430)	(89,600)
Net Change in Fund Balance	(2,731,568)	(2,731,568)	543,680	3,275,248
Fund Balance at Beginning of Year	2,731,568	2,731,568	3,268,413	536,845
Fund Balance at End of Year	\$ -	\$ -	\$ 3,812,093	\$ 3,812,093

COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
GENERAL ADMINISTRATION				
Commissioners Court:				
Personal Services	\$ 268,804	\$ 268,804	\$ 265,241	\$ 3,563
Supplies	4,950	5,025	3,522	1,503
Other Services & Charges	7,221	7,749	5,404	2,345
Capital Outlay	6,000	5,397	5,372	25
Total Commissioners Court	<u>286,975</u>	<u>286,975</u>	<u>279,539</u>	<u>7,436</u>
County Judge:				
Personal Services	347,990	347,990	330,223	17,767
Supplies	11,050	11,050	8,975	2,075
Other Services & Charges	93,290	137,290	118,435	18,855
Total County Judge	<u>452,330</u>	<u>496,330</u>	<u>457,634</u>	<u>38,696</u>
Grant Administrator:				
Personal Services	56,645	56,645	6,742	49,903
Supplies	1,100	675	129	546
Other Services & Charges	676	1,101	752	349
Total Grant Administrator	<u>58,421</u>	<u>58,421</u>	<u>7,622</u>	<u>50,799</u>
County Clerk - Recording Department:				
Personal Services	636,317	636,422	549,352	87,070
Supplies	24,927	28,927	28,818	109
Other Services & Charges	105,983	101,983	98,132	3,851
Capital Outlay	5,084	5,084	5,083	1
Total County Clerk - Recording Department	<u>772,311</u>	<u>772,416</u>	<u>681,385</u>	<u>91,031</u>
Human Resources Department:				
Personal Services	249,634	249,634	231,561	18,073
Supplies	11,530	11,530	10,391	1,139
Other Services & Charges	6,900	6,900	5,043	1,857
Total Commissioners Court	<u>268,064</u>	<u>268,064</u>	<u>246,995</u>	<u>21,069</u>
Telephone Department:				
Personal Services	49,785	49,785	48,140	1,645
Supplies	390	390	27	363
Other Services & Charges	108,700	108,700	92,354	16,346
Capital Outlay	80,000	80,000	2,289	77,711
Total Telephone Department	<u>238,875</u>	<u>238,875</u>	<u>142,810</u>	<u>96,065</u>
Maintenance of Buildings:				
Personal Services	1,123,274	1,123,274	1,010,644	112,630
Supplies	51,584	51,834	31,540	20,294
Other Services & Charges	313,055	317,077	129,963	187,114
Capital Outlay	13,700	13,700	-	13,700
Total Maintenance of Buildings	<u>1,501,613</u>	<u>1,505,885</u>	<u>1,172,147</u>	<u>333,738</u>

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Inmate Project Crew:				
Personal Services	57,418	57,418	55,673	1,745
Supplies	2,933	2,933	1,626	1,307
Other Services & Charges	875	875	203	672
Total Inmate Project Crew	<u>61,226</u>	<u>61,226</u>	<u>57,502</u>	<u>3,724</u>
Maintenance of Equipment:				
Personal Services	208,033	208,033	200,988	7,045
Supplies	12,983	14,304	12,478	1,826
Other Services & Charges	32,975	34,825	25,501	9,324
Capital Outlay	64,633	61,462	61,462	-
Total Maintenance of Equipment	<u>318,624</u>	<u>318,624</u>	<u>300,430</u>	<u>18,194</u>
County Garage:				
Personal Services	180,811	180,811	176,501	4,310
Supplies	98,289	90,544	83,978	6,566
Other Services & Charges	72,151	82,644	74,154	8,490
Total County Garage	<u>351,251</u>	<u>353,999</u>	<u>334,633</u>	<u>19,366</u>
Engineering Department:				
Personal Services	329,764	329,764	325,572	4,192
Supplies	20,182	18,982	11,565	7,417
Other Services & Charges	13,709	14,409	12,247	2,162
Capital Outlay	9,000	9,500	9,410	90
Total Engineering Department	<u>372,655</u>	<u>372,655</u>	<u>358,794</u>	<u>13,861</u>
Custodial Department:				
Supplies	35,550	35,550	34,903	647
Other Services & Charges	163,953	163,953	104,981	58,972
Total Custodial Department	<u>199,503</u>	<u>199,503</u>	<u>139,884</u>	<u>59,619</u>
General Expense:				
Personal Services	457,364	564,264	507,110	57,154
Supplies	48,000	48,000	3,894	44,106
Other Services & Charges	1,402,387	1,434,414	630,181	804,233
Total General Expense	<u>1,907,751</u>	<u>2,046,678</u>	<u>1,141,186</u>	<u>905,492</u>
Non-departmental:				
Other Services & Charges	1,734,990	1,227,280	350,388	876,892
Total Non-departmental	<u>1,734,990</u>	<u>1,227,280</u>	<u>350,388</u>	<u>876,892</u>
Total General Administration	<u>8,524,589</u>	<u>8,206,931</u>	<u>5,670,948</u>	<u>2,535,983</u>
LEGAL				
County Legal Counsel:				
Other Services & Charges	225,000	225,000	168,357	56,643
Total County Legal Counsel	<u>225,000</u>	<u>225,000</u>	<u>168,357</u>	<u>56,643</u>

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Criminal District Attorney:				
Personal Services	3,378,774	3,378,774	3,180,101	198,673
Supplies	42,400	43,000	38,308	4,692
Other Services & Charges	119,625	147,025	119,982	27,043
Total District Attorney	<u>3,540,799</u>	<u>3,568,799</u>	<u>3,338,390</u>	<u>230,409</u>
Victims Services:				
Personal Services	48,074	48,074	47,664	410
Supplies	10	10	-	10
Total Victims Services	<u>48,084</u>	<u>48,084</u>	<u>47,664</u>	<u>420</u>
Total Legal	<u>3,813,883</u>	<u>3,841,883</u>	<u>3,554,412</u>	<u>287,471</u>
ELECTIONS				
Elections Administration:				
Personal Services	327,468	327,468	317,377	10,091
Supplies	24,718	24,718	25,103	(385)
Other Services & Charges	189,103	190,128	173,696	16,432
Capital Outlay	-	15,486	15,486	-
Total Elections Administration	<u>541,289</u>	<u>557,800</u>	<u>531,662</u>	<u>26,138</u>
General Elections:				
Personal Services	120,194	120,194	47,505	72,689
Supplies	10,500	10,500	7,626	2,874
Other Services & Charges	20,850	20,850	8,292	12,558
Total General Elections	<u>151,544</u>	<u>151,544</u>	<u>63,424</u>	<u>88,120</u>
Primary Elections:				
Personal Services	66,423	66,423	98,403	(31,980)
Supplies	3,100	3,100	10,898	(7,798)
Other Services & Charges	8,000	8,000	10,538	(2,538)
Total Primary Elections	<u>77,523</u>	<u>77,523</u>	<u>119,840</u>	<u>(42,317)</u>
Other Elections:				
Personal Services	241,472	241,472	73,523	167,949
Supplies	22,847	22,847	2,100	20,747
Other Services & Charges	48,819	48,819	10,205	38,614
Total Other Elections	<u>313,138</u>	<u>313,138</u>	<u>85,828</u>	<u>227,310</u>
Total Elections	<u>1,083,494</u>	<u>1,100,005</u>	<u>800,753</u>	<u>299,252</u>
FINANCIAL ADMINISTRATION				
County Auditor:				
Personal Services	1,180,955	1,187,118	1,150,750	36,368
Supplies	38,900	38,900	30,970	7,930
Other Services & Charges	35,650	35,650	28,234	7,416
Capital Outlay	7,000	837	-	837
Total County Auditor	<u>1,262,505</u>	<u>1,262,505</u>	<u>1,209,954</u>	<u>52,551</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Information Technology:				
Personal Services	1,195,866	1,195,866	1,099,239	96,627
Supplies	37,050	52,054	44,334	7,720
Other Services & Charges	186,410	304,261	129,429	174,832
Capital Outlay	544,511	411,656	375,729	35,927
Total Information Technology	<u>1,963,837</u>	<u>1,963,837</u>	<u>1,648,732</u>	<u>315,105</u>
Information Technology Study:				
Other Services & Charges	105,800	105,800	56,861	48,939
Total Information Technology Study	<u>105,800</u>	<u>105,800</u>	<u>56,861</u>	<u>48,939</u>
Independent Auditing:				
Other Services & Charges	36,000	36,000	34,000	2,000
Total Independent Auditing	<u>36,000</u>	<u>36,000</u>	<u>34,000</u>	<u>2,000</u>
County Treasurer:				
Personal Services	299,348	299,348	287,022	12,326
Supplies	5,315	5,315	3,368	1,947
Other Services & Charges	13,620	13,620	11,699	1,921
Total County Treasurer	<u>318,283</u>	<u>318,283</u>	<u>302,088</u>	<u>16,195</u>
County Tax Assessor-Collector:				
Personal Services	782,410	782,410	743,635	38,775
Supplies	44,587	44,587	35,406	9,181
Other Services & Charges	90,885	85,596	78,802	6,794
Total County Tax Assessor-Collector	<u>917,882</u>	<u>912,593</u>	<u>857,844</u>	<u>54,749</u>
Tax Appraisal Services:				
Other Services & Charges	583,193	583,193	571,440	11,754
Total Tax Appraisal Services	<u>583,193</u>	<u>583,193</u>	<u>571,440</u>	<u>11,754</u>
County Tax Office - Auto Department:				
Personal Services	1,104,130	1,104,130	1,041,705	62,425
Supplies	15,300	20,589	17,561	3,028
Other Services & Charges	40,794	40,794	36,608	4,186
Total County Tax Office - Auto Department	<u>1,160,224</u>	<u>1,165,513</u>	<u>1,095,873</u>	<u>69,640</u>
County Tax Office - Lorena Substation:				
Personal Services	56,086	56,086	55,931	155
Supplies	450	450	371	79
Other Services & Charges	12,685	12,685	9,725	2,960
Total County Tax Office - Lorena Substation	<u>69,221</u>	<u>69,221</u>	<u>66,026</u>	<u>3,195</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with- Final Budget Positive (Negative)
	Original	Final		
County Tax Office - McGregor Substation:				
Personal Services	60,522	60,522	55,024	5,498
Supplies	450	450	263	187
Other Services & Charges	4,200	4,200	3,045	1,155
Total County Tax Office - McGregor Substation	<u>65,172</u>	<u>65,172</u>	<u>58,331</u>	<u>6,841</u>
County Tax Office - West Substation:				
Personal Services	54,538	54,538	54,344	194
Supplies	450	450	243	207
Other Services & Charges	4,152	4,152	3,094	1,058
Total County Tax Office - West Substation	<u>59,140</u>	<u>59,140</u>	<u>57,680</u>	<u>1,460</u>
Purchasing Department:				
Personal Services	241,032	241,032	232,178	8,854
Supplies	3,280	3,280	1,918	1,362
Other Services & Charges	3,629	3,629	1,912	1,717
Total Purchasing Department	<u>247,941</u>	<u>247,941</u>	<u>236,008</u>	<u>11,933</u>
Records Management Department:				
Personal Services	290,413	291,031	289,974	1,057
Supplies	24,565	12,726	12,170	556
Other Services & Charges	38,770	43,895	43,865	30
Capital Outlay	77,000	83,096	83,096	0
Total Records Management Department	<u>430,748</u>	<u>430,748</u>	<u>429,105</u>	<u>1,643</u>
Budget Office:				
Personal Services	-	40,705	34,537	6,168
Supplies	-	15,850	9,587	6,263
Other Services & Charges	-	6,850	813	6,037
Capital Outlay	-	6,300	6,300	-
Total Budget Office	<u>-</u>	<u>69,705</u>	<u>51,237</u>	<u>18,468</u>
Total Financial Administration	<u>7,219,946</u>	<u>7,289,651</u>	<u>6,675,179</u>	<u>614,472</u>
TOTAL GENERAL GOVERNMENT	<u>20,641,912</u>	<u>20,438,470</u>	<u>16,701,292</u>	<u>3,737,177</u>
JUDICIAL				
Mental Health Court Services:				
Personal Services	117,849	117,849	117,346	503
Supplies	2,825	875	869	6
Other Services & Charges	110,512	115,862	115,840	22
Total Mental Health Court Services	<u>231,186</u>	<u>234,586</u>	<u>234,055</u>	<u>531</u>
Bonding Office:				
Personal Services	106,315	106,315	104,956	1,359
Supplies	3,130	3,130	1,365	1,765
Other Services & Charges	2,700	2,700	181	2,519
Total Bonding Office	<u>112,145</u>	<u>112,145</u>	<u>106,502</u>	<u>5,643</u>

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
McLennan County Bail Bond Board:				
Supplies	150	150	102	48
Other Services & Charges	50	50	-	50
Total McLennan County Bail Bond Board	200	200	102	98
County Clerk - Court Department:				
Personal Services	753,559	753,454	652,030	101,424
Supplies	14,632	14,891	14,632	259
Other Services & Charges	78,215	77,956	77,366	590
Total County Clerk - Court Department	846,406	846,301	744,028	102,273
County Court at Law No. 1:				
Personal Services	394,785	396,125	385,835	10,290
Supplies	14,750	14,750	8,387	6,363
Other Services & Charges	58,925	57,872	30,163	27,709
Total County Court at Law No. 1	468,460	468,747	424,386	44,361
County Court at Law No. 2:				
Personal Services	396,263	397,603	391,354	6,249
Supplies	5,750	5,750	3,590	2,160
Other Services & Charges	58,146	57,090	33,160	23,930
Total County Court at Law No. 2	460,159	460,443	428,103	32,340
19th District Court:				
Personal Services	246,139	246,139	229,587	16,552
Supplies	11,801	12,441	11,617	824
Other Services & Charges	34,211	33,571	18,879	14,692
Capital Outlay	6,093	6,093	6,093	-
Total 19th District Court	298,244	298,244	266,177	32,067
54th District Court:				
Personal Services	420,709	420,709	409,042	11,667
Supplies	11,045	11,045	7,234	3,811
Other Services & Charges	43,192	43,192	33,481	9,711
Total 54th District Court	474,946	474,946	449,757	25,189
74th District Court:				
Personal Services	230,737	230,737	227,081	3,656
Supplies	6,500	8,250	7,206	1,044
Other Services & Charges	27,160	25,410	23,801	1,609
Total 74th District Court	264,397	264,397	258,088	6,309
170th District Court:				
Personal Services	175,166	175,166	166,779	8,387
Supplies	3,455	3,455	2,280	1,175
Other Services & Charges	19,510	19,510	14,182	5,328
Total 170th District Court	198,131	198,131	183,241	14,890

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
170th District Court - Court Master:				
Supplies	200	200	164	36
Other Services & Charges	2,000	2,000	1,617	383
Total 170th District Court - Court Master	<u>2,200</u>	<u>2,200</u>	<u>1,781</u>	<u>419</u>
414th District Court:				
Personal Services	173,689	173,689	165,480	8,209
Supplies	7,075	7,075	4,984	2,091
Other Services & Charges	16,782	16,782	9,654	7,128
Total 414th District Court	<u>197,546</u>	<u>197,546</u>	<u>180,118</u>	<u>17,428</u>
Visiting Courtroom				
Supplies	44,424	41,448	40,372	1,076
Other Services & Charges	16,000	16,375	375	16,000
Capital Outlay	9,445	12,046	11,900	146
Total Visiting Courtroom	<u>69,869</u>	<u>69,869</u>	<u>52,647</u>	<u>17,222</u>
District Clerk:				
Personal Services	1,207,869	1,207,869	1,169,167	38,702
Supplies	38,618	37,385	36,382	1,003
Other Services & Charges	79,111	70,366	69,463	903
Capital Outlay	15,000	39,978	24,977	15,001
Total District Clerk	<u>1,340,598</u>	<u>1,355,598</u>	<u>1,299,989</u>	<u>55,609</u>
Justice of the Peace - Precinct 1, Place 1:				
Personal Services	225,186	225,186	223,903	1,283
Supplies	4,950	4,950	3,191	1,759
Other Services & Charges	67,207	67,207	44,164	23,043
Total Justice of the Peace - Precinct 1, Place 1	<u>297,343</u>	<u>297,343</u>	<u>271,258</u>	<u>26,086</u>
Justice of the Peace - Precinct 1, Place 2:				
Personal Services	216,608	216,608	214,828	1,780
Supplies	3,985	6,499	6,105	394
Other Services & Charges	47,345	47,345	43,595	3,750
Total Justice of the Peace - Precinct 1, Place 2	<u>267,938</u>	<u>270,452</u>	<u>264,528</u>	<u>5,924</u>
Justice of the Peace - Precinct 2:				
Personal Services	100,444	100,444	98,462	1,982
Supplies	2,780	2,780	1,067	1,713
Other Services & Charges	21,611	21,611	20,436	1,175
Total Justice of the Peace - Precinct 2	<u>124,835</u>	<u>124,835</u>	<u>119,965</u>	<u>4,870</u>

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace - Precinct 3:				
Personal Services	218,802	218,802	216,665	2,137
Supplies	6,284	7,758	5,885	1,873
Other Services & Charges	71,626	72,531	69,245	3,286
Total Justice of the Peace - Precinct 3	<u>296,712</u>	<u>299,091</u>	<u>291,795</u>	<u>7,296</u>
Justice of the Peace - Precinct 4:				
Personal Services	83,012	83,012	79,857	3,155
Supplies	1,700	1,700	1,032	668
Other Services & Charges	24,460	24,745	19,247	5,498
Total Justice of the Peace - Precinct 4	<u>109,172</u>	<u>109,457</u>	<u>100,136</u>	<u>9,321</u>
Justice of the Peace - Precinct 5:				
Personal Services	82,652	82,652	80,962	1,690
Supplies	800	821	730	91
Other Services & Charges	19,941	19,920	15,360	4,560
Total Justice of the Peace - Precinct 5	<u>103,393</u>	<u>103,393</u>	<u>97,052</u>	<u>6,341</u>
Justice of the Peace - Precinct 7:				
Personal Services	146,234	146,234	145,695	539
Supplies	3,750	3,935	2,466	1,469
Other Services & Charges	28,463	28,697	20,580	8,117
Total Justice of the Peace - Precinct 7	<u>178,447</u>	<u>178,866</u>	<u>168,742</u>	<u>10,124</u>
Justice of the Peace - Precinct 8:				
Personal Services	145,106	145,106	143,808	1,298
Supplies	3,218	2,925	2,367	558
Other Services & Charges	19,550	19,843	12,331	7,512
Total Justice of the Peace - Precinct 8	<u>167,874</u>	<u>167,874</u>	<u>158,506</u>	<u>9,368</u>
Jail Magistrate				
Personal Services	36,847	36,847	35,919	928
Supplies	7,400	7,400	1,482	5,918
Other Services & Charges	33,600	33,600	13,735	19,865
Total Jail Magistrate	<u>77,847</u>	<u>77,847</u>	<u>51,136</u>	<u>26,711</u>
JP Collections:				
Personal Services	44,585	44,585	43,155	1,430
Supplies	3,600	3,600	188	3,412
Other Services & Charges	2,231	2,231	1,358	873
Total JP Collections	<u>50,416</u>	<u>50,416</u>	<u>44,701</u>	<u>5,715</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Tenth Court of Appeals				
Personal Services	3,750	3,750	1,595	2,155
Other Services & Charges	1,000	1,000	-	1,000
Total Tenth Court of Appeals	4,750	4,750	1,595	3,155
Total Judicial	6,643,214	6,667,677	6,198,387	469,290
PUBLIC SAFETY				
FIRE PROTECTION				
Other Services & Charges	129,500	129,500	129,500	-
Total Fire Protection	129,500	129,500	129,500	-
LAW ENFORCEMENT				
Constable - Precinct 1				
Personal Services	554,541	554,541	533,992	20,549
Supplies	9,230	9,400	6,582	2,818
Other Services & Charges	76,623	76,453	74,759	1,694
Total Constable - Precinct 1	640,394	640,394	615,333	25,061
Constable - Precinct 2				
Personal Services	39,075	39,075	35,614	3,461
Supplies	2,321	2,321	1,137	1,184
Other Services & Charges	13,581	13,581	11,861	1,720
Total Constable - Precinct 2	54,977	54,977	48,612	6,365
Constable - Precinct 3				
Personal Services	97,727	97,727	95,087	2,640
Supplies	2,125	2,125	898	1,227
Other Services & Charges	20,641	20,641	18,758	1,883
Total Constable - Precinct 3	120,493	120,493	114,743	5,750
Constable - Precinct 4				
Personal Services	33,180	33,180	31,983	1,197
Supplies	2,425	2,425	1,011	1,414
Other Services & Charges	20,270	20,270	16,614	3,656
Total Constable - Precinct 4	55,875	55,875	49,608	6,267
Constable - Precinct 5				
Personal Services	99,281	99,281	90,425	8,856
Supplies	2,113	2,113	874	1,239
Other Services & Charges	21,785	21,785	19,143	2,642
Total Constable - Precinct 5	123,179	123,179	110,442	12,737
Constable - Precinct 7				
Personal Services	269,486	269,486	261,885	7,601
Supplies	6,360	6,360	5,304	1,056
Other Services & Charges	47,559	47,559	42,572	4,987
Total Constable - Precinct 7	323,405	323,405	309,761	13,644

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable - Precinct 8				
Personal Services	138,190	138,190	129,818	8,372
Supplies	4,950	4,682	1,970	2,712
Other Services & Charges	25,239	25,507	16,205	9,302
Total Constable - Precinct 8	<u>168,379</u>	<u>168,379</u>	<u>147,992</u>	<u>20,387</u>
County Sheriff:				
Personal Services	5,216,153	5,216,153	5,042,782	173,371
Supplies	415,185	414,554	345,806	68,748
Other Services & Charges	740,535	747,816	710,211	37,605
Capital Outlay	63,925	517,950	426,323	91,627
Total County Sheriff	<u>6,435,798</u>	<u>6,896,473</u>	<u>6,525,121</u>	<u>371,352</u>
D.A.R.E. Program:				
Personal Services	177,491	177,491	136,174	41,317
Supplies	15,550	15,550	5,516	10,034
Other Services & Charges	3,200	3,200	1,251	1,949
Total D.A.R.E. Program	<u>196,241</u>	<u>196,241</u>	<u>142,942</u>	<u>53,299</u>
General Law Enforcement:				
Supplies	500	29,364	28,539	825
Other Services & Charges	401,000	401,000	343,852	57,148
Capital Outlay	20,000	-	-	-
Total General Law Enforcement	<u>421,500</u>	<u>430,364</u>	<u>372,392</u>	<u>57,972</u>
Radio Tower:				
Supplies	4,305	4,305	1,797	2,508
Other Services & Charges	27,187	27,187	17,153	10,034
Total Radio Tower	<u>31,492</u>	<u>31,492</u>	<u>18,950</u>	<u>12,542</u>
Total Law Enforcement	<u>8,571,733</u>	<u>9,041,272</u>	<u>8,455,896</u>	<u>585,376</u>
CORRECTIONS				
McLennan County Detention Center:				
Personal Services	10,576,197	10,576,197	10,062,494	513,703
Supplies	478,034	468,992	447,627	21,365
Other Services & Charges	3,811,624	2,285,767	1,687,027	598,740
Capital Outlay	20,500	113,076	101,074	12,002
Total McLennan County Detention Center	<u>14,886,355</u>	<u>13,444,032</u>	<u>12,298,223</u>	<u>1,145,809</u>
Jail Kitchen				
Supplies	-	15,242	7,967	7,275
Other Services & Charges	-	999,406	747,790	251,616
Total Jail Kitchen	<u>-</u>	<u>1,014,648</u>	<u>755,757</u>	<u>258,891</u>
Jack Harwell Detention Center				
Supplies	-	25,500	25,325	175
Total Jack Harwell Detention Center	<u>-</u>	<u>25,500</u>	<u>25,325</u>	<u>175</u>

(continued)

MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Jail Visitation Center				
Personal Services	18,409	48,566	15,745	32,821
Supplies	56,500	56,500	20,160	36,340
Other Services & Charges	43,100	36,435	9,807	26,628
Capital Outlay	-	6,665	6,665	-
Total Jail Visitation Center	<u>118,009</u>	<u>148,166</u>	<u>52,376</u>	<u>95,790</u>
Electronic Monitoring:				
Personal Services	48,289	18,132	-	18,132
Supplies	4,000	4,000	-	4,000
Other Services & Charges	6,700	6,700	-	6,700
Total Electronic Monitoring	<u>58,989</u>	<u>28,832</u>	<u>-</u>	<u>28,832</u>
Downtown Jail:				
Other Services & Charges	3,000,000	3,000,000	2,658,145	341,855
Total Downtown Jail	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,658,145</u>	<u>341,855</u>
Juvenile Board:				
Personal Services	18,179	18,179	16,228	1,951
Total Juvenile Board	<u>18,179</u>	<u>18,179</u>	<u>16,228</u>	<u>1,951</u>
Juvenile Detention:				
Personal Services	2,360,249	2,360,249	1,977,203	383,046
Supplies	143,500	143,627	115,066	28,561
Other Services & Charges	268,626	246,499	160,658	85,841
Capital Outlay	6,400	28,400	27,131	1,269
Total Juvenile Detention	<u>2,778,775</u>	<u>2,778,775</u>	<u>2,280,058</u>	<u>498,717</u>
Juvenile Probation:				
Personal Services	2,089,902	2,089,902	1,797,016	292,886
Supplies	49,157	49,157	38,509	10,648
Other Services & Charges	327,628	327,628	175,562	152,066
Capital Outlay	-	-	-	-
Total Juvenile Probation	<u>2,466,687</u>	<u>2,466,687</u>	<u>2,011,088</u>	<u>455,599</u>
Juvenile Accountability Incentive Block Grant:				
Personal Services	34,904	34,904	32,531	2,373
Total Juvenile Accountability Incentive Block Grant	<u>34,904</u>	<u>34,904</u>	<u>32,531</u>	<u>2,373</u>
Adult Probation:				
Supplies	20,069	18,324	17,380	944
Other Services & Charges	94,262	96,007	85,401	10,606
Total Adult Probation	<u>114,331</u>	<u>114,331</u>	<u>102,781</u>	<u>11,551</u>
Total Corrections	<u>23,476,229</u>	<u>23,074,054</u>	<u>20,232,510</u>	<u>2,841,544</u>

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER PROTECTION				
Courthouse Security:				
Personal Services	758,559	758,559	733,710	24,849
Supplies	7,955	8,455	7,815	640
Other Services & Charges	11,900	11,900	7,036	4,864
Capital Outlay	40,000	46,000	45,561	439
Total Courthouse Security	818,414	824,914	794,121	30,793
FEMA/ORCA Administration				
Other Services & Charges	-	4,500	4,500	-
FEMA/ORCA Administration	-	4,500	4,500	-
Civil Defense:				
Other Services & Charges	145,722	151,133	151,133	-
Total Civil Defense	145,722	151,133	151,133	-
Military Units:				
Other Services & Charges	1,500	1,500	1,500	-
Total Military Units	1,500	1,500	1,500	-
Total Other Protection	965,636	982,047	951,254	30,793
ENVIRONMENTAL PROTECTION				
Solid Waste Management:				
Other Services & Charges	35,550	35,550	35,359	191
Total Solid Waste Management	35,550	35,550	35,359	191
Groundwater Conservation Program:				
Other Services & Charges	10,000	10,000	-	10,000
Total Groundwater Conservation Program	10,000	10,000	-	10,000
Environmental Standards Management:				
Other Services & Charges	149,316	153,069	153,069	-
Total Environmental Standards Management	149,316	153,069	153,069	-
Stormwater Pollution Abatement:				
Other Services & Charges	3,000	3,000	100	2,900
Total Stormwater Pollution Abatement	3,000	3,000	100	2,900
Litter Abatement Program:				
Personal Services	64,137	64,137	62,810	1,327
Supplies	300	300	75	226
Other Services & Charges	500	500	-	500
Total Litter Abatement Program	64,937	64,937	62,884	2,053

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Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Environmental Protection:				
Other Services & Charges	6,100	6,100	5,257	843
Total Other Environmental Protection	6,100	6,100	5,257	843
Total Environmental Protection	268,903	272,656	256,668	15,987
TOTAL PUBLIC SAFETY	33,412,001	33,499,529	30,025,828	3,473,700
PUBLIC TRANSPORTATION				
Prisoner Utilization Program - Precinct 1				
Personal Services	58,525	62,396	57,971	4,425
Total Prisoner Utilization Program - Precinct 1	58,525	62,396	57,971	4,425
Prisoner Utilization Program - Precinct 2				
Personal Services	57,992	57,992	56,618	1,374
Total Prisoner Utilization Program - Precinct 1	57,992	57,992	56,618	1,374
Prisoner Utilization Program - Precinct 3				
Personal Services	57,891	57,891	52,677	5,214
Total Prisoner Utilization Program - Precinct 1	57,891	57,891	52,677	5,214
Prisoner Utilization Program - Precinct 4				
Personal Services	57,307	57,307	55,937	1,370
Total Prisoner Utilization Program - Precinct 1	57,307	57,307	55,937	1,370
TOTAL PUBLIC TRANSPORTATION	231,715	235,586	223,202	12,384
HEALTH				
Health Administration:				
Personal Services	503,751	503,751	446,979	56,772
Supplies	14,900	14,937	14,799	138
Other Services & Charges	83,904	83,867	83,673	194
Total Health Administration	602,555	602,555	545,451	57,104
Direct Aid - Indigent Healthcare:				
Supplies	15,000	15,000	5,926	9,074
Other Services & Charges	3,204,000	3,204,000	1,402,958	1,801,042
Total Direct Aid - Indigent Healthcare	3,219,000	3,219,000	1,408,884	1,810,116
Direct Aid - Medicaid UPL Program:				
Other Services & Charges	850,000	884,850	884,850	-
Total Direct Aid - Medicaid UPL Program	850,000	884,850	884,850	-

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MCLENNAN COUNTY, TEXAS

continued

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Direct Aid - County Jail Inmates:				
Personal Services	1,663,524	1,663,524	1,355,886	307,638
Supplies	106,025	106,025	78,579	27,446
Other Services & Charges	1,490,000	1,490,000	1,142,744	347,256
Total Direct Aid - County Jail Inmates	3,259,549	3,259,549	2,577,208	682,341
Public Health:				
Other Services & Charges	226,456	226,456	226,456	-
Total Public Health	226,456	226,456	226,456	-
Rabies and Animal Control:				
Other Services & Charges	60,000	74,000	62,950	11,050
Total Rabies and Animal Control	60,000	74,000	62,950	11,050
MHMR Crisis Intervention:				
Personal Services	63,453	103,157	100,958	2,199
Other Services & Charges	445,000	447,000	319,241	127,759
Total MHMR Crisis Intervention	508,453	550,157	420,199	129,958
Family Practice Clinic:				
Other Services & Charges	610,718	610,718	610,718	-
Total Family Practice Clinic	610,718	610,718	610,718	-
 TOTAL HEALTH	 9,336,731	 9,427,285	 6,736,717	 2,690,568
 <u>WELFARE</u>				
Welfare - Direct Aid:				
Supplies	1,000	1,000	798	202
Other Services & Charges	3,433,269	3,433,269	3,391,583	41,686
Total Welfare - Direct Aid	3,434,269	3,434,269	3,392,381	41,888
Childrens' Protective Services - Direct Aid:				
Supplies	64,250	64,250	7,965	56,285
Other Services & Charges	28,750	28,750	1,338	27,413
Total Childrens' Protective Services - Direct Aid	93,000	93,000	9,303	83,697
Juvenile Interim Home:				
Personal Services	165,452	165,452	154,734	10,718
Supplies	9,766	9,766	8,805	961
Other Services & Charges	15,000	15,000	5,858	9,142
Total Juvenile Interim Home	190,218	190,218	169,397	20,821
Veterans Service Office				
Personal Services	48,426	48,426	47,767	659
Supplies	2,025	2,105	1,947	158
Other Services & Charges	2,850	2,770	2,536	234
Total Veterans Service Office	53,301	53,301	52,251	1,050

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Aging Program:				
Other Services & Charges	16,504	16,504	16,504	-
Total Aging Program	16,504	16,504	16,504	-
TOTAL WELFARE	3,787,292	3,787,292	3,639,835	147,457
<u>CULTURE-RECREATION</u>				
Parks:				
Personal Services	16,983	17,152	16,526	626
Supplies	6,542	6,542	612	5,930
Other Services & Charges	14,168	13,999	2,805	11,194
Total Parks	37,693	37,693	19,943	17,750
Public Library:				
Other Services & Charges	693,049	693,049	693,049	-
Total Public Library	693,049	693,049	693,049	-
Historical Survey:				
Supplies	100	100	30	70
Other Services & Charges	6,050	550	67	483
Total Historical Survey	6,150	650	97	553
Exhibit Buildings and Showbarns:				
Other Services & Charges	7,500	13,460	-	13,460
Capital Outlay	-	89,600	89,560	40
Total Exhibit Buildings and Showbarns	7,500	103,060	89,560	13,500
TOTAL CULTURE-RECREATION	744,392	834,452	802,649	31,803
<u>CONSERVATION</u>				
Agricultural Extension Service:				
Personal Services	237,105	237,105	195,002	42,103
Supplies	4,308	4,308	3,895	413
Other Services & Charges	56,483	56,483	46,505	9,978
Total Agricultural Extension Service	297,896	297,896	245,402	52,494
Soil and Water Conservation:				
Other Services & Charges	25,000	25,000	25,000	-
Total Soil and Water Conservation	25,000	25,000	25,000	-
TOTAL CONSERVATION	322,896	322,896	270,402	52,494
<u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u>				
Other Services & Charges	195,133	195,133	134,200	60,933

(continued)

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>DEBT SERVICE</u>				
Principal	1,109,539	1,109,539	971,624	137,915
Interest	389,975	389,975	365,080	24,895
Total Debt Service	<u>1,499,514</u>	<u>1,499,514</u>	<u>1,336,704</u>	<u>162,810</u>
	<u>\$ 76,814,800</u>	<u>\$ 76,907,834</u>	<u>\$ 66,069,216</u>	<u>\$ 10,838,617</u>

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2010

<u>ASSETS</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds</u>	<u>Total</u>
Pooled Cash and Investments	\$ 11,196,102	\$ 1,827,246	\$ 249,379	\$ 46,970	\$ 13,319,697
Non-Pooled Cash	378,525	-	127,791	-	506,315
Receivables (net of allowances for estimated uncollectibles):					
Taxes	99,678	222,177	-	-	321,854
Accounts	20,949	-	-	-	20,949
Due from Other Governments	330,337	-	-	-	330,337
Inventories, at Cost	236,977	-	-	-	236,977
Total Assets and Other Debits	\$ 12,262,568	\$ 2,049,423	\$ 377,169	\$ 46,970	\$ 14,736,131
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ 478,138	\$ -	\$ 7,273	\$ -	\$ 485,412
Due to Other Funds	30,000	-	-	-	30,000
Due to Other Governments	1,175	-	-	-	1,175
Deferred Revenue	744,912	222,177	-	-	967,088
Total Liabilities	1,254,224	222,177	7,273	-	1,483,674
Fund Balance:					
Reserved for:					
Reserved for Capital Projects	-	1,827,246	-	-	1,827,246
Reserved for Debt Service	-	-	-	-	-
Reserved for Education	7,459	-	-	46,970	54,429
Unreserved - Undesignated	11,000,885	-	369,896	-	11,370,781
Total Fund Equity and Other Credits	11,008,344	1,827,246	369,896	46,970	13,252,456
Total Liabilities and Fund Balance	\$ 12,262,568	\$ 2,049,423	\$ 377,169	\$ 46,970	\$ 14,736,131

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2010

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
Revenues:					
Taxes	\$ 2,277,980	\$ 4,440,688	\$ -	\$ -	\$ 6,718,668
Licenses and Permits	1,876,892	-	-	-	1,876,892
Intergovernmental	4,855,844	2,922	-	-	4,858,766
Charges for Services	3,009,746	-	-	-	3,009,746
Fines and Forfeits	1,790,466	-	-	-	1,790,466
Miscellaneous	410,396	40,370	11,116	651	462,532
Total Revenues	14,221,323	4,483,980	11,116	651	18,717,069
Expenditures:					
Current:					
General Government	246,158	-	-	-	246,158
Judicial	529,224	-	-	-	529,224
Public Safety	7,338,136	-	-	-	7,338,136
Public Transportation	7,220,003	-	-	-	7,220,003
Culture - Recreation	3,200	-	-	-	3,200
Capital Projects	30,000	-	3,699,023	-	3,729,023
Debt Service:					
Principal and Retirements	50,880	3,225,000	-	-	3,275,880
Interest and Fiscal Charges	6,741	1,270,333	-	-	1,277,073
Total Expenditures	15,424,342	4,495,333	3,699,023	-	23,618,697
Excess (Deficiency) of Revenue over Expenditures	(1,203,019)	(11,353)	(3,687,907)	651	(4,901,628)
Other Financing Sources (Uses):					
Disposition of Capital Assets	93,097	-	-	-	93,097
Issuance of Lease Purchase Agreement	136,850	-	-	-	136,850
Transfers In	2,977,271	320,000	-	-	3,297,271
Transfers Out	(2,525,281)	(724,092)	(7,808)	(800)	(3,257,981)
Total Other Financing Sources	681,937	(404,092)	(7,808)	(800)	269,237
Net Change in Fund Balance	(521,082)	(415,445)	(3,695,715)	(149)	(4,632,391)
Fund Balance at Beginning of Year	11,529,426	2,242,692	4,065,611	47,119	17,884,847
Fund Balance at End of Year	\$ 11,008,344	\$ 1,827,246	\$ 369,896	\$ 46,970	\$ 13,252,456



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 Records Preservation Fund

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

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.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

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 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.

Historical Commission Fund

The Historical Commission Fund was established to account for the revenues and expenditures related to programs and activities of the County Historical Commission.

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.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

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.

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.

Records Management and Technology Fund

The Records Management and Technology Fund was established to account for statutory fees collected by court clerks on the filing of a suit and for the expenditure of such funds.

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.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds – Purpose of Funds

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.

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 Government Funds

Nonmajor Special Revenue Funds

September 30, 2010

	Adult Probation Fund	Alcohol and Drug Abuse Prevention and Treatment Fund	Alcohol and Drug Court Program Fund	Available School Fund	Court Records Preservation Fund	Court Reporter Service Fund	Dispute Resolution Fund	District Attorney Administration Fund	District Clerk Errors and Omissions Fund	Family Protection Fund
<u>ASSETS</u>										
Pooled Cash and Investments	\$ 1,505,644	\$ 12,133	\$ 98,086	\$ 18,861	\$ 24,374	\$ 17,056	\$ 3,937	\$ 61,617	\$ 93,725	\$ 26,180
Non-Pooled Cash and Investments	193,008	-	763	-	-	-	-	781	-	-
Receivables (net of allowances for estimated uncollectibles):										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	13	-	-	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,698,665	\$ 12,133	\$ 98,849	\$ 18,861	\$ 24,374	\$ 17,056	\$ 3,937	\$ 62,398	\$ 93,725	\$ 26,180
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Accounts Payable	\$ 29,625	\$ -	\$ -	\$ -	\$ -	\$ 11,717	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	540,146	-	-	-	-	-	-	-	-	-
Total Liabilities	569,771	-	-	-	-	11,717	-	-	-	-
Fund Balances:										
Reserved for Education				7,459						
Unreserved Fund Balance	1,128,894	12,133	98,849	11,402	24,374	5,339	3,937	62,398	93,725	26,180
Total Fund Balances	1,128,894	12,133	98,849	18,861	24,374	5,339	3,937	62,398	93,725	26,180
Total Liabilities and Fund Balance	\$ 1,698,665	\$ 12,133	\$ 98,849	\$ 18,861	\$ 24,374	\$ 17,056	\$ 3,937	\$ 62,398	\$ 93,725	\$ 26,180

continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Government Funds

Nonmajor Special Revenue Funds

September 30, 2010

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	Federal Programs Fund	Historical Commission Fund	Jail Commissary Fund	Jury Fund	Juvenile Probation Fund	Law Enforcement Officer Standards and Education Fund	Law Enforcement Special Fund	Law Library Fund	Local Government Programs Fund	Records Management & Technology Fund
<u>ASSETS</u>										
Pooled Cash and Investments	\$ -	\$ 13,506	\$ 224,238	\$ 32,432	\$ 1,196,320	\$ 47,471	\$ 622,193	\$ 277,553	\$ -	\$ 15,236
Non-Pooled Cash and Investments	-	-	-	77,051	-	-	4,000	-	-	-
Receivables (net of allowances for estimated uncollectibles):										
Taxes	-	-	-	4,422	-	-	-	-	-	-
Accounts	-	4,391	14,613	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	35,020	-	-	2,132	-	104,792	-
Inventories	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 17,898	\$ 238,850	\$ 148,925	\$ 1,196,320	\$ 47,471	\$ 628,326	\$ 277,553	\$ 104,792	\$ 15,236
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Accounts Payable	\$ -	\$ 1,332	\$ 850	\$ 1,465	\$ 33,708	\$ 20	\$ 11,183	\$ 2,947	\$ 104,792	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	4,422	105,088	-	-	-	-	-
Total Liabilities	-	1,332	850	5,887	138,795	20	11,183	2,947	104,792	-
Fund Balances:										
Reserved for Education	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance	-	16,566	238,000	143,038	1,057,525	47,451	617,143	274,606	(0)	15,236
Total Fund Balances	-	16,566	238,000	143,038	1,057,525	47,451	617,143	274,606	(0)	15,236
Total Liabilities and Fund Balance	\$ -	\$ 17,898	\$ 238,850	\$ 148,925	\$ 1,196,320	\$ 47,471	\$ 628,326	\$ 277,553	\$ 104,792	\$ 15,236

continued

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MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

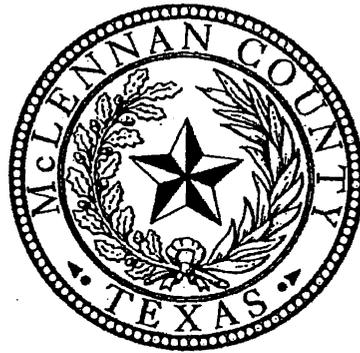
Nonmajor Government Funds

Nonmajor Special Revenue Funds

September 30, 2010

	State Programs Fund	Tax Office Administration Fund	Road and Bridge General Fund	Road and Bridge Farm to Market Roads Fund	Road and Bridge Right-of-Way Acquisition Fund	Road and Bridge Precinct 1 Fund	Road and Bridge Precinct 2 Fund	Road and Bridge Precinct 3 Fund	Road and Bridge Precinct 4 Fund	Nonmajor Special Revenue Funds Total
ASSETS										
Pooled Cash and Investments	\$ 0	\$ -	\$ 66,375	\$ 82,381	\$ 133,703	\$ 1,416,368	\$ 1,969,246	\$ 813,260	\$ 2,463,864	\$ 11,235,758
Non-Pooled Cash and Investments	-	50,755	-	-	-	13,042	13,042	10,955	15,128	378,525
Receivables (net of allowances for estimated uncollectibles):										
Taxes	-	-	-	95,256	-	-	-	-	-	99,678
Accounts	-	-	-	-	-	1,283	0	384	265	20,949
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Due from Other Governments	54,566	-	-	-	-	26,534	26,534	49,980	30,779	330,337
Inventories	-	-	44,864	-	-	44,928	38,803	25,336	83,046	236,977
Total Assets	\$ 54,566	\$ 50,755	\$ 111,239	\$ 177,636	\$ 133,703	\$ 1,502,155	\$ 2,047,625	\$ 899,914	\$ 2,593,083	\$ 12,302,224
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts Payable	\$ 54,566	\$ 53	\$ -	\$ -	\$ -	\$ 22,842	\$ 58,544	\$ 31,202	\$ 152,950	\$ 517,794
Due to Other Funds	-	-	30,000	-	-	-	-	-	-	30,000
Due to Other Governments	-	1,175	-	-	-	-	-	-	-	1,175
Deferred Revenue	-	-	-	95,256	-	-	-	-	-	744,912
Total Liabilities	54,566	1,227	30,000	95,256	-	22,842	58,544	31,202	152,950	1,293,880
Fund Balances:										
Reserved for Education										7,459
Unreserved Fund Balance	1	49,528	81,239	82,381	133,703	1,479,313	1,989,081	868,712	2,440,133	11,000,885
Total Fund Balances	1	49,528	81,239	82,381	133,703	1,479,313	1,989,081	868,712	2,440,133	11,008,344
Total Liabilities and Fund Balance	\$ 54,566	\$ 50,755	\$ 111,239	\$ 177,636	\$ 133,703	\$ 1,502,155	\$ 2,047,625	\$ 899,914	\$ 2,593,083	\$ 12,302,224

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MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Year Ended September 30, 2010

	Adult Probation Fund	Alcohol and Drug Abuse Prevention and Treatment Fund	Alcohol and Drug Court Program Fund	Available School Fund	Court Records Preservation Fund	Court Reporter Service Fund	Dispute Resolution Fund	District Attorney Administration Fund	District Clerk Errors and Omissions Fund	Family Protection Fund
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	905,046	-	-	-	-	-	-	22,297	-	-
Charges for Services	2,360,568	1,400	40,699	-	24,270	67,055	67,099	84,204	2,644	4,910
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	32,853	194	1,043	274	104	759	10	31	1,295	328
Total Revenues	3,298,466	1,594	41,742	274	24,374	67,814	67,109	106,531	3,939	5,238
Expenditures:										
Current:										
General Government	-	-	-	-	-	-	-	61,655	-	-
Judicial	-	-	-	-	-	148,733	72,000	-	-	-
Public Safety	4,306,163	4,000	555	-	-	-	-	-	-	-
Public Transportation	-	-	-	-	-	-	-	-	-	-
Culture - Recreation	-	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,306,163	4,000	555	-	-	148,733	72,000	61,655	-	-
Excess (Deficiency) of Revenue over Expenditures	(1,007,697)	(2,406)	41,188	274	24,374	(80,919)	(4,891)	44,877	3,939	5,238
Other Financing Sources (Uses):										
Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
Issuance of Lease Purchase Agreement	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	800	-	75,707	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	800	-	75,707	-	-	-	-
Net Change in Fund Balance	(1,007,697)	(2,406)	41,188	1,074	24,374	(5,212)	(4,891)	44,877	3,939	5,238
Fund Balance at Beginning of Year	2,136,590	14,538	57,661	17,787	-	10,551	8,828	17,522	89,786	20,942
Fund Balance at End of Year	\$ 1,128,894	\$ 12,133	\$ 98,849	\$ 18,861	\$ 24,374	\$ 5,339	\$ 3,937	\$ 62,398	\$ 93,725	\$ 26,180

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, 2010

	Federal Programs Fund	Historical Commission Fund	Jail Commissary Fund	Jury Fund	Juvenile Probation Fund	Law Enforcement Officer Standards and Education Fund	Law Enforcement Special Fund	Law Library Fund	Local Government Programs Fund	Records Management & Technology Fund
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ 102,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	3,027	-	-	139,128	1,417,269	24,359	7,553	-	498,269	-
Charges for Services	-	-	154,150	8,981	23,823	-	-	154,468	-	15,154
Fines and Forfeits	-	-	-	178	-	-	119,033	-	-	-
Miscellaneous	-	14,266	380	1,252	14,819	-	9,996	3,579	-	81
Total Revenues	3,027	14,266	154,530	252,342	1,455,910	24,359	136,582	158,047	498,269	15,236
Expenditures:										
Current:										
General Government	-	-	-	-	-	802	34,692	72,061	-	-
Judicial	-	-	-	268,330	-	-	-	40,162	-	-
Public Safety	3,027	-	130,407	-	1,446,550	15,152	173,097	-	468,269	-
Public Transportation	-	-	-	-	-	-	-	-	-	-
Culture - Recreation	-	3,200	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	30,000	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	3,027	3,200	130,407	268,330	1,446,550	15,954	207,789	112,223	498,269	-
Excess (Deficiency) of Revenue over Expenditures	-	11,066	24,123	(15,988)	9,360	8,405	(71,207)	45,824	-	15,236
Other Financing Sources (Uses):										
Disposition of Capital Assets	-	-	-	-	-	-	-	-	-	-
Issuance of Lease Purchase Agreement	-	-	-	-	-	-	-	-	-	-
Transfers In	-	5,500	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	5,500	-	-	-	-	-	-	-	-
Net Change in Fund Balance	-	16,566	24,123	(15,988)	9,360	8,405	(71,207)	45,824	-	15,236
Fund Balance at Beginning of Year	-	-	213,878	159,026	1,048,165	39,046	688,350	228,782	-	-
Fund Balance at End of Year	\$ -	\$ 16,566	\$ 238,000	\$ 143,038	\$ 1,057,525	\$ 47,451	\$ 617,143	\$ 274,606	\$ -	\$ 15,236

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, 2010

	State Programs Fund	Tax Office Administration Fund	Road and Bridge General Fund	Road and Bridge Farm to Market Roads Fund	Road and Bridge Right-of-Way Acquisition Fund	Precinct 1 Fund	Precinct 2 Fund	Precinct 3 Fund	Precinct 4 Fund	Nonmajor Special Revenue Funds Total
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ 2,175,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,277,980
Licenses and Permits	-	-	-	-	-	469,223	469,223	394,147	544,298	1,876,892
Intergovernmental	815,309	-	-	662	-	255,732	255,732	214,814	296,649	4,855,844
Charges for Services	-	321	-	-	-	-	-	-	-	3,009,746
Fines and Forfeits	-	3,801	-	11,462	-	413,998	413,998	347,758	480,238	1,790,466
Miscellaneous	-	3,307	1,986	222	2,030	51,051	110,681	107,943	51,910	410,396
Total Revenues	815,309	7,429	1,986	2,187,523	2,030	1,190,004	1,249,634	1,064,663	1,373,094	14,221,323
Expenditures:										
Current:										
General Government	24,393	52,555	-	-	-	-	-	-	-	246,158
Judicial	-	-	-	-	-	-	-	-	-	529,224
Public Safety	790,916	-	-	-	-	-	-	-	-	7,338,136
Public Transportation	-	-	132,068	-	16,667	1,709,369	1,851,562	1,552,913	1,957,424	7,220,003
Culture - Recreation	-	-	-	-	-	-	-	-	-	3,200
Capital Projects	-	-	-	-	-	-	-	-	-	30,000
Debt Service:										
Principal	-	-	-	-	-	11,662	-	39,218	-	50,880
Interest and Fiscal Charges	-	-	-	-	-	381	-	6,360	-	6,741
Total Expenditures	815,309	52,555	132,068	-	16,667	1,721,412	1,851,562	1,598,491	1,957,424	15,424,342
Excess (Deficiency) of Revenue over Expenditures	-	(45,126)	(130,081)	2,187,523	(14,637)	(531,408)	(601,929)	(533,828)	(584,330)	(1,203,019)
Other Financing Sources (Uses):										
Disposition of Capital Assets	-	16,000	-	-	-	-	-	77,097	-	93,097
Issuance of Lease	-	-	-	-	-	-	-	-	-	-
Purchase Agreement	-	-	-	-	-	-	-	136,850	-	136,850
Transfers In	-	-	180,000	-	-	675,130	675,130	581,857	783,147	2,977,271
Transfers Out	-	-	-	(2,289,695)	-	(62,396)	(57,992)	(57,891)	(57,307)	(2,525,281)
Total Other Financing Sources (Uses)	-	16,000	180,000	(2,289,695)	-	612,734	617,138	737,913	725,840	681,937
Net Change in Fund Balance	-	(29,126)	49,919	(102,172)	(14,637)	81,326	15,209	204,086	141,510	(521,082)
Fund Balance at Beginning of Year	1	78,653	31,320	184,553	148,340	1,397,987	1,973,871	664,626	2,298,623	11,529,426
Fund Balance at End of Year	\$ 1	\$ 49,528	\$ 81,239	\$ 82,381	\$ 133,703	\$ 1,479,313	\$ 1,989,081	\$ 868,712	\$ 2,440,133	\$ 11,008,344

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, 2010

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services -				
Drug Court Costs	\$ 43,000	\$ 43,000	\$ 40,699	\$ (2,301)
Miscellaneous:				
Investment Income	320	320	1,043	723
Total Miscellaneous	320	320	1,043	723
Total Revenues	43,320	43,320	41,742	(1,578)
Expenditures:				
General Government:				
Alcohol and Drug Court Department				
Supplies	-	3,000	145	2,855
Other Services and Charges	99,714	96,714	410	96,304
Total Expenditures	99,714	99,714	555	99,159
Net Change in Fund Balance	(56,394)	(56,394)	41,188	(100,737)
Fund Balance at Beginning of Year	17,646	17,646	57,661	40,015
Fund Balance at End of Year	\$ (38,748)	\$ (38,748)	\$ 98,849	\$ (60,721)

MCLENNAN COUNTY, TEXAS

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

Available School Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 225	\$ 225	\$ 274	\$ 49
Total Revenues	225	225	274	49
Expenditures:				
Education				
Other Services & Charges	20,705	20,705	-	20,705
Total Expenditures	20,705	20,705	-	20,705
Excess (Deficiency) of Revenue over Expenditures	(20,480)	(20,480)	274	20,754
Other Financing Sources:				
Transfers In	800	800	800	-
Net Change in Fund Balance	(19,680)	(19,680)	1,074	20,754
Fund Balance at Beginning of Year	-	-	17,787	17,787
Fund Balance at End of Year	\$ (19,680)	\$ (19,680)	\$ 18,861	\$ 38,541

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 65,000	\$ 65,000	\$ 67,055	\$ 2,055
Miscellaneous - Investment Income	300	300	759	459
Total Revenues	65,300	65,300	67,814	2,514
Expenditures:				
General Government				
Other Services and Charges	5,500	-	-	-
Judicial:				
Other Services and Charges	143,500	149,000	148,733	267
Total Expenditures	149,000	149,000	148,733	267
Excess (Deficiency) of Revenue over Expenditures	(83,700)	(83,700)	(80,919)	2,781
Other Financing Sources				
Transfers In	75,707	75,707	75,707	-
Net Change in Fund Balance	(7,993)	(7,993)	(5,212)	2,781
Fund Balance at Beginning of Year	7,993	7,993	10,551	2,558
Fund Balance at End of Year	\$ -	\$ -	\$ 5,339	\$ 5,339

MCLENNAN COUNTY, TEXAS

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

Dispute Resolution Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 65,250	\$ 65,250	\$ 67,099	\$ 1,849
Miscellaneous - Investment Income	50	50	10	(40)
Total Revenues	65,300	65,300	67,109	1,809
Expenditures:				
Judicial:				
Other Services and Charges	80,161	80,161	72,000	8,161
Excess (Deficiency) of Revenue over Expenditures	(14,861)	(14,861)	(4,891)	9,970
Net Change in Fund Balance	(14,861)	(14,861)	(4,891)	9,970
Fund Balance at Beginning of Year	14,861	14,861	8,828	(6,033)
Fund Balance at End of Year	\$ -	\$ -	\$ 3,937	\$ 3,937

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 2,900	\$ 2,900	\$ 2,644	\$ (256)
Miscellaneous - Investment Income	1,250	1,250	1,295	45
Total Revenues	4,150	4,150	3,939	(211)
Expenditures:				
Judicial:				
Other Services and Charges	93,841	93,841	-	93,841
Net Change in Fund Balance	(89,691)	(89,691)	3,939	93,630
Fund Balance at Beginning of Year	89,691	89,691	89,786	95
Fund Balance at End of Year	\$ -	\$ -	\$ 93,725	\$ 93,725

MCLENNAN COUNTY, TEXAS

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

Family Protection Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services -				
Family Protection Fees	\$ 5,500	\$ 5,500	\$ 4,910	\$ (590)
Miscellaneous:				
Investment Income	240	240	328	88
Total Miscellaneous	<u>240</u>	<u>240</u>	<u>328</u>	<u>88</u>
Total Revenues	<u>5,740</u>	<u>5,740</u>	<u>5,238</u>	<u>(502)</u>
Expenditures:				
General Government:				
Family Protection Department				
Other Services and Charges	26,995	26,995	-	26,995
Total Expenditures	<u>26,995</u>	<u>26,995</u>	<u>-</u>	<u>26,995</u>
Net Change in Fund Balance	(21,255)	(21,255)	5,238	(27,497)
Fund Balance at Beginning of Year	<u>21,255</u>	<u>21,255</u>	<u>20,942</u>	<u>(313)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,180</u>	<u>\$ (27,810)</u>

MCLENNAN COUNTY, TEXAS

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

Historical Commission Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Miscellaneous:				
Other	-	9,856	14,266	4,410
Total Revenues	-	9,856	14,266	4,410
Expenditures:				
Culture - Recreation				
Other Services and Charges	-	15,356	3,200	12,156
Excess (Deficiency) of Revenue over Expenditures	-	(5,500)	11,066	16,566
Other Financing Sources:				
Transfers In	-	5,500	5,500	-
Net Change in Fund Balance	-	-	16,566	16,566
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ 16,566	\$ 16,566

MCLENNAN COUNTY, TEXAS

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

Jury Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 93,727	\$ 93,727	\$ 102,803	\$ 9,076
Intergovernmental -				
Payment in Lieu of Taxes	124,022	124,022	139,128	15,106
Fines and Forfeitures	10	10	178	168
Charges for Services				
Jury Fees	11,425	11,425	8,981	(2,444)
Miscellaneous:				
Investment Income, Net	1,800	1,800	1,252	(548)
Total Miscellaneous	<u>1,800</u>	<u>1,800</u>	<u>1,252</u>	<u>(548)</u>
Total Revenues	<u>230,984</u>	<u>230,984</u>	<u>252,342</u>	<u>21,358</u>
Expenditures:				
Judicial:				
Jury Service:				
Personal Services	282,000	270,868	227,540	43,328
Supplies	23,710	34,080	30,428	3,652
Other Services and Charges	24,000	24,762	10,362	14,400
Total Expenditures	<u>329,710</u>	<u>329,710</u>	<u>268,330</u>	<u>61,380</u>
Net Change in Fund Balance	(98,726)	(98,726)	(15,988)	82,738
Fund Balance at Beginning of Year	<u>98,726</u>	<u>98,726</u>	<u>159,026</u>	<u>60,300</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,038</u>	<u>\$ 143,038</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, 2010

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Charges for Services -				
Law Library Fees	\$ 153,030	\$ 153,030	\$ 154,468	\$ 1,438
Miscellaneous:				
Investment Income	3,000	3,000	3,579	579
Total Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>3,579</u>	<u>579</u>
Total Revenues	<u>156,030</u>	<u>156,030</u>	<u>158,047</u>	<u>2,017</u>
Expenditures:				
General Government:				
Law Library				
Personal Services	37,443	37,443	33,052	4,392
Supplies	57,900	57,900	37,423	20,477
Other Services and Charges	237,361	235,341	1,587	233,754
Total Law Library	<u>332,704</u>	<u>330,684</u>	<u>72,061</u>	<u>258,623</u>
Judicial				
Supplies	<u>57,840</u>	<u>59,860</u>	<u>40,162</u>	<u>19,698</u>
Total Expenditures	<u>390,544</u>	<u>390,544</u>	<u>112,223</u>	<u>278,321</u>
Net Change in Fund Balance	(234,514)	(234,514)	45,824	280,338
Fund Balance at Beginning of Year	<u>234,514</u>	<u>234,514</u>	<u>228,782</u>	<u>(5,732)</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,606</u>	<u>\$ 274,606</u>

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment Income, Net	\$ 850	\$ 850	\$ 1,986	\$ 1,136
Total Revenues	<u>850</u>	<u>850</u>	<u>1,986</u>	<u>1,136</u>
Expenditures:				
Public Transportation:				
County Engineer				
Personal Services	<u>120,859</u>	<u>120,859</u>	<u>119,923</u>	<u>936</u>
Total County Engineer	<u>120,859</u>	<u>120,859</u>	<u>119,923</u>	<u>936</u>
Sign Shop				
Personal Services	52,498	52,498	11,366	41,132
Supplies	14,801	14,801	779	14,022
Other Services & Charges	<u>664</u>	<u>664</u>	<u>-</u>	<u>664</u>
Total Sign Shop	<u>67,963</u>	<u>67,963</u>	<u>12,145</u>	<u>55,818</u>
Total Expenditures	<u>188,822</u>	<u>188,822</u>	<u>132,068</u>	<u>56,754</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(187,972)</u>	<u>(187,972)</u>	<u>(130,081)</u>	<u>57,891</u>
Other Financing Sources (Uses):				
Transfers In	180,000	180,000	180,000	-
Total Other Financing Sources (Uses)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balance	(7,972)	(7,972)	49,919	57,891
Fund Balance at Beginning of Year	<u>7,972</u>	<u>7,972</u>	<u>31,320</u>	<u>23,348</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,239</u>	<u>\$ 81,239</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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,140,772	\$ 2,140,772	\$ 2,175,177	\$ 34,405
Intergovernmental	-	-	662	662
Fines and Forfeits	2,500	2,500	11,462	8,962
Miscellaneous - Investment Income	730	730	222	(508)
Total Revenues	<u>2,144,002</u>	<u>2,144,002</u>	<u>2,187,523</u>	<u>43,521</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	2,144,002	2,144,002	2,187,523	43,521
Other Financing Uses:				
Transfers Out:	<u>(2,289,695)</u>	<u>(2,289,695)</u>	<u>(2,289,695)</u>	<u>-</u>
Net Change in Fund Balance	(145,693)	(145,693)	(102,172)	43,521
Fund Balance at Beginning of Year	<u>145,693</u>	<u>145,693</u>	<u>184,553</u>	<u>38,860</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,381</u>	<u>\$ 82,381</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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous:				
Investment Income, Net	\$ 2,300	\$ 2,300	\$ 2,030	\$ (270)
Total Revenues	<u>2,300</u>	<u>2,300</u>	<u>2,030</u>	<u>(270)</u>
Expenditures:				
Public Transportation:				
Capital Outlay	<u>148,528</u>	<u>148,528</u>	<u>16,667</u>	<u>131,861</u>
Total Expenditures	<u>148,528</u>	<u>148,528</u>	<u>16,667</u>	<u>131,861</u>
Net Change in Fund Balance	(146,228)	(146,228)	(14,637)	131,591
Fund Balance at Beginning of Year	<u>146,228</u>	<u>146,228</u>	<u>148,340</u>	<u>2,112</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,703</u>	<u>\$ 133,703</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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 432,000	\$ 432,000	\$ 469,223	\$ 37,223
Intergovernmental -				
State Shared Revenues	265,650	265,650	255,732	(9,918)
Fines and Forfeits	489,025	489,025	413,998	(75,027)
Miscellaneous:				
Investment Income, Net	18,500	18,500	24,839	6,339
Sale of Supplies	9,100	9,100	13,794	4,694
Other	230	44,114	12,417	(31,697)
Total Miscellaneous	27,830	71,714	51,051	(20,663)
Total Revenues	1,214,505	1,258,389	1,190,004	(68,385)
Expenditures:				
Public Transportation:				
Personal Services	1,134,038	1,178,437	958,514	219,923
Supplies	819,175	576,791	523,955	52,836
Other Services and Charges	633,625	916,425	93,837	822,588
Capital Outlay	378,102	333,102	133,063	200,039
Total Public Transportation	2,964,940	3,004,755	1,709,369	1,295,386
Debt Service:				
Principal and Retirements	11,662	11,662	11,662	-
Interest and Fiscal Charges	190	388	381	7
	11,852	12,050	12,043	7
Total Expenditures	2,976,792	3,016,805	1,721,412	1,295,393
Excess (Deficiency) of Revenue over Expenditures	(1,762,287)	(1,758,416)	(531,408)	1,227,008
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	10	-	(10)
Transfers In	675,130	675,130	675,130	-
Transfers Out	(58,525)	(62,396)	(62,396)	-
Total Other Financing Sources	616,615	612,744	612,734	(10)
Net Change in Fund Balance	(1,145,672)	(1,145,672)	81,326	1,226,998
Fund Balance at Beginning of Year	1,145,672	1,145,672	1,397,987	252,315
Fund Balance at End of Year	-	-	1,479,313	1,479,313

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 425,000	\$ 425,000	\$ 469,223	\$ 44,223
Intergovernmental -				
State Shared Revenues	265,650	265,650	255,732	(9,918)
Fines and Forfeits	489,025	489,025	413,998	(75,027)
Miscellaneous:				
Investment Income, Net	35,500	35,500	32,980	(2,520)
Sale of Supplies	6,520	6,520	9,014	2,494
Other	2,880	59,489	68,687	9,198
Total Miscellaneous	<u>44,900</u>	<u>101,509</u>	<u>110,681</u>	<u>9,172</u>
Total Revenues	<u>1,224,575</u>	<u>1,281,184</u>	<u>1,249,634</u>	<u>(31,550)</u>
Expenditures:				
Public Transportation:				
Personal Services	1,218,809	1,218,809	1,044,126	174,683
Supplies	998,782	1,000,632	493,452	507,180
Other Services and Charges	1,185,773	1,197,132	102,432	1,094,700
Capital Outlay	<u>259,960</u>	<u>303,360</u>	<u>211,552</u>	<u>91,808</u>
Total Public Transportation	<u>3,663,324</u>	<u>3,719,933</u>	<u>1,851,562</u>	<u>1,868,371</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(2,438,749)</u>	<u>(2,438,749)</u>	<u>(601,929)</u>	<u>1,836,820</u>
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	10	-	(10)
Transfers In	675,130	675,130	675,130	-
Transfers Out	<u>(57,992)</u>	<u>(57,992)</u>	<u>(57,992)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>617,148</u>	<u>617,148</u>	<u>617,138</u>	<u>(10)</u>
Net Change in Fund Balance	(1,821,601)	(1,821,601)	15,209	1,836,810
Fund Balance at Beginning of Year	<u>1,821,601</u>	<u>1,821,601</u>	<u>1,973,871</u>	<u>152,270</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,989,081</u>	<u>\$ 1,989,081</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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 357,000	\$ 357,000	\$ 394,147	\$ 37,147
Intergovernmental -				
State Shared Revenues	223,146	223,146	214,814	(8,332)
Fines and Forfeits	410,781	410,781	347,758	(63,023)
Miscellaneous:				
Investment Income, Net	10,000	10,000	14,624	4,624
Sale of Supplies	9,110	16,610	17,007	397
Other	210	42,007	76,313	34,306
Total Miscellaneous	19,320	68,617	107,943	39,326
Total Revenues	1,010,247	1,059,544	1,064,663	5,119
Expenditures:				
Public Transportation:				
Personal Services	923,154	923,154	815,989	107,166
Supplies	858,400	897,150	530,942	366,208
Other Services and Charges	342,720	412,239	54,885	357,354
Capital Outlay	45,000	196,100	151,097	45,003
Total Public Transportation	2,169,274	2,428,643	1,552,913	875,730
Debt Service:				
Principal and Retirements	22,060	39,221	39,218	3
Interest and Fiscal Charges	3,950	6,365	6,360	5
Total Debt Service	26,010	45,586	45,578	8
Total Expenditures	2,195,284	2,474,229	1,598,491	875,738
Excess (Deficiency) of Revenue over Expenditures	(1,185,037)	(1,414,685)	(533,828)	(870,619)
Other Financing Sources (Uses):				
Inception of Lease Purchase	-	136,850	136,850	-
Disposition of Capital Assets	10	78,058	77,097	(961)
Transfers In	567,107	581,857	581,857	-
Transfers Out	(57,891)	(57,891)	(57,891)	-
Total Other Financing Sources	509,226	738,874	737,913	(961)
Net Change in Fund Balance	(675,811)	(675,811)	204,086	879,897
Fund Balance at Beginning of Year	675,811	675,811	664,626	(11,185)
Fund Balance at End of Year	-	-	868,712	868,712

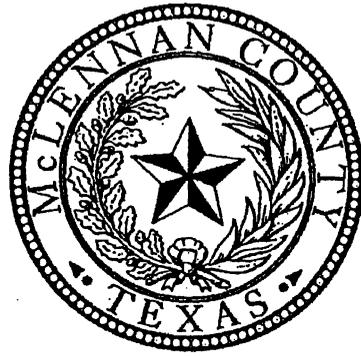
MCLENNAN COUNTY, TEXAS

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

Road and Bridge Precinct 4 Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 493,000	\$ 493,000	\$ 544,298	\$ 51,298
Intergovernmental -				
State Shared Revenues	308,154	308,154	296,649	(11,505)
Fines and Forfeits	567,255	567,255	480,238	(87,017)
Miscellaneous:				
Investment Income, Net	36,500	36,500	39,477	2,977
Sale of Supplies	8,200	8,200	7,851	(349)
Other	300	3,000	4,582	1,582
Total Miscellaneous	45,000	47,700	51,910	4,210
Total Revenues	1,413,409	1,416,109	1,373,094	(43,015)
Expenditures:				
Public Transportation:				
Personal Services	1,222,032	1,225,532	913,964	311,568
Supplies	1,438,194	1,431,694	673,022	758,672
Other Services and Charges	983,089	988,789	104,488	884,301
Capital Outlay	400,004	400,004	265,950	134,054
Total Public Transportation	4,043,319	4,046,019	1,957,424	2,088,595
Excess (Deficiency) of Revenue over Expenditures	(2,629,910)	(2,629,910)	(584,330)	2,045,580
Other Financing Sources (Uses):				
Disposition of Capital Assets	10	10	-	(10)
Transfers In	783,147	783,147	783,147	-
Transfers Out	(57,307)	(57,307)	(57,307)	-
Total Other Financing Sources (Uses)	725,850	725,850	725,840	(10)
Net Change in Fund Balance	(1,904,060)	(1,904,060)	141,510	2,045,570
Fund Balance at Beginning of Year	1,904,060	1,904,060	2,298,623	394,563
Fund Balance at End of Year	-	-	2,440,133	2,440,133



McLENNAN COUNTY, TEXAS

Nonmajor Governmental 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.

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.

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 was 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 Governmental 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, 2010

	Certificates of Obligation Series 1996	Refunding Bonds Series 1998	Certificates of Obligation Series 2000	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003
<u>ASSETS</u>					
Pooled Cash and Investments	\$ 50,629	\$ 7,728	\$ 22,561	\$ 317,623	\$ 295,481
Receivables (net of allowances for estimated uncollectibles):					
Taxes	-	-	-	40,663	31,339
Total Assets	\$ 50,629	\$ 7,728	\$ 22,561	\$ 358,286	\$ 326,820
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Deferred Revenue	\$ -	\$ -	\$ -	\$ 40,663	\$ 31,339
Total Liabilities	-	-	-	40,663	31,339
Fund Balance Reserved for Debt Service	50,629	7,728	22,561	317,623	295,481
Total Liabilities and Fund Balance	\$ 50,629	\$ 7,728	\$ 22,561	\$ 358,286	\$ 326,820

(continued)

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

Nonmajor Debt Service Funds

September 30, 2010

	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
<u>ASSETS</u>						
Pooled Cash and Investments	\$ 436,229	\$ -	\$ 277,792	\$ 172,678	\$ 246,527	\$ 1,827,246
Receivables (net of allowances for estimated uncollectibles):						
Taxes	38,797	-	43,866	17,391	50,120	222,177
Total Assets	<u>\$ 475,026</u>	<u>\$ -</u>	<u>\$ 321,658</u>	<u>\$ 190,069</u>	<u>\$ 296,647</u>	<u>\$ 2,049,423</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Deferred Revenue	\$ 38,797	\$ -	\$ 43,866	\$ 17,391	\$ 50,120	\$ 222,177
Total Liabilities	<u>38,797</u>	<u>-</u>	<u>43,866</u>	<u>17,391</u>	<u>50,120</u>	<u>222,177</u>
Fund Balance Reserved for Debt Service	<u>436,229</u>	<u>-</u>	<u>277,792</u>	<u>172,678</u>	<u>246,527</u>	<u>1,827,246</u>
Total Liabilities and Fund Balance	<u>\$ 475,026</u>	<u>\$ -</u>	<u>\$ 321,658</u>	<u>\$ 190,069</u>	<u>\$ 296,647</u>	<u>\$ 2,049,423</u>

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, 2010

	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	\$ -	\$ -	\$ -	740,115	\$ 575,640
Intergovernmental	-	-	-	487	379
Miscellaneous	711	109	317	6,520	5,768
Total Revenues	711	109	317	747,121	581,787
Expenditures:					
Debt Service:					
Principal	-	-	-	420,000	340,000
Interest and Fiscal Charges	-	-	-	329,325	238,575
Total Expenditures	-	-	-	749,325	578,575
Excess (Deficiency) of Revenue over Expenditures	711	109	317	(2,204)	3,212
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Transfers Out	(320,863)	(97,501)	(304,766)	-	-
Total Other Financing Sources (Uses)	(320,863)	(97,501)	(304,766)	-	-
Net Change in Fund Balance	(320,152)	(97,392)	(304,449)	(2,204)	3,212
Fund Balance at Beginning of Year	370,781	105,120	327,010	319,827	292,269
Fund Balance at End of Year	\$ 50,629	\$ 7,728	\$ 22,561	\$ 317,623	\$ 295,481

(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, 2010

	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
Revenues:						
Taxes	\$ 1,099,901	\$ -	\$ 801,787	\$ 318,656	\$ 904,590	\$ 4,440,688
Intergovernmental	724	-	528	210	595	2,922
Miscellaneous	10,529	-	6,401	3,270	6,745	40,370
Total Revenues	<u>1,111,154</u>	<u>-</u>	<u>808,715</u>	<u>322,136</u>	<u>911,930</u>	<u>4,483,980</u>
Expenditures:						
Debt Service:						
Principal	1,020,000	-	530,000	170,000	745,000	3,225,000
Interest and Fiscal Charges	96,655	-	284,475	151,853	169,450	1,270,333
Total Expenditures	<u>1,116,655</u>	<u>-</u>	<u>814,475</u>	<u>321,853</u>	<u>914,450</u>	<u>4,495,333</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(5,502)</u>	<u>-</u>	<u>(5,760)</u>	<u>284</u>	<u>(2,520)</u>	<u>(11,353)</u>
Other Financing Sources (Uses):						
Transfers In	-	-	40,000	40,000	240,000	320,000
Transfers Out	-	(962)	-	-	-	(724,092)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(962)</u>	<u>40,000</u>	<u>40,000</u>	<u>240,000</u>	<u>(404,092)</u>
Net Change in Fund Balance	(5,502)	(962)	34,240	40,284	237,480	(415,445)
Fund Balance at Beginning of Year	<u>441,730</u>	<u>962</u>	<u>243,552</u>	<u>132,394</u>	<u>9,047</u>	<u>2,242,692</u>
Fund Balance at End of Year	<u>\$ 436,229</u>	<u>\$ -</u>	<u>\$ 277,792</u>	<u>\$ 172,678</u>	<u>\$ 246,527</u>	<u>\$ 1,827,246</u>

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 711	\$ 711
Total Revenues	-	-	711	711
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	711	711
Other Financing Sources (Uses):				
Transfers Out	(320,863)	(320,863)	(320,863)	-
Total Other Financing Sources (Uses)	(320,863)	(320,863)	(320,863)	-
Net Change in Fund Balance	(320,863)	(320,863)	(320,152)	711
Fund Balance at Beginning of Year	320,863	320,863	370,781	49,918
Fund Balance at End of Year	\$ -	\$ -	\$ 50,629	\$ 50,629

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 109	\$ 109
Total Revenues	-	-	109	109
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	109	109
Other Financing Sources (Uses):				
Transfers Out	(97,501)	(97,501)	(97,501)	-
Total Other Financing Sources (Uses)	(97,501)	(97,501)	(97,501)	-
Net Change in Fund Balance	(97,501)	(97,501)	(97,392)	109
Fund Balance at Beginning of Year	97,501	97,501	105,120	7,619
Fund Balance at End of Year	\$ -	\$ -	\$ 7,728	\$ 7,728

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 317	\$ 317
Total Revenues	-	-	317	317
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	317	317
Other Financing Uses				
Transfers Out	(304,766)	(304,766)	(304,766)	-
Total Other Financing Sources (Uses)	(304,766)	(304,766)	(304,766)	-
Net Change in Fund Balance	(304,766)	(304,766)	(304,449)	317
Fund Balance at Beginning of Year	304,766	304,766	327,010	22,244
Fund Balance at End of Year	\$ -	\$ -	\$ 22,561	\$ 22,561

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 704,366	\$ 704,366	\$ 740,115	\$ 35,749
Intergovernmental	300	300	487	187
Miscellaneous	5,700	5,700	6,520	820
Total Revenues	710,366	710,366	747,121	36,755
Expenditures:				
Debt Service:				
Principal and Retirements	420,000	420,000	420,000	-
Interest and Fiscal Charges	329,325	329,325	329,325	-
Total Expenditures	749,325	749,325	749,325	-
Net Change in Fund Balance	(38,959)	(38,959)	(2,204)	36,755
Fund Balance at Beginning of Year	38,959	38,959	319,827	280,868
Fund Balance at End of Year	\$ -	\$ -	\$ 317,623	\$ 317,623

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 543,861	\$ 543,861	\$ 575,640	\$ 31,779
Intergovernmental	200	200	379	179
Miscellaneous	4,800	4,800	5,768	968
Total Revenues	548,861	548,861	581,787	32,926
Expenditures:				
Debt Service:				
Principal and Retirements	340,000	340,000	340,000	-
Interest and Fiscal Charges	238,575	238,575	238,575	-
Total Expenditures	578,575	578,575	578,575	-
Net Change in Fund Balance	(29,714)	(29,714)	3,212	32,926
Fund Balance at Beginning of Year	29,714	29,714	292,269	262,555
Fund Balance at End of Year	\$ -	\$ -	\$ 295,481	\$ 295,481

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,049,656	\$ 1,049,656	\$ 1,099,901	\$ 50,245
Intergovernmental	200	200	724	524
Miscellaneous	8,000	8,000	10,529	2,529
Total Revenues	1,057,856	1,057,856	1,111,154	53,298
Expenditures:				
Debt Service:				
Principal and Retirements	1,020,000	1,020,000	1,020,000	-
Interest and Fiscal Charges	96,655	96,655	96,655	-
Total Expenditures	1,116,655	1,116,655	1,116,655	-
Net Change in Fund Balance	(58,799)	(58,799)	(5,502)	53,298
Fund Balance at Beginning of Year	58,799	58,799	441,730	382,931
Fund Balance at End of Year	\$ -	\$ -	\$ 436,229	\$ 436,229

MCLENNAN COUNTY, TEXAS

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

Note Payable 2004

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Uses				
Transfers Out	(974)	(974)	(962)	
Net Change in Fund Balance	(974)	(974)	(962)	-
Fund Balance at Beginning of Year	974	974	962	(12)
Fund Balance at End of Year	\$ -	\$ -	\$ 0	\$ (12)

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, 2010

	Budget		-Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 765,607	\$ 765,607	\$ 801,787	\$ 36,180
Intergovernmental	100	100	528	428
Miscellaneous	3,000	3,000	6,401	3,401
Total Revenues	768,707	768,707	808,715	40,008
Expenditures:				
Debt Service:				
Principal and Retirements	530,000	530,000	530,000	-
Interest and Fiscal Charges	284,475	284,475	284,475	-
Total Expenditures	814,475	814,475	814,475	-
Excess (Deficiency) of Revenue over Expenditures	(45,768)	(45,768)	(5,760)	40,008
Other Financing Sources (Uses):				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources (Uses)	40,000	40,000	40,000	-
Net Change in Fund Balance	(5,768)	(5,768)	34,240	40,008
Fund Balance at Beginning of Year	5,768	5,768	243,552	237,784
Fund Balance at End of Year	\$ -	\$ -	\$ 277,792	\$ 277,792

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 302,542	\$ 302,542	\$ 318,656	\$ 16,114
Intergovernmental	50	50	210	160
Miscellaneous	1,450	1,450	3,270	1,820
Total Revenues	304,042	304,042	322,136	18,094
Expenditures:				
Debt Service:				
Principal and Retirements	170,000	170,000	170,000	-
Interest and Fiscal Charges	151,853	151,853	151,853	1
Total Expenditures	321,853	321,853	321,853	1
Excess (Deficiency) of Revenue over Expenditures	(17,811)	(17,811)	284	18,094
Other Financing Sources (Uses)				
Transfers In	40,000	40,000	40,000	-
Net Change in Fund Balance	22,189	22,189	40,284	18,094
Fund Balance at Beginning of Year	-	-	132,394	132,394
Fund Balance at End of Year	\$ 22,189	\$ 22,189	\$ 172,678	\$ 150,488

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 860,053	\$ 860,053	\$ 904,590	\$ 44,537
Intergovernmental	100	100	595	495
Miscellaneous	8,000	8,000	6,745	(1,255)
Total Revenues	868,153	868,153	911,930	43,777
Expenditures:				
Debt Service:				
Principal and Retirements	745,000	745,000	745,000	-
Interest and Fiscal Charges	169,950	169,950	169,450	500
Total Expenditures	914,950	914,950	914,450	500
Excess (Deficiency) of Revenue over Expenditures	(46,797)	(46,797)	(2,520)	44,277
Other Financing Sources (Uses):				
Transfers In	240,000	240,000	240,000	-
Net Change in Fund Balance	193,203	193,203	237,480	44,277
Fund Balance at Beginning of Year	-	-	9,047	9,047
Fund Balance at End of Year	\$ 193,203	\$ 193,203	\$ 246,527	\$ 53,324



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 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.

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.

PFC Revenue Bonds – Series 2009

The PFC Revenue Bonds Series 2009 Capital Projects Fund consists of the remaining proceeds from the issuance of the PFC Revenue Bonds Series 2009 and the subsequent completion of a new 816 bed jail (the 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.

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, 2010

	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003	Certificates of Obligation Series 2006	PFC Revenue Bonds Series 2009 Capital Projects Fund	Sheriff Center HVAC Project	Road Bonds Series 1961	Nonmajor Capital Projects Funds Total
<u>ASSETS</u>							
Pooled Cash and Investments	\$ 14	\$ 64	\$ 205,874	\$ 35,473	\$ -	\$ 7,952	\$ 249,379
Non-Pooled Cash	-	-	-	127,791	-	-	127,791
Total Assets	\$ 14	\$ 64	\$ 205,874	\$ 163,264	\$ -	\$ 7,952	\$ 377,169
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 7,273	\$ -	\$ -	\$ -	\$ 7,273
Total Liabilities	-	-	7,273	-	-	-	7,273
Fund Balance:							
Unreserved - Undesignated	14	64	198,601	163,264	-	7,952	369,896
Total Fund Balance	14	64	198,601	163,264	-	7,952	369,896
Total Liabilities and Fund Balance	\$ 14	\$ 64	\$ 205,874	\$ 163,264	\$ -	\$ 7,952	\$ 377,169

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, 2010

	Permanent Improvement Bonds Series 2001	Certificates of Obligation Series 2003	Certificates of Obligation Series 2006	PFC Revenue Bonds Series 2009 Capital Projects Fund	Sheriff Center HVAC Project	Road Bonds Series 1961	Nonmajor Capital Project Funds Total
Revenues:							
Miscellaneous	\$ -	\$ 1	\$ 9,686	\$ 1,316	\$ -	\$ 112	\$ 11,115
Total Revenues	-	1	9,686	1,316	-	112	11,115
Expenditures:							
Current:							
Capital Projects	-	-	1,124,556	2,574,467	-	-	3,699,023
Total Expenditures	-	-	1,124,556	2,574,467	-	-	3,699,023
137 Excess (Deficiency) of Revenue over Expenditures	-	1	(1,114,870)	(2,573,150)	-	112	(3,687,908)
Other Financing Sources (Uses):							
Transfers Out	(2,170)	-	-	-	(5,638)	-	(7,808)
Total Financing Sources (Uses)	(2,170)	-	-	-	(5,638)	-	(7,808)
Net Change in Fund Balance	(2,170)	1	(1,114,870)	(2,573,150)	(5,638)	112	(3,695,715)
Fund Balance at Beginning of Year	2,184	63	1,313,471	2,736,414	5,638	7,841	4,065,611
Fund Balance at End of Year	\$ 14	\$ 64	\$ 198,601	\$ 163,264	\$ -	\$ 7,952	\$ 369,896

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers Out	(2,170)	(2,170)	(2,170)	
Net Change in Fund Balance	(2,170)	(2,170)	(2,170)	-
Fund Balance at Beginning of Year	2,170	2,170	2,184	14
Fund Balance at End of Year	\$ -	\$ -	\$ 14	\$ 14

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 10,000	\$ 10,000	\$ 9,686	\$ (314)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>9,686</u>	<u>(314)</u>
Expenditures:				
Capital Projects:				
Construction and Renovation Projects:				
Improvements Other than Buildings	-	1,300	1,300	-
Architects and Engineering	25,000	40,189	39,431	758
Construction Costs	<u>1,540,011</u>	<u>1,523,522</u>	<u>1,083,825</u>	<u>439,697</u>
Total Expenditures	<u>1,565,011</u>	<u>1,565,011</u>	<u>1,124,556</u>	<u>440,455</u>
Net Change in Fund Balance	(1,555,011)	(1,555,011)	(1,114,870)	(440,768)
Fund Balance at Beginning of Year			<u>1,313,471</u>	<u>1,313,471</u>
Fund Balance at End of Year	<u>\$ (1,555,011)</u>	<u>\$ (1,555,011)</u>	<u>\$ 198,601</u>	<u>\$ 1,753,612</u>

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
Other Financing Uses:				
Transfers Out	(5,638)	(5,638)	(5,638)	0
Total Other Financing Uses	(5,638)	(5,638)	(5,638)	0
Net Change in Fund Balance	(5,638)	(5,638)	(5,638)	0
Fund Balance at Beginning of Year	5,638	5,638	5,638	(0)
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

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, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 100	\$ 100	\$ 112	\$ 12
Total Revenues	<u>100</u>	<u>100</u>	<u>112</u>	<u>12</u>
Expenditures:				
Supplies	7,909	7,909	-	7,909
Total Expenditures	<u>7,909</u>	<u>7,909</u>	<u>-</u>	<u>7,909</u>
Net Change in Fund Balance	(7,809)	(7,809)	112	7,921
Fund Balance at Beginning of Year			7,841	7,841
Fund Balance at End of Year	<u>\$ (7,809)</u>	<u>\$ (7,809)</u>	<u>\$ 7,952</u>	<u>\$ 15,761</u>



McLENNAN COUNTY, TEXAS

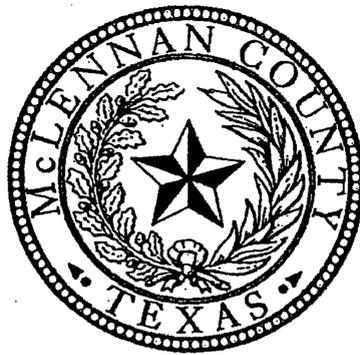
Nonmajor Governmental Funds

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

Nonmajor Governmental Funds

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

Permanent School Fund

Year Ended September 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous - Investment Income	\$ 200	\$ 200	\$ 651	\$ 451
Total Revenues	<u>200</u>	<u>200</u>	<u>651</u>	<u>451</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	<u>200</u>	<u>200</u>	<u>651</u>	<u>451</u>
Other Financing Uses:				
Transfers Out	<u>800</u>	<u>800</u>	<u>(800)</u>	<u>(1,600)</u>
Net Change in Fund Balance	1,000	1,000	(149)	(1,149)
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>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 46,970</u>	<u>\$ 45,970</u>



McLENNAN COUNTY, TEXAS

Agency Funds – Purpose of Funds

Agency funds are used to account for assets held by a government as an agent for individuals, private organizations, and/or other governments. 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 or County official.

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 or 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 Fund

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 Department 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
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

Description	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
<u>ADULT PROBATION DEPARTMENT FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ -	\$ 52	\$ 52	\$ -
Nonpooled Cash	16,095	10,735,351	10,731,523	19,923
Total Assets	<u>\$ 16,095</u>	<u>\$ 10,735,403</u>	<u>\$ 10,731,575</u>	<u>\$ 19,923</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 33,813	\$ 33,207	\$ 606
Due to Other Governments	1,189	4,096	4,372	913
Due to Others	14,906	5,710,563	5,707,065	18,404
Total Liabilities	<u>\$ 16,095</u>	<u>\$ 5,748,472</u>	<u>\$ 5,744,644</u>	<u>\$ 19,923</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	\$ 12,888	\$ 104,579	\$ 105,021	\$ 12,446
Total Assets	<u>\$ 12,888</u>	<u>\$ 104,579</u>	<u>\$ 105,021</u>	<u>\$ 12,446</u>
<u>Liabilities</u>				
Accounts Payable	\$ 12,888	\$ 103,853	\$ 104,295	\$ 12,446
Due to Others	-	105,255	105,255	-
Total Liabilities	<u>\$ 12,888</u>	<u>\$ 209,108</u>	<u>\$ 209,550</u>	<u>\$ 12,446</u>
<u>COUNTY CLERK COURT REGISTRY FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 36,000	\$ -	\$ -	\$ 36,000
Nonpooled Cash	598,844	1,444,335	1,145,012	898,167
Nonpooled Investments	1,052,114	88,327	101,605	1,038,836
Total Assets	<u>\$ 1,686,958</u>	<u>\$ 1,532,662</u>	<u>\$ 1,246,617</u>	<u>\$ 1,973,003</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,202,892	\$ 1,241,982	\$ 929,443	\$ 1,515,431
Due to Others	484,066	293,982	320,476	457,572
Total Liabilities	<u>\$ 1,686,958</u>	<u>\$ 1,535,964</u>	<u>\$ 1,249,919</u>	<u>\$ 1,973,003</u>
<u>COUNTY SHERIFF INMATE DEPOSIT FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 97,773	\$ 1,434,209	\$ 1,418,937	\$ 113,045
Total Assets	<u>\$ 97,773</u>	<u>\$ 1,434,209</u>	<u>\$ 1,418,937</u>	<u>\$ 113,045</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

continued

Description	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
COUNTY SHERIFF INMATE DEPOSIT FUND (continued)				
Liabilities				
Accounts Payable	\$ 33,287	\$ 636,686	\$ 613,893	\$ 56,080
Due to Others	64,486	743,723	751,244	56,965
Total Liabilities	<u>\$ 97,773</u>	<u>\$ 1,380,409</u>	<u>\$ 1,365,137</u>	<u>\$ 113,045</u>
COUNTY TAX ASSESSOR COLLECTOR AUTOMOBILE FUND				
Assets				
Equity in Pooled Cash	\$ -	\$ 400	\$ 400	\$ -
Nonpooled Cash	405,324	50,716,320	50,739,074	382,570
Total Assets	<u>\$ 405,324</u>	<u>\$ 50,716,720</u>	<u>\$ 50,739,474</u>	<u>\$ 382,570</u>
Liabilities				
Accounts Payable	\$ -	\$ 26,728	\$ 26,728	\$ -
Due to Other Governments	405,324	32,792,595	32,815,349	382,570
Due to Others	-	46,055,632	46,055,632	-
Total Liabilities	<u>\$ 405,324</u>	<u>\$ 78,874,955</u>	<u>\$ 78,897,709</u>	<u>\$ 382,570</u>
COUNTY TAX ASSESSOR COLLECTOR VEHICLE INVENTORY TAX FUND				
Assets				
Nonpooled Cash	\$ 8,444	\$ 2,945,294	\$ 2,948,393	\$ 5,345
Nonpooled Investments	588,095	662,886	591,105	659,876
Total Assets	<u>\$ 596,539</u>	<u>\$ 3,608,180</u>	<u>\$ 3,539,498</u>	<u>\$ 665,221</u>
Liabilities				
Due to Others	\$ 596,539	\$ 1,094,976	\$ 1,026,294	\$ 665,221
Total Liabilities	<u>\$ 596,539</u>	<u>\$ 1,094,976</u>	<u>\$ 1,026,294</u>	<u>\$ 665,221</u>
COUNTY TAX ASSESSOR COLLECTOR AD VALOREM TAX FUND				
Assets				
Nonpooled Cash	\$ 272,214	\$ 472,701,881	\$ 472,768,592	\$ 205,503
Total Assets	<u>\$ 272,214</u>	<u>\$ 472,701,881</u>	<u>\$ 472,768,592</u>	<u>\$ 205,503</u>
Liabilities				
Accounts Payable	\$ 121,312	\$ 3,005,974	\$ 2,986,454	\$ 140,832
Due to Other Governments	150,341	225,232,671	225,319,530	63,482
Due to Others	561	276,697,959	276,697,331	1,189
Total Liabilities	<u>\$ 272,214</u>	<u>\$ 504,936,604</u>	<u>\$ 505,003,315</u>	<u>\$ 205,503</u>
CSCD EMPLOYEE DISHONESTY RECOVERY FUND				
Assets				
Equity in Pooled Cash	\$ 163,220	\$ 2,326	\$ -	\$ 165,546
Total Assets	<u>\$ 163,220</u>	<u>\$ 2,326</u>	<u>\$ -</u>	<u>\$ 165,546</u>
Liabilities				
Due to Others	\$ 163,220	\$ 2,326	\$ -	\$ 165,546
Total Liabilities	<u>\$ 163,220</u>	<u>\$ 2,326</u>	<u>\$ -</u>	<u>\$ 165,546</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

continued

Description	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
<u>DISTRICT ATTORNEY SEIZURES FUND</u>				
<u>Assets</u>				
Nonpooled Investments	\$ 188,937	\$ 128,423	\$ 71,976	\$ 245,384
Total Assets	<u>\$ 188,937</u>	<u>\$ 128,423</u>	<u>\$ 71,976</u>	<u>\$ 245,384</u>
<u>Liabilities</u>				
Due to Others	\$ 188,937	\$ 128,423	\$ 71,976	\$ 245,384
Total Liabilities	<u>\$ 188,937</u>	<u>\$ 128,423</u>	<u>\$ 71,976</u>	<u>\$ 245,384</u>
<u>DISTRICT CLERK CHILD SUPPORT TRUST FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ -	\$ 241	\$ 241	\$ -
Nonpooled Cash	-	6,900	6,900	-
Total Assets	<u>\$ -</u>	<u>\$ 7,141</u>	<u>\$ 7,141</u>	<u>\$ -</u>
<u>Liabilities</u>				
Due to Others	\$ -	\$ 7,141	\$ 7,141	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 7,141</u>	<u>\$ 7,141</u>	<u>\$ -</u>
<u>DISTRICT CLERK COURT REGISTRY FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 37,862	\$ 1,655,390	\$ 1,669,318	\$ 23,934
Nonpooled Investments	2,641,768	615,641	542,192	2,715,217
Accrued Interest	23,249	9,611	23,249	9,611
Total Assets	<u>\$ 2,702,879</u>	<u>\$ 2,280,642</u>	<u>\$ 2,234,759</u>	<u>\$ 2,748,762</u>
<u>Liabilities</u>				
Accounts Payable	\$ 2,702,879	\$ 2,280,642	\$ 2,234,759	\$ 2,748,762
Total Liabilities	<u>\$ 2,702,879</u>	<u>\$ 2,280,642</u>	<u>\$ 2,234,759</u>	<u>\$ 2,748,762</u>
<u>DRUG TASK FORCE SEIZURE FUND</u>				
<u>Assets</u>				
Nonpooled Investments	\$ 3,878	\$ 4	\$ -	\$ 3,882
Total Assets	<u>\$ 3,878</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 3,882</u>
<u>Liabilities</u>				
Due to Others	\$ 3,878	\$ 4	\$ -	\$ 3,882
Total Liabilities	<u>\$ 3,878</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 3,882</u>
<u>FEE OFFICERS FEE FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 47,000	\$ 52,975	\$ 52,934	\$ 47,041
Nonpooled Cash	791,722	40,445,711	40,182,167	1,055,266
Accounts Receivable	1,086	559,678	547,851	12,913
Total Assets	<u>\$ 839,808</u>	<u>\$ 41,058,364</u>	<u>\$ 40,782,952</u>	<u>\$ 1,115,220</u>
<u>Liabilities</u>				
Accounts Payable	\$ 223	\$ 61,755	\$ 61,582	\$ 396
Due to Other Governments	1,931	31,232	31,630	1,533
Due to Others	837,654	18,563,736	18,288,099	1,113,291
Total Liabilities	<u>\$ 839,808</u>	<u>\$ 18,656,723</u>	<u>\$ 18,381,311</u>	<u>\$ 1,115,220</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

continued

Description	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
<u>FEE OFFICERS SPECIAL CLEARING FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ -	\$ 183,739	\$ 183,739	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 183,739</u>	<u>\$ 183,739</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 265	\$ 265	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 265</u>	<u>\$ -</u>
<u>GENERAL SALES TAX FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 456	\$ 2,682	\$ 2,685	\$ 453
Total Assets	<u>\$ 456</u>	<u>\$ 2,682</u>	<u>\$ 2,685</u>	<u>\$ 453</u>
<u>Liabilities</u>				
Accounts Payable	\$ 456	\$ 2,664	\$ 2,667	\$ 453
Due to Other Governments	-	2,665	2,665	-
Due to Others	-	2,683	2,683	-
Total Liabilities	<u>\$ 456</u>	<u>\$ 8,012</u>	<u>\$ 8,015</u>	<u>\$ 453</u>
<u>JUVENILE PROBATION DEPARTMENT FUND</u>				
<u>Assets</u>				
Nonpooled Cash	\$ 2,425	\$ 92,008	\$ 92,027	\$ 2,406
Total Assets	<u>\$ 2,425</u>	<u>\$ 92,008</u>	<u>\$ 92,027</u>	<u>\$ 2,406</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 20	\$ 20	\$ -
Due to Others	2,425	69,284	69,303	2,406
Total Liabilities	<u>\$ 2,425</u>	<u>\$ 69,284</u>	<u>\$ 69,303</u>	<u>\$ 2,406</u>
<u>PFC UNALLOCATED COSTS FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ -	\$ 149,705	\$ 149,705	\$ -
Accounts Receivable	-	202,251	202,251	-
Total Assets	<u>\$ -</u>	<u>\$ 351,956</u>	<u>\$ 351,956</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 77,875	\$ 77,875	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 77,875</u>	<u>\$ 77,875</u>	<u>\$ -</u>
<u>STATE FEES AND TAX ON FINES FUND</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 397,457	\$ 2,284,314	\$ 2,275,746	\$ 406,025
Total Assets	<u>\$ 397,457</u>	<u>\$ 2,284,314</u>	<u>\$ 2,275,746</u>	<u>\$ 406,025</u>
<u>Liabilities</u>				
Accounts Payable	\$ 5,555	\$ 35,174	\$ 29,211	\$ 11,518
Due to Other Governments	391,902	2,578,196	2,575,591	394,507
Due to Others	-	2,394,475	2,394,475	-
Total Liabilities	<u>\$ 397,457</u>	<u>\$ 5,007,845</u>	<u>\$ 4,999,277</u>	<u>\$ 406,025</u>

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2010

continued

Description	Balance 9/30/2009	Additions	Deductions	Balance 9/30/2010
<u>TOTAL - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Equity in Pooled Cash	\$ 657,021	\$ 2,781,013	\$ 2,770,523	\$ 667,511
Nonpooled Cash	2,230,703	582,177,399	581,701,943	2,706,159
Nonpooled Investments	4,474,792	1,495,281	1,306,878	4,663,195
Accounts Receivable	2,189	761,929	750,102	14,016
Due From Other Governments	-	-	-	-
Accrued Interest	23,249	9,611	23,249	9,611
Total Assets	<u>\$ 7,387,954</u>	<u>\$ 587,225,233</u>	<u>\$ 586,552,695</u>	<u>\$ 8,060,492</u>
<u>Liabilities</u>				
Accounts Payable	\$ 4,080,595	\$ 7,507,431	\$ 7,100,399	\$ 4,487,627
Due to Other Governments	\$ 950,687	\$ 260,641,455	\$ 260,749,137	\$ 843,005
Due to Others	\$ 2,356,672	\$ 351,870,162	\$ 351,496,974	\$ 2,729,860
Total Liabilities	<u>\$ 7,387,954</u>	<u>\$ 620,019,048</u>	<u>\$ 619,346,510</u>	<u>\$ 8,060,492</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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Capital Assets:		
Land	\$ 3,537,312	\$ 3,520,645
Buildings	121,155,928	82,045,331
Improvements Other than Buildings	891,505	834,357
Machinery and Equipment	24,914,112	22,789,887
Infrastructure	36,109,804	34,620,319
Construction in Progress	<u>274,201</u>	<u>35,231,153</u>
Total Capital Assets	<u>\$ 186,882,862</u>	<u>\$ 179,041,692</u>
Investment in Capital Assets:		
General Fund Revenues	\$ 12,268,415	\$ 11,373,155
Special Revenue Fund Revenues	49,115,105	46,367,650
Capital Projects Funds:		
General Obligation Bonds	63,967,261	62,842,705
Revenue Bonds	37,192,586	34,951,182
Permanent Improvement Fund	17,455,343	16,622,848
Performance Improvement Fund	6,233,774	6,233,774
Donations	639,562	639,562
Other Sources	<u>10,816</u>	<u>10,816</u>
Total Investment in Capital Assets	<u>\$ 186,882,862</u>	<u>\$ 179,041,692</u>

MCLENNAN COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 As of September 30, 2010

Function and Activity	Total	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress
General Government:							
General Administration	\$ 7,000,477	\$ 1,132,772	\$ 3,854,300	\$ 332,429	\$ 1,645,388	\$ 262	\$ 35,326
Legal	2,416,076	-	2,385,100	-	30,976	-	-
Elections	909,972	-	630,992	-	278,980	-	-
Financial Administration	5,619,739	-	2,877,762	-	2,741,977	-	-
Total General Government	15,946,264	1,132,772	9,748,154	332,429	4,697,321	262	35,326
Public Safety:							
Fire Protection	23,000	-	-	-	23,000	-	-
Law Enforcement	8,489,774	117,249	3,302,188	11,201	5,059,136	-	-
Corrections	76,379,767	264,997	73,114,407	284,845	2,346,063	369,455	-
Other Protection	1,017,435	-	47,969	-	471,898	497,568	-
Environmental Protection	18,827	-	-	-	18,827	-	-
Total Public Safety	85,928,803	382,246	76,464,564	296,046	7,918,924	867,023	-
Public Transportation:							
Engineering	5,016	-	-	-	5,016	-	-
Maintenance	12,807,334	484,548	684,708	160,197	11,441,167	-	36,714
Infrastructure	35,242,519	-	-	-	-	35,242,519	-
Total Public Transportation	48,054,869	484,548	684,708	160,197	11,446,183	35,242,519	36,714
Judicial	9,217,295	126,796	8,159,219	9,353	719,766	-	202,161
Health	830,246	16,487	786,416	9,232	18,111	-	-
Welfare	501,100	25,221	474,316	1,563	-	-	-
Culture-Recreation	26,200,653	1,354,242	24,667,135	79,198	100,078	-	-
Conservation	203,632	15,000	171,416	3,487	13,729	-	-
Total Capital Assets	\$ 186,882,862	\$ 3,537,312	\$ 121,155,928	\$ 891,505	\$ 24,914,112	\$ 36,109,804	\$ 274,201

MCLENNAN COUNTY, TEXAS

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended September 30, 2010

Function and Activity	General Capital Assets September 30, 2009	Additions	Reductions	General Capital Assets September 30, 2010
General Government:				
General Administration	\$ 5,813,253	\$ 1,456,249	\$ 269,025	\$ 7,000,477
Legal	1,567,054	1,025,687	176,665	2,416,076
Elections	915,122	20,872	26,022	909,972
Financial Administration	4,775,710	1,161,419	317,390	5,619,739
Total General Government	13,071,139	3,664,227	789,102	15,946,264
Public Safety:				
Fire Protection	23,000	-	-	23,000
Law Enforcement	9,921,258	852,993	2,284,478	8,489,773
Corrections	73,505,660	39,949,293	37,075,186	76,379,767
Other Protection	555,674	756,641	294,879	1,017,436
Environmental Protection	18,827	-	-	18,827
Total Public Safety	84,024,419	41,558,927	39,654,543	85,928,803
Public Transportation:				
Engineering	5,016	-	-	5,016
Maintenance	12,189,752	773,738	156,155	12,807,335
Infrastructure	34,047,913	1,323,224	128,618	35,242,519
Total Public Transportation	46,242,681	2,096,962	284,773	48,054,870
Judicial	8,111,302	1,810,802	704,809	9,217,295
Health	816,750	13,496	-	830,246
Welfare	495,338	5,762	-	501,100
Culture - Recreation	26,088,348	112,304	-	26,200,652
Conservation	191,715	11,917	-	203,632
Total Governmental Funds Capital Assets	\$ 179,041,692	\$ 49,274,397	\$ 41,433,227	\$ 186,882,862



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.	162
Revenue Capacity These schedules contain information to aid in assessing the County's most significant local revenue source – property tax.	173
Debt Capacity These schedules present information to aid in assessing the County's ability to issue additional debt in the future.	188
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.	194
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.	197

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

	Fiscal Year		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>	<u>2010</u>
\$ 36,068,109	\$ 36,965,521	\$ 27,440,541	\$ 29,135,069
7,649,937	5,431,865	16,672,470	11,361,732
46,844	47,119	47,119	46,970
<u>40,206,343</u>	<u>48,005,712</u>	<u>41,260,346</u>	<u>39,517,996</u>
<u>\$ 83,971,233</u>	<u>\$ 90,450,217</u>	<u>\$ 85,420,476</u>	<u>\$ 80,061,767</u>

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

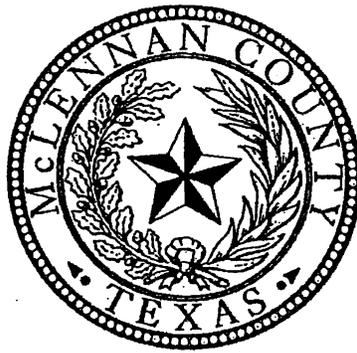
	Fiscal Year	
	2003	2004
Expenses		
Governmental Activities		
General Administration	\$ 13,081,875	\$ 13,447,122
Judicial	4,963,966	5,135,561
Public Safety	28,459,088	29,053,807
Public Transportation	7,499,769	7,175,631
Health	4,312,989	4,718,525
Welfare	2,649,209	2,852,400
Culture - Recreation	3,167,814	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	67,796,796	72,751,578
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	22,840,038	23,025,859
Net (Expense) Revenue	(44,956,758)	(49,725,719)
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	41,519,042	43,988,529
Changes in Net Assets of Primary Government	\$ (3,437,716)	\$ (5,737,190)

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	2010
\$	14,908,121	\$ 14,435,895	\$ 14,855,034	\$ 15,808,261	\$ 17,245,222	\$ 18,007,770
	5,285,769	5,751,910	6,227,910	6,669,017	7,248,749	7,417,422
	30,992,140	32,310,783	33,214,912	34,683,156	39,168,947	42,138,549
	7,697,780	7,313,020	6,988,809	7,819,709	8,565,342	7,778,514
	4,482,532	4,629,481	5,266,641	6,061,339	6,409,230	6,911,882
	2,883,475	3,036,068	3,283,753	3,607,159	3,576,412	3,673,446
	2,309,208	2,791,759	1,400,841	2,032,111	1,504,867	1,495,216
	204,172	212,725	234,964	229,446	263,812	302,347
	290,206	959,154	616,903	1,018,783	521,606	1,491,617
	2,367,571	2,297,051	2,168,398	2,029,542	4,032,729	4,892,990
	<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>	<u>94,109,753</u>
	2,623,890	3,249,953	3,310,693	3,243,070	3,164,407	6,755,330
	4,409,914	3,779,238	4,395,474	4,567,278	4,819,355	3,325,698
	8,756,883	9,546,714	8,989,499	8,883,675	8,979,005	10,639,237
	865,836	995,049	703,067	663,445	443,776	371,116
	7,739,254	6,882,132	5,366,998	7,613,051	5,498,389	4,647,558
	267,486	1,677,870	1,458,719	356,397	1,104,671	916,841
	<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>26,655,780</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>	<u>(67,453,973)</u>
	34,379,131	37,573,209	39,671,579	43,482,285	46,382,793	47,789,261
	12,785,221	13,766,423	14,265,859	15,467,345	14,954,358	13,152,710
	1,048,467	2,361,846	2,983,877	1,950,448	1,148,987	1,040,369
	-	(20,471)	1,118,564	-	369,965	(803)
	105,043	34,130	71,784	210,513	150,158	113,727
	<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>62,095,264</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>	<u>\$ (5,358,709)</u>



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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Property Taxes	\$ 28,162,392	\$ 31,126,569	\$ 34,379,131	\$ 37,573,209	\$ 39,671,579	\$ 43,482,285	\$ 46,382,793	\$ 47,789,261
Sales Taxes	9,662,504	10,278,307	10,512,117	11,459,220	11,845,607	12,273,951	12,336,697	12,495,585
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	657,124
Total Taxes	<u>\$ 39,609,491</u>	<u>\$ 43,691,126</u>	<u>\$ 47,164,352</u>	<u>\$ 51,339,632</u>	<u>\$ 53,937,438</u>	<u>\$ 58,949,630</u>	<u>\$ 61,337,151</u>	<u>\$ 60,941,970</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.

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

	2001	2002	2003	2004
General Fund:				
Reserved for Prepaids	\$ 740,279	\$ 635,432	\$ 457,296	\$ 329,657
Unreserved	25,772,102	22,373,407	19,769,413	18,757,829
Total General Fund	\$ 26,512,381	\$ 23,008,839	\$ 20,226,709	\$ 19,087,486
All Other Governmental Funds:				
Reserved for :				
Capital projects	\$ 11,467,056	\$ 12,992,251	\$ 15,081,580	\$ 2,072,835
Debt Service	1,031,364	1,169,147	1,444,655	1,764,950
Education	52,174	53,229	53,956	54,000
Unreserved, reported in:				
Special Revenue Funds	12,269,741	12,620,589	12,950,809	14,080,033
Capital Projects Funds	1,419,703	1,884,069	1,849,375	1,061,173
Total All Other Governmental Funds	\$ 26,240,038	\$ 28,719,285	\$ 31,380,375	\$ 19,032,991

Source: McLennan County Financial Records

Table IV

2005	2006	2007	2008	2009	2010
\$ 305,649	\$ 211,578	\$ 204,210	\$ -	\$ -	\$ -
19,663,517	23,611,104	27,411,353	29,870,304	28,736,975	27,145,913
<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>	<u>\$ 27,145,913</u>
\$ 683,083	\$ 4,735,797	\$ 4,366,068	\$ 2,252,494	\$ 4,065,611	\$ -
1,795,381	1,920,477	2,054,747	2,228,786	9,320,659	7,160,883
55,302	57,590	60,440	62,078	54,593	54,429
14,838,339	16,586,260	17,547,553	19,569,926	19,063,412	18,550,287
607,072	749,880	1,214,204	933,887	3,268,413	4,181,989
<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>	<u>\$ 29,947,588</u>

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

	2001	2002	2003	2004	2005
Revenues					
Taxes	\$ 34,686,971	\$ 36,245,914	\$ 37,707,025	\$ 41,389,630	\$ 44,851,266
Licenses and Permits	1,753,448	1,715,402	1,784,595	1,810,976	1,786,102
Intergovernmental	7,811,465	6,781,101	8,079,601	6,887,086	8,493,880
Charges for Services	8,224,251	8,428,786	8,243,117	8,294,901	8,412,576
Fines and Forfeitures	1,778,243	1,749,475	1,875,732	2,057,102	2,132,639
Other	7,958,950	6,478,512	6,212,642	6,134,187	6,482,995
Total Revenues	<u>62,213,328</u>	<u>61,399,190</u>	<u>63,902,712</u>	<u>66,573,882</u>	<u>72,159,458</u>
Expenditures					
General Administration	12,926,397	12,633,645	12,677,454	12,922,682	15,209,233
Judicial	4,704,061	4,438,832	4,783,359	4,926,142	5,366,157
Public Safety	24,493,452	26,388,346	27,247,039	27,837,675	29,782,974
Public Transportation	6,496,061	6,599,557	6,991,895	6,444,817	6,828,980
Health	3,362,930	4,021,706	4,288,371	4,705,664	4,458,959
Welfare	1,586,981	1,962,145	2,614,096	2,819,041	2,849,378
Culture - Recreation	407,245	460,436	545,340	543,990	570,007
Conservation	181,679	245,728	175,091	194,064	200,154
Economic Development	239,995	291,462	1,183,298	398,113	290,206
Capital Outlay	8,233,995	5,524,867	6,904,656	13,511,774	2,284,006
Debt Service:					
Principal Retirement	2,243,527	4,345,080	2,771,384	3,410,486	3,525,089
Interest and Fiscal Charges	2,109,681	2,386,772	2,249,163	2,575,126	2,373,019
Total Expenditures	<u>66,986,004</u>	<u>69,298,576</u>	<u>72,431,146</u>	<u>80,289,574</u>	<u>73,738,162</u>
Excess (Deficiency) Revenues over Expenditures	(4,772,676)	(7,899,386)	(8,528,434)	(13,715,692)	(1,578,704)
Other Financing Sources/Uses					
Transfers In	2,888,408	2,333,245	2,166,532	3,299,494	2,827,897
Transfers Out	(2,888,408)	(2,333,245)	(2,166,532)	(3,299,494)	(2,827,897)
Disposition of Fixed Assets	194,202	433,353	32,960	117,855	19,743
Proceeds of Lease Purchase Agreement	1,957,293	6,440,682	296,617	-	451,299
Issuance of Notes Payable	-	-	-	-	935,529
Issuance of General Obligation Bonds	9,500,000	-	8,000,000	-	-
Issuance of Refunding Bonds	-	-	-	9,916,232	-
Payment to Refunded Bond Escrow Agent	-	-	-	(9,805,000)	-
Issuance of Revenue Bonds	-	-	-	-	-
Original Issue Discount	-	-	-	-	-
Other	2,552	1,055	-	-	-
Total Other Financing Sources/Uses	<u>11,654,047</u>	<u>6,875,090</u>	<u>8,329,577</u>	<u>229,087</u>	<u>1,406,571</u>
Net Change in Fund Balances	<u>\$ 6,881,371</u>	<u>\$ (1,024,296)</u>	<u>\$ (198,857)</u>	<u>\$ (13,486,605)</u>	<u>\$ (172,133)</u>
Debt Service as a percentage of noncapital expenditures	<u>7.41%</u>	<u>10.56%</u>	<u>8.50%</u>	<u>10.25%</u>	<u>8.68%</u>

Source: McLennan County Financial Records

Table V

2006	2007	2008	2009	2010
\$ 48,871,633	\$ 51,552,447	\$ 56,359,250	\$ 58,498,187	\$ 60,011,671
1,820,253	1,887,215	1,913,187	1,990,933	2,001,988
8,512,786	5,907,990	7,529,708	6,210,605	6,948,891
9,169,759	9,299,340	10,031,263	9,770,566	13,673,785
2,323,514	1,870,289	1,871,241	2,251,821	2,045,098
8,357,361	8,705,285	7,004,436	6,218,473	5,871,302
<u>79,055,306</u>	<u>79,222,566</u>	<u>84,709,085</u>	<u>84,940,586</u>	<u>90,552,735</u>
14,116,613	14,456,603	15,368,379	17,693,742	16,947,450
5,516,560	5,993,688	6,446,573	6,596,838	6,727,611
30,989,699	31,715,864	33,202,863	36,754,437	40,461,232
6,275,772	6,651,633	7,177,322	7,908,710	7,443,205
4,613,184	5,235,375	6,005,100	6,269,271	6,736,717
3,002,493	3,262,859	3,595,216	3,547,708	3,639,835
603,470	633,514	660,270	738,272	805,849
209,955	232,401	233,962	232,982	270,402
959,154	616,903	1,018,783	521,606	1,491,617
1,784,761	1,896,997	2,947,063	36,738,978	4,561,517
3,665,635	3,962,713	4,337,593	4,437,441	4,247,504
2,310,875	2,227,671	2,054,590	2,990,415	4,889,397
<u>74,048,171</u>	<u>76,886,221</u>	<u>83,047,714</u>	<u>124,430,402</u>	<u>98,222,336</u>
5,007,135	2,336,345	1,661,371	(39,489,816)	(7,669,601)
7,431,894	3,103,306	3,466,318	3,553,999	6,616,775
(7,310,828)	(3,103,306)	(3,466,318)	(3,553,999)	(6,616,775)
112,927	1,299,262	67,049	218,355	116,591
111,836	1,051,495	116,845	1,558,022	136,850
321,379	298,788	213,636	-	-
4,250,000	-	-	-	-
2,422,266	-	-	6,307,527	-
(2,422,266)	-	-	(6,212,169)	-
-	-	-	49,015,000	-
-	-	-	(1,804,732)	-
-	-	-	-	-
<u>4,917,208</u>	<u>2,649,545</u>	<u>397,530</u>	<u>49,082,002</u>	<u>253,441</u>
<u>\$ 9,924,343</u>	<u>\$ 4,985,890</u>	<u>\$ 2,058,901</u>	<u>\$ 9,592,187</u>	<u>\$ (7,416,160)</u>
<u>8.44%</u>	<u>8.64%</u>	<u>8.42%</u>	<u>15.99%</u>	<u>10.64%</u>



Table VI

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		
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%
2010	\$ 11,550,239	\$ 11,550,239	\$ 2,378,254	\$ 2,378,254	\$ 13,928,493	\$ 13,928,493	\$ 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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Fiscal Year Ending Date - September 30	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Tax Roll Date - October 1 (2)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County-wide Taxing Entities:										
McLennan County	\$ 0.4566	\$ 0.4696	\$ 0.4286	\$ 0.4407	\$ 0.4449	\$ 0.4599	\$ 0.4519	\$ 0.4652	\$ 0.4647	\$ 0.4647
McLennan County College District	0.1174	0.1197	0.1165	0.1261	0.1261	0.1211	0.1204	0.1511	0.1511	0.1563
Special Districts:										
County-Line Special Districts:										
McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District No. 1	0.0221	0.0241	0.0241	0.0283	0.0283	0.0283	0.0284	0.0250	0.0250	0.0237
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	0.0000	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	0.1000
Downtown Special Improvement District	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0000	0.0000	0.0000
Elm Creek Watershed Authority	0.0300	0.0280	0.0275	0.0286	0.0286	0.0294	0.0294	0.0283	0.0306	0.0327
Cities:										
Bellmead	0.3584	0.3529	0.3107	0.3103	0.3052	0.2964	0.2788	0.2533	0.2470	0.2656
Beverly Hills	-	-	-	-	0.2500	0.0000	0.2829	0.2829	0.2829	0.3298
Bruceville-Eddy	0.4929	0.4929	0.4644	0.4338	0.4239	0.4495	0.4495	0.4426	0.4637	0.4822
Crawford	0.4259	0.4557	0.3678	0.3543	0.3341	0.3267	0.3402	0.3822	0.3822	0.4998
Gholson	-	0.2500	0.2334	0.2454	0.2454	0.2454	0.2340	0.2179	0.2179	0.2135
Hewitt	0.5000	0.5000	0.4550	0.4842	0.4842	0.4842	0.4842	0.4842	0.4842	0.4998
Lacy-Lakeview	0.2715	0.3033	0.2883	0.2927	0.2810	0.2920	0.3285	0.3285	0.3285	0.3659
Lorena	0.4208	0.4239	0.4234	0.4314	0.4353	0.5246	0.5004	0.5068	0.5068	0.5054
Mart	0.9000	0.9085	0.8000	0.3448	0.7099	0.8320	0.7842	0.7988	0.7988	0.8253
McGregor	0.5533	0.5567	0.5402	0.5349	0.5400	0.5700	0.5650	0.5577	0.5772	0.5414
Moody	0.5508	0.6010	0.6010	0.5973	0.6130	0.4886	0.5004	0.5396	0.5395	0.6173
Riesel	-	-	-	-	0.1627	0.2500	0.2500	0.2500	0.2500	0.2500
Robinson	0.3300	0.3960	0.3590	0.3570	0.3570	0.3870	0.3870	0.4170	0.4170	0.4065
Waco	0.7148	0.7148	0.7148	0.6997	0.6997	0.6997	0.6997	0.7862	0.7962	0.7862
West	0.3208	0.3247	0.6925	0.2990	0.3390	0.3590	0.3676	0.4140	0.4548	0.4548
Woodway	0.4646	0.4829	0.2900	0.4572	0.4572	0.4572	0.4572	0.4572	0.4572	0.4572

(Continued)

Continued

McLENNAN COUNTY, TEXAS

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

Last Ten Fiscal Years
(Unaudited)

Jurisdiction	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Fiscal Year Ending Date - September 30	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tax Roll Date - October 1 (2)										
School Districts:										
County-Line School Districts:										
Axtell Independent School District	1.3700	1.4200	1.3800	1.5000	1.4970	1.5000	1.3700	1.1700	1.1700	1.1700
Bruceville-Eddy Independent School District	1.3500	1.3800	1.4100	1.4100	1.4500	1.4500	1.3257	1.3250	1.3250	1.3250
China Spring Independent School District	1.5000	1.5000	1.5600	1.5725	1.5380	1.5900	1.4595	1.4296	1.4296	1.4070
Crawford Independent School District	1.4979	1.5299	1.5299	1.5492	1.5492	1.6200	1.4915	1.2479	1.3778	1.2689
Lorena Independent School District	1.5710	1.5910	1.6894	1.6894	1.7546	1.7000	1.5815	1.2474	1.2474	1.2800
Mart Independent School District	1.6150	1.6850	1.6500	1.6500	1.6329	1.5380	1.4204	1.1954	1.1954	1.1912
Moody Independent School District	1.3800	1.3800	1.3800	1.4200	1.4200	1.4200	1.2591	0.9867	0.9880	1.1100
Oglesby Independent School District	1.4000	1.4000	1.5000	1.5000	1.5000	1.5000	1.3041	1.1052	1.1050	1.1100
Riesel Independent School District	1.4322	1.5537	1.6486	1.6334	1.6271	1.6454	1.5126	1.1963	1.1499	1.1100
Robinson Independent School District	1.6615	1.6615	1.6403	1.6571	1.6510	1.6274	1.5109	1.1800	1.3150	1.3150
Valley Mills Independent School District	1.6400	1.6400	1.6950	1.6750	1.6750	1.6700	1.5100	1.3140	1.3140	1.3140
West Independent School District	1.5000	1.5800	1.4974	1.6293	1.6964	1.7364	1.5510	1.2253	1.2253	1.2300
Other School Districts:										
Bosqueville Independent School District	1.4947	1.4989	1.5910	1.5898	1.4921	1.5300	1.4198	1.5613	1.5551	1.5453
Connally Independent School District	1.5105	1.6496	1.4985	1.6243	1.6470	1.6520	1.5118	1.2300	1.2300	1.2888
Gholson Independent School District	1.4273	1.5000	1.4052	1.4500	1.4524	1.4524	1.3278	1.0400	1.0400	1.0400
Hallsburg Independent School District	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.3700	1.0401	1.0400	1.0400
LaVega Independent School District	1.5360	1.5360	1.5080	1.5400	1.7200	1.6925	1.5366	1.1828	1.1828	1.3650
McGregor Independent School District	1.5100	1.6500	1.6500	1.6500	1.6500	1.6500	1.5211	1.2100	1.2100	1.1900
Midway Independent School District	1.6400	1.6400	1.6020	1.6220	1.6220	1.6220	1.5065	1.3200	1.3200	1.3200
Waco Independent School District	1.5812	1.5920	1.4850	1.5242	1.5383	1.5640	1.4438	1.3591	1.3664	1.3648

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(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.

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

Table VIII

Fiscal Year	McLennan County			Overlapping Rates								
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	McLennan Community College			City of Bellmead			City of Beverly Hills		
				Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	0.3820	0.0746	0.4566	0.0914	0.0260	0.1174	0.2914	0.0670	0.3584	-	-	-
2002	0.3855	0.0841	0.4696	0.0956	0.0241	0.1197	0.2663	0.0866	0.3529	-	-	-
2003	0.3589	0.0697	0.4286	0.0947	0.0218	0.1165	0.2381	0.0726	0.3107	-	-	-
2004	0.3710	0.0697	0.4407	0.1062	0.0199	0.1261	0.2421	0.0682	0.3103	-	-	-
2005	0.3828	0.0621	0.4449	0.1086	0.0175	0.1261	0.2296	0.0756	0.3052	0.2500	-	0.2500
2006	0.4010	0.0589	0.4599	0.1046	0.0165	0.1211	0.2197	0.0767	0.2964	-	-	-
2007	0.3940	0.0579	0.4519	0.1050	0.0154	0.1204	0.2101	0.0687	0.2788	0.2829	-	0.2829
2008	0.4103	0.0549	0.4652	0.0993	0.0518	0.1511	0.1883	0.0650	0.2533	0.2829	-	0.2829
2009	0.4132	0.0515	0.4647	0.1001	0.0510	0.1511	0.1840	0.0630	0.2470	0.2829	-	0.2829
2010	0.4194	0.0453	0.4647	0.1048	0.0515	0.1563	0.1958	0.0698	0.2656	0.3298	-	0.3298

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

(1) Overlapping rates are those of local governments that apply to property owners within McLennan County. Not all overlapping rates apply to all McLennan County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

(continued)

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

Overlapping Rates

Fiscal Year	City of Bruceville-Eddy			City of Crawford			City of Gholson			City of Hewitt		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	0.4929	-	0.4929	0.4259	-	0.4259	-	-	-	0.2598	0.2402	0.5000
2002	0.4929	-	0.4929	0.4557	-	0.4557	0.2500	-	0.2500	0.3036	0.1964	0.5000
2003	0.4644	-	0.4644	0.3678	-	0.3678	0.2334	-	0.2334	0.2045	0.2505	0.4550
2004	0.4338	-	0.4338	0.3543	-	0.3543	0.2454	-	0.2454	0.2235	0.2607	0.4842
2005	0.4239	-	0.4239	0.3341	-	0.3341	0.2454	-	0.2454	0.2131	0.2711	0.4842
2006	0.4495	-	0.4495	0.3267	-	0.3267	0.2454	-	0.2454	0.2737	0.2105	0.4842
2007	0.4495	-	0.4495	0.3402	-	0.3402	0.2340	-	0.2340	0.2754	0.2088	0.4842
2008	0.4426	-	0.4426	0.3822	-	0.3822	0.2179	-	0.2179	0.2900	0.1942	0.4842
2009	0.4637	-	0.4637	0.3822	-	0.3822	0.2179	-	0.2179	0.2956	0.1886	0.4842
2010	0.4822	-	0.4822	0.4998	-	0.4998	0.2135	-	0.2135	0.3381	0.1617	0.4998

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(continued)

(continued)

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

Overlapping Rates

Fiscal Year	City of Lacy-Lakeview			City of Lorena			City of Mart			City of McGregor		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	0.2715	-	0.2715	0.2479	0.1729	0.4208	0.6554	0.2446	0.9000	0.5316	0.0217	0.5533
2002	0.3033	-	0.3033	0.2659	0.1580	0.4239	0.3728	0.5357	0.9085	0.5238	0.0329	0.5567
2003	0.2326	0.0557	0.2883	0.2890	0.1344	0.4234	0.4170	0.3830	0.8000	0.5105	0.0297	0.5402
2004	0.2423	0.0504	0.2927	0.2966	0.1348	0.4314	0.2016	0.1432	0.3448	0.5064	0.0285	0.5349
2005	0.2375	0.0435	0.2810	0.2973	0.1380	0.4353	0.5563	0.1536	0.7099	0.5018	0.0382	0.5400
2006	0.2561	0.0359	0.2920	0.3116	0.2130	0.5246	0.5826	0.2494	0.8320	0.4700	0.1000	0.5700
2007	0.2959	0.0327	0.3286	0.3176	0.1828	0.5004	0.4794	0.3048	0.7842	0.4700	0.0950	0.5650
2008	0.2975	0.0310	0.3285	0.3342	0.1726	0.5068	0.4986	0.3002	0.7988	0.4681	0.0896	0.5577
2009	0.2115	0.1170	0.3285	0.3448	0.1620	0.5068	0.3532	0.4456	0.7988	0.4753	0.1019	0.5772
2010	0.2417	0.1243	0.3660	0.3508	0.1546	0.5054	0.3671	0.4582	0.8253	0.4832	0.0582	0.5414

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(continued)

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

Overlapping Rates

Fiscal Year	City of Moody			City of Riesel			City of Robinson			City of Waco		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	0.5508	-	0.5508	-	-	-	0.2090	0.1210	0.3300	0.5289	0.1859	0.7148
2002	0.6010	-	0.6010	-	-	-	0.2225	0.1735	0.3960	0.5314	0.1834	0.7148
2003	0.6010	-	0.6010	-	-	-	0.2146	0.1444	0.3590	0.5447	0.1701	0.7148
2004	0.5973	-	0.5973	-	-	-	0.2227	0.1343	0.3570	0.5505	0.1492	0.6997
2005	0.6130	-	0.6130	0.1627	-	0.1627	0.2731	0.0839	0.3570	0.5634	0.1363	0.6997
2006	0.4886	-	0.4886	0.2500	-	0.2500	0.2679	0.1191	0.3870	0.5663	0.1334	0.6997
2007	0.5004	-	0.5004	0.2500	-	0.2500	0.2794	0.1076	0.3870	0.5700	0.1297	0.6997
2008	0.5396	-	0.5396	0.2500	-	0.2500	0.2889	0.1281	0.4170	0.5802	0.2060	0.7862
2009	0.5395	-	0.5395	0.2500	-	0.2500	0.2998	0.1172	0.4170	0.6004	0.1958	0.7962
2010	0.6173	-	0.6173	0.2500	-	0.2500	0.2938	0.1127	0.4065	0.6037	0.1825	0.7862

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

Overlapping Rates

Fiscal Year	City of West			City of Woodway			Axtell ISD			Bosqueville ISD		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	0.3208	-	0.3208	0.2769	0.1877	0.4646	1.3700	-	1.3700	1.4099	0.0848	1.4947
2002	0.3247	-	0.3247	0.2928	0.1901	0.4829	1.4200	-	1.4200	1.3842	0.1147	1.4989
2003	0.6925	-	0.6925	0.1837	0.1063	0.2900	1.3800	-	1.3800	1.5001	0.0909	1.5910
2004	0.2990	-	0.2990	0.3026	0.1546	0.4572	1.5000	-	1.5000	1.5000	0.0898	1.5898
2005	0.3390	-	0.3390	0.3167	0.1405	0.4572	1.4970	-	1.4970	1.4197	0.0724	1.4921
2006	0.3590	-	0.3590	0.3242	0.1330	0.4572	1.5000	-	1.5000	1.4599	0.0701	1.5300
2007	0.3676	-	0.3676	0.3347	0.1225	0.4572	1.3700	-	1.3700	1.3346	0.0852	1.4198
2008	0.4140	-	0.4140	0.3440	0.1132	0.4572	1.1700	-	1.1700	1.4021	0.1592	1.5613
2009	0.4548	-	0.4548	0.3600	0.0972	0.4572	1.1700	-	1.1700	1.1653	0.3898	1.5551
2010	0.3571	0.0977	0.4548	0.3775	0.0797	0.4572	1.1700	-	1.1700	1.1626	0.3827	1.5453

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

Overlapping Rates

Fiscal Year	Bruceville-Eddy ISD			China Spring ISD			Connally ISD			Crawford ISD		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	1.3200	0.0300	1.3500	1.3321	0.1679	1.5000	1.3548	0.1557	1.5105	1.4014	0.0965	1.4979
2002	1.3450	0.0350	1.3800	1.3338	0.1662	1.5000	1.4830	0.1666	1.6496	1.3545	0.1754	1.5299
2003	1.3550	0.0550	1.4100	1.3300	0.2300	1.5600	1.3563	0.1422	1.4985	1.3545	0.1754	1.5299
2004	1.3550	0.0550	1.4100	1.3323	0.2402	1.5725	1.4800	0.1443	1.6243	1.3990	0.1502	1.5492
2005	1.4500	-	1.4500	1.3323	0.2057	1.5380	1.5000	0.1470	1.6470	1.4410	0.1082	1.5492
2006	1.4500	-	1.4500	1.4084	0.1816	1.5900	1.4996	0.1524	1.6520	1.5001	0.1199	1.6200
2007	1.3257	-	1.3257	1.2888	0.1707	1.4595	1.3700	0.1418	1.5118	1.3700	0.1215	1.4915
2008	1.1700	0.1550	1.3250	0.9860	0.4436	1.4296	0.9994	0.2306	1.2300	1.1168	0.1311	1.2479
2009	1.1700	0.1550	1.3250	1.0400	0.3896	1.4296	1.1653	0.3898	1.5551	1.1484	0.2294	1.3778
2010	1.1700	0.1550	1.3250	1.0181	0.3889	1.4070	1.1626	0.3827	1.5453	1.0596	0.2093	1.2689

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

Overlapping Rates

Fiscal Year	Gholson ISD			Hallsburg ISD			LaVega ISD			Lorena ISD		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	1.4273	-	1.4273	1.5000	-	1.5000	1.4660	0.0700	1.5360	1.3820	0.1890	1.5710
2002	1.5000	-	1.5000	1.5000	-	1.5000	1.4660	0.0700	1.5360	1.4020	0.1890	1.5910
2003	1.4052	-	1.4052	1.5000	-	1.5000	1.4480	0.0600	1.5080	1.4002	0.2892	1.6894
2004	1.4500	-	1.4500	1.5000	-	1.5000	1.4825	0.0575	1.5400	1.5000	0.1894	1.6894
2005	1.4524	-	1.4524	1.5000	-	1.5000	1.4825	0.2375	1.7200	1.5000	0.2546	1.7546
2006	1.4524	-	1.4524	1.5000	-	1.5000	1.5000	0.1925	1.6925	1.5000	0.2000	1.7000
2007	1.3278	-	1.3278	1.3700	-	1.3700	1.3700	0.1666	1.5366	1.3700	0.2115	1.5815
2008	1.0400	-	1.0400	1.0401	-	1.0401	1.0201	0.1627	1.1828	1.0392	0.2082	1.2474
2009	1.0400	-	1.0400	1.0400	-	1.0400	1.0400	0.1428	1.1828	1.0400	0.2074	1.2474
2010	1.0400	-	1.0400	1.0400	-	1.0400	1.1459	0.2191	1.3650	1.0672	0.2128	1.2800

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

Fiscal Year	Overlapping Rates											
	Mart ISD			McGregor ISD			Midway ISD			Moody ISD		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	1.5000	0.1150	1.6150	1.4400	0.0700	1.5100	1.3313	0.3087	1.6400	1.3800	-	1.3800
2002	1.5000	0.1850	1.6850	1.4400	0.2100	1.6500	1.3560	0.2840	1.6400	1.3800	-	1.3800
2003	1.5000	0.1500	1.6500	1.4400	0.2100	1.6500	1.3180	0.2840	1.6020	1.3800	-	1.3800
2004	1.5000	0.1500	1.6500	1.4600	0.1900	1.6500	1.3380	0.2840	1.6220	1.4200	-	1.4200
2005	1.5000	0.1329	1.6329	1.4800	0.1700	1.6500	1.3600	0.2620	1.6220	1.4200	-	1.4200
2006	1.3882	0.1498	1.5380	1.4900	0.1600	1.6500	1.3720	0.2500	1.6220	1.4200	-	1.4200
2007	1.2709	0.1495	1.4204	1.3611	0.1600	1.5211	1.2565	0.2500	1.5065	1.2591	-	1.2591
2008	1.0416	0.1538	1.1954	1.0575	0.1525	1.2100	1.0642	0.2558	1.3200	0.9867	-	0.9867
2009	1.0401	0.1553	1.1954	1.0400	0.1700	1.2100	1.0400	0.2800	1.3200	1.0280	-	1.0280
2010	1.0155	0.1757	1.1912	1.0400	0.1500	1.1900	1.0400	0.2800	1.3200	0.9004	0.4937	1.3941

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

Overlapping Rates

Fiscal Year	Oglesby ISD			Riesel ISD			Robinson ISD			Valley Mills ISD		
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate
2001	1.3300	0.0700	1.4000	1.3871	0.0451	1.4322	1.4690	0.1925	1.6615	1.6400	-	1.6400
2002	1.3300	0.0700	1.4000	1.4950	0.0587	1.5537	1.4866	0.1749	1.6615	1.5000	0.1400	1.6400
2003	1.3300	0.1700	1.5000	1.5000	0.1486	1.6486	1.4865	0.1538	1.6403	1.5000	0.1950	1.6950
2004	1.3300	0.1700	1.5000	1.5000	0.1334	1.6334	1.4866	0.1705	1.6571	1.5000	0.1950	1.6950
2005	1.3300	0.1700	1.5000	1.5000	0.1271	1.6271	1.5000	0.1510	1.6510	1.5000	0.1750	1.6750
2006	1.3300	0.1700	1.5000	1.4999	0.1455	1.6454	1.4999	0.1275	1.6274	1.5000	0.1600	1.6600
2007	1.2370	0.0671	1.3041	1.3700	0.1426	1.5126	1.3700	0.1409	1.5109	1.3500	0.1600	1.5100
2008	1.0400	0.0652	1.1052	1.0562	0.1401	1.1963	1.0443	0.1357	1.1800	1.0400	0.2740	1.3140
2009	1.0400	0.0650	1.1050	0.9996	0.1503	1.1499	1.1590	0.1560	1.3150	1.0400	0.2740	1.3140
2010	1.0400	0.0700	1.1100	1.0039	0.1061	1.1100	1.1691	0.1459	1.3150	1.0400	0.2740	1.3140

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

Fiscal Year	Overlapping Rates											Total Direct and Overlapping Rates
	Waco ISD			West ISD			Special Districts					
	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Maint & Operating Tax Rate	Debt Service Tax Rate	Total Tax Rate	Tehuacana Creek WCID #1	Tehuacana Creek WCID Benefit Tax	Castleman Creek SID	Downtown SID	Elm Creek Watershed Authority	
2001	1.4412	0.1400	1.5812	1.4344	0.0656	1.5000	0.0221	2.5000	-	0.1000	0.0300	39.6472
2002	1.4667	0.1253	1.5920	1.4455	0.1345	1.5800	0.0241	2.5000	0.1200	0.1000	0.0280	40.7623
2003	1.3665	0.1185	1.4850	1.3666	0.1308	1.4974	0.0241	2.5000	0.1200	0.1000	0.0275	40.4441
2004	1.4057	0.1185	1.5242	1.4729	0.1564	1.6293	0.0283	2.5000	0.1370	0.1000	0.0286	40.3635
2005	1.4198	0.1185	1.5383	1.5000	0.1964	1.6964	0.0283	2.5000	0.1370	0.1000	0.0286	41.1201
2006	1.4455	0.1185	1.5640	1.5000	0.2364	1.7364	0.0283	2.5000	0.1370	0.1000	0.0294	41.4427
2007	1.3218	0.1220	1.4438	1.3700	0.1810	1.5510	0.0284	-	0.1304	0.1000	0.0294	36.1870
2008	1.2165	0.1426	1.3591	1.0426	0.1827	1.2253	0.0250	-	0.1304	-	0.0283	31.9842
2009	1.0456	0.3208	1.3664	1.0400	0.1853	1.2253	0.0250	-	0.1304	-	0.0306	32.6567
2010	1.0389	0.3259	1.3648	1.0441	0.1859	1.2300	0.0237	-	0.1000	-	0.0327	33.2605

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

Taxpayer	2010			2001		
	2009 Tax Roll* Assessed Value	Rank	Percentage of Total Assessed Value	2000 Tax Roll* Assessed Value	Rank	Percentage of Total Assessed Value
Sandy Creek Energy Assoc LP	\$ 153,486,413	1	1.1020%			
Oncor Electric Delivery Co.	118,631,840	2	0.8517%			
Mars SnackFood U.S.	105,022,239	3	0.7540%	\$114,115,322	2	1.6564%
Coca-Cola Company	73,784,883	4	0.5297%			
L-3 Communications	72,485,013	5	0.5204%			
Allergan Inc.	53,164,216	6	0.3817%			
Southwestern Bell Telephone Co.	52,710,942	7	0.3784%	78,112,010	3	1.1338%
Inland Western Waco Central LP	51,745,953	8	0.3715%			
CBL/Richland Mall LP	40,200,878	9	0.2886%			
Butt H E Grocery Co	39,371,047	10	0.2827%			
TXU Electric Company				136,983,670	1	1.9884%
Raytheon E-Systems, Inc.				59,843,754	4	0.8687%
Owens-Brockway Services				58,344,821	5	0.8469%
Minute Maid				55,678,157	6	0.8082%
Huck Manufacturing Co.				49,850,043	7	0.7236%
Paragon Trade Brands				43,432,353	8	0.6304%
Vision Pharmaceuticals				38,588,068	9	0.5601%
Sherwin Williams Co., Inc.				29,011,510	10	0.4211%
	<u>\$ 760,603,424</u>		<u>5.4608%</u>	<u>\$663,959,708</u>		<u>9.6377%</u>
Total Assessed Valuation	<u>\$ 13,928,492,647</u>			<u>\$ 6,889,188,625</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			
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	47,547,908	46,815,670	98.46%	556,311	47,371,981	99.63%
2010	46,339,667	45,320,194	97.80%	574,612	45,894,806	99.04%

Source: McLennan County Financial Records

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
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	5,966,422	48,182,898	0.80	217
2006	43,150,000		852,505	5,580,479	49,582,984	0.78	221
2007	40,040,000		768,009	6,162,545	46,970,554	0.67	208
2008	36,720,000		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	1.27	387
2010	30,020,000	49,015,000	49,176	5,910,763	84,994,939	1.17	364

(1) Excludes Compensated Absences

Source: McLennan County Financial Records

Table XII

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
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
2010	233,378	13,928,493	79,035,000	6,896,087	72,138,913	0.52	309

Source: McLennan County Financial Records

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2010
(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)	9/30/2010	\$ 78,553,012	100%	\$ 78,553,012
McLennan County College District	8/31/2010	83,295,000	100%	83,295,000
<u>Special Districts:</u>				
County-Line Special Districts:				
Aquilla-Hackberry Creek Conservation District	9/30/2010	-	25%	-
McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District No. 1	9/30/2010	-	99.46%	-
McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District - Benefit Tax	9/30/2010	-	79.87%	-
Other Special Districts:				
Elm Creek Watershed Authority	9/30/2010	-	100%	-
McLennan County Water Control and Improvement District No. 2	9/30/2010	-	100%	-
Tax Increment District No. 1	9/30/2010	-	100%	-
Tax Increment District No. 2	9/30/2010	-	100%	-
<u>Cities:</u>				
Bellmead	9/30/2010	2,194,013	100%	2,194,013
Beverly Hills	9/30/2010	-	100%	-
Bruceville-Eddy	12/31/2010	-	100%	-
Crawford	10/31/2010	541,273	100%	541,273
Gholson	9/30/2010	-	100%	-
Hewitt	9/30/2010	6,785,954	100%	6,785,954
Lacy-Lakeview	9/30/2010	3,010,000	100%	3,010,000
Lorena	9/30/2010	1,299,825	100%	1,299,825
Mart	9/30/2010	152,078	100%	152,078
McGregor	9/30/2010	5,675,177	100%	5,675,177
Moody	9/30/2010	110,000	100%	110,000
Riesel	9/30/2010	1,095,500	100%	1,095,500
Robinson	9/30/2010	5,708,620	100%	5,708,620
Waco	9/30/2010	96,976,625	100%	96,976,625
West	9/30/2010	-	100%	-
Woodway	9/30/2010	4,090,000	100%	4,090,000
(continued)				

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2010
(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	8/31/2010	\$ -	93.41%	\$ -
Bruceville-Eddy Independent School District	6/30/2010	7,375,000	97.41%	7,183,988
China Spring Independent School District	6/30/2010	36,297,360	97.01%	35,212,069
Crawford Independent School District	8/31/2010	5,719,997	96.64%	5,527,805
Lorena Independent School District	8/31/2010	11,822,394	97.98%	11,583,582
Mart Independent School District	8/31/2010	3,145,000	79.04%	2,485,808
Moody Independent School District	8/31/2010	11,500,000	53.77%	6,183,550
Oglesby Independent School District	8/31/2010	652,489	7.11%	46,392
Riesel Independent School District	8/31/2010	26,969,831	49.98%	13,479,522
Robinson Independent School District	8/31/2010	10,684,988	98.51%	10,525,782
Valley Mills Independent School District	8/31/2010	8,475,956	46.38%	3,931,148
West Independent School District	8/31/2010	3,493,670	98.48%	3,440,566
Other School Districts:				
Bosqueville Independent School District	6/30/2010	11,112,269	100%	11,112,269
Connally Independent School District	8/31/2010	20,574,912	100%	20,574,912
Gholson Independent School District	8/31/2010	-	100%	-
Hallsburg Independent School District	6/30/2010	-	100%	-
LaVega Independent School District	8/31/2010	45,454,993	100%	45,454,993
McGregor Independent School District	8/31/2010	8,710,875	100%	8,710,875
Midway Independent School District	8/31/2010	116,113,457	100%	116,113,457
Waco Independent School District	8/31/2010	213,980,490	100%	213,980,490
		<u>\$831,570,758</u>		<u>\$ 805,034,285</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)

	2001	2002	2003	2004
<u>Debt Limit (Article 3, Section 52 of the Texas Constitution)</u>				
Assessed Value of Real Property	\$ 5,060,143	\$ 5,549,856	\$ 6,782,069	\$ 7,213,337
Debt Limit (One-fourth of the assessed value of Real Property	1,265,036	1,387,464	1,695,517	1,803,334
Road Bonds Outstanding	-	-	-	-
Legal Debt Margin	<u>\$ 1,265,036</u>	<u>\$ 1,387,464</u>	<u>\$ 1,695,517</u>	<u>\$ 1,803,334</u>
<u>Debt Limit (Under Texas General Laws)</u>				
Assessed Value of All Taxable Property	\$ 6,884,456	\$ 7,168,464	\$ 8,542,415	\$ 9,208,393
Debt Limit (5%)	344,223	358,423	427,121	460,420
Outstanding General Obligation Bonds, Net of Assets in Debt Service Funds	42,419	39,756	45,335	42,370
Legal Debt Margin	<u>\$ 301,804</u>	<u>\$ 318,667</u>	<u>\$ 381,786</u>	<u>\$ 418,050</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 XIV

2005	2006	2007	2008	2009	2010
\$ 7,922,995	\$ 8,710,431	\$ 9,438,987	\$ 10,112,257	\$ 11,021,761	\$ 11,550,239
1,980,749	2,177,608	2,359,747	2,528,064	2,755,440	2,887,560
-	-	-	-	-	-
<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>	<u>\$ 2,887,560</u>
\$ 10,119,984	\$ 10,829,902	\$ 11,623,772	\$ 12,344,439	\$ 13,325,391	\$ 13,928,493
505,999	541,495	581,189	617,222	666,270	696,425
39,615	41,230	37,985	34,491	72,939	73,589
<u>\$ 466,384</u>	<u>\$ 500,265</u>	<u>\$ 543,204</u>	<u>\$ 582,731</u>	<u>\$ 593,331</u>	<u>\$ 622,836</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)
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	6,998,191	29,845	41,685	-	6.7%
2010	234,906	7,270,047	30,579	42,439	31.3	7.1%

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

Table XVI

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

Employer	Industry	2010			2001		
		Full Time Equivalent Employees	Rank	Percentage of Total County Workforce	Full Time Equivalent Employees	Rank	Percentage of Total County Workforce
Providence Health Center	Medical Center / Hospital	2464	1	2.08 %	1600	5	1.59
Baylor University	University	2200	2	1.86 %	1700	4	1.69
Waco Independent School Dist	Public Education	2191	3	1.85 %	2448	1	2.43
Hillcrest Baptist Medical Center	Medical Center / Hospital	1825	4	1.54 %	1967	2	1.96
L-3 Integrated Systems (Raytheon E-Systems in 1999)	Aircraft Modification	1800	5	1.52 %	1900	3	1.89
City of Waco	City Government	1658	6	1.40 %	1500	6	1.49
Wal-Mart Stores (all locations)	Retail Stores	1500	7	1.27 %	950	10	0.94
H.E. Butt Grocery Co. (all stores)	Retail Grocery Stores	1400	8	1.18 %	1500	7	1.49
Sanderson Farms Inc. (opened 2007)	Poultry Processing & Hatchery	1099	9	0.93 %	-	-	-
Midway Independent School Dist	Public Education	1046	10	0.88 %	754	(1)	0.75

Source: Greater Waco Chamber of Commerce

Note (1) Not a top ten employer in 2001.

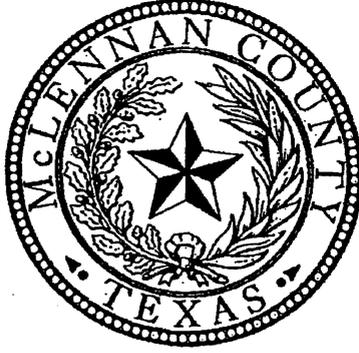


Table XVII

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

<u>Function</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Administration	53	51	50	50	51	56	56	56	55	54
Judicial	88	84	89	92	90	96	97	104	105	102
Legal Services	36	36	39	39	39	44	46	47	47	47
Elections	5	5	5	5	5	5	5	5	5	5
Financial Administration	81	82	83	83	83	84	85	86	85	86
Public Safety	352	358	363	378	392	395	417	501	502	497
Health and Welfare	27	28	30	30	30	30	42	39	38	39
Conservation	7	7	7	7	7	7	7	7	7	7
Public Transportation	<u>82</u>	<u>85</u>	<u>82</u>	<u>86</u>	<u>86</u>	<u>77</u>	<u>78</u>	<u>80</u>	<u>80</u>	<u>79</u>
Total	<u><u>731</u></u>	<u><u>736</u></u>	<u><u>748</u></u>	<u><u>770</u></u>	<u><u>783</u></u>	<u><u>794</u></u>	<u><u>833</u></u>	<u><u>925</u></u>	<u><u>924</u></u>	<u><u>916</u></u>

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

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

	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
County Auditor:								
Employees full time	18	18	18	18	18	18	18	18
Vouchers processed	31,645	32,396	31,919	32,927	33,737	34,156	33,474	33,094
Accounts payable checks issued	16,936	17,304	17,773	18,213	18,551	18,906	18,994	18,982
Internal audit months completed	386	386	385	385	365	370	371	382
County Judge:								
Employees full time	4	4	4	4	4	4	4	4
Probate cases filed	N/A	N/A	436	605	553	559	534	580
Guardianship cases filed	N/A	N/A	51	70	69	48	51	61
Hearings held	N/A	N/A	563	734	682	651	647	639
County Treasurer:								
Employees full time	5	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	23,688
Cash receipts processed	3,611	3,594	3,229	3,514	3,407	3,479	3,638	3,590
Human Resources:								
Employees full time	4	4	4	4	4	4	4	4
New hires processed	136	115	138	132	141	165	127	108
Terminations processed	119	117	137	140	146	144	135	103
Purchasing:								
Employees full time	4	4	4	4	4	4	4	4
Purchase orders processed	6,367	6,004	6,049	6,144	6,376	6,259	5,997	6,015
Tax Assessor/Collector:								
Employees full time	35	37	37	37	36	37	36	36
Motor vehicle registrations	N/A	182,713	188,837	193,919	197,351	201,880	182,052	206,545
Ad valorem assessment notices issued	111374	112603	116163	117372	125207	122141	117231	117845
Judicial								
Bail Bond Office:								
Employees full time	2	2	2	2	2	2	2	2
Bonds Posted	11,384	11,565	12,673	12,301	13,393	12,606	11,500	10,906
Dismissals	986	1,249	1,152	980	1,298	1,421	855	782
Dispositions	6,916	8,007	11,154	8,384	9,270	9,389	7,046	6,633
County Clerk:								
Employees full time	24	24	24	24	25	26	26	26
Civil cases	1583	1727	1859	2298	2627	2128	1901	1,750
Criminal cases	5308	5249	5063	5553	6197	5834	5282	4,673
Probate cases	638	691	623	674	623	610	584	640
Marriage licenses	2120	2188	2018	2036	2195	1998	1866	1,867

(Continued)

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010
Judicial (cont.)								
District Clerk:								
Employees full time	21	21	21	22	25	25	25	25
Civil cases	4,118	4,203	3,845	4,034	5,956	6,302	6,874	5,784
Criminal cases	2,004	2,273	2,316	2,678	3,175	3,311	2,132	2,554
Juvenile cases	604	662	535	662	648	640	640	614
Jurors Summoned	N/A	23,000	26,000	27,600	27,600	28,400	27,700	27,000
Jurors Impaneled	N/A	1,004	1,004	960	906	1,105	1,056	1,044
Justices of the Peace:								
Employees full time	25	25	25	25	24	24	24	24
Civil cases filed	2,691	2,945	2,814	3,735	3,987	4,912	3,732	4,247
Criminal cases filed	20,178	17,780	19,701	19,150	18,398	18,466	18,054	18,321
Mental Health Court Services:								
Employees full time	2	2	2	2	2	2	2	2
Mental health cases filed	393	438	401	366	396	252	217	219
90 day commitments	213	270	264	227	270	172	137	130
Warrants issued	172	230	212	254	287	291	293	395
Public Safety								
Constables:								
Employees full time	22	22	22	22	24	24	24	23
Civil process (1)	13181	12704	12673	10896	12670	12004	10857	9758
County Sheriff:								
Employees full time	98	95	94	94	97	97	97	97
Total arrests	11772	12575	12992	13000	42129	40287	40235	35725
Total charges	31717	35622	38673	39185	42411	40646	40417	36032
Jail:								
Employees full time	177	187	185	185	186	229	232	227
Total prisoner days	285,891	282,662	271,184	309,781	328,777	322,175	315,133	312,150
Prisoner hospital expenditures	\$ 157,976	\$ 160,857	\$ 176,942	\$ 188,319	\$ 290,267	\$ 172,989	\$ 312,150	\$ 140,101
Prisoner physician expenditures	\$ 231,040	\$ 254,507	\$ 274,672	\$ 313,329	\$ 324,129	\$ 55,215	\$ 92,448	\$ 42,970
Prisoner pharmacy expenditures	\$ 277,369	\$ 363,479	\$ 362,797	\$ 346,818	\$ 336,296	\$ 638,187	\$ 540,354	\$ 481,655
Welfare								
County Welfare Department								
Employees full time	14	13	14	14	13	10	10	10
Clients registered	6,554	6,299	5,443	5,100	4,347	4,599	4,283	5,580
Clients seen	4,609	4,606	4,434	4,407	4,128	4,124	4,044	2,259
Clients screened	2,793	2,489	2,203	2,163	1,532	1,450	1,668	2,259
Pauper burials	40	52	47	62	75	48	64	72

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 Eight Fiscal Years
(unaudited)

Function	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
General Administration	61,159	61,159	62,359	61,159	61,159	61,159	59,808	67,551
Legal	13,295	13,295	13,295	13,295	13,295	13,295	13,295	18,458
Elections	6,662	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	56,041
Judicial	61,105	61,105	61,105	61,105	65,151	65,151	65,151	67,018
Public Safety								
Law Enforcement	26,518	26,518	26,518	26,518	59,668	59,668	35,195	35,195
Corrections	251,323	251,323	236,187	298,079	296,343	298,243	240,704	229,857
Other Protection	390	390	390	390	390	390	390	390
Public Transportation								
Engineering	1,935	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	37,869
Health	7,763	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	4,418
Culture/Recreation	459,150	501,150	501,150	501,150	502,764	502,764	425,731	425,731
Conservation	5,000	5,000	5,000	5,000	5,000	5,000	5,311	5,311
Infrastructure:								
Road miles	1,071	1,074	1,074	1,074	1,074	1,074	1,074	1,078
Number of bridges	200	190	190	190	190	188	185	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.

