

McLENNAN COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

Prepared by:
STAN CHAMBERS, CPA
COUNTY AUDITOR

McLENNAN COUNTY, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

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**Stan Chambers, CPA
County Auditor**



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March 26, 2012

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, 2011, 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 certified 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, 2011, 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 auditors 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, 2011 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).

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, 2010. This was the twenty-sixth 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 everyone who assisted and contributed in 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, 2010

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.



Linda C. Davison

President

Jeffrey R. Enos

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

7

**ELECTIONS
COMMISSION**

Elections
Administrator

**TEXAS A&M
UNIVERSITY**

Agricultural
Extension
Service

**COUNTY
BAR
ASSOCIATION**

Law
Library

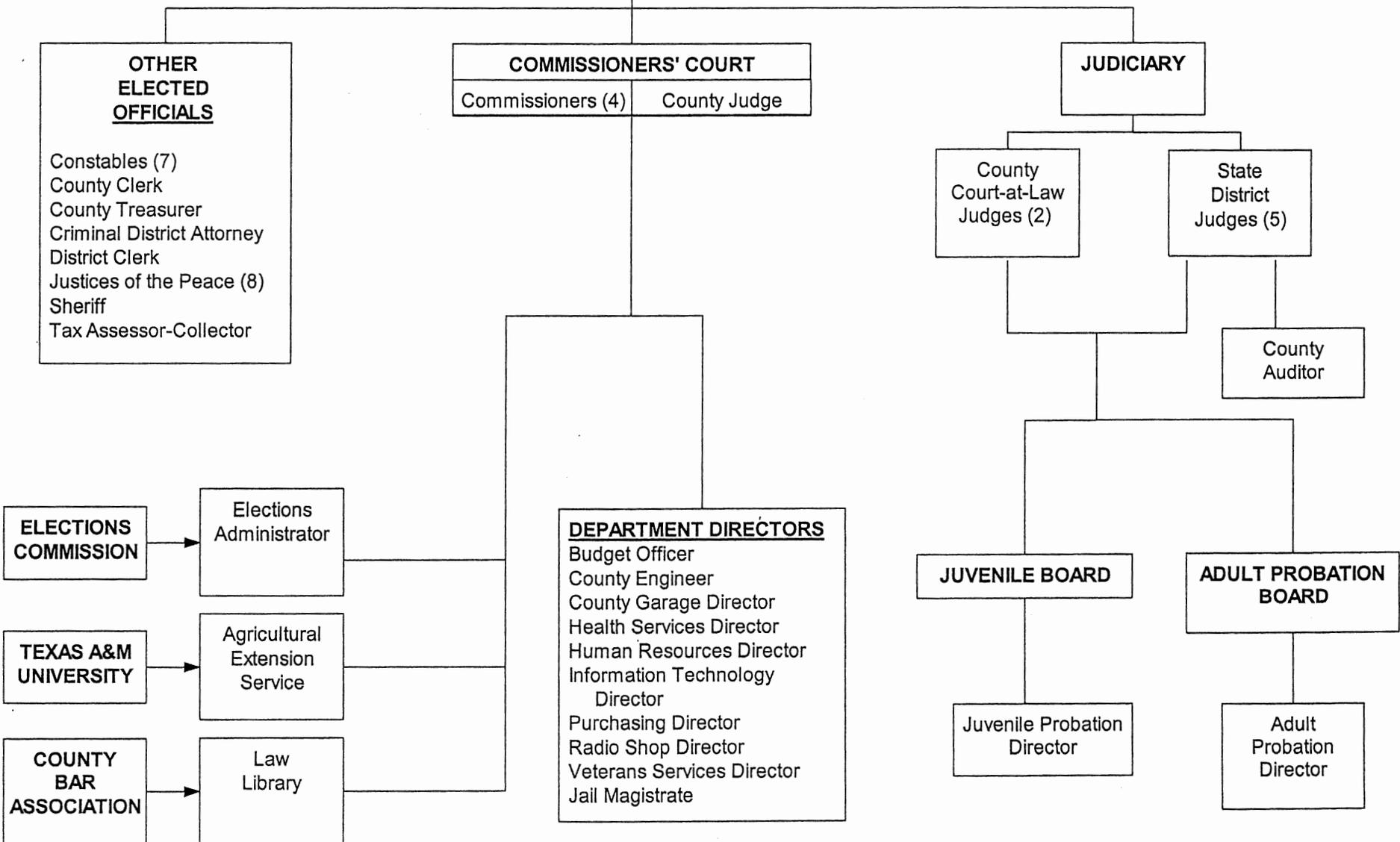
DEPARTMENT DIRECTORS
 Budget Officer
 County Engineer
 County Garage Director
 Health Services Director
 Human Resources Director
 Information Technology
 Director
 Purchasing Director
 Radio Shop Director
 Veterans Services Director
 Jail Magistrate

JUVENILE BOARD

Juvenile Probation
Director

**ADULT PROBATION
BOARD**

Adult
Probation
Director



MCLENNAN COUNTY, TEXAS

PRINCIPAL OFFICIALS
As of September 30, 2011

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 Abel Reyna
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 Ben Perry

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 Danny Volcik
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 Boone
Justice of the Peace, Precinct 8 Fernando Villarreal

APPOINTED OFFICIALS

County Auditor Stan Chambers
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, 2011

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, 2011, 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, 2011, 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.

As described in the notes to the financial statements, the County adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, 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 29, the Schedules of Funding Progress on page 83, and the budgetary comparison information on pages 80 through 82 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 schedules, 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, L.L.P.

March 26, 2012

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

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, 2011. 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, 2011, by \$77 million. Net assets invested in capital assets (net of depreciation and related debt) account for almost 36% of this amount, with a value of \$28 million. Restricted net assets totaled \$12.3 million or 16% of net assets. Of the remaining net assets, \$37 million, or 48%, may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by a total of \$2.8 million for the year ended September 30, 2011 when compared to the total net assets reported for the year ended September 30, 2010.
- Income from general sources of revenue totaled more than \$63 million, with total expenses in excess of program revenues of \$66 million.
- As of September 30, 2011, McLennan County's governmental funds reported combined ending fund balances of \$54.2 million. Of that amount, \$31.5 million was restricted for or committed for specific purposes. \$22.7 million was unassigned for spending at the government's discretion in the Governmental Funds.
- The unassigned fund balance for the General Fund of \$22.7 million at September 30, 2011 was 34% of the total \$66.7 million in Fiscal Year 2011 General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

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

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

The statement of activities presents information showing how the government's net assets changed during 2011. Because the statement of activities separates program revenue (that is, revenue generated by specific programs through charges for services, fees, licenses, grants received, and other contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on general revenues for funding.

All changes in net assets are reported using the accrual basis of accounting, similar to the method used by most private-sector businesses. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of cash being received or paid. This differs from the fund accounting statements, which are recorded using the modified accrual method to primarily record the inflows and outflows of cash. Items such as uncollected taxes, unpaid vendor invoices for items received in 2011, 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 2011.

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 Road and Bridge Fund, the Jail Lease Fund, the Debt Service Fund, the Permanent Improvement Fund, the PFC Jail Operating Fund, and the PFC Revenue Series 2009 Debt Service 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 Combining and Individual Fund Statements and Schedules following Required Supplementary Information.

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

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.

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 and trust funds are the 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.

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

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, 2011 and 2010:

Summary of Net Assets

September 30, 2011

(\$ in thousands)

| | 2011 | 2010 |
|--|-------------|-------------|
| Current and other assets | \$ 69,471 | \$ 72,057 |
| Capital assets (net of accumulated depreciation) and construction in progress | 104,548 | 106,502 |
| Total assets | \$ 174,019 | \$ 178,559 |
| Current and other liabilities | \$ 6,472 | \$ 5,579 |
| Unearned revenues | 287 | 645 |
| Long-term liabilities | 90,079 | 92,273 |
| Total liabilities | \$ 96,838 | \$ 98,497 |
| Net assets: | | |
| Invested in capital assets, net of related debt | \$ 25,954 | \$ 29,135 |
| Restricted | 12,680 | 11,362 |
| Nonexpendable | 0 | 47 |
| Unrestricted | 38,547 | 39,518 |
| Total net assets | \$ 77,181 | \$ 80,062 |

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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, 2011 totaled \$77 million, representing a \$3 million decrease from the September 30, 2010 balance.

McLennan County's total assets were just over \$174 million as of September 30, 2011. Of this amount, over \$104.5 million is accounted for by capital assets, which includes net infrastructure of \$11.4 million. Of the remaining County assets, approximately \$54.7 million were accounted for in cash, cash equivalents, and investments; \$8.4 million in taxes and accounts receivable; \$4.2 million due from other governments, \$1.7 million due from deferred charges and \$432 thousand in prepaid expenses.

Cash and cash equivalents decreased \$2 million, from \$56.7 million at September 30, 2010 to \$54.7 million at September 30, 2011. The primary reason for the decrease was due to the construction payments for the new courthouse roof out of the Permanent Improvement Fund in the amount of 1.4 million.

At September 30, 2011 the County had outstanding liabilities of \$96.8 million, with slightly over \$90 million in total noncurrent liabilities. Of the long-term liabilities, a little over \$6.4 million was due within a year, with the remainder of \$90.4 million due over an extended period of time. There is a more in-depth discussion of long-term debt in the notes to the financial statements.

Included in other liabilities in the summary of net assets is \$6.4 million in accounts payable and accrued liabilities.

A large portion of the County's net assets (almost 36%) 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 16% 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 \$37.1 million (unrestricted net assets) represents the amount that may be used to meet the County's ongoing obligations.

Statement of Activities

The net assets of McLennan County decreased from governmental operations by \$2.8 million in 2011. The primary reason for the decrease in net assets in 2011 was due to the change in net other post employment benefits (OPEB) obligation in the amount of \$2.3 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 \$102 million in 2011 compared to \$88.8 million in 2010, for an increase of \$13.2 million. The primary components of the revenues changes are as follows:

- Property tax revenue, accounting for 48.6% of total revenues, increased \$1.8 million from \$47.8 million in 2010 to \$49.6 million in 2011.
- Sales tax accounted for 12.3% of total revenues, increasing \$27,803 thousand from little under \$12.5 million in 2010 to \$12.52 million in 2011.
- Grants and contributions accounted for 7.8% of total revenues, showing an increase of \$2.4 million from \$5.6 million in 2010 to \$7.9 million in 2011. 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 \$30.2 million in 2011 comprising 29.6% of total revenue in 2011, compared to 21.1 million of charges for services in 2010, which represented 23.8% of total revenue in 2010.
- The remaining 1.7% of revenue in 2011 was provided by other taxes, interest income, rental revenues and miscellaneous sources. In 2010 this same group of revenues comprised 2% of revenues. This is

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

primarily due to the reclassification of revenue for specific services that were included in other taxes in 2011.

Expenses for the year totaled about \$104.4 million in 2011 compared to \$94.1 million in 2010. This represents an 11.6% or \$10.3 million, increase in 2011 compared to 2010. A large portion of that increase was due to the change in net OPEB obligation of \$2.3 million.

Highlights of the expenses, by activity are as follows:

- General administration activities accounted for 17.8% of expenses in 2011, increasing by \$613 thousand, or 3.4%, in 2011 compared to 2010. \$600 thousand of that increase was due to OPEB reflected in General Administration activities.
- Judicial activities, accounted for 7.2% of expenses in 2011, increasing by \$68 thousand, or 1%, in 2011 compared to 2010. \$69 thousand of that increase was due to OPEB reflected in the judicial activities.
- Public Safety activities, accounted for 48.4% of expenses in 2011, increasing by \$8.4 million, or 20.1%, in 2011 compared to 2010. \$1.2 million of that increase was due to OPEB reflected in the Public Safety activities.
- Public Transportation activities, accounted for 7.9% of expenses in 2011, increasing by \$495 thousand, or 6.4% in 2011 compared to 2010. \$193 thousand of that increase was due to OPEB reflected in the Public Transportation activities
- Health and Welfare activities, accounted for 11% of expenses in 2011, increasing by \$929 thousand or 8.8% from 2010. \$103 thousand of that increase was due to OPEB reflected in the Health and Welfare activities.
- Culture–Recreation activities, accounted for 1.5% of expenses in 2011, increasing by \$59 thousand from 2010. Other activities, conservation and economic development accounted for 1.4% of expenses, decreasing by \$346 thousand in 2011 from 2010.
- Interest and fiscal charges accounted for 4.7 % of expenses, increasing by \$66 thousand in 2011 from 2010.

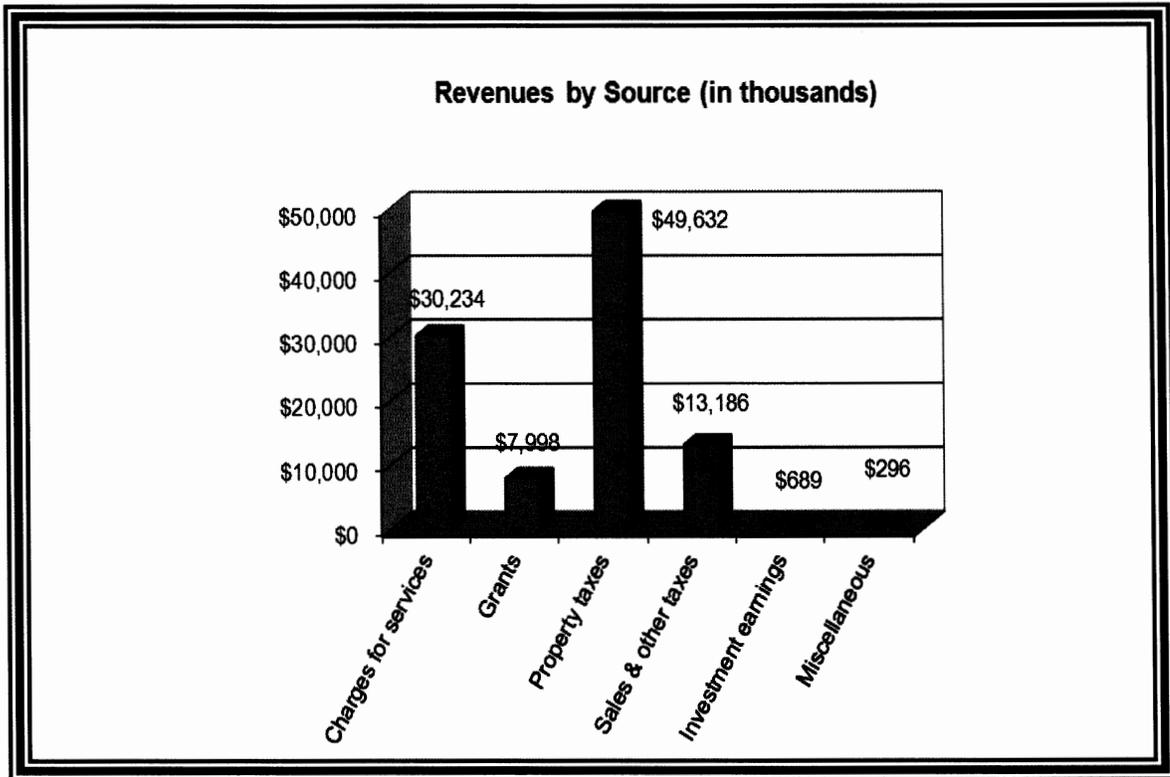
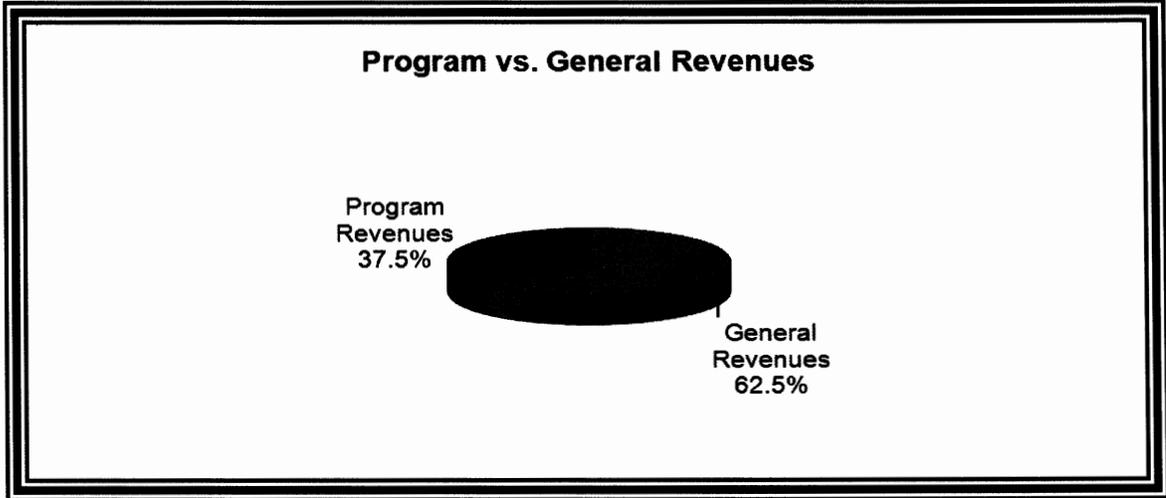
**McLennan County, Texas
Management's Discussion and Analysis
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**Summary of Changes in Net Assets
For the Fiscal Years Ended September 30, 2011
(\$ in thousands)**

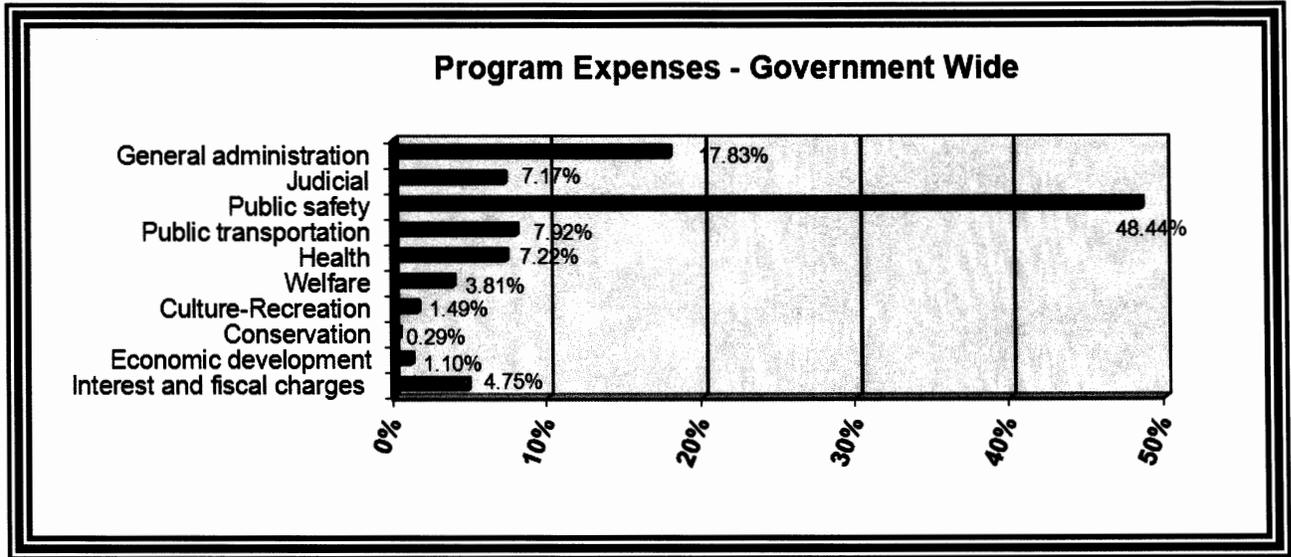
| | 2011 Governmental Activities | 2010 Governmental Activities |
|------------------------------------|------------------------------------|------------------------------------|
| Revenues | | |
| <i>Program Revenues</i> | | |
| Charges for services | 30,234 | 21,091 |
| Operating grants and contributions | 6,799 | 4,648 |
| Capital grants and contributions | 1,199 | 917 |
| | 38,232 | 26,656 |
| <i>General Revenues</i> | | |
| Property Taxes | 49,632 | 47,789 |
| Sales Taxes | 12,523 | 12,495 |
| Other Taxes | 663 | 657 |
| Unrestricted investment earnings | 689 | 1,040 |
| Gain on Sale of Capital Assets | 0 | 1 |
| Miscellaneous | 296 | 114 |
| Total General Revenues | 63,803 | 62,096 |
| Total Revenues | 102,035 | 88,752 |
| Expenses | | |
| General administration | 18,621 | 18,008 |
| Judicial | 7,486 | 7,417 |
| Public safety | 50,595 | 42,139 |
| Public transportation | 8,274 | 7,779 |
| Health | 7,538 | 6,912 |
| Welfare | 3,976 | 3,673 |
| Culture-Recreation | 1,554 | 1,495 |
| Conservation | 298 | 302 |
| Economic development | 1,150 | 1492 |
| Interest and fiscal charges | 4,959 | 4,893 |
| Total expenses | 104,451 | 94,110 |
| Change in net assets | (2,416) | (5,358) |
| Net assets - beginning | 80,062 | 85,420 |
| Prior Period Adjustment | | |
| Change in valuation of receivables | (464) | |
| Adjusted net assets - beginning | 79,598 | 85,420 |
| Net assets, ending | 77,182 | 80,062 |

**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.



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Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

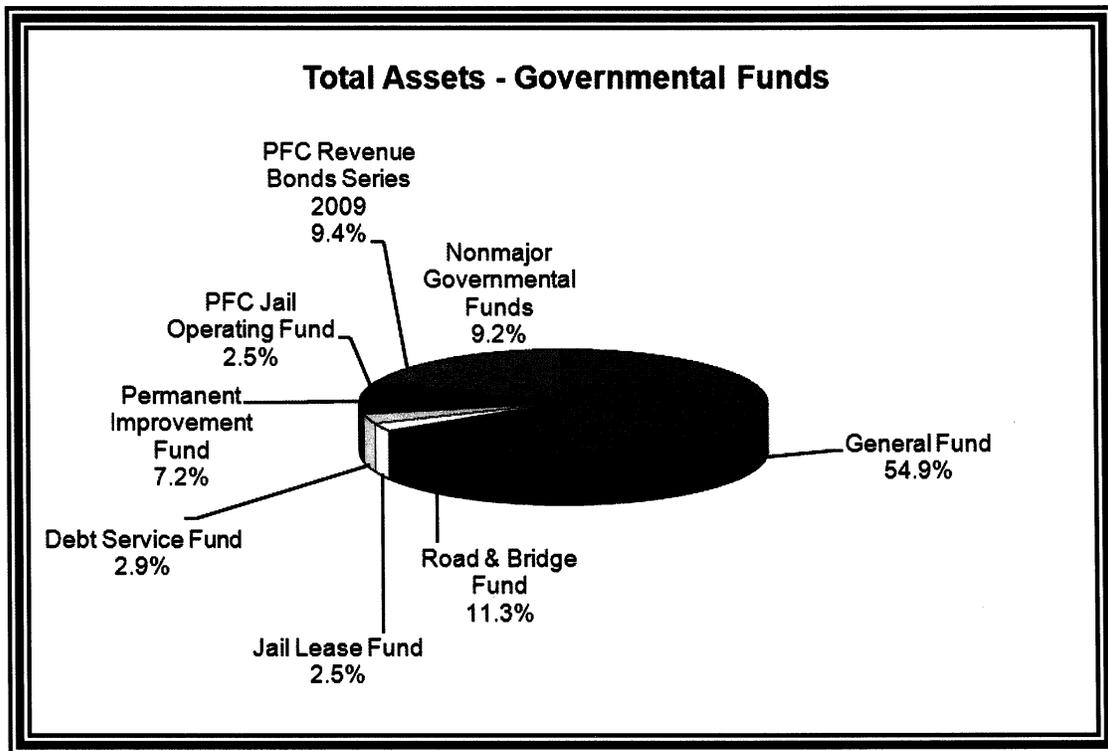
As noted earlier, McLennan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the County's governmental funds:

Governmental Funds Balance Sheet Analysis

The General Fund, Road & Bridge Fund, Jail Lease Fund, Debt Service Fund, Permanent Improvement Fund, PFC Jail Operating Fund, and PFC Revenue Bonds Series 2009 Debt Service Fund are the funds considered to be major funds in 2011. The General Fund accounted for 54.9% of total governmental fund assets and 56.6% of the governmental fund balances. The Road & Bridge Fund accounted for 11.3% of the total governmental fund assets and 12.7% of the governmental fund balances. The Jail Lease Fund accounted for 2.5% of total governmental fund assets and 0% of the governmental fund balances. The Debt Service Fund accounted for 2.9% of the total governmental fund assets and 3.0% of the total governmental fund balances. The Permanent Improvement Fund accounted for 7.2% of the total governmental fund assets and 7.0% of the total governmental fund balances. The PFC Jail Operating Fund accounted for 2.5% of the total governmental fund assets and 0% of the governmental fund balances. The PFC Revenue Bonds Series 2009 Debt Service Fund accounted for 9.5% of the total governmental fund assets and 11.3% of the total governmental fund balances.

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Management's Discussion and Analysis
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A chart showing the relative value of the assets of each major fund, as well as nonmajor governmental funds, follows:



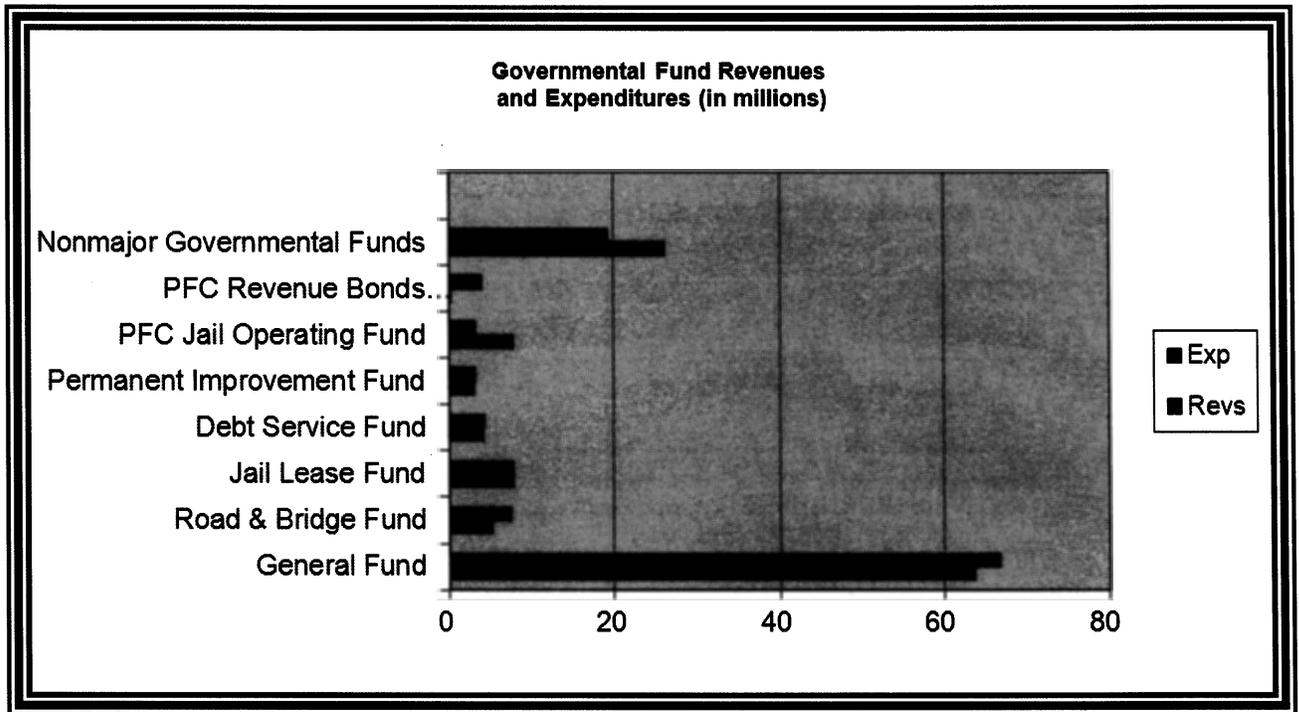
The focus of McLennan County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of September 30, 2011, the County's governmental funds reported combined ending fund balances of over \$54 million. Of this total amount, \$22.7 million (41.8%) is unassigned and available for spending without restrictions for general governmental purposes from the General Fund. \$7.9 million (14.6%) is committed for economic development expenditures in the General Fund. \$6.9 million (12.7) is committed for public transportation expenditures in the Road & Bridge Fund. \$1.6 million (3%) is restricted for debt service expenditures in the Debt Service Fund. \$3.7 million (7%) is committed for capital projects expenditures in the Permanent Improvement Fund. \$6.1 million (11.3%) is restricted for debt service expenditures in the PFC Revenue Bonds Series 2009 Debt Service Fund. \$5.1million (9.6%) is restricted for or committed for specific expenditures being stated in the individual Special Revenue or Capital Projects Funds.

The fund balance for the General fund decreased by \$3 million in 2011 compared 2010, due to the County operating expenditures. The fund balance of the Road and Bridge fund increased by \$191 thousand in 2011 compared 2010, primarily due to transfers from other funds. The fund balance of the Debt Service fund decrease by \$226 thousand in 2011 compared 2010, due to debt service payments. The fund balance of the Permanent Improvement fund decrease by \$219 thousand in 2011 compared 2010, due to construction in progress payments on court house roof. The fund balance of PFC Revenue Bonds Series 2009 Debt Service Fund increased by \$780 thousand in 2011 compared 2010, primarily due to transfers from other funds.

**McLennan County, Texas
Management's Discussion and Analysis
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Governmental Funds Revenue/Expenditure Analysis

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



The revenues in the above chart do not include other financing sources, such as proceeds from new debt, the sale of assets, or other financing sources, nor does it include other financing uses. The General Fund accounts for 63.63% of all governmental fund revenue and 66.70% of expenditures.

McLennan County, Texas
Management's Discussion and Analysis
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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, 2011:

| Comparison of Original Budget and Final Budget | | | |
|---|------------------|-----------|---------------------------------|
| Year Ended September 30, 2011 | | | |
| (\$ in Thousands) | | | |
| | Budgeted Amounts | | Variance with |
| | Original | Final | Final Budget Under (Over) |
| Revenues: | | | |
| Taxes | \$ 51,494 | \$ 51,494 | \$ - |
| Licenses and Permits | 111 | 111 | - |
| Intergovernmental | 1,958 | 1,958 | 0 |
| Charges for Services | 5,457 | 5,457 | - |
| Fines and Forfeits | 200 | 200 | - |
| Miscellaneous | 4,293 | 4,302 | (9) |
| Total Revenues | 63,513 | 63,522 | (9) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 20,178 | 19,767 | 411 |
| Judicial | 6,597 | 6,672 | (75) |
| Public Safety | 33,160 | 33,178 | (18) |
| Public Transportation | 375 | 375 | - |
| Health | 8,333 | 8,335 | (2) |
| Welfare | 3,804 | 4,071 | (267) |
| Culture-Recreation | 779 | 780 | (1) |
| Conservation | 606 | 606 | - |
| Economic Development and Assistance | 8,824 | 8,885 | (61) |
| Debt Service: | | | |
| Principal and Retirements | 923 | 946 | (23) |
| Interest and Fiscal Charges | 342 | 319 | 23 |
| Total Expenditures | 83,921 | 83,934 | (13) |
| Excess (Deficiency) of Revenue over Expenditures | (20,408) | (20,412) | (4) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 639 | 639 | - |
| Transfers Out | (649) | (659) | (10) |
| Sale of Capital Assets | - | 14 | 14 |
| Total Other Financing Sources | (10) | (6) | 4 |
| Net Change in Fund Balance | (20,418) | (20,418) | - |
| Fund Balance at Beginning of Year | 29,422 | 29,422 | - |
| Fund Balance at End of Year | \$ 9,004 | \$ 9,004 | \$ - |

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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 \$9 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 \$411 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 \$550 thousand. The difference of \$139 thousand was due to the contingency being transferred to accounts within the General Government function.
- *Regarding the \$75 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 \$18 thousand negative change in the Public Safety function.* The increase in the appropriations for this function was primarily the result of contingency transfer of \$9 thousand from the General Government contingency.
- *Regarding the \$267 thousand negative change in the Welfare function.* The increase in the appropriations for this function was primarily the result of contingency transfer of \$240 thousand from General Government contingency.
- *Regarding the \$61 thousand negative change in Economic Development and Assistance function.* The increase in this function was provided by contingency transfers from the General Government contingency.

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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, 2011:

**General Fund Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended September 30, 2011
(\$ in Thousands)**

| | Final Budget | Final Actual | Variance with Final Budget Under (Over) |
|---|-----------------|------------------|--|
| Revenues: | | | |
| Taxes | \$ 51,494 | \$ 52,874 | \$ 1,380 |
| Licenses and Permits | 111 | 127 | 16 |
| Intergovernmental | 1,958 | 2,215 | 257 |
| Charges for Services | 5,457 | 5,968 | 511 |
| Fines and Forfeits | 200 | 233 | 33 |
| Miscellaneous | 4,302 | 2,218 | (2,084) |
| Total Revenues | <u>63,522</u> | <u>63,635</u> | <u>113</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 19,767 | 16,687 | 3,080 |
| Judicial | 6,672 | 6,207 | 465 |
| Public Safety | 33,178 | 28,587 | 4,591 |
| Public Transportation | 375 | 352 | 23 |
| Health | 8,335 | 7,474 | 861 |
| Welfare | 4,071 | 3,949 | 122 |
| Culture-Recreation | 780 | 750 | 30 |
| Conservation | 606 | 277 | 329 |
| Economic Development and Assistance | 8,885 | 1,150 | 7,735 |
| Debt Service: | | | |
| Principal and Retirements | 946 | 946 | - |
| Interest and Fiscal Charges | 319 | 319 | - |
| Total Expenditures | <u>83,934</u> | <u>66,698</u> | <u>17,236</u> |
| Excess (Deficiency) of Revenue over Expenditures | (20,412) | (3,063) | 17,349 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 639 | 639 | - |
| Transfers Out | (659) | (639) | 20 |
| Sale of Capital Assets | 14 | 29 | 15 |
| Total Other Financing Sources | <u>(6)</u> | <u>29</u> | <u>35</u> |
| Net Change in Fund Balance | (20,418) | (3,034) | 17,384 |
| Fund Balance at Beginning of Year, Restated | 29,422 | 33,658 | 4,236 |
| Fund Balance at End of Year | <u>\$ 9,004</u> | <u>\$ 30,624</u> | <u>\$ 21,620</u> |

McLennan County, Texas
Management's Discussion and Analysis
September 30, 2011

Actual Revenues Compared to Estimated Revenues

Actual revenues in the General Fund are about \$100 thousand (.1779%) above estimated revenues in the budget. Highlights of these differences are as follows:

- Collections on ad valorem taxes exceeded the estimate by \$356 thousand. Current collections exceeded the estimate by \$299 thousand, and delinquent collections exceeded the estimate by \$57 thousand.
- Actual sales tax collections in 2011 in Texas by exceeding the estimated collections by \$1 million, despite the declining retail sales around the Nation.
- Intergovernmental revenues collected were \$257 thousand greater than anticipated. \$13 thousand of this was due to larger than expected funding from the Tobacco Settlement Fund, \$40 thousand was due to larger than expected funding from the State of Texas Bingo Taxes, \$101 thousand was due to an increase in funding from State of Texas Vehicle Sales Tax Commission Fund, and \$21 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 \$511 thousand. The primary component of the positive variance was support of Federal prisoners (\$430 thousand).
- Investment revenue was \$41 thousand less than anticipated.
- Miscellaneous revenue was \$2.1million less than anticipated. The primary driver of this negative variance was \$2 million less in CEC Jail Rental Revenue.

Actual Expenditures Compared to Budgeted Expenditures

Actual expenditures were 79.4% of the budget for 2011, compared to 86.3% for 2010. All functions were within budget. The three largest positive variances were in the functions of General Government, Public Safety and Economic Development and Assistance. Together they accounted for \$15.4 million (89.4%) of the total positive budget variance of \$17.2 million.

The General Government positive budget variance was \$3.1 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 \$441 thousand, or 14% of the positive General Government variance.
- The County was able to procure its insurance needs for \$77 thousand less than what was appropriated.
- The County was able to leave \$643 thousand unused in its contingency accounts.
- Expenditures for maintenance of buildings and equipment were \$217 thousand less than anticipated.
- Expenditures for utilities were \$210 thousand less than anticipated.
- Expenditures for county legal counsel and other purchased services were \$57 thousand less than anticipated.
- Expenditures for supplies were \$148 thousand less than anticipated.

The Public Safety positive budget variance was \$4.6 million. That positive variance was primarily composed of the following items:

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- The County pays a jail management company to manage the old downtown jail where certain Federal prisoners are incarcerated on a per diem contract basis. The budget for the fee paid to the management company was \$2.2 million more than the actual expenditures incurred.
- Salaries and benefits must be included in the budget for each budgeted position, even though there are times some of those positions are not filled. This resulted in a positive variance in personal services expenditures of \$563 thousand, or 12.2% of the positive Public Safety variance.
- Expenditures for utilities at the jail were actually \$208 thousand less than the amount budgeted.
- The cost of autopsies and body bags was \$50 thousand less than the appropriation.
- Outside care of inmates was \$60 thousand more than budgeted.
- Centralized Dispatch Service cost was \$42 thousand less than budgeted.

The Economic Development and Assistance positive budget variance was about \$7.7 million. The positive variance was primarily function of Other Purchase Services which were 6.8 million less than budgeted. In 2011, the County's actual expenditures relating to Economic Development Assistance were \$1.2 million.

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, 2011, amounts to more than \$105 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 \$699 thousand.
- Two bridges were built a cost of more than \$736 thousand. The bridges were built through the State of Texas bridge replacement program.
- Construction in progress of the courthouse roof and the current cost of construction is more than 1.4 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, 2011, McLennan County had slightly less than \$26 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, 2011.

At September 30, 2011, the McLennan County Public Facilities Corporation, a presented as a blended component of McLennan County, had slightly more than \$48 million in total Revenue Bonds Series 2009. The revenue bonds are the liability of the Corporation, and revenues from rental of jail space to third party entities

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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 revenue bonds were rated AA- by Standard & Poors.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- The County included a \$600 per year cost of living increase for substantially all full-time employees for the 2012 budget year.
- Due to an increase in real property valuation at January 1, 2011, the County was able to maintain the overall ad valorem tax rate at \$.4643 while raising additional ad valorem tax assessment of \$1.98 million in 2012 over 2011.
- Due to the average price of gasoline at \$3.71 per gallon compared to \$3.44 in the prior year, the County expects the cost of supplies and the IRS millage reimbursement rate to increase in 2012.
- The beverage tax revenue for all local governments in Texas will be less in 2012 than it was in 2011 due to a bill that had an effective date of September 1, 2011. The law passed by the Texas legislature reduced the mixed beverage tax revenue received from the State of Texas by 2%.

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, 2011

ASSETS

| | | |
|--|----|--------------------|
| Cash and Investments | \$ | 54,722,621 |
| Receivables (net of allowances for estimated uncollectibles): | | |
| Taxes | | 2,827,141 |
| Accounts | | 5,532,789 |
| Due from Other Governments | | 4,211,080 |
| Prepaid Assets | | 432,722 |
| Deferred Charges | | 1,744,820 |
| Capital Assets (net of accumulated depreciation) | | |
| Land | | 3,537,312 |
| Buildings and system | | 81,701,452 |
| Improvements other than buildings | | 566,601 |
| Machinery and equipment | | 5,685,511 |
| Infrastructure | | 11,437,204 |
| Construction in progress | | 1,620,009 |
| Total Assets | \$ | <u>174,019,262</u> |

LIABILITIES

| | | |
|---------------------------|----|-------------------|
| Accounts Payable | \$ | 5,064,884 |
| Accrued Interest Payable | | 1,403,945 |
| Due to Other Governments | | 3,252 |
| Unearned Revenue | | 286,772 |
| Noncurrent liabilities: | | |
| Due within one year | | 6,361,278 |
| Due in more than one year | | 83,717,491 |
| Total Liabilities | | <u>96,837,622</u> |

NET ASSETS

| | | |
|---|----|-------------------|
| Invested in Capital Assets, net of related debt | | 25,954,771 |
| Restricted Net Assets | | |
| Restricted for General Government | | 600,933 |
| Restricted for Judicial Functions | | 1,447,799 |
| Restricted for Public Safety Functions | | 2,469,399 |
| Restricted for Transportation Functions | | 108,080 |
| Restricted for Welfare Functions | | 30,865 |
| Restricted for Debt Service | | 8,023,063 |
| Unrestricted | | 38,546,730 |
| Total Net Assets | \$ | <u>77,181,640</u> |

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

MCLENNAN COUNTY, TEXAS

Statement of Activities

For the Year Ended September 30, 2011

| Functions/Programs: | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--------------------------------------|-----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| General Administration | \$ 18,620,842 | \$ 6,747,099 | \$ 99,216 | \$ 387,172 | \$ (11,387,355) |
| Judicial | 7,485,639 | 4,159,152 | - | - | \$ (3,326,487) |
| Public Safety | 50,595,444 | 18,781,325 | 6,312,127 | 109,590 | \$ (25,392,402) |
| Public Transportation | 8,273,879 | 239,928 | 86,458 | 701,833 | \$ (7,245,660) |
| Health | 7,537,703 | 289,347 | - | - | \$ (7,248,356) |
| Welfare | 3,976,166 | - | 301,407 | - | \$ (3,674,759) |
| Culture-Recreation | 1,554,300 | 17,585 | - | - | \$ (1,536,715) |
| Conservation | 297,797 | - | - | - | \$ (297,797) |
| Economic Development and Assistance | 1,150,231 | - | - | - | \$ (1,150,231) |
| Interest and fiscal charges | 4,959,103 | - | - | - | \$ (4,959,103) |
| Total Governmental Activities | \$ 104,451,104 | \$ 30,234,436 | \$ 6,799,208 | \$ 1,198,595 | (66,218,865) |
| General Revenues: | | | | | |
| | | | | | 49,631,517 |
| | | | | | 12,523,389 |
| | | | | | 663,048 |
| | | | | | 688,659 |
| | | | | | 296,040 |
| | | | | | <u>63,802,653</u> |
| | | | | | (2,416,212) |
| | | | | | <u>79,597,852</u> |
| | | | | | <u>\$ 77,181,640</u> |

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

MCLENNAN COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2011

| | General Fund | Road & Bridge Fund | Jail Lease Fund |
|--|----------------------|-----------------------|-----------------------|
| <u>ASSETS</u> | | | |
| Cash and Investments | \$ 29,958,222 | \$ 7,280,703 | \$ - |
| Receivables (net of allowances for estimated uncollectibles): | | | |
| Taxes | 2,306,534 | - | - |
| Accounts | 205,607 | 285 | - |
| Due from Other Funds | 134,345 | - | 242,151 |
| Due from Other Governments | 2,505,213 | 59,661 | 1,359,872 |
| Prepaid Assets | 432,722 | - | - |
| Total Assets | <u>\$ 35,542,643</u> | <u>\$ 7,340,649</u> | <u>\$ 1,602,023</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 2,460,717 | \$ 429,839 | \$ - |
| Interest Payable | - | - | - |
| Due to Other Funds | 242,151 | - | 1,602,023 |
| Due to Other Governments | 3,252 | - | - |
| Deferred Revenue | 2,211,701 | - | - |
| Total Liabilities | <u>4,917,821</u> | <u>429,839</u> | <u>1,602,023</u> |
| Fund Balances: | | | |
| Restricted for: | | | |
| General Government | - | - | - |
| Judicial | - | - | - |
| Public Safety | - | - | - |
| Public Transportation | - | - | - |
| Welfare | - | - | - |
| Debt Service | - | - | - |
| Committed for: | | | |
| Capital Projects | - | - | - |
| Judicial | - | - | - |
| Public Transportation | - | 6,910,810 | - |
| Economic Development | 7,924,745 | - | - |
| Unassigned | 22,700,077 | - | - |
| Total Fund Balance | <u>30,624,822</u> | <u>6,910,810</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 35,542,643</u> | <u>\$ 7,340,649</u> | <u>\$ 1,602,023</u> |

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

| Debt Service Fund | Permanent Improvement Fund | PFC Jail Operating Fund | PFC Revenue Bonds Series 2009 Debt Service Fund | Other Governmental Funds | Total |
|---------------------|----------------------------|-------------------------|---|--------------------------|----------------------|
| \$ 1,592,428 | \$ 4,540,609 | \$ 19,881 | \$ 5,759,344 | \$ 5,571,434 | \$ 54,722,621 |
| 308,096 | 99,446 | - | - | 113,065 | 2,827,141 |
| - | - | - | - | 22,104 | 227,996 |
| - | - | 1,602,023 | 354,203 | - | 2,332,722 |
| - | 42,000 | - | - | 244,334 | 4,211,080 |
| - | - | - | - | - | 432,722 |
| <u>\$ 1,900,524</u> | <u>\$ 4,682,055</u> | <u>\$ 1,621,904</u> | <u>\$ 6,113,547</u> | <u>\$ 5,950,937</u> | <u>\$ 64,754,282</u> |
| \$ - | \$ 763,115 | \$ 1,267,701 | \$ - | \$ 143,512 | \$ 5,064,884 |
| 5,995 | - | - | - | - | 5,995 |
| - | - | 354,203 | - | 134,345 | 2,332,722 |
| - | - | - | - | - | 3,252 |
| 293,109 | 119,861 | - | - | 489,242 | 3,113,913 |
| <u>299,104</u> | <u>882,976</u> | <u>1,621,904</u> | <u>-</u> | <u>767,099</u> | <u>10,520,766</u> |
| - | - | - | - | 600,933 | 600,933 |
| - | - | - | - | 1,447,799 | 1,447,799 |
| - | - | - | - | 2,469,399 | 2,469,399 |
| - | - | - | - | 108,080 | 108,080 |
| - | - | - | - | 30,865 | 30,865 |
| 1,601,420 | - | - | 6,113,547 | - | 7,714,967 |
| - | 3,799,079 | - | - | 122,177 | 3,921,256 |
| - | - | - | - | 416,355 | 416,355 |
| - | - | - | - | - | 6,910,810 |
| - | - | - | - | - | 7,924,745 |
| - | - | - | - | (11,770) | 22,688,307 |
| <u>1,601,420</u> | <u>3,799,079</u> | <u>-</u> | <u>6,113,547</u> | <u>5,183,838</u> | <u>54,233,516</u> |
| <u>\$ 1,900,524</u> | <u>\$ 4,682,055</u> | <u>\$ 1,621,904</u> | <u>\$ 6,113,547</u> | <u>\$ 5,950,937</u> | <u>\$ 64,754,282</u> |



MCLENNAN COUNTY, TEXAS

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

September 30, 2011

Total fund balances - governmental funds \$ 54,233,516

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 | 81,701,452 | |
| Improvements other than buildings | 566,601 | |
| Machinery and equipment | 5,685,511 | |
| Infrastructure | 11,437,204 | |
| Construction in progress | <u>1,620,009</u> | |
| Total capital assets | | 104,548,089 |

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. 5,304,793

Property taxes earned in the current fiscal year are not available to provide for current financial resources, and therefore are deferred in the funds. 2,827,141

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 | (1,397,950) | |
| General obligation bonds | (3,110,000) | |
| Revenue Bonds | (800,000) | |
| Capital leases | (1,000,525) | |
| Compensated absences | <u>(1,450,753)</u> | |
| Total current liabilities | | (7,759,228) |
| General obligation bonds | (23,875,000) | |
| Revenue Bonds | (47,465,000) | |
| Unamortized Deferred Amount on Refunding | (156,587) | |
| Unamortized Deferred Original Issue Discount | 1,777,117 | |
| Unamortized Refunding Bond Issue Cost | 296,870 | |
| Unamortized Bond Issue Cost | 1,447,950 | |
| Capital leases | (3,963,323) | |
| Other Post Employment Benefits | (9,670,153) | |
| Compensated absences | <u>(364,545)</u> | |
| Total non-current liabilities | | <u>(81,972,671)</u> |

Net Assets \$ 77,181,640

The notes to the financial statements are an 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, 2011

| | General Fund | Road & Bridge Fund | Jail Lease Fund | Debt Service Fund |
|---|----------------------|-----------------------|-----------------------|-------------------------|
| Revenues: | | | | |
| Taxes | \$ 52,874,380 | \$ - | \$ - | \$ 4,121,133 |
| Licenses and Permits | 126,638 | 1,904,972 | - | - |
| Intergovernmental | 2,214,839 | 1,583,309 | - | 3,678 |
| Charges for Services | 5,967,758 | - | 7,765,605 | - |
| Fines and Forfeits | 233,530 | 1,449,264 | - | - |
| Miscellaneous | 2,217,996 | 253,833 | - | 23,515 |
| Total Revenues | <u>63,635,141</u> | <u>5,191,378</u> | <u>7,765,605</u> | <u>4,148,326</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 16,687,293 | - | - | 94,604 |
| Judicial | 6,206,627 | - | - | - |
| Public Safety | 28,587,055 | - | 7,765,605 | - |
| Public Transportation | 351,501 | 6,754,848 | - | - |
| Health | 7,473,464 | - | - | - |
| Welfare | 3,949,629 | - | - | - |
| Culture-Recreation | 750,345 | - | - | - |
| Conservation | 276,939 | - | - | - |
| Economic Development and Assistance | 1,150,231 | - | - | - |
| Debt Service: | | | | |
| Principal | 946,443 | 49,649 | - | 2,930,000 |
| Interest and Fiscal Charges | 318,426 | 5,717 | - | 1,169,908 |
| Capital Projects | - | 700,760 | - | - |
| Total Expenditures | <u>66,697,953</u> | <u>7,510,974</u> | <u>7,765,605</u> | <u>4,194,512</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>(3,062,812)</u> | <u>(2,319,596)</u> | <u>-</u> | <u>(46,186)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 638,696 | 2,702,804 | - | - |
| Transfers Out | (637,715) | (237,115) | - | (280,918) |
| Premium on Debt Issue | - | - | - | 278,793 |
| Issuance of Refunding Bonds | - | - | - | 5,885,000 |
| Payment to Refunded Bonds Agent | - | - | - | (6,062,517) |
| Sale of Capital Assets | 29,044 | 45,888 | - | - |
| Total Other Financing Sources | <u>30,025</u> | <u>2,511,577</u> | <u>-</u> | <u>(179,642)</u> |
| Net Change in Fund Balance | (3,032,787) | 191,981 | - | (225,828) |
| Fund Balance at Beginning of Year, Restated | <u>33,657,609</u> | <u>6,718,829</u> | <u>-</u> | <u>1,827,248</u> |
| Fund Balance at End of Year | <u>\$ 30,624,822</u> | <u>\$ 6,910,810</u> | <u>\$ -</u> | <u>\$ 1,601,420</u> |

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

| Permanent Improvement Fund | PFC Jail Operating Fund | PFC Revenue Bonds Series 2009 Debt Service Fund | Other Governmental Funds | Total |
|----------------------------------|----------------------------------|--|--------------------------------|---------------|
| \$ 2,635,423 | \$ - | \$ - | \$ 2,348,073 | \$ 61,979,009 |
| - | - | - | - | 2,031,610 |
| 272,352 | - | - | 4,341,223 | 8,415,401 |
| - | 7,765,605 | - | 3,713,808 | 25,212,776 |
| - | - | - | 149,241 | 1,832,035 |
| 58,787 | 4 | 129,454 | 41,794 | 2,725,383 |
| 2,966,562 | 7,765,609 | 129,454 | 10,594,139 | 102,196,214 |
| - | - | - | 554,438 | 17,336,335 |
| - | - | - | 720,345 | 6,926,972 |
| - | 3,117,909 | - | 6,787,290 | 46,257,859 |
| - | - | - | - | 7,106,349 |
| - | - | - | - | 7,473,464 |
| - | - | - | - | 3,949,629 |
| - | - | - | - | 750,345 |
| - | - | - | - | 276,939 |
| - | - | - | - | 1,150,231 |
| - | - | 750,000 | - | 4,676,092 |
| - | - | 3,247,244 | - | 4,741,295 |
| 3,186,207 | - | - | 277,018 | 4,163,985 |
| 3,186,207 | 3,117,909 | 3,997,244 | 8,339,091 | 104,809,495 |
| (219,645) | 4,647,700 | (3,867,790) | 2,255,048 | (2,613,281) |
| - | - | 4,647,700 | 82,143 | 8,071,343 |
| - | (4,647,700) | - | (2,267,895) | (8,071,343) |
| - | - | - | - | 278,793 |
| - | - | - | - | 5,885,000 |
| - | - | - | - | (6,062,517) |
| - | - | - | 41,001 | 115,933 |
| - | (4,647,700) | 4,647,700 | (2,144,751) | 217,209 |
| (219,645) | - | 779,910 | 110,297 | (2,396,072) |
| 4,018,724 | - | 5,333,637 | 5,073,541 | 56,629,588 |
| \$ 3,799,079 | \$ - | \$ 6,113,547 | \$ 5,183,838 | \$ 54,233,516 |



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, 2011

| | | |
|---|--------------------|-----------------------|
| Net change in fund balances - governmental funds | | \$ (2,396,072) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are: | | |
| Capital outlay | \$ 4,911,621 | |
| Depreciation expense | <u>(6,822,412)</u> | |
| Excess of depreciation expense over capital outlay | | (1,910,791) |
| Governmental funds report the full amount of proceeds from capital asset sales. However, in the statement of activities, only the gains or losses associated with those sales are reported. In the current period these amounts are: | | |
| Sales of capital assets | \$ (115,931) | |
| Net gains on sales of capital assets | <u>66,664</u> | |
| | | (49,267) |
| 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. | | 6,500 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | | |
| Property taxes receivable | \$ 175,897 | |
| Fines and fees receivable | <u>(410,385)</u> | |
| Total receivables | | (234,488) |
| The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities. | | 29,657 |
| The OPEB obligation per GASB 45 are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities. | | (2,313,363) |
| Accrued interest reported as expense in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | (68,741) |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current period these differences are: | | |
| Debt issuance and refunding | \$ (5,885,000) | |
| Payment to escrow agent | 5,990,000 | |
| Premium on refunding bonds | (278,793) | |
| Amortization of deferred refunding amount | (24,755) | |
| Debt issue costs | 94,604 | |
| Amortization of debt issuance costs | (51,795) | |
| Debt repayment | <u>4,676,092</u> | |
| Total long-term debt | | <u>4,520,353</u> |
| Change in net assets of governmental activities | | <u>\$ (2,416,212)</u> |

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

MCLENNAN COUNTY, TEXAS

Statement of Fiduciary Net Assets

Fiduciary Funds

September 30, 2011

| | Private Purpose Trust Funds | Agency Funds |
|-------------------------------------|--|-------------------------|
| Assets: | | |
| Cash and Investments | \$ 66,455 | \$ 7,985,246 |
| Accounts Receivable | - | 16,459 |
| Accrued Interest | - | 5,982 |
| | <u>\$ 66,455</u> | <u>\$ 8,007,687</u> |
| Liabilities: | | |
| Accounts Payable | \$ - | \$ 184,058 |
| Due to Other Governments | - | 799,526 |
| Due to Others | - | 7,024,103 |
| | <u>\$ -</u> | <u>\$ 8,007,687</u> |
| Net Assets: | | |
| Held in Trust for Pool Participants | <u>\$ 66,455</u> | <u>\$ -</u> |
| | <u>\$ 66,455</u> | <u>\$ -</u> |

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

MCLENNAN COUNTY, TEXAS

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year Ended September 30, 2011

| | <u>Private Purpose Trust Funds</u> |
|-------------------------------|--|
| Additions: | |
| Investment Earnings: | |
| Interest | \$ 624 |
| Total Investment Earnings | <u>624</u> |
| Total Additions | <u>624</u> |
| Deductions: | - |
| Total Deductions | <u>-</u> |
| Change in Net Assets | 624 |
| Net Assets, Beginning of Year | <u>65,831</u> |
| Net Assets, End of Year | <u><u>\$ 66,455</u></u> |

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



MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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

1. 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, road and bridge maintenance, public health, agricultural extension services, fairgrounds venue, juvenile services, assistance to indigents and area economic development.

2. 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 Commissioners 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 criminal detention and correctional facility and to 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, such as 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, 2011 consisted of the individuals that comprise the Commissioners Court. The Corporation is included in the Comprehensive Annual Financial Report as a blended component unit. The Corporation's funds consist of an Operating Fund, a Capital Projects Fund, and a Debt Service Fund.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

(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. Primary support of governmental activities 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, Road and Bridge Fund, Jail Lease Fund, Debt Service Fund, Permanent Improvement Fund, PFC Jail Operating Fund, and the PFC Revenue Bonds Series 2009 Debt Service 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, and a Capital Projects 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, 2010 that were due October 1, 2010, have been assessed to finance the budget of the fiscal year ending September 30, 2011. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2011, 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

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

liability is incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is made.

1. 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 Road and Bridge Fund is a constitutional fund used to account for the revenues and expenditures associated with the construction and maintenance of roads and bridges within the county. The principal sources of revenues for the Road and Bridge Fund are property taxes, intergovernmental revenue, and fines and fees.

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

The Debt Service Fund is 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.

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

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 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.

2. The government reports the following nonmajor governmental funds:

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.

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 the proceeds from the issuance of debt.

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3. Additionally, the government reports the following fund types:

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

Private-purpose trust funds are used to report any trust arrangement under which principal and income benefit individuals, private organizations, or other government.

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

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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

Inventories of the governmental funds consist of expendable supplies and materials held for consumption. The purchase method is used to account for inventory in the governmental funds. The cost is recorded as an expenditure at the time individual items are purchased.

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

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

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

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

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

5. Longevity Pay

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

6. Compensated Absences

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

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

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

be met to be considered as compensated absences: a) leave or compensation is attributable to

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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.

9. Long-term Obligations

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

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

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10. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by court resolution of the Commissioners Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners Court.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned.

II. DETAILED NOTES ON ALL FUNDS

(a) Deposits and Investments

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.

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.

1. Interest Rate Risk

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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.

2. Credit Risk

According to County policy all of its cash deposits are required to be in an institution that either has its main office or a branch in Texas, and are guaranteed by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in clauses (1) through (4). Furthermore, 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) 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; (4) obligations of states, agencies, counties, cities and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than an A or its equivalent; (5) 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 (4) or in any other manner and amount provided by law for county and district deposits; (6) 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; (7) 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; (8) 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; (9) 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 (10) 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.

3. Concentration of Credit Risk

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

4. 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, 2011, all cash deposits with financial institutions were insured by a combination of FDIC coverage, FHLB letters of credit, or collateralized securities.

5. 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. At September 30, 2011, the County has no custodial risk with regard to its investments.

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(b) Property Taxes and Other Receivables

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

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded as payable to entities at gross amount due before tax collection commission 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.

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Notes to the Basic Financial Statements

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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:

| | <u>Taxes</u> | <u>Allowance</u> | <u>Net</u> |
|--|--------------|------------------|---------------------|
| Delinquent Property Taxes Receivable: | | | |
| General Fund | \$ 2,562,816 | \$ (256,282) | \$ 2,306,534 |
| Debt Service Fund | 342,329 | (34,233) | 308,096 |
| Permanent Improvement Fund | 110,496 | (11,050) | 99,446 |
| Farm to Market/Flood Control Fund | 118,492 | (11,849) | 106,643 |
| Jury Fund | 7,136 | (714) | 6,422 |
| Total Delinquent Property Taxes Receivable | 3,141,269 | (314,128) | 2,827,141 |
| Due From Other Funds | | | 2,332,722 |
| Due From Other Governments | | | 4,211,080 |
| Miscellaneous Receivables | | | <u>227,996</u> |
| Total Receivables | | | <u>\$ 9,598,939</u> |

(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, 2011, the County had increases in total capital assets of \$4.9 million, with \$1.4 million recorded as construction in progress for the courthouse roof. Other increases include \$962,180 for renovations to the downtown jail and \$735,520 for two new bridges constructed through the TXDOT off-system bridge replacement program.

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| | Beginning | | | Ending |
|---|-----------------------|-------------------------|-------------------------|-----------------------|
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 3,537,312 | \$ - | \$ - | \$ 3,537,312 |
| Construction in progress | 274,201 | 1,414,230 | (68,422) | 1,620,009 |
| <hr/> | | | | |
| Total capital assets, not being | | | | |
| Depreciated | 3,811,513 | 1,414,230 | (68,422) | 5,157,321 |
| <hr/> | | | | |
| Capital assets being depreciated: | | | | |
| Buildings | 121,155,928 | 1,846,683 | - | 123,002,611 |
| Improvements, other than buildings | 891,505 | 128,921 | - | 1,020,426 |
| Machinery and equipment | 24,914,112 | 698,560 | (1,334,662) | 24,278,010 |
| Infrastructure | 36,109,804 | 902,149 | - | 37,011,953 |
| <hr/> | | | | |
| Total assets being depreciated | 183,071,349 | 3,576,313 | (1,334,662) | 185,313,000 |
| <hr/> | | | | |
| Less accumulated depreciation for: | | | | |
| Buildings | (37,255,781) | (4,045,378) | - | (41,301,159) |
| Improvements, other than buildings | (410,499) | (43,326) | - | (453,825) |
| Machinery and equipment | (18,026,109) | (1,847,783) | 1,281,393 | (18,592,499) |
| Infrastructure | (24,688,824) | (885,925) | - | (25,574,749) |
| <hr/> | | | | |
| Total accumulated depreciation | (80,381,213) | (6,822,412) | 1,281,393 | (85,922,232) |
| <hr/> | | | | |
| Total capital assets being depreciated, | | | | |
| Net | 102,690,136 | (3,246,099) | (53,269) | 99,390,768 |
| <hr/> | | | | |
| Governmental activities, net | \$ 106,501,649 | \$ (1,831,869) | \$ (121,691) | \$ 104,548,089 |
| <hr/> <hr/> | | | | |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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Depreciation expense for FY 2011 was charged to functions/programs of the primary government as follows:

| | |
|--|---------------------|
| Governmental activities: | \$ 1,131,355 |
| Judicial | 316,194 |
| Public safety | 3,202,257 |
| Public transportation | 1,331,205 |
| Health | 28,115 |
| Welfare | 21,995 |
| Culture and recreation | 787,605 |
| Conservation | <u>3,686</u> |
| Total depreciation expense — governmental activities | <u>\$ 6,822,412</u> |

(d) Construction Commitments

McLennan County has active construction projects as of September 30, 2011. The projects include the courthouse roof and renovations to the Downtown Jail. At year-end, the County's outstanding commitments on the projects are as follows:

| <u>Project type</u> | <u>Remaining</u> |
|---|---------------------|
| Courthouse Roof | \$ 871,020 |
| Waterproofing Inmate Exercise Area | 107,050 |
| Retrofit Locks, Operators and Control Systems | <u>38,423</u> |
| Total | <u>\$ 1,016,493</u> |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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(e) Long-Term Liabilities

1. General Obligation Bonds

McLennan County issues general obligation bonds and tax notes to finance major capital projects. The following listing of debt is for general obligation bonds and tax notes outstanding at September 30, 2011; the debt is for governmental activities only:

| Description | Interest Rates | Fiscal Year of Issue | Date of Maturity | Bonds Outstanding |
|--|----------------|----------------------|------------------|----------------------|
| Certificates of Obligation Series 2003 | 3.0 – 4.25% | 2003 | 2023 | \$ 5,485,000 |
| Refunding Bonds Series 2003 | 3.0 – 3.35% | 2003 | 2013 | 1,380,000 |
| Refunding Bonds Series 2005 | 3.5 – 4.0% | 2006 | 2020 | 6,045,000 |
| Certificates of Obligation Series 2006 | 3.3 – 4.2% | 2006 | 2025 | 3,500,000 |
| Refunding Bonds Series 2009 | 2.0 – 4.0% | 2009 | 2017 | 4,690,000 |
| Refunding Bonds Series 2011 | 2.0 – 4.0% | 2011 | 2021 | 5,885,000 |
| Total General Obligation Debt | | | | <u>\$ 26,985,000</u> |

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

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

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

Certificates of Obligation Series 2006 totaling \$4,250,000, dated February 8, 2006 were issued to pay, in whole or in part, contractual obligations to be incurred for (i) improvements and renovations to the McLennan County Courthouse, the McLennan County Courthouse Annex, the Shrine Building, the Archives Building, the Adult Probation Building, the Info Tech Building, the Building

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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.

Refunding Bonds Series 2011 totaling \$5,885,000, dated July 11, 2011 were issued to refund general obligation bonds series 2001 issued by the County. These bonds were issued at an effective rate of 2.42%. The proceeds were deposited with an escrow agent for the purpose of redeeming the refunded bonds on July 28, 2011. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets.

2. Contractual Maturities of General Obligation Bonds

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

| Fiscal Year Ending September 30, | Total Debt | | |
|-------------------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Service |
| 2012 | 3,110,000 | 926,406 | 4,036,406 |
| 2013 | 3,205,000 | 856,779 | 4,061,779 |
| 2014 | 2,595,000 | 746,244 | 3,341,244 |
| 2015 | 2,530,000 | 668,469 | 3,198,469 |
| 2016 | 2,630,000 | 587,477 | 3,217,477 |
| 2017 – 2021 | 10,580,000 | 1,651,047 | 12,231,047 |
| 2022 – 2025 | 2,335,000 | 201,775 | 2,536,775 |
| Total | \$ 26,985,000 | \$ 5,638,197 | \$ 32,623,197 |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

3. 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 Rate | Fiscal Year of Issue | Date of Maturity | Bonds Outstanding |
|---|---------------|----------------------|------------------|-------------------|
| McLennan County Public Facility Corporation Revenue Bonds Series 2009 | 6.625% | 2009 | 2035 | \$ 48,265,000 |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

4. Contractual Maturities of Revenue Bonds

The annual debt service for revenue bonds is as follows:

| Fiscal Year Ending September 30, | Total Debt | | |
|-------------------------------------|---------------|---------------|---------------|
| | Principal | Interest | Service |
| 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 | 1,035,000 | 2,963,362 | 3,998,362 |
| 2017 – 2021 | 6,295,000 | 13,692,882 | 19,987,882 |
| 2022 – 2026 | 8,680,000 | 11,312,519 | 19,992,519 |
| 2027 – 2031 | 11,965,000 | 8,029,831 | 19,994,831 |
| 2032 – 2035 | 16,755,000 | 3,239,956 | 19,994,956 |
| Total | \$ 48,265,000 | \$ 51,696,200 | \$ 99,961,200 |

5. 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011, all governmental activities, were as follows:

| Fiscal Year Ending September 30, | Obligation |
|---|----------------------------|
| 2012 | 1,270,701 |
| 2013 | 1,075,774 |
| 2014 | 785,274 |
| 2015 | 765,699 |
| 2016 | 755,912 |
| 2017 – 2018 | 1,261,301 |
| Total minimum lease payments | <u>\$ 5,914,661</u> |
| Less: amount representing interest | <u>(950,814)</u> |
| Present value of minimum lease payments | <u><u>\$ 4,963,847</u></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>(2,559,113)</u> |
| Total | <u><u>\$ 6,449,888</u></u> |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

Schedule of Lease-Purchase Agreements Outstanding

At September 30, 2011

| | 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, 2011 | \$3,468,488 | \$669,348 | \$24,615 | \$615,977 | \$92,077 | \$93,342 |
| Total Future Payments Under Lease Agreement | \$4,271,563 | \$769,296 | \$26,003 | \$656,500 | \$93,424 | \$97,875 |
| 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, 2011

6. 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 | \$ 26,985,000 | \$ 26,985,000 |
| Revenue Bonds | 48,265,000 | 48,265,000 |
| Capital Leases | 4,963,847 | 4,963,847 |
| Total | \$ 80,213,847 | \$ 80,213,847 |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

7. Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2011, 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 | 30,020,000 | 49,015,000 | 5,910,763 | 49,176 | 1,844,955 | 7,356,790 | 94,196,684 |
| Additions | 5,885,000 | - | - | - | 1,444,832 | 3,453,974 | 10,783,806 |
| Reductions | 8,920,000 | 750,000 | 946,916 | 49,176 | 1,474,488 | 1,140,611 | 13,281,191 |
| Ending Balance | 26,985,000 | 48,265,000 | 4,963,847 | - | 1,815,299 | 9,670,153 | 91,699,299 |
| <u>UNAMORTIZED REFUNDING COSTS, NET:</u> | | | | | | | |
| Beginning balance | (119,346) | (1,804,732) | - | - | - | - | (1,924,078) |
| Additions | 278,793 | - | - | - | - | - | 278,793 |
| Amortization | (2,860) | 27,615 | - | - | - | - | 24,755 |
| Ending Balance | 156,587 | (1,777,117) | - | - | - | - | (1,620,530) |
| NET | 27,141,587 | 46,487,883 | 4,963,847 | - | 1,815,299 | 9,670,153 | 90,078,769 |
| Due within one year | 3,110,000 | 800,000 | 1,000,525 | - | 1,450,753 | \$ - | 6,361,278 |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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 and OPEB are liquidated by the same funds in which the respective employees are employed.

(f) Debt Refunding

Refunding Bonds Series 2011 totaling \$5,885,000, dated July 11, 2011 were issued to refund general obligation bonds series 2001 issued by the County. These bonds were issued at an effective rate of 2.42%. The proceeds were deposited with an escrow agent for the purpose of redeeming the refunded bonds on July 28, 2011. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The aggregate difference in the debt service between the refunded bonds and the refunding bonds is a decrease of \$709,800. The economic gain on the refunding transaction was \$707,442.

(g) Post Employment Benefits Other Than Pension Benefits

1. 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.

2. 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.

3. 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.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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 Commissioners Court has the authority to establish and amend the benefits of the plan.

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), an 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 (or funding excess) over a period not to exceed thirty years. The County had its latest OPEB actuarial valuation performed for the fiscal year beginning October 1, 2010 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2011, is as follows:

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

| | |
|--|--------------------------------|
| Annual required contribution | \$ 3,429,638 |
| Interest on OPEB obligation | 331,056 |
| Adjustment to ARC | (306,720) |
| Annual OPEB cost (expense) end of year | <u>3,453,974</u> |
| Net employer contributions | <u>(1,140,611)</u> |
| Increase in net OPEB obligation | 2,313,363 |
| Net OPEB obligation, beginning of year | <u>7,356,790</u> |
| Net OPEB obligation, end of year | <u><u>\$ 9,670,153</u></u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2011 and preceding two years 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 | 12.7% | \$ 3,573,010 |
| 09/30/2010 | 4,254,447 | 11.1% | 7,356,790 |
| 09/30/2011 | 3,453,974 | 33.0% | 9,670,153 |

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:

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|-----------------------------------|---------------------|--------------|------------------------|---|
| | (a) | (b) | (b-a) | (a/b) | (c) | ((b-a)/c) |
| 12/31/2009 | - | 35,532,816 | 35,532,816 | - | 36,178,602 | 98.22% |

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. The County's plan follows a pay-as-you-go funding. McLennan County Commissioners Court has the authority to establish and amend the funding policy.

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

| | |
|---------------------------|--|
| Inflation Rate | 3.0% per annum |
| Investment rate of return | 4.5%, net of expenses |
| Actuarial cost method | Projected Unit Credit Cost Method |
| Amortization method | Level as a percentage of employee payroll |
| Amortization Period | 30-year open amortization |
| Salary Growth | 3.0% per annum |
| Health cost trend rate | Initial rate of 8.50% declining to an ultimate rate of 4.50% after 8 years |

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

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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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.

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

Inter-fund Receivables and Payables Balances

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, 2011, is as follows:

| | Due from Other Funds | Due to Other Funds |
|----------------------------------|-------------------------|-----------------------|
| Due to / from other funds: | | |
| General Fund | \$ 134,345 | \$ 242,151 |
| Jail Lease Fund | 242,151 | 1,602,023 |
| PFC Jail Operating Fund | 1,602,023 | 354,203 |
| PFC Rev Bonds 2009 Debt Svc Fund | 354,203 | |
| Nonmajor Funds | | 134,345 |
| Total | <u>\$ 2,332,722</u> | <u>\$ 2,332,722</u> |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

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Inter-fund Transfers

In the funds statements, during the Fiscal Year Ending September 30, 2011, the General Fund transferred \$555,572 to Road and Bridge Fund to replace a reallocation of revenues mandated by the State. The General Fund transferred \$82,143 to Nonmajor Funds. \$68,011 was transferred to the Court Reporter-Service Fund in support of the operations of that fund, and \$14,132 was transferred to Dispute Resolution Fund. The Road and Bridge Fund transferred a total of \$237,115 to the General Fund, as reimbursement for personnel costs of guards used in the inmate roadwork program. The Debt Service Fund transferred \$280,918 to the General Fund in support of certain expenditures incurred by the General Fund. \$120,663 and \$2,132,485 was transferred from Road and Bridge Fund to Market Road Fund as a distribution of ad valorem farm to market tax collections to General Fund and Road and Bridge Fund respectfully. \$14,747 was transferred from Community Development Block Grant Fund to Road and Bridge. \$4,647,700 was a transfer from PFC Jail Operations Fund to PFC Revenue Bonds Series 2009 Debt Service funds to support principal and interest payments.

| | Transfers in | Transfers Out |
|----------------------------------|-------------------------|--------------------------|
| General Fund | \$ 638,696 | \$ 637,715 |
| Road & Bridge Fund | 2,702,804 | 237,115 |
| Debt Service Fund | | 280,918 |
| PFC Jail Operating Fund | | 4,647,700 |
| PFC Rev Bonds 2009 Debt Svc Fund | 4,647,700 | |
| Nonmajor Governmental Funds | 82,143 | 2,267,895 |
| Total | \$ 8,071,343 | \$ 8,071,343 |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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.

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 \$1,000,000 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 2011 compared to 2010.

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

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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, 2011, the amount of revenue earned by CEC is \$3,989,215. This represents the amount of revenue that exceeds the current interest 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 \$2,990,429. 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, 2011, there were no transactions which are known to have violated these prohibitions.

(d) Subsequent Events

Beginning October 1, 2011 the county changed from fully insured to self-insured for health insurance benefits for employees and retirees. The county believes that this change will help reduce overall cost of the health insurance program. On October 1, 2011 the county transferred \$2 million from the general fund to the Health Insurance Trust Fund to provide initial funding. In the future, funding for the plan will come from transfers from other funds and plan participant premiums.

(e) Change in Accounting Principles

1. GASB 54

For fiscal year 2011, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the County reclassifying fund balances of its governmental funds.

2. Inventory

In fiscal year 2011, the County also implemented the change of inventory to the purchasing method. The County considers that the change from the consumption method gives a fairer presentation of the financial position of the County. The implementation of this change in accounting principle has been accounted retrospectively and the relevant effect of this change resulted in the County reclassifying fund balances of its governmental funds.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

(f) Prior Period Adjustments

The Private Purpose Trust Funds were included in the governmental fund statements in prior years. They are now appropriately reported separately as fiduciary funds.

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

(g) Restatement of Prior Year's Fund Balance

The implementation of GASB Statement No. 54, the change to the purchasing method for inventory, and the prior period adjustment all had the following effect on fund balances of the major and nonmajor funds and net assets of the fiduciary funds as they were previously reported:

| | General Fund | Economic Development Fund | Road & Bridge Fund | Jail Lease Fund | Debt Service Fund | Permanent Improvement Fund | PFC Jail Operating Fund | PFC Revenue Bond Series 2009 Fund | Other Governmental Funds | Total Governmental Funds | Fiduciary Funds |
|--|-------------------|---------------------------|--------------------|-----------------|-------------------|----------------------------|-------------------------|-----------------------------------|--------------------------|--------------------------|-----------------|
| Fund Balance at 09/30/10 | 27,145,913 | 7,549,402 | - | - | - | 3,812,093 | - | 5,333,637 | 13,252,456 | 57,093,501 | |
| Net Assets at 09/30/10 | | | | | | | | | | | - |
| Change in Accounting Principle, GASB 54 | 6,717,666 | (7,549,402) | 6,910,942 | | 1,827,246 | 206,632 | | | (8,113,084) | | |
| Change in Accounting Principle, Inventory | (205,970) | | (192,113) | | | | | | | (398,083) | |
| Prior Period Adjustment | | | | | | | | | (65,831) | (65,831) | 65,831 |
| Fund Balance at 09/30/11, Restated | <u>33,657,609</u> | <u>-</u> | <u>6,718,829</u> | <u>-</u> | <u>1,827,246</u> | <u>4,018,725</u> | <u>-</u> | <u>5,333,637</u> | <u>5,073,541</u> | <u>56,629,587</u> | |
| Net Assets at 09/30/11, Restated | | | | | | | | | | | <u>65,831</u> |

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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 14.99% for the months of the calendar year in 2011. The contribution rate payable by the employee members for the calendar year 2011 is 7% as adopted by the governing body of the County. The employee contribution rate and the County's contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act has provisions that allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

(c) Annual Pension Cost

For the employer's accounting year ended September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$5,803,626 and the actual contributions were \$5,803,626. The actual contributions was actuarially determined as a percentage of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 and No. 50 parameters based on the actual actuarial valuations as of December 31, 2010, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2010. The December 31, 2010 actuarial valuation is the most recent valuation.

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8.0 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

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

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 amortization period at December 31, 2010 was 20 years.

(d) Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 77.85% funded. The actuarial accrued liability for benefits was \$144,002,241, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,890,725. The annual covered payroll (actuarial) of active employees covered by the plan was \$37,810,169 and the ratio of the UAAL to the covered payroll was 84.34%.

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.

| | | | |
|---|---|---|---|
| Actuarial valuation date | 12/31/08 | 12/31/09 | 12/31/10 |
| 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 | 20 | 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

MCLENNAN COUNTY, TEXAS

Notes to the Basic Financial Statements

September 30, 2011

| 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, 2008 | 5,411,050 | 100.00% | \$ - |
| September 30, 2009 | 5,576,112 | 100.00% | \$ - |
| September 30, 2010 | 5,803,626 | 100.00% | \$ - |

REQUIRED SUPPLEMENTARY
INFORMATION

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, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|---------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 51,494,143 | \$ 51,494,143 | \$ 52,874,380 | \$ 1,380,237 |
| Licenses and Permits | 111,350 | 111,350 | 126,638 | 15,288 |
| Intergovernmental | 1,958,130 | 1,958,130 | 2,214,839 | 256,709 |
| Charges for Services | 5,457,210 | 5,457,210 | 5,967,758 | 510,548 |
| Fines and Forfeits | 200,010 | 200,010 | 233,530 | 33,520 |
| Miscellaneous | 4,293,375 | 4,302,391 | 2,217,996 | (2,084,395) |
| Total Revenues | 63,514,218 | 63,523,234 | 63,635,141 | 111,907 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 20,178,378 | 19,766,884 | 16,687,293 | (3,079,591) |
| Judicial | 6,597,057 | 6,672,920 | 6,206,627 | (466,293) |
| Public Safety | 33,159,655 | 33,178,990 | 28,587,055 | (4,591,935) |
| Public Transportation | 374,615 | 374,615 | 351,501 | (23,114) |
| Health | 8,333,433 | 8,335,933 | 7,473,464 | (862,469) |
| Welfare | 3,804,142 | 4,071,033 | 3,949,629 | (121,404) |
| Culture-Recreation | 779,165 | 779,815 | 750,345 | (29,470) |
| Conservation | 605,904 | 605,904 | 276,939 | (328,965) |
| Economic Development and Assistance | 8,824,176 | 8,884,651 | 1,150,231 | (7,734,420) |
| Debt Service: | | | | |
| Principal | 923,230 | 946,443 | 946,443 | - |
| Interest and Fiscal Charges | 341,930 | 318,717 | 318,426 | (291) |
| Total Expenditures | 83,921,685 | 83,935,905 | 66,697,953 | (17,237,952) |
| Excess (Deficiency) of Revenue over Expenditures | (20,407,467) | (20,412,671) | (3,062,812) | 17,349,859 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 639,159 | 639,159 | 638,696 | (463) |
| Transfers Out | (649,609) | (658,609) | (637,715) | 20,894 |
| Sale of Capital Assets | 10 | 14,214 | 29,044 | 14,830 |
| Total Other Financing Sources | (10,440) | (5,236) | 30,025 | 35,261 |
| Net Change in Fund Balance | (20,417,907) | (20,417,907) | (3,032,787) | 17,385,120 |
| Fund Balance at Beginning of Year, Restated | 29,422,443 | 29,422,443 | 33,657,609 | 4,235,166 |
| Fund Balance at End of Year | \$ 9,004,536 | \$ 9,004,536 | \$ 30,624,822 | \$ 21,620,286 |

MCLENNAN COUNTY, TEXAS

Required Supplementary Information

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

Road & Bridge Fund

For the Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and Permits | \$ 1,828,000 | \$ 1,828,000 | \$ 1,904,972 | \$ 76,972 |
| Intergovernmental | 822,932 | 1,524,766 | 1,583,309 | 58,543 |
| Fines and Forfeits | 1,658,300 | 1,658,300 | 1,449,264 | (209,036) |
| Miscellaneous | 143,090 | 150,684 | 253,833 | 103,149 |
| Total Revenues | 4,452,322 | 5,161,750 | 5,191,378 | 29,628 |
| Expenditures: | | | | |
| Current: | | | | |
| Public Transportation | 13,507,904 | 13,532,671 | 6,754,848 | (6,777,823) |
| Debt Service: | | | | |
| Principal | 49,660 | 49,660 | 49,649 | (11) |
| Interest and Fiscal Charges | 5,725 | 5,725 | 5,717 | (8) |
| Capital Projects | 58,500 | 749,684 | 700,760 | (48,924) |
| Total Expenditures | 13,621,789 | 14,337,740 | 7,510,974 | (6,826,766) |
| Excess (Deficiency) of Revenue over Expenditures | (9,169,467) | (9,175,990) | (2,319,596) | 6,856,394 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 2,688,057 | 2,688,057 | 2,702,804 | 14,747 |
| Transfers Out | (237,115) | (237,115) | (237,115) | - |
| Sale of Capital Assets | 40 | 6,563 | 45,888 | 39,325 |
| Total Other Financing Sources | 2,450,982 | 2,457,505 | 2,511,577 | 54,072 |
| Net Change in Fund Balance | (6,718,485) | (6,718,485) | 191,981 | 6,910,466 |
| Fund Balance at Beginning of Year, Restated | 6,718,485 | 6,718,485 | 6,718,829 | 344 |
| Fund Balance at End of Year | \$ - | \$ - | \$ 6,910,810 | \$ 6,910,810 |

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, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|-------------------|-------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 10,079,475 | \$ 10,079,475 | \$ 7,765,605 | \$ (2,313,870) |
| Total Revenues | <u>10,079,475</u> | <u>10,079,475</u> | <u>7,765,605</u> | <u>(2,313,870)</u> |
| Expenditures: | | | | |
| Public Safety: | | | | |
| Other Services and Charges | 6,082,225 | 10,079,475 | 7,765,605 | (2,313,870) |
| Debt Services | <u>3,997,250</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>10,079,475</u> | <u>10,079,475</u> | <u>7,765,605</u> | <u>(2,313,870)</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

For the Year Ended September 30, 2011

**Schedule of Funding Progress for the Retirement Plan
For the Employees of McLennan County**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|-----------------------------------|---------------------|--------------|------------------------|---|
| | (a) | (b) | (b-a) | (a/b) | (c) | ((b-a)/c) |
| 12/31/2008 | 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% |
| 12/31/2010 | 112,111,516 | 144,002,241 | 31,890,725 | 77.85% | 37,810,169 | 84.34% |

**Schedule of Funding Progress for the Health Care Plan
For the Employees of McLennan County**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|-----------------------------------|---------------------|--------------|------------------------|---|
| | (a) | (b) | (b-a) | (a/b) | (c) | ((b-a)/c) |
| 12/31/2007 | - | 39,122,642 | 39,122,642 | - | 32,437,789 | 120.61% |
| 12/31/2009 | - | 35,532,816 | 35,532,816 | - | 36,178,602 | 98.22% |

MCLENNAN COUNTY, TEXAS

Notes to the Required Supplementary Information

September 30, 2011

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 and Capital Projects Funds: Adult Probation, Alcohol and Drug Abuse Prevention and Treatment, Child Abuse Prevention, Community Development Block Grant, Contract Elections, County Clerk Records Management, District Attorney Apportionment, District Attorney Forfeited Assets, District Attorney Hot Check, District Clerk Records Management, Energy Efficiency Conservation Block Grant, Equipment Enhancement Grant, HAVA Grant Fund, Homeland Security Grant, Jail Commissary, Justice Assistance Grant, Juvenile Assistance Incentive Block Grant, Juvenile Delinquency Prevention, Juvenile Probation Fee, Juvenile Probation, Juvenile Purchase of Services, Law Enforcement Officers Standards and Education, Sheriff Forfeited Assets, Tax Office Administration, Title IV-E, Unclaimed Juvenile Restitution, Victim Coordinator Liaison Grant, Voter Registration Funds, and PFC Capital Projects 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.

COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES



McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Adult Probation Fund

The Adult Probation Fund is used to account for the activities of the blended component unit known as the McLennan County Community Supervision and Corrections Department. The primary financial resources are comprised of intergovernmental revenues and charges received 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 and the fund is supplemented by transfers from the Forfeited Assets 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 collection of fees charged to selected defendants in cases involving alcohol and drugs, as set forth in 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 are under the budgetary authority of the Commissioners Court.

Child Abuse Prevention Fund

The Child Abuse Prevention Fund was established to account for a one-hundred dollar fee collected from defendants convicted of certain child sexual assault and other related convictions. This fund may only be used to fund child abuse prevention programs in the county where the court is located. This fund is administered by the Commissioners Court of the county.

Community Development Block Grant Fund

The Community Development Block Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Texas Department of Rural Affairs. The funds are used to improve infrastructure as well as street and drainage improvements.

Contract Elections Fund

The Contract Elections Fund is used to account for State funds received and related expenditures for public elections.

County and District Court Technology Fund

The County and District Court Technology Fund is used to account for the court cost known as the "county and district court technology fee" which is required of defendants convicted of a criminal offense in a county court, statutory county court, or district court. The fund is used only to finance the purchase and maintenance of technological enhancements for a county court, statutory county court, or district court and the cost of continuing education and training in regards to those enhancements. This fund is administered by the Commissioners Court of the county.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

County Clerk Records Management Fund

The Records Management (County Clerk) Fund was established to account for the revenues received for the records management and preservation services performed by the county clerk after the filing and recording of a document in the records of the office of the clerk. Expenditures from the fund may only be spent for records management preservation or automation purposes in the county and are subject to approval by the Commissioners Court.

Court Records Preservation Fund

The Court Records Preservation Fund was established to account for "court record preservation" fees that are collected on all civil cases filed in a county court, statutory county court, or district court. The funds may only be used to digitize court records and preserve the records from natural disasters. This fund is administered by the Commissioners Court of the county.

Court Reporter Service Fund

The Court Reporter Service Fund was established to account for a fifteen dollar "court reporter service" fee collected by court clerks for courts that have an official court reporter. The fund is used to maintain the court reporter who is available for assignment in the court.

Courthouse Security Fund

The Courthouse Security Fund was established to account for "security fees", which are costs of the court, collected on misdemeanor offenses in a county court, county court at law, district court, or justice court. Money deposited into this fund may be used only for security personnel, services, and items related to buildings that house the operations of district, county, or justice courts. This fund is administered by the Commissioners Court of the county.

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 purchases of mediation services.

District Attorney Apportionment Fund

The District Attorney Apportionment Fund was established to account for funds received from the state to be used by the state attorney or prosecutor to help defray the salaries and expenses of the office as defined in the General Appropriations Act.

District Attorney Forfeited Assets Fund

The Forfeited Assets Fund (District Attorney) is used to account for resources forfeited to the County pursuant to Chapter 59 of the Code of Criminal Procedures and for the expenditures of such funds for authorized purposes.

District Attorney Hot Check Fund

The District Attorney Hot Check Fund was established to account for fees collected by the district attorney for the collecting and processing of hot checks. Expenditures from this fund shall be at the sole discretion of the attorney and may be used only to defray the salaries and expenses of the prosecutor's office, excluding the district attorney's own salary.

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.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

District Clerk Records Management Fund

The Records Management (District Clerk) Fund was established to account for the revenues received for records management and preservation services performed by the district clerk when a case or document is filed in the records office of the district clerk. The funds may only be used for specific records management and preservation, including for automation purposes, and are subject to approval by the Commissioners Court.

District Clerk Records Technology Fund

The District Clerk Records Technology Fund was established to account for the "district court records archive fee" which is collected along with the filing of a suit. This fee is for the preservation and restoration services performed in connection with maintaining a district court records archive.

Energy Efficiency Conservation Block Grant Fund

The Energy Efficiency Conservation Block Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the US Department of Energy to improve energy efficiency and reduce both energy use and fossil fuel emissions in their communities.

Equipment Enhancement Grant Fund

The Equipment Enhancement Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Criminal Justice Division to purchase equipment for additional security enhancements in order to further contraband interdiction efforts.

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.

Farm-to-Market / Flood Control Fund

The Farm-to-Market / Flood Control Fund is used to account for revenues from ad valorem taxes resulting from the Farm-to-Market Lateral Roads tax levy, and for the subsequent transfer of such to the Road and Bridge Fund.

HAVA Grant Fund

The HAVA Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the US Department of Health and Human Services in order to update voting systems and establish minimum election administration standards.

Homeland Security Grant Fund

The Homeland Security Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the US Department of Homeland Security. These funds are to be used to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.

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.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Justice Administration Efficiency Fund

The Justice Administration Efficiency Fund was established to account for ten percent of "time payment fees" collected. The funds are to be specifically used for the purpose of improving the efficiency of the administration of justice in the county.

Justice Assistance Grant Fund

The Justice Assistance Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Criminal Justice Division to support law enforcement.

Justice Court Building Security Fund

The Justice Court Building Security Fund is used to account for a portion of "security fees", which are costs of the court, collected on misdemeanor offenses in a justice court. This fund may only be used for the purpose of providing security personnel, services, and items for a justice court located in a building that is not the county courthouse. This fund is administered under the direction of the Commissioners Court.

Justice Technology Fund

The Justice Technology Fund is used to account for the court cost known as the "justice court technology fee" which is required of defendants convicted of a misdemeanor offense in a justice court. The fund is used only to finance the purchase and maintenance of technological enhancements for the justice court and the cost of continuing education and training for justice court judges and clerks in regards to those enhancements. This fund is administered by the Commissioners Court of the county.

Juvenile Assistance Incentive Block Grant Fund

The Juvenile Assistance Incentive Block Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Criminal Justice Division to develop programs that promote greater accountability in the juvenile justice system.

Juvenile Delinquency Prevention Fund

The Juvenile Delinquency Prevention Fund was established to account for "juvenile delinquency prevention and graffiti eradication" fees collected from defendants convicted of graffiti offenses. These funds may only be used to repair damage caused by graffiti, provide educational and intervention programs and materials, provide public rewards for offender information, provide funding for specific teen programs, and to provide funding to the local juvenile probation department. This fund is administered by the Commissioners Court of the county.

Juvenile Probation Fee Fund

The Juvenile Probation Fee Fund is used to account for revenues resulting from court-ordered probation fees and these funds are to be used to provide services for juvenile probationers.

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.

Juvenile Purchase of Services Fund

The Juvenile Purchase of Services Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Heart of Texas Council of Governments for juvenile detention and counseling services.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Law Enforcement Officers Standards and Education Fund

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

Law 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.

Records Management Fund

The Records Management (County) Fund was established to account for the records management and preservation fees. Expenditures from the fund may only be spent for records management preservation or automation purposes in the county and are subject to approval by the Commissioners Court.

Sheriff Forfeited Assets Fund

The Forfeited Assets Fund (Sheriff) is used to account for resources forfeited to the County pursuant to Chapter 59 of the Code of Criminal Procedures and for the expenditures of such funds for authorized purposes.

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.

Title IV-E Fund

The Title IV-E Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Texas Juvenile Probation Commission for foster care maintenance reimbursement.

Unclaimed Juvenile Restitution Fund

The Unclaimed Juvenile Probation Restitution Fund is used to account for funds resulting from unclaimed juvenile restitution payments held by the county. Funds are used for the same purposes for which the county may spend Juvenile State Aid.

Victim Coordinator Liaison Grant Fund

The Victim Coordinator Liaison Grant Fund is used to account for the receipt and expenditure of grant funds awarded to the county by the Office of the Attorney General to fund the mandated positions described in the Texas Code of Criminal Procedures.

Voter Registration Fund

The Voter Registration Fund is established to account for the state funds received by the voter registrar's office that are based on voter registration statistics such as the numbers of initial voter registrations, cancelled registrations, and updated registrations. The funds available may only be used to defray expenses of the registrar's office in connection with voter registration. The Commissioners Court does not consider the availability of these state funds in adopting the county budget for the office of the voter registrar.

McLENNAN COUNTY, TEXAS

Nonmajor Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

PFC Capital Projects Fund

The PFC 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 (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.

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

Special Revenue

| | Adult Probation Fund | Alcohol and Drug Abuse Prevention and Treatment Fund | Alcohol and Drug Court Program Fund | Child Abuse Prevention Fund | Community Development Block Grant Fund | Contract Elections Fund | County and District Court Technology Fund | County Clerk Records Management Fund | Court Records Preservation Fund | Court Reporter Service Fund |
|--|----------------------------|--|--|-----------------------------------|---|-------------------------------|--|---|--|--------------------------------------|
| Assets: | | | | | | | | | | |
| Cash and Investments | \$ 1,510,590 | \$ 18,473 | \$ 103,349 | \$ 3,632 | \$ - | \$ 340,983 | \$ 7,426 | \$ 173,728 | \$ 18,597 | \$ 5,875 |
| Receivables (net of allowances for estimated uncollectibles): | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | - | - |
| Accounts | 457 | - | - | - | - | - | - | - | - | 2,445 |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Due from Other Governments | - | 840 | - | - | - | 1,200 | - | - | - | - |
| Total Assets | \$ 1,511,047 | \$ 19,313 | \$ 103,349 | \$ 3,632 | \$ - | \$ 342,183 | \$ 7,426 | \$ 173,728 | \$ 18,597 | \$ 8,320 |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ 23,686 | \$ - | \$ 1,350 | \$ - | \$ - | \$ - | \$ - | \$ 10,035 | \$ 2 | \$ 8,320 |
| Due to Other Funds | - | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | 245,529 | - | - | - | - | - | - | - | - | - |
| Total Liabilities | 269,215 | - | 1,350 | - | - | - | - | 10,035 | 2 | 8,320 |
| Fund Balances: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| General Government | - | - | - | - | - | 342,183 | - | - | - | - |
| Judicial | - | - | - | - | - | - | 7,426 | 163,693 | 18,595 | - |
| Public Safety | 1,241,832 | 19,313 | 101,999 | 3,632 | - | - | - | - | - | - |
| Public Transportation | - | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - | - |
| Committed for: | | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total Fund Balances | 1,241,832 | 19,313 | 101,999 | 3,632 | - | 342,183 | 7,426 | 163,693 | 18,595 | - |
| Total Liabilities and Fund Balance | \$ 1,511,047 | \$ 19,313 | \$ 103,349 | \$ 3,632 | \$ - | \$ 342,183 | \$ 7,426 | \$ 173,728 | \$ 18,597 | \$ 8,320 |

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continued

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

Special Revenue

| | Courthouse Security Fund | Dispute Resolution Fund | District Attorney Apportionment Fund | District Attorney Forfeited Assets Fund | District Attorney Hot Check Fund | District Clerk Errors and Omissions Fund | District Clerk Records Management Fund | District Court Records Technology Fund | Energy Efficiency Conservation Block Grant Fund | Equipment Enhancement Grant Fund |
|--|--------------------------------|-------------------------------|---|--|---|---|---|---|---|---|
| Assets: | | | | | | | | | | |
| Cash and Investments | \$ 49 | \$ 1,566 | \$ 14,351 | \$ 538,298 | \$ 151,003 | \$ 96,326 | \$ 66,760 | \$ 28,878 | \$ - | \$ - |
| Receivables (net of allowances for estimated uncollectibles): | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | - | - |
| Accounts | - | - | - | 197 | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Due from Other Governments | - | - | - | 7,178 | - | - | - | - | 89,592 | - |
| Total Assets | \$ 49 | \$ 1,566 | \$ 14,351 | \$ 545,673 | \$ 151,003 | \$ 96,326 | \$ 66,760 | \$ 28,878 | \$ 89,592 | \$ - |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ 49 | \$ - | \$ - | \$ 347 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to Other Funds | - | - | - | - | - | - | - | - | 89,592 | - |
| Deferred Revenue | - | - | - | - | - | - | - | - | 9,000 | - |
| Total Liabilities | 49 | - | - | 347 | - | - | - | - | 98,592 | - |
| Fund Balances: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| General Government | - | - | 14,351 | 545,326 | 151,003 | - | - | - | - | - |
| Judicial | - | 1,566 | - | - | - | 96,326 | 66,760 | 28,878 | - | - |
| Public Safety | - | - | - | - | - | - | - | - | - | - |
| Public Transportation | - | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - | - |
| Committed for: | | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | (9,000) | - |
| Total Fund Balances | - | 1,566 | 14,351 | 545,326 | 151,003 | 96,326 | 66,760 | 28,878 | (9,000) | - |
| Total Liabilities and Fund Balance | \$ 49 | \$ 1,566 | \$ 14,351 | \$ 545,673 | \$ 151,003 | \$ 96,326 | \$ 66,760 | \$ 28,878 | \$ 89,592 | \$ - |

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continued

continued

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

Special Revenue

| | Family Protection Fund | Farm-to-Market / Flood Control Fund | HAVA Grant Fund | Homeland Security Grant Fund | Jail Commissary Fund | Jury Fund | Justice Administration Efficiency Fund | Justice Assistance Grant Fund | Justice Court Building Security Fund | Justice Technology Fund |
|--|------------------------------|---|-----------------------|------------------------------------|----------------------------|-------------------|---|--|---|-------------------------------|
| Assets: | | | | | | | | | | |
| Cash and Investments | \$ 30,865 | \$ 100,321 | \$ - | \$ - | \$ 259,715 | \$ 70,890 | \$ 312 | \$ - | \$ 48,260 | \$ 417,230 |
| Receivables (net of allowances for estimated uncollectibles): | | | | | | | | | | |
| Taxes | - | 106,643 | - | - | - | 6,422 | - | - | - | - |
| Accounts | - | - | - | - | 19,005 | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Due from Other Governments | - | - | 37,063 | - | - | 49,878 | - | - | - | - |
| Total Assets | \$ 30,865 | \$ 206,964 | \$ 37,063 | \$ - | \$ 278,720 | \$ 127,190 | \$ 312 | \$ - | \$ 48,260 | \$ 417,230 |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 5 | \$ 1,277 | \$ 312 | \$ - | \$ - | \$ - |
| Due to Other Funds | - | - | 37,063 | - | - | - | - | - | - | - |
| Deferred Revenue | - | 98,884 | - | - | - | 6,124 | - | - | - | - |
| Total Liabilities | - | 98,884 | 37,063 | - | 5 | 7,401 | 312 | - | - | - |
| Fund Balances: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | 48,260 | - |
| Judicial | - | - | - | - | - | - | - | - | - | 417,230 |
| Public Safety | - | - | - | - | 278,715 | - | - | - | - | - |
| Public Transportation | - | 108,080 | - | - | - | - | - | - | - | - |
| Welfare | 30,865 | - | - | - | - | - | - | - | - | - |
| Committed for: | | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | 119,789 | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total Fund Balances | 30,865 | 108,080 | - | - | 278,715 | 119,789 | - | - | 48,260 | 417,230 |
| Total Liabilities and Fund Balance | \$ 30,865 | \$ 206,964 | \$ 37,063 | \$ - | \$ 278,720 | \$ 127,190 | \$ 312 | \$ - | \$ 48,260 | \$ 417,230 |

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continued

continued

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

Special Revenue

| | Juvenile Assistance Incentive Block Grant Fund | Juvenile Delinquency Prevention Fund | Juvenile Probation Fee Fund | Juvenile Probation Fund | Juvenile Purchase of Services Fund | Law Enforcement Officer Standards and Education Fund | Law Library Fund | Records Management Fund | Sheriff Forfeited Assets Fund | Tax Office Administration Fund |
|--|--|---|--------------------------------------|-------------------------------|---|---|------------------------|-------------------------------|--|---|
| Assets: | | | | | | | | | | |
| Cash and Investments | \$ - | \$ 150 | \$ 188,468 | \$ 147,708 | \$ - | \$ 50,883 | \$ 308,141 | \$ 1,448 | \$ 48,030 | \$ 45,136 |
| Receivables (net of allowances for estimated uncollectibles): | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | - | - | - |
| Accounts | - | - | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | - | - | - | - | - | - |
| Due from Other Governments | 5,782 | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 5,782 | \$ 150 | \$ 188,468 | \$ 147,708 | \$ - | \$ 50,883 | \$ 308,141 | \$ 1,448 | \$ 48,030 | \$ 45,136 |
| Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 54,701 | \$ - | \$ - | \$ 11,575 | \$ 1,448 | \$ 102 | \$ - |
| Due to Other Funds | 5,782 | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | 2,770 | - | - | 93,007 | - | - | - | - | - | - |
| Total Liabilities | 8,552 | - | - | 147,708 | - | - | 11,575 | 1,448 | 102 | - |
| Fund Balances: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - | 45,136 |
| Judicial | - | - | - | - | - | - | - | - | - | - |
| Public Safety | - | 150 | 188,468 | - | - | 50,883 | - | - | 47,928 | - |
| Public Transportation | - | - | - | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - | - | - | - |
| Committed for: | | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | 296,566 | - | - | - |
| Unassigned | (2,770) | - | - | - | - | - | - | - | - | - |
| Total Fund Balances | (2,770) | 150 | 188,468 | - | - | 50,883 | 296,566 | - | 47,928 | 45,136 |
| Total Liabilities and Fund Balance | \$ 5,782 | \$ 150 | \$ 188,468 | \$ 147,708 | \$ - | \$ 50,883 | \$ 308,141 | \$ 1,448 | \$ 48,030 | \$ 45,136 |

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continued

continued

MCLENNAN COUNTY, TEXAS

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

| | Special Revenue | | | Capital Projects | | |
|--|--------------------|---|---|-------------------------------|------------------------------------|--|
| | Title IV-E Fund | Unclaimed Juvenile Restitutuion Fund | Victim Coordinator Liason Grant Fund | Voter Registration Fund | PFC Capital Projects Fund | Total Nonmajor Governmental Funds |
| Assets: | | | | | | |
| Cash and Investments | \$ 650,853 | \$ 963 | \$ - | \$ - | \$ 122,177 | \$ 5,571,434 |
| Receivables (net of allowances for estimated uncollectibles): | | | | | | |
| Taxes | - | - | - | - | - | 113,065 |
| Accounts | - | - | - | - | - | 22,104 |
| Due from Other Funds | - | - | - | - | - | - |
| Due from Other Governments | 50,893 | - | 1,908 | - | - | 244,334 |
| Total Assets | \$ 701,746 | \$ 963 | \$ 1,908 | \$ - | \$ 122,177 | \$ 5,950,937 |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 30,303 | \$ - | \$ - | \$ - | \$ - | \$ 143,512 |
| Due to Other Funds | - | - | 1,908 | - | - | 134,345 |
| Deferred Revenue | 33,928 | - | - | - | - | 489,242 |
| Total Liabilities | 64,231 | - | 1,908 | - | - | 767,099 |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| General Government | - | - | - | - | - | 1,146,259 |
| Judicial | - | - | - | - | - | 800,474 |
| Public Safety | 637,515 | 963 | - | - | - | 2,571,398 |
| Public Transportation | - | - | - | - | - | 108,080 |
| Welfare | - | - | - | - | - | 30,865 |
| Committed for: | | | | | | |
| Capital Projects | - | - | - | - | 122,177 | 122,177 |
| Judicial | - | - | - | - | - | 416,355 |
| Unassigned | - | - | - | - | - | (11,770) |
| Total Fund Balances | 637,515 | 963 | - | - | 122,177 | 5,183,838 |
| Total Liabilities and Fund Balance | \$ 701,746 | \$ 963 | \$ 1,908 | \$ - | \$ 122,177 | \$ 5,950,937 |

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MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended September 30, 2011

Special Revenue

| | Adult Probation Fund | Alcohol and Drug Abuse Prevention and Treatment Fund | Alcohol and Drug Court Program Fund | Child Abuse Prevention Fund | Community Development Block Grant Fund | Contract Elections Fund | County and District Court Technology Fund | County Clerk Records Management Fund | Court Records Preservation Fund | Court Reporter Service Fund |
|---|----------------------------|--|--|-----------------------------------|---|-------------------------------|--|---|--|--------------------------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 1,845,162 | 8,680 | - | - | 86,458 | - | - | - | - | - |
| Charges for Services | 2,494,124 | - | 41,918 | 3,632 | - | 90,742 | 6,219 | 205,132 | 32,860 | 55,236 |
| Fines and Forfeits | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 15,225 | - | - | - | - | - | - | - | - | - |
| Total Revenues | 4,354,511 | 8,680 | 41,918 | 3,632 | 86,458 | 90,742 | 6,219 | 205,132 | 32,860 | 55,236 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | - | - | - | 33,494 | - | 162,129 | - | - |
| Judicial | - | - | - | - | - | - | - | 81,197 | 38,639 | 128,586 |
| Public Safety | 4,241,573 | 1,500 | 38,768 | - | 71,711 | - | - | - | - | - |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 4,241,573 | 1,500 | 38,768 | - | 71,711 | 33,494 | - | 243,326 | 38,639 | 128,586 |
| Excess (Deficiency) of Revenue over Expenditures | 112,938 | 7,180 | 3,150 | 3,632 | 14,747 | 57,248 | 6,219 | (38,194) | (5,779) | (73,350) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - | 68,011 |
| Transfers Out | - | - | - | - | (14,747) | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | (14,747) | - | - | - | - | 68,011 |
| Net Change in Fund Balance | 112,938 | 7,180 | 3,150 | 3,632 | - | 57,248 | 6,219 | (38,194) | (5,779) | (5,339) |
| Fund Balance at Beginning of Year, Restated | 1,128,894 | 12,133 | 98,849 | - | - | 284,935 | 1,207 | 201,887 | 24,374 | 5,339 |
| Fund Balance at End of Year | \$ 1,241,832 | \$ 19,313 | \$ 101,999 | \$ 3,632 | \$ - | \$ 342,183 | \$ 7,426 | \$ 163,693 | \$ 18,595 | \$ - |

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended September 30, 2011

Special Revenue

| | Courthouse Security Fund | Dispute Resolution Fund | District Attorney Apportionment Fund | District Attorney Forfeited Assets Fund | District Attorney Hot Check Fund | District Clerk Errors and Omissions Fund | District Clerk Records Management Fund | District Court Records Technology Fund | Energy Efficiency Conservation Block Grant Fund | Equipment Enhancement Grant Fund |
|---|--------------------------------|-------------------------------|---|--|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 41,089 | 8,563 | - | - | - | - | 117,172 | 52,105 |
| Charges for Services | 103,301 | 55,497 | - | - | 92,650 | 2,601 | 18,866 | 14,850 | - | - |
| Fines and Forfeits | - | - | - | 86,874 | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 4,831 | - | - | - | - | - | - |
| Total Revenues | 103,301 | 55,497 | 41,089 | 100,268 | 92,650 | 2,601 | 18,866 | 14,850 | 117,172 | 52,105 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | 27,419 | 61,444 | 3,364 | - | - | - | - | - |
| Judicial | - | 72,000 | - | - | - | - | - | - | - | - |
| Public Safety | 117,673 | - | - | - | - | - | - | - | - | 52,105 |
| Capital Projects | - | - | - | - | - | - | - | - | 126,172 | - |
| Total Expenditures | 117,673 | 72,000 | 27,419 | 61,444 | 3,364 | - | - | - | 126,172 | 52,105 |
| Excess (Deficiency) of Revenue over Expenditures | (14,372) | (16,503) | 13,670 | 38,824 | 89,286 | 2,601 | 18,866 | 14,850 | (9,000) | - |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers In | - | 14,132 | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | 14,132 | - | - | - | - | - | - | - | - |
| Net Change in Fund Balance | (14,372) | (2,371) | 13,670 | 38,824 | 89,286 | 2,601 | 18,866 | 14,850 | (9,000) | - |
| Fund Balance at Beginning of Year, Restated | 14,372 | 3,937 | 681 | 506,502 | 61,717 | 93,725 | 47,894 | 14,028 | - | - |
| Fund Balance at End of Year | \$ - | \$ 1,566 | \$ 14,351 | \$ 545,326 | \$ 151,003 | \$ 96,326 | \$ 66,760 | \$ 28,878 | \$ (9,000) | \$ - |

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continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended September 30, 2011

Special Revenue

| | Family Protection Fund | Farm-to-Market / Flood Control Fund | HAVA Grant Fund | Homeland Security Grant Fund | Jail Commissary Fund | Jury Fund | Justice Administration Efficiency Fund | Justice Assistance Grant Fund | Justice Court Building Security Fund | Justice Technology Fund |
|---|------------------------|-------------------------------------|-----------------|------------------------------|----------------------|-------------------|--|-------------------------------|--------------------------------------|-------------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ 2,266,052 | \$ - | \$ - | \$ - | \$ 82,021 | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 37,063 | 125,916 | - | 167,764 | - | 57,513 | - | - |
| Charges for Services | 4,685 | - | - | - | 187,521 | 8,753 | 5,207 | - | 8,503 | 34,872 |
| Fines and Forfeits | - | 12,406 | - | - | - | 4,180 | - | - | - | - |
| Miscellaneous | - | 389 | - | - | 294 | 570 | - | - | - | - |
| Total Revenues | 4,685 | 2,278,847 | 37,063 | 125,916 | 187,815 | 263,288 | 5,207 | 57,513 | 8,503 | 34,872 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | 37,063 | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | 286,537 | 38,259 | - | - | 19,572 |
| Public Safety | - | - | - | 16,326 | 147,100 | - | - | 57,513 | - | - |
| Capital Projects | - | - | - | 109,590 | - | - | - | - | - | - |
| Total Expenditures | - | - | 37,063 | 125,916 | 147,100 | 286,537 | 38,259 | 57,513 | - | 19,572 |
| Excess (Deficiency) of Revenue over Expenditures | 4,685 | 2,278,847 | - | - | 40,715 | (23,249) | (33,052) | - | 8,503 | 15,300 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | (2,253,148) | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | (2,253,148) | - | - | - | - | - | - | - | - |
| Net Change in Fund Balance | 4,685 | 25,699 | - | - | 40,715 | (23,249) | (33,052) | - | 8,503 | 15,300 |
| Fund Balance at Beginning of Year, Restated | 26,180 | 82,381 | - | - | 238,000 | 143,038 | 33,052 | - | 39,757 | 401,930 |
| Fund Balance at End of Year | \$ 30,865 | \$ 108,080 | \$ - | \$ - | \$ 278,715 | \$ 119,789 | \$ - | \$ - | \$ 48,260 | \$ 417,230 |

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continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended September 30, 2011

| | Special Revenue | | | | | | | | | |
|---|--|---|--------------------------------------|-------------------------------|--|---|------------------------|-------------------------------|--|---|
| | Juvenile Assistance Incentive Block Grant Fund | Juvenile Delinquency Prevention Fund | Juvenile Probation Fee Fund | Juvenile Probation Fund | Juvenile Purchase of Sevices Fund | Law Enforcement Officer Standards and Education Fund | Law Library Fund | Records Management Fund | Sheriff Forfeited Assets Fund | Tax Office Administration Fund |
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 14,694 | - | - | 1,549,041 | 33,500 | 23,191 | - | - | - | - |
| Charges for Services | - | 150 | 21,665 | - | - | - | 131,348 | 92,453 | - | 60 |
| Fines and Forfeits | - | - | - | - | - | - | - | - | 40,999 | 4,782 |
| Miscellaneous | - | - | 2,617 | - | - | - | - | - | 3,807 | 6,928 |
| Total Revenues | 14,694 | 150 | 24,282 | 1,549,041 | 33,500 | 23,191 | 131,348 | 92,453 | 44,806 | 11,770 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | - | - | - | - | - | 543 | 53,833 | 99,299 | - | 38,161 |
| Judicial | - | - | - | - | - | - | 55,555 | - | - | - |
| Public Safety | 17,464 | - | 15,588 | 1,549,041 | 33,500 | 19,216 | - | - | 126,519 | - |
| Capital Projects | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 17,464 | - | 15,588 | 1,549,041 | 33,500 | 19,759 | 109,388 | 99,299 | 126,519 | 38,161 |
| Excess (Deficiency) of Revenue over Expenditures | (2,770) | 150 | 8,694 | - | - | 3,432 | 21,960 | (6,846) | (81,713) | (26,391) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - | - | - | - | 19,001 | 22,000 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - | 19,001 | 22,000 |
| Net Change in Fund Balance | (2,770) | 150 | 8,694 | - | - | 3,432 | 21,960 | (6,846) | (62,712) | (4,391) |
| Fund Balance at Beginning of Year, Restated | - | - | 179,774 | - | - | 47,451 | 274,606 | 6,846 | 110,640 | 49,527 |
| Fund Balance at End of Year | \$ (2,770) | \$ 150 | \$ 188,468 | \$ - | \$ - | \$ 50,883 | \$ 296,566 | \$ - | \$ 47,928 | \$ 45,136 |

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continued

(continued)

MCLENNAN COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended September 30, 2011

| | Special Revenue | | | | Capital Projects | Total Nonmajor Governmental Funds |
|---|-------------------|-------------------------------------|--------------------------------------|-------------------------|--------------------------|-----------------------------------|
| | Title IV-E Fund | Unclaimed Juvenile Restitution Fund | Victim Coordinator Liason Grant Fund | Voter Registration Fund | PFC Capital Project Fund | |
| Revenues: | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,348,073 |
| Intergovernmental | 135,624 | - | 20,669 | 17,019 | - | 4,341,223 |
| Charges for Services | - | 963 | - | - | - | 3,713,808 |
| Fines and Forfeits | - | - | - | - | - | 149,241 |
| Miscellaneous | 6,964 | - | - | - | 169 | 41,794 |
| Total Revenues | 142,588 | 963 | 20,669 | 17,019 | 169 | 10,594,139 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | - | - | 20,670 | 17,019 | - | 554,438 |
| Judicial | - | - | - | - | - | 720,345 |
| Public Safety | 281,693 | - | - | - | - | 6,787,290 |
| Capital Projects | - | - | - | - | 41,256 | 277,018 |
| Total Expenditures | 281,693 | - | 20,670 | 17,019 | 41,256 | 8,339,091 |
| Excess (Deficiency) of Revenue over Expenditures | (139,105) | 963 | (1) | - | (41,087) | 2,255,048 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In | - | - | - | - | - | 82,143 |
| Transfers Out | - | - | - | - | - | (2,267,895) |
| Sale of Capital Assets | - | - | - | - | - | 41,001 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | (2,144,751) |
| Net Change in Fund Balance | (139,105) | 963 | (1) | - | (41,087) | 110,297 |
| Fund Balance at Beginning of Year, Restated | 776,620 | - | 1 | - | 163,264 | 5,073,541 |
| Fund Balance at End of Year | \$ 637,515 | \$ 963 | \$ - | \$ - | \$ 122,177 | \$ 5,183,838 |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| GENERAL GOVERNMENT | | | | |
| Commissioners Court: | | | | |
| Personal Services | \$ 274,718 | \$ 274,718 | \$ 269,575 | \$ (5,143) |
| Supplies | 4,950 | 6,450 | 4,879 | (1,571) |
| Other Services & Charges | 7,950 | 6,450 | 4,556 | (1,894) |
| Total Commissioners Court | <u>287,618</u> | <u>287,618</u> | <u>279,010</u> | <u>(8,608)</u> |
| County Judge: | | | | |
| Personal Services | 355,242 | 355,242 | 339,594 | (15,648) |
| Supplies | 11,300 | 14,118 | 12,345 | (1,773) |
| Other Services & Charges | 143,370 | 140,552 | 117,630 | (22,922) |
| Total County Judge | <u>509,912</u> | <u>509,912</u> | <u>469,569</u> | <u>(40,343)</u> |
| Grant Administrator: | | | | |
| Personal Services | 57,962 | 57,962 | 16,096 | (41,866) |
| Supplies | 1,100 | 950 | 132 | (818) |
| Other Services & Charges | 675 | 825 | 257 | (568) |
| Total Grant Administrator | <u>59,737</u> | <u>59,737</u> | <u>16,485</u> | <u>(43,252)</u> |
| County Clerk-Recording Department: | | | | |
| Personal Services | 651,375 | 651,375 | 562,991 | (88,384) |
| Supplies | 2,875 | 8,875 | 6,826 | (2,049) |
| Other Services & Charges | 26,436 | 20,436 | 17,517 | (2,919) |
| Total County Clerk-Recording Department | <u>680,686</u> | <u>680,686</u> | <u>587,334</u> | <u>(93,352)</u> |
| Human Resources Department: | | | | |
| Personal Services | 255,204 | 255,204 | 239,427 | (15,777) |
| Supplies | 11,150 | 11,150 | 7,034 | (4,116) |
| Other Services & Charges | 7,060 | 7,060 | 4,523 | (2,537) |
| Total Human Resources Department | <u>273,414</u> | <u>273,414</u> | <u>250,984</u> | <u>(22,430)</u> |
| Telephone Department: | | | | |
| Personal Services | 50,923 | 50,923 | 24,542 | (26,381) |
| Supplies | 390 | 1,642 | 1,527 | (115) |
| Other Services & Charges | 110,900 | 110,900 | 91,311 | (19,589) |
| Capital Outlay | 55,000 | 53,748 | 6,684 | (47,064) |
| Total Telephone Department | <u>217,213</u> | <u>217,213</u> | <u>124,064</u> | <u>(93,149)</u> |
| Maintenance of Buildings: | | | | |
| Personal Services | 1,201,330 | 1,201,330 | 1,101,315 | (100,015) |
| Supplies | 50,644 | 51,224 | 36,547 | (14,677) |
| Other Services & Charges | 329,235 | 328,420 | 133,535 | (194,885) |
| Capital Outlay | 35,000 | 34,420 | 31,328 | (3,092) |
| Total Maintenance of Buildings | <u>1,616,209</u> | <u>1,615,394</u> | <u>1,302,725</u> | <u>(312,669)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Inmate Project Crew: | | | | |
| Personal Services | 58,766 | 58,766 | 51,436 | (7,330) |
| Supplies | 2,933 | 2,933 | 2,447 | (486) |
| Other Services & Charges | 875 | 875 | 152 | (723) |
| Total Inmate Project Crew | 62,574 | 62,574 | 54,035 | (8,539) |
| Maintenance of Equipment: | | | | |
| Personal Services | 212,548 | 212,548 | 207,625 | (4,923) |
| Supplies | 17,285 | 16,385 | 13,445 | (2,940) |
| Other Services & Charges | 31,975 | 32,875 | 20,488 | (12,387) |
| Capital Outlay | 19,880 | 19,880 | 19,643 | (237) |
| Total Maintenance of Equipment | 281,688 | 281,688 | 261,201 | (20,487) |
| County Garage: | | | | |
| Personal Services | 194,138 | 194,138 | 189,742 | (4,396) |
| Supplies | 98,289 | 96,960 | 69,322 | (27,638) |
| Other Services & Charges | 72,150 | 74,609 | 52,934 | (21,675) |
| Total County Garage | 364,577 | 365,707 | 311,998 | (53,709) |
| Engineering Department: | | | | |
| Personal Services | 337,288 | 337,288 | 333,763 | (3,525) |
| Supplies | 14,535 | 14,225 | 10,781 | (3,444) |
| Other Services & Charges | 11,605 | 11,915 | 10,198 | (1,717) |
| Total Engineering Department | 363,428 | 363,428 | 354,742 | (8,686) |
| Custodial Department: | | | | |
| Supplies | 35,550 | 35,550 | 34,652 | (898) |
| Other Services & Charges | 158,244 | 158,244 | 100,967 | (57,277) |
| Total Custodial Department | 193,794 | 193,794 | 135,619 | (58,175) |
| General Expense: | | | | |
| Personal Services | 548,804 | 608,444 | 508,744 | (99,700) |
| Supplies | 48,000 | 48,000 | 949 | (47,051) |
| Other Services & Charges | 901,100 | 875,995 | 722,397 | (153,598) |
| Total General Expense | 1,497,904 | 1,532,439 | 1,232,090 | (300,349) |
| Non-departmental: | | | | |
| Other Services & Charges | 1,707,000 | 1,157,755 | 347,641 | (810,114) |
| Total Non-departmental | 1,707,000 | 1,157,755 | 347,641 | (810,114) |
| County Legal Counsel: | | | | |
| Other Services & Charges | 255,000 | 255,000 | 136,038 | (118,962) |
| Total County Legal Counsel | 255,000 | 255,000 | 136,038 | (118,962) |
| Criminal District Attorney: | | | | |
| Personal Services | 3,446,469 | 3,447,269 | 3,335,526 | (111,743) |
| Supplies | 45,400 | 53,960 | 46,405 | (7,555) |
| Other Services & Charges | 130,525 | 122,556 | 105,844 | (16,712) |
| Capital Outlay | - | 24,402 | 24,402 | - |
| Total Criminal District Attorney | 3,622,394 | 3,648,187 | 3,512,177 | (136,010) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Victims Services: | | | | |
| Personal Services | 65,411 | 65,411 | 44,767 | (20,644) |
| Supplies | 10 | 10 | - | (10) |
| Total Victims Services | 65,421 | 65,421 | 44,767 | (20,654) |
| Elections Administration: | | | | |
| Personal Services | 334,847 | 334,847 | 325,965 | (8,882) |
| Supplies | 24,718 | 25,222 | 18,807 | (6,415) |
| Other Services & Charges | 175,010 | 174,506 | 146,946 | (27,560) |
| Total Elections Administration | 534,575 | 534,575 | 491,718 | (42,857) |
| General Elections: | | | | |
| Personal Services | 135,194 | 135,194 | 74,526 | (60,668) |
| Supplies | 10,500 | 10,500 | 8,047 | (2,453) |
| Other Services & Charges | 20,850 | 20,850 | 4,895 | (15,955) |
| Total General Elections | 166,544 | 166,544 | 87,468 | (79,076) |
| Special Elections-Local Option: | | | | |
| Personal Services | 49,177 | 49,177 | - | (49,177) |
| Supplies | 2,000 | 2,000 | 431 | (1,569) |
| Other Services & Charges | 14,850 | 14,850 | - | (14,850) |
| Total Special Elections-Local Option | 66,027 | 66,027 | 431 | (65,596) |
| Special Elections-Other: | | | | |
| Personal Services | 81,271 | 81,271 | 4,498 | (76,773) |
| Supplies | 3,200 | 3,200 | 1,532 | (1,668) |
| Other Services & Charges | 17,150 | 17,150 | - | (17,150) |
| Total Special Elections-Other | 101,621 | 101,621 | 6,030 | (95,591) |
| Purchasing Department: | | | | |
| Personal Services | 246,639 | 246,639 | 237,798 | (8,841) |
| Supplies | 3,280 | 3,280 | 2,025 | (1,255) |
| Other Services & Charges | 2,880 | 2,880 | 2,015 | (865) |
| Total Purchasing Department | 252,799 | 252,799 | 241,838 | (10,961) |
| County Auditor: | | | | |
| Personal Services | 1,214,340 | 1,214,340 | 1,162,630 | (51,710) |
| Supplies | 39,600 | 39,600 | 26,528 | (13,072) |
| Other Services & Charges | 36,685 | 36,685 | 19,757 | (16,928) |
| Total County Auditor | 1,290,625 | 1,290,625 | 1,208,915 | (81,710) |
| Independent Auditing: | | | | |
| Other Services & Charges | 36,000 | 36,000 | 33,550 | (2,450) |
| Total Independent Auditing | 36,000 | 36,000 | 33,550 | (2,450) |
| County Treasurer: | | | | |
| Personal Services | 306,290 | 306,290 | 297,850 | (8,440) |
| Supplies | 4,915 | 6,410 | 5,636 | (774) |
| Other Services & Charges | 13,800 | 12,305 | 11,126 | (1,179) |
| Total County Treasurer | 325,005 | 325,005 | 314,612 | (10,393) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|-----------|-----------|-----------|---|
| | Original | Final | | |
| Tax Office-Ad Valorem Department: | | | | |
| Personal Services | 799,639 | 799,639 | 777,370 | (22,269) |
| Supplies | 43,637 | 43,637 | 34,922 | (8,715) |
| Other Services & Charges | 79,049 | 79,049 | 69,452 | (9,597) |
| Total Tax Office- Ad Valorem Department | 922,325 | 922,325 | 881,744 | (40,581) |
| Tax Office-Lorena Substation: | | | | |
| Personal Services | 57,516 | 57,516 | 56,952 | (564) |
| Supplies | 950 | 950 | 697 | (253) |
| Other Services & Charges | 13,226 | 13,226 | 9,912 | (3,314) |
| Total Tax Office- Lorena Substation | 71,692 | 71,692 | 67,561 | (4,131) |
| Tax Office-McGregor Substation: | | | | |
| Personal Services | 61,921 | 61,921 | 56,343 | (5,578) |
| Supplies | 450 | 450 | 358 | (92) |
| Other Services & Charges | 4,385 | 4,385 | 2,816 | (1,569) |
| Total Tax Office- McGregor Substation | 66,756 | 66,756 | 59,517 | (7,239) |
| Tax Office-West Substation: | | | | |
| Personal Services | 55,816 | 55,816 | 55,678 | (138) |
| Supplies | 950 | 950 | 692 | (258) |
| Other Services & Charges | 4,251 | 6,081 | 4,329 | (1,752) |
| Total Tax Office- West Substation | 61,017 | 62,847 | 60,699 | (2,148) |
| Tax Office-Auto Department: | | | | |
| Personal Services | 1,129,939 | 1,129,939 | 1,073,944 | (55,995) |
| Supplies | 15,800 | 15,800 | 12,832 | (2,968) |
| Other Services & Charges | 40,457 | 40,457 | 32,722 | (7,735) |
| Total Tax Office- Auto Department | 1,186,196 | 1,186,196 | 1,119,498 | (66,698) |
| McLennan County Appraisal District: | | | | |
| Other Services & Charges | 547,458 | 551,398 | 551,397 | (1) |
| Total McLennan County Appraisal District | 547,458 | 551,398 | 551,397 | (1) |
| Information Technology: | | | | |
| Personal Services | 1,222,035 | 1,222,035 | 1,131,476 | (90,559) |
| Supplies | 32,000 | 37,000 | 32,901 | (4,099) |
| Other Services & Charges | 174,841 | 165,941 | 133,697 | (32,244) |
| Capital Outlay | 11,500 | 12,900 | 12,895 | (5) |
| Total Information Technology | 1,440,376 | 1,437,876 | 1,310,969 | (126,907) |
| Records Management Department: | | | | |
| Personal Services | 253,282 | 253,282 | 252,760 | (522) |
| Other Services & Charges | 6,611 | 6,611 | - | (6,611) |
| Total Records Management Department | 259,893 | 259,893 | 252,760 | (7,133) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Budget Office: | | | | |
| Personal Services | 189,550 | 189,550 | 137,189 | (52,361) |
| Supplies | 12,000 | 12,000 | 3,098 | (8,902) |
| Other Services & Charges | 8,550 | 8,550 | 2,959 | (5,591) |
| Total Budget Office | 210,100 | 210,100 | 143,246 | (66,854) |
| Software Implementation: | | | | |
| Supplies | 31,490 | 59,645 | 53,737 | (5,908) |
| Other Services & Charges | 179,215 | 488,908 | 329,449 | (159,459) |
| Capital Outlay | 370,095 | 106,085 | 51,675 | (54,410) |
| Total Software Implementation | 580,800 | 654,638 | 434,861 | (219,777) |
| TOTAL GENERAL GOVERNMENT | 20,178,378 | 19,766,884 | 16,687,293 | (3,079,591) |
| JUDICIAL | | | | |
| Mental Health Court Services: | | | | |
| Personal Services | 120,562 | 120,562 | 120,205 | (357) |
| Supplies | 2,865 | 10,863 | 9,005 | (1,858) |
| Other Services & Charges | 110,580 | 143,291 | 134,199 | (9,092) |
| Total Mental Health Court Services | 234,007 | 274,716 | 263,409 | (11,307) |
| Bonding Office: | | | | |
| Personal Services | 108,793 | 108,793 | 107,325 | (1,468) |
| Supplies | 3,130 | 3,130 | 725 | (2,405) |
| Other Services & Charges | 2,700 | 2,700 | 151 | (2,549) |
| Total Bonding Office | 114,623 | 114,623 | 108,201 | (6,422) |
| McLennan County Bail Bond Board: | | | | |
| Supplies | 150 | 150 | 55 | (95) |
| Other Services & Charges | 50 | 50 | - | (50) |
| Total McLennan County Bail Bond Board | 200 | 200 | 55 | (145) |
| County Clerk-Court Department: | | | | |
| Personal Services | 771,238 | 771,238 | 666,184 | (105,054) |
| Supplies | 5,961 | 5,961 | 5,719 | (242) |
| Other Services & Charges | 2,600 | 2,600 | 2,298 | (302) |
| Total County Clerk-Court Department | 779,799 | 779,799 | 674,201 | (105,598) |
| County Court at Law No. 1: | | | | |
| Personal Services | 400,059 | 400,059 | 388,762 | (11,297) |
| Supplies | 14,050 | 14,050 | 6,382 | (7,668) |
| Other Services & Charges | 59,875 | 60,475 | 29,171 | (31,304) |
| Total County Court at Law No. 1 | 473,984 | 474,584 | 424,315 | (50,269) |
| County Court at Law No. 2: | | | | |
| Personal Services | 401,537 | 401,537 | 389,615 | (11,922) |
| Supplies | 11,615 | 11,615 | 9,172 | (2,443) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| Other Services & Charges | 58,696 | 59,296 | 36,319 | (22,977) |
| Total County Court at Law No. 2 | <u>471,848</u> | <u>472,448</u> | <u>435,106</u> | <u>(37,342)</u> |
| 19th District Court: | | | | |
| Personal Services | 251,025 | 251,025 | 233,837 | (17,188) |
| Supplies | 12,301 | 16,801 | 15,495 | (1,306) |
| Other Services & Charges | 39,583 | 35,083 | 34,848 | (235) |
| Total 19th District Court | <u>302,909</u> | <u>302,909</u> | <u>284,180</u> | <u>(18,729)</u> |
| 54th District Court: | | | | |
| Personal Services | 430,101 | 430,101 | 418,705 | (11,396) |
| Supplies | 11,105 | 15,905 | 12,885 | (3,020) |
| Other Services & Charges | 48,854 | 44,054 | 43,485 | (569) |
| Total 54th District Court | <u>490,060</u> | <u>490,060</u> | <u>475,075</u> | <u>(14,985)</u> |
| 74th District Court: | | | | |
| Personal Services | 235,755 | 235,755 | 232,091 | (3,664) |
| Supplies | 7,250 | 7,250 | 7,111 | (139) |
| Other Services & Charges | 27,676 | 27,826 | 27,542 | (284) |
| Total 74th District Court | <u>270,681</u> | <u>270,831</u> | <u>266,744</u> | <u>(4,087)</u> |
| 170th District Court: | | | | |
| Personal Services | 178,863 | 178,863 | 170,313 | (8,550) |
| Supplies | 3,455 | 3,455 | 1,389 | (2,066) |
| Other Services & Charges | 26,622 | 26,622 | 17,530 | (9,092) |
| Total 170th District Court | <u>208,940</u> | <u>208,940</u> | <u>189,232</u> | <u>(19,708)</u> |
| 170th District Court-Associate Judge: | | | | |
| Supplies | 1,750 | 3,184 | 2,706 | (478) |
| Other Services & Charges | 2,000 | 2,300 | 2,278 | (22) |
| Total 170th District Court- Associate Judge | <u>3,750</u> | <u>5,484</u> | <u>4,984</u> | <u>(500)</u> |
| 414th District Court: | | | | |
| Personal Services | 177,384 | 177,384 | 167,808 | (9,576) |
| Supplies | 5,775 | 5,696 | 4,186 | (1,510) |
| Other Services & Charges | 17,744 | 18,178 | 15,616 | (2,562) |
| Capital Outlay | 6,000 | 5,645 | 5,645 | - |
| Total 414th District Court | <u>206,903</u> | <u>206,903</u> | <u>193,255</u> | <u>(13,648)</u> |
| Visiting Courtroom: | | | | |
| Supplies | 6,960 | 6,960 | 4,917 | (2,043) |
| Other Services & Charges | 13,472 | 13,472 | 3,450 | (10,022) |
| Capital Outlay | 15,000 | 15,000 | - | (15,000) |
| Total Visiting Courtroom | <u>35,432</u> | <u>35,432</u> | <u>8,367</u> | <u>(27,065)</u> |
| District Clerk: | | | | |
| Personal Services | 1,236,898 | 1,236,898 | 1,208,619 | (28,279) |
| Supplies | 59,970 | 62,200 | 62,140 | (60) |
| Other Services & Charges | 47,877 | 78,647 | 76,466 | (2,181) |
| Total District Clerk | <u>1,344,745</u> | <u>1,377,745</u> | <u>1,347,225</u> | <u>(30,520)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|----------------|----------------|----------------|---|
| | Original | Final | | |
| Justice of the Peace-Precinct 1, Place 1: | | | | |
| Personal Services | 230,463 | 230,463 | 228,933 | (1,530) |
| Supplies | 4,950 | 4,950 | 3,328 | (1,622) |
| Other Services & Charges | 64,307 | 64,307 | 39,779 | (24,528) |
| Total Justice of the Peace- Precinct 1, Place 1 | <u>299,720</u> | <u>299,720</u> | <u>272,040</u> | <u>(27,680)</u> |
| Justice of the Peace-Precinct 1, Place 2: | | | | |
| Personal Services | 221,744 | 221,744 | 221,129 | (615) |
| Supplies | 4,085 | 4,085 | 2,474 | (1,611) |
| Other Services & Charges | 47,145 | 47,145 | 42,092 | (5,053) |
| Total Justice of the Peace- Precinct 1, Place 2 | <u>272,974</u> | <u>272,974</u> | <u>265,695</u> | <u>(7,279)</u> |
| Justice of the Peace-Precinct 2: | | | | |
| Personal Services | 102,830 | 102,830 | 100,836 | (1,994) |
| Supplies | 2,780 | 2,730 | 829 | (1,901) |
| Other Services & Charges | 25,083 | 25,133 | 18,357 | (6,776) |
| Total Justice of the Peace- Precinct 2 | <u>130,693</u> | <u>130,693</u> | <u>120,022</u> | <u>(10,671)</u> |
| Justice of the Peace-Precinct 3: | | | | |
| Personal Services | 223,939 | 223,939 | 222,293 | (1,646) |
| Supplies | 4,624 | 4,624 | 3,328 | (1,296) |
| Other Services & Charges | 68,136 | 66,406 | 54,981 | (11,425) |
| Total Justice of the Peace- Precinct 3 | <u>296,699</u> | <u>294,969</u> | <u>280,602</u> | <u>(14,367)</u> |
| Justice of the Peace-Precinct 4: | | | | |
| Personal Services | 85,032 | 85,032 | 81,918 | (3,114) |
| Supplies | 1,675 | 1,675 | 310 | (1,365) |
| Other Services & Charges | 22,570 | 22,570 | 22,445 | (125) |
| Total Justice of the Peace- Precinct 4 | <u>109,277</u> | <u>109,277</u> | <u>104,673</u> | <u>(4,604)</u> |
| Justice of the Peace-Precinct 5: | | | | |
| Personal Services | 84,704 | 84,704 | 77,738 | (6,966) |
| Supplies | 1,125 | 1,125 | 777 | (348) |
| Other Services & Charges | 20,241 | 20,641 | 17,872 | (2,769) |
| Total Justice of the Peace- Precinct 5 | <u>106,070</u> | <u>106,470</u> | <u>96,387</u> | <u>(10,083)</u> |
| Justice of the Peace-Precinct 7: | | | | |
| Personal Services | 149,762 | 149,762 | 149,058 | (704) |
| Supplies | 3,750 | 3,725 | 3,019 | (706) |
| Other Services & Charges | 25,655 | 25,680 | 19,194 | (6,486) |
| Total Justice of the Peace- Precinct 7 | <u>179,167</u> | <u>179,167</u> | <u>171,271</u> | <u>(7,896)</u> |
| Justice of the Peace-Precinct 8: | | | | |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Personal Services | 148,604 | 148,604 | 147,595 | (1,009) |
| Supplies | 2,118 | 3,118 | 2,580 | (538) |
| Other Services & Charges | 16,865 | 16,265 | 11,638 | (4,627) |
| Total Justice of the Peace- Precinct 8 | 167,587 | 167,987 | 161,813 | (6,174) |
| JP Collections: | | | | |
| Personal Services | 45,629 | 45,629 | 44,238 | (1,391) |
| Supplies | 3,400 | 3,400 | 308 | (3,092) |
| Other Services & Charges | 2,430 | 2,430 | 1,186 | (1,244) |
| Total JP Collections | 51,459 | 51,459 | 45,732 | (5,727) |
| Jail Magistrate: | | | | |
| Personal Services | 13,369 | 13,369 | 12,420 | (949) |
| Supplies | 6,121 | 6,121 | - | (6,121) |
| Other Services & Charges | 21,290 | 21,290 | - | (21,290) |
| Total Jail Magistrate | 40,780 | 40,780 | 12,420 | (28,360) |
| Tenth Court of Appeals: | | | | |
| Personal Services | 3,750 | 3,750 | 1,623 | (2,127) |
| Other Services & Charges | 1,000 | 1,000 | - | (1,000) |
| Total Tenth Court of Appeals | 4,750 | 4,750 | 1,623 | (3,127) |
| TOTAL JUDICIAL | 6,597,057 | 6,672,920 | 6,206,627 | (466,293) |
| <u>PUBLIC SAFETY</u> | | | | |
| Fire Protection: | | | | |
| Other Services & Charges | 129,500 | 129,500 | 129,500 | - |
| Total Fire Protection | 129,500 | 129,500 | 129,500 | - |
| Ambulance Service: | | | | |
| Other Services & Charges | 24,000 | 24,000 | 24,000 | - |
| Total Ambulance Service | 24,000 | 24,000 | 24,000 | - |
| Constable-Precinct 1: | | | | |
| Personal Services | 567,098 | 567,098 | 547,132 | (19,966) |
| Supplies | 7,095 | 6,195 | 5,849 | (346) |
| Other Services & Charges | 76,798 | 77,698 | 77,679 | (19) |
| Total Constable-Precinct 1 | 650,991 | 650,991 | 630,660 | (20,331) |
| Constable-Precinct 2: | | | | |
| Personal Services | 39,919 | 39,919 | 34,086 | (5,833) |
| Supplies | 2,321 | 2,321 | 1,153 | (1,168) |
| Other Services & Charges | 13,581 | 13,581 | 11,988 | (1,593) |
| Total Constable-Precinct 2 | 55,821 | 55,821 | 47,227 | (8,594) |
| Constable-Precinct 3: | | | | |
| Personal Services | 100,075 | 100,075 | 97,828 | (2,247) |
| Supplies | 2,145 | 2,145 | 909 | (1,236) |
| Other Services & Charges | 20,641 | 20,641 | 18,251 | (2,390) |
| Total Constable-Precinct 3 | 122,861 | 122,861 | 116,988 | (5,873) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| Constable-Precinct 4: | | | | |
| Personal Services | 34,047 | 34,047 | 32,786 | (1,261) |
| Supplies | 2,425 | 2,425 | 548 | (1,877) |
| Other Services & Charges | 20,269 | 20,269 | 16,907 | (3,362) |
| Total Constable-Precinct 4 | <u>56,741</u> | <u>56,741</u> | <u>50,241</u> | <u>(6,500)</u> |
| Constable-Precinct 5: | | | | |
| Personal Services | 101,487 | 101,487 | 93,245 | (8,242) |
| Supplies | 2,113 | 2,213 | 853 | (1,360) |
| Other Services & Charges | 21,860 | 21,760 | 20,021 | (1,739) |
| Total Constable-Precinct 5 | <u>125,460</u> | <u>125,460</u> | <u>114,119</u> | <u>(11,341)</u> |
| Constable-Precinct 7: | | | | |
| Personal Services | 275,869 | 275,869 | 268,850 | (7,019) |
| Supplies | 7,840 | 7,840 | 5,065 | (2,775) |
| Other Services & Charges | 47,564 | 47,564 | 43,310 | (4,254) |
| Total Constable-Precinct 7 | <u>331,273</u> | <u>331,273</u> | <u>317,225</u> | <u>(14,048)</u> |
| Constable-Precinct 8: | | | | |
| Personal Services | 151,746 | 151,746 | 129,263 | (22,483) |
| Supplies | 5,345 | 5,385 | 3,320 | (2,065) |
| Other Services & Charges | 26,199 | 26,159 | 17,806 | (8,353) |
| Total Constable-Precinct 8 | <u>183,290</u> | <u>183,290</u> | <u>150,389</u> | <u>(32,901)</u> |
| County Sheriff: | | | | |
| Personal Services | 5,592,727 | 5,592,727 | 5,436,453 | (156,274) |
| Supplies | 482,142 | 479,231 | 471,881 | (7,350) |
| Other Services & Charges | 740,118 | 745,514 | 679,095 | (66,419) |
| Capital Outlay | 12,995 | 12,995 | 12,445 | (550) |
| Total County Sheriff | <u>6,827,982</u> | <u>6,830,467</u> | <u>6,599,874</u> | <u>(230,593)</u> |
| County Sheriff DARE Program: | | | | |
| Personal Services | 181,633 | 181,633 | 163,117 | (18,516) |
| Supplies | 13,550 | 16,040 | 12,887 | (3,153) |
| Other Services & Charges | 3,200 | 3,200 | 2,884 | (316) |
| Total County Sheriff DARE Program | <u>198,383</u> | <u>200,873</u> | <u>178,888</u> | <u>(21,985)</u> |
| General Law Enforcement: | | | | |
| Supplies | 500 | 23,840 | 21,910 | (1,930) |
| Other Services & Charges | 401,000 | 401,000 | 280,012 | (120,988) |
| Capital Outlay | 20,000 | 5,435 | 5,344 | (91) |
| Total General Law Enforcement | <u>421,500</u> | <u>430,275</u> | <u>307,266</u> | <u>(123,009)</u> |
| Radio Tower: | | | | |
| Supplies | 4,305 | 4,305 | 2,195 | (2,110) |
| Other Services & Charges | 29,209 | 30,301 | 24,443 | (5,858) |
| Total Radio Tower | <u>33,514</u> | <u>34,606</u> | <u>26,638</u> | <u>(7,968)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Feeding and Care of Prisoners: | | | | |
| Personal Services | 10,822,842 | 10,779,976 | 10,392,134 | (387,842) |
| Supplies | 492,370 | 497,870 | 482,691 | (15,179) |
| Other Services & Charges | 2,208,751 | 2,203,251 | 2,115,678 | (87,573) |
| Capital Outlay | 5,530 | 5,530 | 5,475 | (55) |
| Total Feeding and Care of Prisoners | <u>13,529,493</u> | <u>13,486,627</u> | <u>12,995,978</u> | <u>(490,649)</u> |
| Electronic Monitoring: | | | | |
| Personal Services | 18,405 | 18,405 | - | (18,405) |
| Supplies | 4,000 | 4,000 | 3,687 | (313) |
| Other Services & Charges | 6,700 | 6,700 | - | (6,700) |
| Total Electronic Monitoring | <u>29,105</u> | <u>29,105</u> | <u>3,687</u> | <u>(25,418)</u> |
| Jail Kitchen: | | | | |
| Supplies | 15,500 | 29,500 | 22,788 | (6,712) |
| Other Services & Charges | 1,055,050 | 1,055,050 | 1,027,966 | (27,084) |
| Total Jail Kitchen | <u>1,070,550</u> | <u>1,084,550</u> | <u>1,050,754</u> | <u>(33,796)</u> |
| Downtown Jail: | | | | |
| Other Services & Charges | 2,500,000 | 2,500,000 | 228,870 | (2,271,130) |
| Total Downtown Jail | <u>2,500,000</u> | <u>2,500,000</u> | <u>228,870</u> | <u>(2,271,130)</u> |
| Shep Mullen Visitation Center: | | | | |
| Personal Services | 49,546 | 49,546 | 41,120 | (8,426) |
| Supplies | 7,500 | 7,500 | 806 | (6,694) |
| Other Services & Charges | 40,460 | 26,460 | 10,422 | (16,038) |
| Total Shep Mullen Visitation Center | <u>97,506</u> | <u>83,506</u> | <u>52,348</u> | <u>(31,158)</u> |
| Juvenile Services Detention: | | | | |
| Personal Services | 2,410,430 | 2,410,430 | 2,109,756 | (300,674) |
| Supplies | 149,070 | 148,070 | 113,978 | (34,092) |
| Other Services & Charges | 278,979 | 279,979 | 166,678 | (113,301) |
| Capital Outlay | 6,400 | 6,400 | - | (6,400) |
| Total Juvenile Services Detention | <u>2,844,879</u> | <u>2,844,879</u> | <u>2,390,412</u> | <u>(454,467)</u> |
| Juvenile Services Board: | | | | |
| Personal Services | 18,390 | 18,390 | 16,267 | (2,123) |
| Total Juvenile Services Board | <u>18,390</u> | <u>18,390</u> | <u>16,267</u> | <u>(2,123)</u> |
| Juvenile Services Probation: | | | | |
| Personal Services | 2,174,406 | 2,172,806 | 1,804,615 | (368,191) |
| Supplies | 56,610 | 55,110 | 45,998 | (9,112) |
| Other Services & Charges | 338,658 | 340,158 | 132,729 | (207,429) |
| Total Juvenile Services Probation | <u>2,569,674</u> | <u>2,568,074</u> | <u>1,983,342</u> | <u>(586,332)</u> |
| Juvenile Accountability Block Grant: | | | | |
| Personal Services | 35,730 | 38,912 | 30,779 | (8,133) |
| Total Juvenile Accountability Block Grant | <u>35,730</u> | <u>38,912</u> | <u>30,779</u> | <u>(8,133)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Adult Probation: | | | | |
| Supplies | 12,068 | 12,068 | 10,830 | (1,238) |
| Other Services & Charges | 96,092 | 96,092 | 77,526 | (18,566) |
| Capital Outlay | 11,865 | 11,865 | 11,865 | - |
| Total Adult Probation | <u>120,025</u> | <u>120,025</u> | <u>100,221</u> | <u>(19,804)</u> |
| Courthouse Security: | | | | |
| Personal Services | 753,502 | 794,098 | 774,075 | (20,023) |
| Supplies | - | 5,181 | - | (5,181) |
| Total Courthouse Security | <u>753,502</u> | <u>799,279</u> | <u>774,075</u> | <u>(25,204)</u> |
| Military Units: | | | | |
| Other Services & Charges | 1,500 | 1,500 | 1,500 | - |
| Total Military Units | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| Civil Defense: | | | | |
| Other Services & Charges | 132,081 | 132,081 | 108,264 | (23,817) |
| Total Civil Defense | <u>132,081</u> | <u>132,081</u> | <u>108,264</u> | <u>(23,817)</u> |
| Environmental Standards Management: | | | | |
| Other Services & Charges | 172,473 | 172,473 | 87,937 | (84,536) |
| Total Environmental Standards Management | <u>172,473</u> | <u>172,473</u> | <u>87,937</u> | <u>(84,536)</u> |
| Groundwater Conservation District: | | | | |
| Other Services & Charges | 10,000 | 10,000 | - | (10,000) |
| Total Groundwater Conservation District | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>(10,000)</u> |
| Solid Waste Management: | | | | |
| Other Services & Charges | 35,550 | 35,550 | 119 | (35,431) |
| Total Solid Waste Management | <u>35,550</u> | <u>35,550</u> | <u>119</u> | <u>(35,431)</u> |
| Stormwater Pollution Abatement: | | | | |
| Other Services & Charges | 3,000 | 3,000 | 100 | (2,900) |
| Total Stormwater Pollution Abatement | <u>3,000</u> | <u>3,000</u> | <u>100</u> | <u>(2,900)</u> |
| Other Environmental Protection: | | | | |
| Other Services & Charges | 6,100 | 6,100 | 2,852 | (3,248) |
| Total Other Environmental Protection | <u>6,100</u> | <u>6,100</u> | <u>2,852</u> | <u>(3,248)</u> |
| Litter Abatement Program: | | | | |
| Personal Services | 65,609 | 65,619 | 64,328 | (1,291) |
| Supplies | 2,422 | 2,412 | 2,207 | (205) |
| Other Services & Charges | 750 | 750 | - | (750) |
| Total Litter Abatement Program | <u>68,781</u> | <u>68,781</u> | <u>66,535</u> | <u>(2,246)</u> |
| TOTAL PUBLIC SAFETY | <u>33,159,655</u> | <u>33,178,990</u> | <u>28,587,055</u> | <u>(4,591,935)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| <u>PUBLIC TRANSPORTATION</u> | | | | |
| Sign Shop | | | | |
| Personal Services | 14,514 | 14,514 | 16 | (14,498) |
| Total Sign Shop | <u>14,514</u> | <u>14,514</u> | <u>16</u> | <u>(14,498)</u> |
| County Engineer | | | | |
| Personal Services | 122,985 | 122,985 | 122,589 | (396) |
| Total County Engineer | <u>122,985</u> | <u>122,985</u> | <u>122,589</u> | <u>(396)</u> |
| McPups Program-Precinct 1: | | | | |
| Personal Services | 59,875 | 59,875 | 57,610 | (2,265) |
| Total McPups Program-Precinct 1 | <u>59,875</u> | <u>59,875</u> | <u>57,610</u> | <u>(2,265)</u> |
| McPups Program-Precinct 2: | | | | |
| Personal Services | 59,342 | 59,342 | 57,986 | (1,356) |
| Total McPups Program-Precinct 2 | <u>59,342</u> | <u>59,342</u> | <u>57,986</u> | <u>(1,356)</u> |
| McPups Program-Precinct 3: | | | | |
| Personal Services | 59,241 | 59,241 | 56,009 | (3,232) |
| Total McPups Program-Precinct 3 | <u>59,241</u> | <u>59,241</u> | <u>56,009</u> | <u>(3,232)</u> |
| McPups Program-Precinct 4: | | | | |
| Personal Services | 58,658 | 58,658 | 57,291 | (1,367) |
| Total McPups Program-Precinct 4 | <u>58,658</u> | <u>58,658</u> | <u>57,291</u> | <u>(1,367)</u> |
| TOTAL PUBLIC TRANSPORTATION | <u>374,615</u> | <u>374,615</u> | <u>351,501</u> | <u>(23,114)</u> |
| <u>HEALTH</u> | | | | |
| County Health Services-Administration: | | | | |
| Personal Services | 525,649 | 525,649 | 508,773 | (16,876) |
| Supplies | 11,550 | 12,475 | 12,216 | (259) |
| Other Services & Charges | 65,344 | 66,919 | 66,611 | (308) |
| Capital Outlay | 8,339 | 8,339 | 8,339 | - |
| Total County Health Services-Administration | <u>610,882</u> | <u>613,382</u> | <u>595,939</u> | <u>(17,443)</u> |
| County Health Services-Direct Aid: | | | | |
| Supplies | 15,000 | 20,000 | 15,082 | (4,918) |
| Other Services & Charges | 1,900,000 | 1,895,000 | 1,783,226 | (111,774) |
| Total County Health Services- Direct Aid | <u>1,915,000</u> | <u>1,915,000</u> | <u>1,798,308</u> | <u>(116,692)</u> |
| Public Health: | | | | |
| Other Services & Charges | 229,559 | 229,559 | 229,559 | - |
| Total Public Health | <u>229,559</u> | <u>229,559</u> | <u>229,559</u> | <u>-</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Health-Direct Aid-County Jail Inmates: | | | | |
| Personal Services | 1,715,746 | 1,715,746 | 1,522,205 | (193,541) |
| Supplies | 72,550 | 100,221 | 63,726 | (36,495) |
| Other Services & Charges | 1,038,000 | 1,052,464 | 747,636 | (304,828) |
| Capital Outlay | 166,827 | 124,692 | 57,521 | (67,171) |
| Total Health-Direct Aid-County Jail Inmates | <u>2,993,123</u> | <u>2,993,123</u> | <u>2,391,088</u> | <u>(602,035)</u> |
| Medicaid UPL Program: | | | | |
| Other Services & Charges | 1,300,000 | 1,300,000 | 1,300,000 | - |
| Total Medicaid UPL Program | <u>1,300,000</u> | <u>1,300,000</u> | <u>1,300,000</u> | <u>-</u> |
| Rabies and Animal Control: | | | | |
| Other Services & Charges | 79,000 | 79,000 | 79,000 | - |
| Total Rabies and Animal Control | <u>79,000</u> | <u>79,000</u> | <u>79,000</u> | <u>-</u> |
| MHMR Center: | | | | |
| Personal Services | 129,829 | 129,829 | 126,354 | (3,475) |
| Other Services & Charges | 447,000 | 447,000 | 324,176 | (122,824) |
| Total MHMR Center | <u>576,829</u> | <u>576,829</u> | <u>450,530</u> | <u>(126,299)</u> |
| Family Practice Center: | | | | |
| Other Services & Charges | 629,040 | 629,040 | 629,040 | - |
| Total Family Practice Center | <u>629,040</u> | <u>629,040</u> | <u>629,040</u> | <u>-</u> |
| TOTAL HEALTH | <u>8,333,433</u> | <u>8,335,933</u> | <u>7,473,464</u> | <u>(862,469)</u> |
| <u>WELFARE</u> | | | | |
| County Welfare Services-Direct Aid: | | | | |
| Supplies | 6,000 | 300 | - | (300) |
| Other Services & Charges | 3,433,269 | 3,699,800 | 3,685,559 | (14,241) |
| Capital Outlay | - | 5,700 | 5,700 | - |
| Total County Welfare Services-Direct Aid | <u>3,439,269</u> | <u>3,705,800</u> | <u>3,691,259</u> | <u>(14,541)</u> |
| Children's' Protective Services-Direct Aid: | | | | |
| Supplies | 64,250 | 64,250 | 13,981 | (50,269) |
| Other Services & Charges | 28,750 | 28,750 | 1,866 | (26,884) |
| Total Children's' Protective Services-Direct Aid | <u>93,000</u> | <u>93,000</u> | <u>15,847</u> | <u>(77,153)</u> |
| Veterans Service Officer; | | | | |
| Personal Services | 49,608 | 49,608 | 44,813 | (4,795) |
| Supplies | 2,150 | 2,150 | 1,211 | (939) |
| Other Services & Charges | 2,870 | 2,870 | 2,394 | (476) |
| Total Veterans Service Officer | <u>54,628</u> | <u>54,628</u> | <u>48,418</u> | <u>(6,210)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Juvenile Services Interim Home: | | | | |
| Personal Services | 168,746 | 169,106 | 154,838 | (14,268) |
| Supplies | 13,181 | 18,245 | 15,442 | (2,803) |
| Other Services & Charges | 13,750 | 13,750 | 7,321 | (6,429) |
| Capital Outlay | 5,064 | - | - | - |
| Total Juvenile Services Interim Home | <u>200,741</u> | <u>201,101</u> | <u>177,601</u> | <u>(23,500)</u> |
| Other Welfare Activities: | | | | |
| Other Services & Charges | 16,504 | 16,504 | 16,504 | - |
| Total Other Welfare Activities | <u>16,504</u> | <u>16,504</u> | <u>16,504</u> | <u>-</u> |
| | | | | |
| TOTAL WELFARE | <u>3,804,142</u> | <u>4,071,033</u> | <u>3,949,629</u> | <u>(121,404)</u> |
| | | | | |
| <u>CULTURE-RECREATION</u> | | | | |
| Libraries: | | | | |
| Other Services & Charges | 704,727 | 704,727 | 704,727 | - |
| Total Libraries | <u>704,727</u> | <u>704,727</u> | <u>704,727</u> | <u>-</u> |
| Parks-Trading House Lake: | | | | |
| Personal Services | 16,983 | 17,785 | 17,143 | (642) |
| Supplies | 6,542 | 5,740 | 2,277 | (3,463) |
| Other Services & Charges | 14,168 | 14,168 | 2,009 | (12,159) |
| Total Parks-Trading House Lake | <u>37,693</u> | <u>37,693</u> | <u>21,429</u> | <u>(16,264)</u> |
| Historical Survey: | | | | |
| Supplies | - | 100 | - | (100) |
| Other Services & Charges | 29,245 | 29,795 | 22,224 | (7,571) |
| Total Historical Survey | <u>29,245</u> | <u>29,895</u> | <u>22,224</u> | <u>(7,671)</u> |
| Exhibit Buildings and Showbarns-HOT Fair: | | | | |
| Other Services & Charges | 7,500 | 7,500 | 1,965 | (5,535) |
| Total Exhibit Buildings and Showbarns-HOT Fair | <u>7,500</u> | <u>7,500</u> | <u>1,965</u> | <u>(5,535)</u> |
| | | | | |
| TOTAL CULTURE-RECREATION | <u>779,165</u> | <u>779,815</u> | <u>750,345</u> | <u>(29,470)</u> |
| | | | | |
| <u>CONSERVATION</u> | | | | |
| Agricultural Extension Service: | | | | |
| Personal Services | 216,912 | 216,912 | 166,355 | (50,557) |
| Supplies | 4,308 | 4,308 | 3,798 | (510) |
| Other Services & Charges | 57,434 | 57,434 | 43,011 | (14,423) |
| Total Agricultural Extension Service | <u>278,654</u> | <u>278,654</u> | <u>213,164</u> | <u>(65,490)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

General Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Soil and Water Conservation: | | | | |
| Other Services & Charges | 327,250 | 327,250 | 63,775 | (263,475) |
| Total Soil and Water Conservation | 327,250 | 327,250 | 63,775 | (263,475) |
| TOTAL CONSERVATION | 605,904 | 605,904 | 276,939 | (328,965) |
| <u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u> | | | | |
| Other Services & Charges | 8,824,176 | 8,884,651 | 1,150,231 | (7,734,420) |
| TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE | 8,824,176 | 8,884,651 | 1,150,231 | (7,734,420) |
| <u>DEBT SERVICE</u> | | | | |
| Principal | 923,230 | 946,443 | 946,443 | - |
| Interest and Fiscal Charges | 341,930 | 318,717 | 318,426 | (291) |
| TOTAL DEBT SERVICE | 1,265,160 | 1,265,160 | 1,264,869 | (291) |
| | \$ 83,921,685 | \$ 83,935,905 | \$ 66,697,953 | \$ (17,237,952) |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

Road and Bridge Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-------------------------------------|-------------------|-------------------|------------------|---|
| | Original | Final | | |
| <u>PUBLIC TRANSPORTATION</u> | | | | |
| Road and Bridge Precinct One: | | | | |
| Personal Services | \$ 1,160,068 | \$ 1,160,068 | \$ 955,317 | \$ (204,751) |
| Supplies | 743,034 | 748,224 | 523,976 | (224,248) |
| Other Services & Charges | 808,121 | 816,358 | 82,584 | (733,774) |
| Capital Outlay | 386,913 | 373,833 | 41,693 | (332,140) |
| Total Road and Precinct One | <u>3,098,136</u> | <u>3,098,483</u> | <u>1,603,570</u> | <u>(1,494,913)</u> |
| Road and Bridge Precinct Two: | | | | |
| Personal Services | 1,249,345 | 1,249,345 | 1,048,155 | (201,190) |
| Supplies | 974,998 | 991,598 | 625,300 | (366,298) |
| Other Services & Charges | 1,295,451 | 1,289,501 | 133,293 | (1,156,208) |
| Capital Outlay | 190,000 | 190,000 | 188,489 | (1,511) |
| Total Road and Precinct Two | <u>3,709,794</u> | <u>3,720,444</u> | <u>1,995,237</u> | <u>(1,725,207)</u> |
| Road and Bridge Precinct Three: | | | | |
| Personal Services | 931,988 | 931,988 | 814,929 | (117,059) |
| Supplies | 952,150 | 986,754 | 706,561 | (280,193) |
| Other Services & Charges | 345,474 | 347,345 | 62,611 | (284,734) |
| Capital Outlay | 121,862 | 90,000 | 21,500 | (68,500) |
| Total Road and Precinct Three | <u>2,351,474</u> | <u>2,356,087</u> | <u>1,605,601</u> | <u>(750,486)</u> |
| Road and Bridge Precinct Four: | | | | |
| Personal Services | 1,249,034 | 1,249,034 | 989,631 | (259,403) |
| Supplies | 1,521,800 | 1,563,793 | 409,261 | (1,154,532) |
| Other Services & Charges | 1,439,926 | 1,360,090 | 105,705 | (1,254,385) |
| Capital Outlay | - | 47,000 | 45,843 | (1,157) |
| Total Road and Precinct Four | <u>4,210,760</u> | <u>4,219,917</u> | <u>1,550,440</u> | <u>(2,669,477)</u> |
| Road and Bridge Right-of-Way: | | | | |
| Capital Outlay | 137,740 | 137,740 | - | (137,740) |
| Total Road and Bridge Right-of-Way | <u>137,740</u> | <u>137,740</u> | <u>-</u> | <u>(137,740)</u> |
| Total Public Transportation | <u>13,507,904</u> | <u>13,532,671</u> | <u>6,754,848</u> | <u>(6,777,823)</u> |
| <u>DEBT SERVICE</u> | | | | |
| Road and Bridge Precinct Three: | | | | |
| Principal | 49,660 | 49,660 | 49,649 | (11) |
| Interest and Fiscal Charges | 5,725 | 5,725 | 5,717 | (8) |
| Total Debt Service | <u>55,385</u> | <u>55,385</u> | <u>55,366</u> | <u>(19)</u> |

MCLENNAN COUNTY, TEXAS

Schedule of Expenditures,
Compared to Budget (GAAP Basis)

Road and Bridge Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|--------------------------------|----------------------|----------------------|---------------------|---|
| | Original | Final | | |
| <u>CAPITAL PROJECTS</u> | | | | |
| Road and Bridge Precinct Two: | | | | |
| Capital Outlay | 58,500 | 289,699 | 240,775 | (48,924) |
| Total Road and Precinct Two | 58,500 | 289,699 | 240,775 | (48,924) |
| Road and Bridge Precinct Four: | | | | |
| Capital Outlay | - | 459,985 | 459,985 | - |
| Total Road and Precinct Four | - | 459,985 | 459,985 | - |
| Total Capital Projects | 58,500 | 749,684 | 700,760 | (48,924) |
| | <u>\$ 13,621,789</u> | <u>\$ 14,337,740</u> | <u>\$ 7,510,974</u> | <u>\$ (6,826,766)</u> |

MCLENNAN COUNTY, TEXAS

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

Debt Service Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 4,012,092 | \$ 4,012,092 | \$ 4,121,133 | \$ 109,041 |
| Intergovernmental | 1,045 | 1,045 | 3,678 | 2,633 |
| Miscellaneous | 34,300 | 34,300 | 23,515 | \$ (10,785) |
| Total Revenues | <u>4,047,437</u> | <u>4,047,437</u> | <u>4,148,326</u> | <u>100,889</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | - | 94,604 | 94,604 | - |
| Debt Service: | | | | |
| Principal and Retirements | 2,930,000 | 2,930,000 | 2,930,000 | - |
| Interest and Fiscal Charges | <u>1,170,408</u> | <u>1,170,408</u> | <u>1,169,908</u> | <u>(500)</u> |
| Total Expenditures | <u>4,100,408</u> | <u>4,195,012</u> | <u>4,194,512</u> | <u>(500)</u> |
| Excess (Deficiency) of Revenue over Expenditures | (52,971) | (147,575) | (46,186) | 101,389 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (281,381) | (281,381) | (280,918) | 463 |
| Premium on Debt Issue | - | 278,793 | 278,793 | - |
| Refunding Bonds Issued | - | 5,878,328 | 5,885,000 | 6,672 |
| Payment to Refunded Bonds Agent | - | (6,062,517) | (6,062,517) | - |
| Total Other Financing Sources (Uses) | <u>(281,381)</u> | <u>(186,777)</u> | <u>(179,642)</u> | <u>7,135</u> |
| Net Change in Fund Balance | (334,352) | (334,352) | (225,828) | 108,524 |
| Fund Balance at Beginning of Year | <u>1,675,175</u> | <u>1,675,175</u> | <u>1,827,248</u> | <u>152,073</u> |
| Fund Balance at End of Year | <u>\$ 1,340,823</u> | <u>\$ 1,340,823</u> | <u>\$ 1,601,420</u> | <u>\$ 260,597</u> |

MCLENNAN COUNTY, TEXAS

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

Permanent Improvement Fund

For the Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,486,850 | \$ 2,486,850 | \$ 2,635,423 | \$ 148,573 |
| Intergovernmental | 400 | 400 | 272,352 | 271,952 |
| Miscellaneous | 34,102 | 34,102 | 58,787 | 24,685 |
| Total Revenues | <u>2,521,352</u> | <u>2,521,352</u> | <u>2,966,562</u> | <u>445,210</u> |
| Expenditures: | | | | |
| Capital Projects | <u>6,230,648</u> | <u>6,230,648</u> | <u>3,186,207</u> | <u>(3,044,441)</u> |
| Total Expenditures | <u>6,230,648</u> | <u>6,230,648</u> | <u>3,186,207</u> | <u>(3,044,441)</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>(3,709,296)</u> | <u>(3,709,296)</u> | <u>(219,645)</u> | <u>3,489,651</u> |
| Net Change in Fund Balance | (3,709,296) | (3,709,296) | (219,645) | 3,489,651 |
| Fund Balance at Beginning of Year | <u>3,709,296</u> | <u>3,709,296</u> | <u>4,018,724</u> | <u>309,428</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,799,079</u> | <u>\$ 3,799,079</u> |

MCLENNAN COUNTY, TEXAS

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

Alcohol and Drug Court Program Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|----------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 43,400 | \$ 43,400 | \$ 41,918 | \$ (1,482) |
| Miscellaneous | 950 | 950 | - | (950) |
| Total Revenues | <u>44,350</u> | <u>44,350</u> | <u>41,918</u> | <u>(2,432)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Supplies | 4,000 | 4,000 | 466 | (3,534) |
| Other Services and Charges | 136,361 | 136,361 | 38,302 | (98,059) |
| Total Expenditures | <u>140,361</u> | <u>140,361</u> | <u>38,768</u> | <u>(101,593)</u> |
| Net Change in Fund Balance | (96,011) | (96,011) | 3,150 | 99,161 |
| Fund Balance at Beginning of Year | <u>96,011</u> | <u>96,011</u> | <u>98,849</u> | <u>2,838</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 101,999</u> | <u>\$ 101,999</u> |

MCLENNAN COUNTY, TEXAS

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

County and District Court Technology Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|-------------|-------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 510 | \$ 510 | \$ 6,219 | \$ 5,709 |
| Miscellaneous | 1 | 1 | - | (1) |
| Total Revenues | <u>511</u> | <u>511</u> | <u>6,219</u> | <u>5,708</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | 511 | 511 | - | (511) |
| Total Expenditures | <u>511</u> | <u>511</u> | <u>-</u> | <u>(511)</u> |
| Net Change in Fund Balance | - | - | 6,219 | 6,219 |
| Fund Balance at Beginning of Year | - | - | 1,207 | 1,207 |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,426</u> | <u>\$ 7,426</u> |

MCLENNAN COUNTY, TEXAS

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

Court Records Preservation Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|---------------|---------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 27,000 | \$ 27,000 | \$ 32,860 | \$ 5,860 |
| Miscellaneous | 60 | 60 | - | (60) |
| Total Revenues | <u>27,060</u> | <u>27,060</u> | <u>32,860</u> | <u>5,800</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | 47,900 | 9,586 | - | (9,586) |
| Judicial: | | | | |
| Personal Services | - | 38,314 | 32,821 | (5,493) |
| Supplies | 6,220 | 45 | - | (45) |
| Other Services and Charges | - | 355 | - | (355) |
| Capital Outlay | - | 5,820 | 5,818 | (2) |
| Total Expenditures | <u>54,120</u> | <u>54,120</u> | <u>38,639</u> | <u>(15,481)</u> |
| Net Change in Fund Balance | (27,060) | (27,060) | (5,779) | 21,281 |
| Fund Balance at Beginning of Year | <u>27,060</u> | <u>27,060</u> | <u>24,374</u> | <u>(2,686)</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,595</u> | <u>\$ 18,595</u> |

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, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|----------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 64,000 | \$ 64,000 | \$ 55,236 | \$ (8,764) |
| Miscellaneous | 800 | 800 | - | (800) |
| Total Revenues | <u>64,800</u> | <u>64,800</u> | <u>55,236</u> | <u>(9,564)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | 5,500 | - | - | - |
| Judicial: | | | | |
| Other Services and Charges | <u>143,500</u> | <u>149,000</u> | <u>128,586</u> | <u>(20,414)</u> |
| Total Expenditures | <u>149,000</u> | <u>149,000</u> | <u>128,586</u> | <u>(20,414)</u> |
| Excess (Deficiency) of Revenue over Expenditures | (84,200) | (84,200) | (73,350) | 10,850 |
| Other Financing Sources: | | | | |
| Transfers In | <u>68,011</u> | <u>68,011</u> | <u>68,011</u> | <u>-</u> |
| Net Change in Fund Balance | (16,189) | (16,189) | (5,339) | 10,850 |
| Fund Balance at Beginning of Year | <u>16,189</u> | <u>16,189</u> | <u>5,339</u> | <u>(10,850)</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

MCLENNAN COUNTY, TEXAS

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

Courthouse Security Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|-----------------|-----------------|----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 113,160 | \$ 113,160 | \$ 103,301 | \$ (9,859) |
| Miscellaneous | 5,000 | 5,000 | - | (5,000) |
| Total Revenues | <u>118,160</u> | <u>118,160</u> | <u>103,301</u> | <u>(14,859)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 81 | 81 | - | (81) |
| Judicial: | | | | |
| Personal Services | 82,879 | 82,879 | 79,105 | (3,774) |
| Supplies | 7,300 | 7,300 | 11,073 | 3,773 |
| Other Services and Charges | 14,900 | 14,900 | 14,755 | (145) |
| Capital Outlay | 13,000 | 13,000 | 12,740 | (260) |
| Total Expenditures | <u>118,160</u> | <u>118,160</u> | <u>117,673</u> | <u>(341)</u> |
| Excess (Deficiency) of Revenue over Expenditures | - | - | (14,372) | (14,372) |
| Net Change in Fund Balance | - | - | (14,372) | (14,372) |
| Fund Balance at Beginning of Year | <u>2,351</u> | <u>2,351</u> | <u>14,372</u> | <u>12,021</u> |
| Fund Balance at End of Year | <u>\$ 2,351</u> | <u>\$ 2,351</u> | <u>\$ -</u> | <u>\$ (2,351)</u> |

MCLENNAN COUNTY, TEXAS

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

Dispute Resolution Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|----------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 65,000 | \$ 65,000 | \$ 55,497 | \$ (9,503) |
| Miscellaneous | 20 | 20 | - | (20) |
| Total Revenues | <u>65,020</u> | <u>65,020</u> | <u>55,497</u> | <u>(9,523)</u> |
| Expenditures: | | | | |
| Judicial: | | | | |
| Other Services and Charges | 72,000 | 72,000 | 72,000 | - |
| Total Expenditures | <u>72,000</u> | <u>72,000</u> | <u>72,000</u> | <u>-</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>(6,980)</u> | <u>(6,980)</u> | <u>(16,503)</u> | <u>(9,523)</u> |
| Other Financing Sources: | | | | |
| Transfers In | <u>5,132</u> | <u>5,132</u> | <u>14,132</u> | <u>9,000</u> |
| Net Change in Fund Balance | (1,848) | (1,848) | (2,371) | (523) |
| Fund Balance at Beginning of Year | <u>1,848</u> | <u>1,848</u> | <u>3,937</u> | <u>2,089</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,566</u> | <u>\$ 1,566</u> |

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, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|-----------------|-----------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 2,650 | \$ 2,650 | \$ 2,601 | \$ (49) |
| Miscellaneous | 1,300 | 1,300 | - | (1,300) |
| Total Revenues | <u>3,950</u> | <u>3,950</u> | <u>2,601</u> | <u>(1,349)</u> |
| Expenditures: | | | | |
| Judicial: | | | | |
| Other Services and Charges | 96,686 | 96,686 | - | (96,686) |
| Total Expenditures | <u>96,686</u> | <u>96,686</u> | <u>-</u> | <u>(96,686)</u> |
| Net Change in Fund Balance | <u>(92,736)</u> | <u>(92,736)</u> | <u>2,601</u> | <u>95,337</u> |
| Fund Balance at Beginning of Year | <u>92,736</u> | <u>92,736</u> | <u>93,725</u> | <u>989</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 96,326</u> | <u>\$ 96,326</u> |

MCLENNAN COUNTY, TEXAS

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

District Court Records Technology Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|---------------|---------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 18,000 | \$ 18,000 | \$ 14,850 | \$ (3,150) |
| Miscellaneous | 60 | 60 | - | (60) |
| Total Revenues | <u>18,060</u> | <u>18,060</u> | <u>14,850</u> | <u>(3,210)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | <u>36,120</u> | <u>36,120</u> | - | (36,120) |
| Total Expenditures | <u>36,120</u> | <u>36,120</u> | - | (36,120) |
| Net Change in Fund Balance | (18,060) | (18,060) | 14,850 | 32,910 |
| Fund Balance at Beginning of Year | <u>18,060</u> | <u>18,060</u> | <u>14,028</u> | <u>(4,032)</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,878</u> | <u>\$ 28,878</u> |

MCLENNAN COUNTY, TEXAS

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

Family Protection Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|---------------|---------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 5,000 | \$ 5,000 | \$ 4,685 | \$ (315) |
| Miscellaneous | 300 | 300 | - | (300) |
| Total Revenues | <u>5,300</u> | <u>5,300</u> | <u>4,685</u> | <u>(615)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | <u>31,542</u> | <u>31,542</u> | - | (31,542) |
| Total Expenditures | <u>31,542</u> | <u>31,542</u> | - | (31,542) |
| Net Change in Fund Balance | (26,242) | (26,242) | 4,685 | 30,927 |
| Fund Balance at Beginning of Year | <u>26,242</u> | <u>26,242</u> | <u>26,180</u> | <u>(62)</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30,865</u> | <u>\$ 30,865</u> |

MCLENNAN COUNTY, TEXAS

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

Farm-to-Market / Flood Control Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,230,000 | \$ 2,230,000 | \$ 2,266,052 | \$ 36,052 |
| Intergovernmental | 520 | 520 | - | (520) |
| Fines and Forfeits | 7,100 | 7,100 | 12,406 | 5,306 |
| Miscellaneous | 50 | 50 | 389 | 339 |
| Total Revenues | <u>2,237,670</u> | <u>2,237,670</u> | <u>2,278,847</u> | <u>41,177</u> |
| Other Financing Uses: | | | | |
| Transfers Out | <u>(2,253,148)</u> | <u>(2,253,148)</u> | <u>(2,253,148)</u> | <u>-</u> |
| Net Change in Fund Balance | (15,478) | (15,478) | 25,699 | 41,177 |
| Fund Balance at Beginning of Year | <u>15,478</u> | <u>15,478</u> | <u>82,381</u> | <u>66,903</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 108,080</u> | <u>\$ 108,080</u> |

MCLENNAN COUNTY, TEXAS

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

Jury Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|----------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 80,578 | \$ 80,578 | \$ 82,021 | \$ 1,443 |
| Intergovernmental: | | | | |
| Jury Pay Supplement | 120,000 | 120,000 | 167,691 | 47,691 |
| Payment in Lieu of Taxes | 22 | 22 | 73 | 51 |
| Fines and Forfeitures | 10 | 10 | 4,180 | 4,170 |
| Charges for Services | 9,435 | 9,435 | 8,753 | (682) |
| Miscellaneous | 1,400 | 1,400 | 570 | (830) |
| Total Revenues | <u>211,445</u> | <u>211,445</u> | <u>263,288</u> | <u>51,843</u> |
| Expenditures: | | | | |
| Judicial: | | | | |
| Personal Services | 279,000 | 279,000 | 245,853 | (33,147) |
| Supplies | 10,775 | 10,775 | 5,700 | (5,075) |
| Other Services and Charges | 39,725 | 39,725 | 34,984 | (4,741) |
| Total Expenditures | <u>329,500</u> | <u>329,500</u> | <u>286,537</u> | <u>(42,963)</u> |
| Net Change in Fund Balance | (118,055) | (118,055) | (23,249) | 94,806 |
| Fund Balance at Beginning of Year | <u>118,055</u> | <u>118,055</u> | <u>143,038</u> | <u>24,983</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 119,789</u> | <u>\$ 119,789</u> |

MCLENNAN COUNTY, TEXAS

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

Justice Administration Efficiency Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|---|---------------|---------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 6,035 | \$ 6,035 | \$ 5,207 | \$ (828) |
| Total Revenues | <u>6,035</u> | <u>6,035</u> | <u>5,207</u> | <u>(828)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 8 | 8 | - | (8) |
| Judicial: | | | | |
| Personal Services | 24,430 | 24,430 | 24,430 | - |
| Supplies | 1,279 | 1,279 | 1,279 | - |
| Other Services and Charges | 12,550 | 12,550 | 12,550 | - |
| Total Expenditures | <u>38,267</u> | <u>38,267</u> | <u>38,259</u> | <u>(8)</u> |
| Excess (Deficiency) of Revenue over Expenditures | (32,232) | (32,232) | (33,052) | (820) |
| Other Financing Sources: | | | | |
| Transfers In | <u>20,894</u> | <u>20,894</u> | <u>-</u> | <u>(20,894)</u> |
| Net Change in Fund Balance | (11,338) | (11,338) | (33,052) | (21,714) |
| Fund Balance at Beginning of Year | <u>11,338</u> | <u>11,338</u> | <u>33,052</u> | <u>21,714</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

MCLENNAN COUNTY, TEXAS

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

Justice Court Building Security Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|---------------|---------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 10,160 | \$ 10,160 | \$ 8,503 | \$ (1,657) |
| Miscellaneous | 400 | 400 | - | (400) |
| Total Revenues | <u>10,560</u> | <u>10,560</u> | <u>8,503</u> | <u>(2,057)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | <u>50,025</u> | <u>50,025</u> | - | (50,025) |
| Total Expenditures | <u>50,025</u> | <u>50,025</u> | - | (50,025) |
| Net Change in Fund Balance | (39,465) | (39,465) | 8,503 | 47,968 |
| Fund Balance at Beginning of Year | <u>39,465</u> | <u>39,465</u> | <u>39,757</u> | <u>292</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 48,260</u> | <u>\$ 48,260</u> |

MCLENNAN COUNTY, TEXAS

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

Justice Technology Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|----------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 41,350 | \$ 41,350 | \$ 34,872 | \$ (6,478) |
| Miscellaneous | 5,000 | 5,000 | - | (5,000) |
| Total Revenues | <u>46,350</u> | <u>46,350</u> | <u>34,872</u> | <u>(11,478)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Services and Charges | 424,330 | 416,721 | - | (416,721) |
| Judicial: | | | | |
| Supplies | 5,815 | 9,911 | 7,417 | (2,494) |
| Other Services and Charges | 9,648 | 13,161 | 12,155 | (1,006) |
| Total Expenditures | <u>439,793</u> | <u>439,793</u> | <u>19,572</u> | <u>(420,221)</u> |
| Net Change in Fund Balance | (393,443) | (393,443) | 15,300 | 408,743 |
| Fund Balance at Beginning of Year | <u>393,443</u> | <u>393,443</u> | <u>401,930</u> | <u>8,487</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 417,230</u> | <u>\$ 417,230</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, 2011

| | Budget | | Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|----------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 157,050 | \$ 157,050 | \$ 131,348 | \$ (25,702) |
| Miscellaneous: | 3,200 | 3,200 | - | (3,200) |
| Total Revenues | <u>160,250</u> | <u>160,250</u> | <u>131,348</u> | <u>(28,902)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Supplies | 38,900 | 57,023 | 52,232 | (4,791) |
| Other Services and Charges | 331,326 | 297,534 | 1,601 | (295,933) |
| Judicial: | | | | |
| Supplies | 58,302 | 73,971 | 55,555 | (18,416) |
| Total Expenditures | <u>428,528</u> | <u>428,528</u> | <u>109,388</u> | <u>(319,140)</u> |
| Net Change in Fund Balance | (268,278) | (268,278) | 21,960 | 290,238 |
| Fund Balance at Beginning of Year | <u>268,278</u> | <u>268,278</u> | <u>274,606</u> | <u>6,328</u> |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 296,566</u> | <u>\$ 296,566</u> |

MCLENNAN COUNTY, TEXAS

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

Records Management Fund

Year Ended September 30, 2011

| | Budget | | Actual | Variance with Final Budget positive Over (Under) |
|---|------------------|------------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 109,000 | \$ 109,000 | \$ 92,453 | \$ (16,547) |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>109,000</u> | <u>109,000</u> | <u>92,453</u> | <u>(16,547)</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 48,796 | 48,796 | 46,726 | (2,070) |
| Supplies | 25,475 | 19,195 | 15,767 | (3,428) |
| Other Services and Charges | 34,729 | 32,729 | 28,526 | (4,203) |
| Capital Outlay | - | 8,280 | 8,279 | (1) |
| Total Expenditures | <u>109,000</u> | <u>109,000</u> | <u>99,299</u> | <u>(9,701)</u> |
| Excess (Deficiency) of Revenue over Expenditures | - | - | (6,846) | (6,846) |
| Net Change in Fund Balance | - | - | (6,846) | (6,846) |
| Fund Balance at Beginning of Year | <u>12,266</u> | <u>12,266</u> | <u>6,846</u> | <u>(5,420)</u> |
| Fund Balance at End of Year | <u>\$ 12,266</u> | <u>\$ 12,266</u> | <u>\$ -</u> | <u>\$ (12,266)</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 employee embezzlement. It is maintained in this fund pending dissolution of the funds to the appropriate victims.

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 collections for fines and fees are accounted for in this fund pending quarterly transmittal to the State Comptroller.

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2011

continued

| Description | Balance 9/30/2010 | Additions | Deductions | Balance 9/30/2011 |
|--|----------------------|---------------------|---------------------|----------------------|
| <u>ADULT PROBATION DEPARTMENT FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ - | \$ 1,388 | \$ 492 | \$ 896 |
| Nonpooled Cash | 19,923 | 3,903,423 | 3,780,582 | 142,764 |
| Total Assets | <u>\$ 19,923</u> | <u>\$ 3,904,811</u> | <u>\$ 3,781,074</u> | <u>\$ 143,660</u> |
| <u>Liabilities</u> | | | | |
| Due to Other Governments | 913 | 4,252 | 3,768 | 1,397 |
| Due to Others | 19,010 | 5,128,811 | 5,005,558 | 142,263 |
| Total Liabilities | <u>\$ 19,923</u> | <u>\$ 5,133,063</u> | <u>\$ 5,009,326</u> | <u>\$ 143,660</u> |
| <u>BAIL SECURITY FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Accounts Receivable | \$ 1,103 | \$ - | \$ 1,103 | \$ - |
| Total Assets | <u>\$ 1,103</u> | <u>\$ -</u> | <u>\$ 1,103</u> | <u>\$ -</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 1,103 | \$ 3,897 | \$ 5,000 | \$ - |
| Total Liabilities | <u>\$ 1,103</u> | <u>\$ 3,897</u> | <u>\$ 5,000</u> | <u>\$ -</u> |
| <u>CAFETERIA PLAN FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 12,446 | \$ 134,837 | \$ 123,295 | \$ 23,988 |
| Total Assets | <u>\$ 12,446</u> | <u>\$ 134,837</u> | <u>\$ 123,295</u> | <u>\$ 23,988</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 12,446 | \$ 134,209 | \$ 122,667 | \$ 23,988 |
| Due to Others | - | 140,757 | 140,757 | - |
| Total Liabilities | <u>\$ 12,446</u> | <u>\$ 274,966</u> | <u>\$ 263,424</u> | <u>\$ 23,988</u> |
| <u>COUNTY CLERK COURT REGISTRY FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 36,000 | \$ - | \$ - | \$ 36,000 |
| Nonpooled Cash | 898,167 | 5,963,864 | 5,367,306 | 1,494,725 |
| Nonpooled Investments | 1,038,836 | 65,240 | 140,690 | 963,386 |
| Accrued Interest | - | 2,204 | - | 2,204 |
| Total Assets | <u>\$ 1,973,003</u> | <u>\$ 6,031,308</u> | <u>\$ 5,507,996</u> | <u>\$ 2,496,315</u> |
| <u>Liabilities</u> | | | | |
| Due to Others | 1,973,003 | 6,095,124 | 5,571,812 | 2,496,315 |
| Total Liabilities | <u>\$ 1,973,003</u> | <u>\$ 6,095,124</u> | <u>\$ 5,571,812</u> | <u>\$ 2,496,315</u> |
| <u>COUNTY SHERIFF INMATE DEPOSIT FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Cash | \$ 113,045 | \$ 925,492 | \$ 912,285 | \$ 126,252 |
| Total Assets | <u>\$ 113,045</u> | <u>\$ 925,492</u> | <u>\$ 912,285</u> | <u>\$ 126,252</u> |

continued

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2011

continued

| Description | Balance 9/30/2010 | Additions | Deductions | Balance 9/30/2011 |
|--|----------------------|-----------------------|-----------------------|----------------------|
| <u>COUNTY SHERIFF INMATE DEPOSIT FUND (continued)</u> | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 56,080 | \$ 669,387 | \$ 668,432 | \$ 57,035 |
| Due to Others | 56,965 | 770,382 | 758,130 | 69,217 |
| Total Liabilities | <u>\$ 113,045</u> | <u>\$ 1,439,769</u> | <u>\$ 1,426,562</u> | <u>\$ 126,252</u> |
| | | | | |
| <u>COUNTY TAX ASSESSOR COLLECTOR AUTOMOBILE FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ - | \$ - | \$ - | \$ - |
| Nonpooled Cash | 382,570 | 40,369,575 | 40,490,887 | 261,258 |
| Accounts Receivable | - | 14,807 | - | 14,807 |
| Total Assets | <u>\$ 382,570</u> | <u>\$ 40,369,575</u> | <u>\$ 40,490,887</u> | <u>\$ 276,065</u> |
| | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| Due to Other Governments | 382,570 | 34,163,174 | 34,270,174 | 275,570 |
| Due to Others | - | 32,414,007 | 32,413,512 | 495 |
| Total Liabilities | <u>\$ 382,570</u> | <u>\$ 66,577,181</u> | <u>\$ 66,683,686</u> | <u>\$ 276,065</u> |
| | | | | |
| <u>COUNTY TAX ASSESSOR COLLECTOR VEHICLE INVENTORY TAX FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Cash | \$ 5,345 | \$ 1,883,889 | \$ 1,881,136 | \$ 8,098 |
| Nonpooled Investments | 659,876 | 1,043,543 | 984,911 | 718,508 |
| Total Assets | <u>\$ 665,221</u> | <u>\$ 2,927,432</u> | <u>\$ 2,866,047</u> | <u>\$ 726,606</u> |
| | | | | |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ 665,221 | \$ 1,107,896 | \$ 1,046,511 | \$ 726,606 |
| Total Liabilities | <u>\$ 665,221</u> | <u>\$ 1,107,896</u> | <u>\$ 1,046,511</u> | <u>\$ 726,606</u> |
| | | | | |
| <u>COUNTY TAX ASSESSOR COLLECTOR AD VALOREM TAX FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Cash | \$ 205,503 | \$ 286,459,005 | \$ 286,408,571 | \$ 255,937 |
| Total Assets | <u>\$ 205,503</u> | <u>\$ 286,459,005</u> | <u>\$ 286,408,571</u> | <u>\$ 255,937</u> |
| | | | | |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 140,832 | \$ 3,371,830 | \$ 3,412,455 | \$ 100,207 |
| Due to Other Governments | 63,482 | 233,520,082 | 233,428,054 | 155,510 |
| Due to Others | 1,189 | 285,110,647 | 285,111,616 | 220 |
| Total Liabilities | <u>\$ 205,503</u> | <u>\$ 522,002,559</u> | <u>\$ 521,952,125</u> | <u>\$ 255,937</u> |
| | | | | |
| <u>CSCD EMPLOYEE DISHONESTY RECOVERY FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 165,546 | \$ 1,570 | \$ - | \$ 167,116 |
| Total Assets | <u>\$ 165,546</u> | <u>\$ 1,570</u> | <u>\$ -</u> | <u>\$ 167,116</u> |
| | | | | |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ 165,546 | \$ 1,570 | \$ - | \$ 167,116 |
| Total Liabilities | <u>\$ 165,546</u> | <u>\$ 1,570</u> | <u>\$ -</u> | <u>\$ 167,116</u> |

continued

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2011

continued

| Description | Balance 9/30/2010 | Additions | Deductions | Balance 9/30/2011 |
|---|----------------------|----------------------|----------------------|----------------------|
| <u>DISTRICT ATTORNEY SEIZURES FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Investments | \$ 245,384 | \$ 160,822 | \$ 284,842 | \$ 121,364 |
| Total Assets | <u>\$ 245,384</u> | <u>\$ 160,822</u> | <u>\$ 284,842</u> | <u>\$ 121,364</u> |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ 245,384 | \$ 160,221 | \$ 284,241 | \$ 121,364 |
| Total Liabilities | <u>\$ 245,384</u> | <u>\$ 160,221</u> | <u>\$ 284,241</u> | <u>\$ 121,364</u> |
| <u>DISTRICT CLERK CHILD SUPPORT TRUST FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ - | \$ - | \$ - | \$ - |
| Nonpooled Cash | - | 500 | 500 | - |
| Total Assets | <u>\$ -</u> | <u>\$ 500</u> | <u>\$ 500</u> | <u>\$ -</u> |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ - | \$ 500 | \$ 500 | \$ - |
| Total Liabilities | <u>\$ -</u> | <u>\$ 500</u> | <u>\$ 500</u> | <u>\$ -</u> |
| <u>DISTRICT CLERK COURT REGISTRY FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Cash | \$ 23,934 | \$ 956,177 | \$ 962,328 | \$ 17,783 |
| Nonpooled Investments | 2,715,217 | 326,679 | 674,249 | 2,367,647 |
| Accrued Interest | 9,611 | 3,777 | 9,610 | 3,778 |
| Total Assets | <u>\$ 2,748,762</u> | <u>\$ 1,286,633</u> | <u>\$ 1,646,187</u> | <u>\$ 2,389,208</u> |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ 2,748,762 | \$ 1,416,515 | \$ 1,776,069 | \$ 2,389,208 |
| Total Liabilities | <u>\$ 2,748,762</u> | <u>\$ 1,416,515</u> | <u>\$ 1,776,069</u> | <u>\$ 2,389,208</u> |
| <u>DRUG TASK FORCE SEIZURE FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Investments | \$ 3,882 | \$ 3 | \$ - | \$ 3,885 |
| Total Assets | <u>\$ 3,882</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 3,885</u> |
| <u>Liabilities</u> | | | | |
| Due to Others | \$ 3,882 | \$ 3 | \$ - | \$ 3,885 |
| Total Liabilities | <u>\$ 3,882</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 3,885</u> |
| <u>FEE OFFICERS FEE FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 47,041 | \$ 47,387 | \$ 47,428 | \$ 47,000 |
| Nonpooled Cash | 1,055,266 | 19,067,672 | 19,263,523 | 859,415 |
| Accounts Receivable | 12,913 | 562,983 | 574,268 | 1,628 |
| Total Assets | <u>\$ 1,115,220</u> | <u>\$ 19,678,042</u> | <u>\$ 19,885,219</u> | <u>\$ 908,043</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 396 | \$ 52,200 | \$ 51,413 | \$ 1,183 |
| Due to Other Governments | 1,533 | 31,073 | 31,051 | 1,555 |
| Due to Others | 1,113,291 | 17,920,088 | 18,128,074 | 905,305 |
| Total Liabilities | <u>\$ 1,115,220</u> | <u>\$ 18,003,361</u> | <u>\$ 18,210,538</u> | <u>\$ 908,043</u> |

continued

MCLENNAN COUNTY, TEXAS
Combining Statement of Changes in Assets
and Liabilities
All Agency Funds
For the Year Ended September 30, 2011

continued

| Description | Balance 9/30/2010 | Additions | Deductions | Balance 9/30/2011 |
|--|----------------------|-----------------------|-----------------------|----------------------|
| <u>GENERAL SALES TAX FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 453 | \$ 2,206 | \$ 2,099 | \$ 560 |
| Accounts Receivable | - | 24 | - | 24 |
| Total Assets | \$ 453 | \$ 2,206 | \$ 2,099 | \$ 584 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 453 | \$ 2,195 | \$ 2,088 | \$ 560 |
| Due to Other Governments | - | 1,635 | 1,635 | - |
| Due to Others | - | 2,230 | 2,206 | 24 |
| Total Liabilities | \$ 453 | \$ 6,060 | \$ 5,929 | \$ 584 |
| <u>JUVENILE PROBATION DEPARTMENT FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Nonpooled Cash | \$ 2,406 | \$ 44,432 | \$ 44,753 | \$ 2,085 |
| Total Assets | \$ 2,406 | \$ 44,432 | \$ 44,753 | \$ 2,085 |
| <u>Liabilities</u> | | | | |
| Due to Others | 2,406 | 50,100 | 50,421 | 2,085 |
| Total Liabilities | \$ 2,406 | \$ 50,100 | \$ 50,421 | \$ 2,085 |
| <u>STATE FEES AND TAX ON FINES FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 406,025 | \$ 2,118,164 | \$ 2,157,610 | \$ 366,579 |
| Total Assets | \$ 406,025 | \$ 2,118,164 | \$ 2,157,610 | \$ 366,579 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 11,518 | \$ 42,922 | \$ 53,355 | \$ 1,085 |
| Due to Other Governments | 394,507 | 2,320,386 | 2,349,399 | 365,494 |
| Total Liabilities | \$ 406,025 | \$ 2,363,308 | \$ 2,402,754 | \$ 366,579 |
| <u>TOTAL - ALL AGENCY FUNDS</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash | \$ 667,511 | \$ 2,305,552 | \$ 2,330,924 | \$ 642,139 |
| Nonpooled Cash | 2,706,159 | 359,574,029 | 359,111,871 | 3,168,317 |
| Nonpooled Investments | 4,663,195 | 1,596,287 | 2,084,692 | 4,174,790 |
| Accounts Receivable | 14,016 | 577,814 | 575,371 | 16,459 |
| Accrued Interest | 9,611 | 5,981 | 9,610 | 5,982 |
| Total Assets | \$ 8,060,492 | \$ 364,059,663 | \$ 364,112,468 | \$ 8,007,687 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 222,828 | \$ 4,276,640 | \$ 4,315,410 | \$ 184,058 |
| Due to Other Governments | \$ 843,005 | \$ 270,040,602 | \$ 270,084,081 | \$ 799,526 |
| Due to Others | 6,994,659 | 350,318,851 | 350,289,407 | 7,024,103 |
| Total Liabilities | \$ 8,060,492 | \$ 624,636,093 | \$ 624,688,898 | \$ 8,007,687 |

continued



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. | 146 |
| Revenue Capacity These schedules contain information to aid in assessing the County's most significant local revenue source – property tax. | 157 |
| Debt Capacity These schedules present information to aid in assessing the County's ability to issue additional debt in the future. | 172 |
| 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. | 178 |
| 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. | 181 |

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

| | <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 |
| Unrestricted | <u>15,253,434</u> | <u>20,448,383</u> | <u>24,129,906</u> | <u>27,931,763</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> | <u>2011</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 36,068,109 | \$ 36,965,521 | \$ 27,440,541 | \$ 29,135,069 | \$ 25,954,771 |
| 7,649,937 | 5,431,865 | 16,672,470 | 11,361,732 | 12,680,139 |
| <u>40,253,187</u> | <u>48,052,831</u> | <u>41,307,465</u> | <u>39,101,051</u> | <u>38,546,730</u> |
| <u>\$ 83,971,233</u> | <u>\$ 90,450,217</u> | <u>\$ 85,420,476</u> | <u>\$ 79,597,852</u> | <u>\$ 77,181,640</u> |

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

| | 2003 | 2004 | 2005 |
|---|-----------------------|-----------------------|---------------------|
| Expenses | | | |
| Governmental Activities | | | |
| General Administration | \$ 13,081,875 | \$ 13,447,122 | \$ 14,908,121 |
| Judicial | 4,963,966 | 5,135,561 | 5,285,769 |
| Public Safety | 28,459,088 | 29,053,807 | 30,992,140 |
| Public Transportation | 7,499,769 | 7,175,631 | 7,697,780 |
| Health | 4,312,989 | 4,718,525 | 4,482,532 |
| Welfare | 2,649,209 | 2,852,400 | 2,883,475 |
| Culture - Recreation | 3,167,814 | 7,217,311 | 2,309,208 |
| Conservation | 180,691 | 191,524 | 204,172 |
| Economic Development and Assistance | 1,183,298 | 398,113 | 290,206 |
| Interest and Fiscal Charges | 2,298,097 | 2,561,584 | 2,367,571 |
| Total Expenses | 67,796,796 | 72,751,578 | 71,420,974 |
| Program Revenues | | | |
| Governmental Activities | | | |
| Charges for Services | | | |
| General Government | 2,596,930 | 2,740,396 | 2,623,890 |
| Judicial | 3,954,338 | 3,851,094 | 4,409,914 |
| Public Safety | 8,015,377 | 8,883,294 | 8,756,883 |
| Other Functions | 176,339 | 786,714 | 865,836 |
| Operating Grants and Contributions | 8,097,054 | 6,292,629 | 7,739,254 |
| Capital Grants and Contributions | - | 471,732 | 267,486 |
| Total Program Revenues | 22,840,038 | 23,025,859 | 24,663,263 |
| Net (Expense) Revenue | (44,956,758) | (49,725,719) | (46,757,711) |
| General Revenues and Other Changes in Net Assets | | | |
| Governmental Activities | | | |
| Taxes | | | |
| Property Taxes | 28,162,392 | 31,126,569 | 34,379,131 |
| Other Taxes | 11,447,099 | 12,564,557 | 12,785,221 |
| Investment Earnings | 923,847 | 756,094 | 1,048,467 |
| Gain (loss) on Sale of Capital Assets | 30,499 | (535,420) | - |
| Miscellaneous | 955,205 | 76,729 | 105,043 |
| Total | 41,519,042 | 43,988,529 | 48,317,862 |
| Changes in Net Assets | \$ (3,437,716) | \$ (5,737,190) | \$ 1,560,151 |

Source: McLennan County Financial Records

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

Table II

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| \$ | 14,435,895 | \$ 14,855,034 | \$ 15,808,261 | \$ 17,245,222 | \$ 18,007,770 | \$ 18,620,842 |
| | 5,751,910 | 6,227,910 | 6,669,017 | 7,248,749 | 7,417,422 | 7,485,639 |
| | 32,310,783 | 33,214,912 | 34,683,156 | 39,168,947 | 42,138,549 | 50,595,444 |
| | 7,313,020 | 6,988,809 | 7,819,709 | 8,565,342 | 7,778,514 | 8,273,879 |
| | 4,629,481 | 5,266,641 | 6,061,339 | 6,409,230 | 6,911,882 | 7,537,703 |
| | 3,036,068 | 3,283,753 | 3,607,159 | 3,576,412 | 3,673,446 | 3,976,166 |
| | 2,791,759 | 1,400,841 | 2,032,111 | 1,504,867 | 1,495,216 | 1,554,300 |
| | 212,725 | 234,964 | 229,446 | 263,812 | 302,347 | 297,797 |
| | 959,154 | 616,903 | 1,018,783 | 521,606 | 1,491,617 | 1,150,231 |
| | 2,297,051 | 2,168,398 | 2,029,542 | 4,032,729 | 4,892,990 | 4,959,103 |
| | <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> | <u>104,451,104</u> |
| | 3,249,953 | 3,310,693 | 3,243,070 | 3,164,407 | 6,755,330 | 6,747,099 |
| | 3,779,238 | 4,395,474 | 4,567,278 | 4,819,355 | 3,325,698 | 4,159,152 |
| | 9,546,714 | 8,989,499 | 8,883,675 | 8,979,005 | 10,639,237 | 18,781,325 |
| | 995,049 | 703,067 | 663,445 | 443,776 | 371,116 | 546,860 |
| | 6,882,132 | 5,366,998 | 7,613,051 | 5,498,389 | 4,647,558 | 6,799,208 |
| | 1,677,870 | 1,458,719 | 356,397 | 1,104,671 | 916,841 | 1,198,595 |
| | <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>38,232,239</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> | <u>(66,218,865)</u> |
| | 37,573,209 | 39,671,579 | 43,482,285 | 46,382,793 | 47,789,261 | 49,631,517 |
| | 13,766,423 | 14,265,859 | 15,467,345 | 14,954,358 | 13,152,710 | 13,186,437 |
| | 2,361,846 | 2,983,877 | 1,950,448 | 1,148,987 | 1,040,369 | 688,659 |
| | (20,471) | 1,118,564 | - | 369,965 | (803) | - |
| | 34,130 | 71,784 | 210,513 | 150,158 | 113,727 | 296,040 |
| | <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>63,802,653</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> | <u>\$ (2,416,212)</u> |



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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 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 | \$ 49,631,517 |
| 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 | 12,523,389 |
| 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 | 663,048 |
| 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> | <u>\$ 62,817,954</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)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General Fund: | | | | |
| Reserved for Prepaids | \$ 635,432 | \$ 457,296 | \$ 329,657 | \$ 305,649 |
| Unreserved | 22,373,407 | 19,769,413 | 18,757,829 | 19,663,517 |
| Committed For: | | | | |
| Economic Development | - | - | - | - |
| Unassigned | - | - | - | - |
| Total General Fund | <u>\$ 23,008,839</u> | <u>\$ 20,226,709</u> | <u>\$ 19,087,486</u> | <u>\$ 19,969,166</u> |
| | | | | |
| All Other Governmental Funds: | | | | |
| Reserved for : | | | | |
| Capital projects | \$ 12,992,251 | \$ 15,081,580 | \$ 2,072,835 | \$ 683,083 |
| Debt Service | 1,169,147 | 1,444,655 | 1,764,950 | 1,795,381 |
| Education | 53,229 | 53,956 | 54,000 | 55,302 |
| Unreserved, reported in: | | | | |
| Special Revenue Funds | 12,620,589 | 12,950,809 | 14,080,033 | 14,838,339 |
| Capital Projects Funds | 1,884,069 | 1,849,375 | 1,061,173 | 607,072 |
| Restricted for : | | | | |
| General Government | - | - | - | - |
| Judicial | - | - | - | - |
| Public Safety | - | - | - | - |
| Public Transportation | - | - | - | - |
| Welfare | - | - | - | - |
| Debt Service | - | - | - | - |
| Committed for : | | | | |
| Capital Projects | - | - | - | - |
| Judicial | - | - | - | - |
| Public Transportation | - | - | - | - |
| Unassigned | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 28,719,285</u> | <u>\$ 31,380,375</u> | <u>\$ 19,032,991</u> | <u>\$ 17,979,177</u> |

Source: McLennan County Financial Records

GASB 54 was implemented in 2011.

Table IV

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 211,578 | \$ 204,210 | \$ - | \$ - | \$ - | \$ - |
| 23,611,104 | 27,411,353 | 29,870,304 | 28,736,975 | 27,145,913 | - |
| - | - | - | - | - | 7,924,745 |
| - | - | - | - | - | 22,700,077 |
| <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> | <u>\$ 30,624,822</u> |
| \$ 4,735,797 | \$ 4,366,068 | \$ 2,252,494 | \$ 4,065,611 | \$ - | \$ - |
| 1,920,477 | 2,054,747 | 2,228,786 | 9,320,659 | 7,160,883 | - |
| 57,590 | 60,440 | 62,078 | 54,593 | 54,429 | - |
| 16,586,260 | 17,547,553 | 19,569,926 | 19,063,412 | 18,550,287 | - |
| 749,880 | 1,214,204 | 933,887 | 3,268,413 | 4,181,989 | - |
| - | - | - | - | - | 600,933 |
| - | - | - | - | - | 1,447,799 |
| - | - | - | - | - | 2,469,399 |
| - | - | - | - | - | 108,080 |
| - | - | - | - | - | 30,865 |
| - | - | - | - | - | 7,714,967 |
| - | - | - | - | - | 3,921,256 |
| - | - | - | - | - | 416,355 |
| - | - | - | - | - | 6,910,810 |
| - | - | - | - | - | (11,770) |
| <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> | <u>\$ 23,608,694</u> |

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

| | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-----------------------|---------------------|------------------------|---------------------|---------------------|
| Revenues: | | | | | |
| Taxes | \$ 36,245,914 | \$ 37,707,025 | \$ 41,389,630 | \$ 44,851,266 | \$ 48,871,633 |
| Licenses and Permits | 1,715,402 | 1,784,595 | 1,810,976 | 1,786,102 | 1,820,253 |
| Intergovernmental | 6,781,101 | 8,079,601 | 6,887,086 | 8,493,880 | 8,512,786 |
| Charges for Services | 8,428,786 | 8,243,117 | 8,294,901 | 8,412,576 | 9,169,759 |
| Fines and Forfeitures | 1,749,475 | 1,875,732 | 2,057,102 | 2,132,639 | 2,323,514 |
| Miscellaneous | 6,478,512 | 6,212,642 | 6,134,187 | 6,482,995 | 8,357,361 |
| Total Revenues | <u>61,399,190</u> | <u>63,902,712</u> | <u>66,573,882</u> | <u>72,159,458</u> | <u>79,055,306</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 12,633,645 | 12,677,454 | 12,922,682 | 15,209,233 | 14,116,613 |
| Judicial | 4,438,832 | 4,783,359 | 4,926,142 | 5,366,157 | 5,516,560 |
| Public Safety | 26,388,346 | 27,247,039 | 27,837,675 | 29,782,974 | 30,989,699 |
| Public Transportation | 6,599,557 | 6,991,895 | 6,444,817 | 6,828,980 | 6,275,772 |
| Health | 4,021,706 | 4,288,371 | 4,705,664 | 4,458,959 | 4,613,184 |
| Welfare | 1,962,145 | 2,614,096 | 2,819,041 | 2,849,378 | 3,002,493 |
| Culture - Recreation | 460,436 | 545,340 | 543,990 | 570,007 | 603,470 |
| Conservation | 245,728 | 175,091 | 194,064 | 200,154 | 209,955 |
| Economic Development and Assistance | 291,462 | 1,183,298 | 398,113 | 290,206 | 959,154 |
| Debt Service: | | | | | |
| Principal Retirement | 4,345,080 | 2,771,384 | 3,410,486 | 3,525,089 | 3,665,635 |
| Interest and Fiscal Charges | 2,386,772 | 2,249,163 | 2,575,126 | 2,373,019 | 2,310,875 |
| Capital Projects | 5,524,867 | 6,904,656 | 13,511,774 | 2,284,006 | 1,784,761 |
| Total Expenditures | <u>69,298,576</u> | <u>72,431,146</u> | <u>80,289,574</u> | <u>73,738,162</u> | <u>74,048,171</u> |
| Excess (Deficiency) Revenues over Expenditures | (7,899,386) | (8,528,434) | (13,715,692) | (1,578,704) | 5,007,135 |
| Other Financing Sources/Uses | | | | | |
| Transfers In | 2,333,245 | 2,166,532 | 3,299,494 | 2,827,897 | 7,431,894 |
| Transfers Out | (2,333,245) | (2,166,532) | (3,299,494) | (2,827,897) | (7,310,828) |
| Premium on Debt Issue | - | - | - | - | - |
| Issuance of Refunding Bonds | - | - | 9,916,232 | - | 2,422,266 |
| Payment to Refunded Bond Agent | - | - | (9,805,000) | - | (2,422,266) |
| Sale of Capital Assets | 433,353 | 32,960 | 117,855 | 19,743 | 112,927 |
| Proceeds of Lease Purchase Agreement | 6,440,682 | 296,617 | - | 451,299 | 111,836 |
| Issuance of Notes Payable | - | - | - | 935,529 | 321,379 |
| Issuance of General Obligation Bonds | - | 8,000,000 | - | - | 4,250,000 |
| Issuance of Revenue Bonds | - | - | - | - | - |
| Original Issue Discount | - | - | - | - | - |
| Other | 1,055 | - | - | - | - |
| Total Other Financing Sources/Uses | <u>6,875,090</u> | <u>8,329,577</u> | <u>229,087</u> | <u>1,406,571</u> | <u>4,917,208</u> |
| Net Change in Fund Balances | <u>\$ (1,024,296)</u> | <u>\$ (198,857)</u> | <u>\$ (13,486,605)</u> | <u>\$ (172,133)</u> | <u>\$ 9,924,343</u> |
| Debt Service as a percentage of noncapital expenditures | <u>10.56%</u> | <u>8.50%</u> | <u>10.25%</u> | <u>8.68%</u> | <u>8.44%</u> |

Source: McLennan County Financial Records

Table V

| 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| \$ 51,552,447 | \$ 56,359,250 | \$ 58,498,187 | \$ 60,011,671 | \$ 61,979,009 |
| 1,887,215 | 1,913,187 | 1,990,933 | 2,001,988 | 2,031,610 |
| 5,907,990 | 7,529,708 | 6,210,605 | 6,948,891 | 8,415,401 |
| 9,299,340 | 10,031,263 | 9,770,566 | 13,673,785 | 25,212,776 |
| 1,870,289 | 1,871,241 | 2,251,821 | 2,045,098 | 1,832,035 |
| 8,705,285 | 7,004,436 | 6,218,473 | 5,871,302 | 2,725,383 |
| <u>79,222,566</u> | <u>84,709,085</u> | <u>84,940,586</u> | <u>90,552,735</u> | <u>102,196,214</u> |
| 14,456,603 | 15,368,379 | 17,693,742 | 16,947,450 | 17,336,335 |
| 5,993,688 | 6,446,573 | 6,596,838 | 6,727,611 | 6,926,972 |
| 31,715,864 | 33,202,863 | 36,754,437 | 40,461,232 | 46,257,859 |
| 6,651,633 | 7,177,322 | 7,908,710 | 7,443,205 | 7,807,109 |
| 5,235,375 | 6,005,100 | 6,269,271 | 6,736,717 | 7,473,464 |
| 3,262,859 | 3,595,216 | 3,547,708 | 3,639,835 | 3,949,629 |
| 633,514 | 660,270 | 738,272 | 805,849 | 750,345 |
| 232,401 | 233,962 | 232,982 | 270,402 | 276,939 |
| 616,903 | 1,018,783 | 521,606 | 1,491,617 | 1,150,231 |
| 3,962,713 | 4,337,593 | 4,437,441 | 4,247,504 | 4,676,092 |
| 2,227,671 | 2,054,590 | 2,990,415 | 4,889,397 | 4,741,295 |
| 1,896,997 | 2,947,063 | 36,738,978 | 4,561,517 | 3,463,225 |
| <u>76,886,221</u> | <u>83,047,714</u> | <u>124,430,402</u> | <u>98,222,336</u> | <u>104,809,495</u> |
| 2,336,345 | 1,661,371 | (39,489,816) | (7,669,601) | (2,613,281) |
| 3,103,306 | 3,466,318 | 3,553,999 | 6,616,775 | 8,071,343 |
| (3,103,306) | (3,466,318) | (3,553,999) | (6,616,775) | (8,071,343) |
| - | - | - | - | 278,793 |
| - | - | 6,307,527 | - | 5,885,000 |
| - | - | (6,212,169) | - | (6,062,517) |
| 1,299,262 | 67,049 | 218,355 | 116,591 | 115,933 |
| 1,051,495 | 116,845 | 1,558,022 | 136,850 | - |
| 298,788 | 213,636 | - | - | - |
| - | - | - | - | - |
| - | - | 49,015,000 | - | - |
| - | - | (1,804,732) | - | - |
| - | - | - | - | - |
| <u>2,649,545</u> | <u>397,530</u> | <u>49,082,002</u> | <u>253,441</u> | <u>217,209</u> |
| <u>\$ 4,985,890</u> | <u>\$ 2,058,901</u> | <u>\$ 9,592,187</u> | <u>\$ (7,416,160)</u> | <u>\$ (2,396,072)</u> |
| <u>8.64%</u> | <u>8.42%</u> | <u>15.99%</u> | <u>10.64%</u> | <u>9.43%</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 Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | |
| 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% |
| 2011 | \$ 12,228,624 | \$ 12,228,624 | \$ 2,351,188 | \$ 2,351,188 | \$ 14,579,812 | \$ 14,579,812 | \$ 0.4643 | 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)

| <u>Jurisdiction</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> | <u>2011</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year Ending Date - September 30 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Tax Roll Date - October 1 (2) | <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> |
| Direct Government: | | | | | | | | | | |
| <u>County-wide Taxing Entities:</u> | | | | | | | | | | |
| McLennan County | | | | | | | | | | |
| General Fund | 0.3563 | 0.3369 | 0.3619 | 0.3700 | 0.3833 | 0.3750 | 0.3958 | 0.3700 | 0.3852 | 0.3789 |
| Jury Fund | 0.0012 | 0.0011 | 0.0013 | 0.0012 | 0.0029 | 0.0004 | 0.0008 | 0.0005 | 0.0010 | 0.0008 |
| Debt Service Fund | 0.0820 | 0.0678 | 0.0682 | 0.0604 | 0.0574 | 0.0564 | 0.0534 | 0.0499 | 0.0432 | 0.0385 |
| Permanent Improvement Fund | 0.0184 | 0.0113 | 0.0000 | 0.0013 | 0.0050 | 0.0082 | 0.0029 | 0.0301 | 0.0137 | 0.0246 |
| Farm to Market Fund | 0.0117 | 0.0115 | 0.0093 | 0.0120 | 0.0113 | 0.0119 | 0.0123 | 0.0142 | 0.0216 | 0.0215 |
| Total Direct Rate: | 0.4696 | 0.4286 | 0.4407 | 0.4449 | 0.4599 | 0.4519 | 0.4652 | 0.4647 | 0.4647 | 0.4643 |
| Overlapping Governments: | | | | | | | | | | |
| <u>County-wide Taxing Entities:</u> | | | | | | | | | | |
| McLennan County College District | 0.1197 | 0.1165 | 0.1261 | 0.1261 | 0.1211 | 0.1204 | 0.1511 | 0.1511 | 0.1563 | 0.1528 |
| <u>Special Districts:</u> | | | | | | | | | | |
| County-Line Special Districts: | | | | | | | | | | |
| McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District No. 1 | 0.0241 | 0.0241 | 0.0283 | 0.0283 | 0.0283 | 0.0284 | 0.0250 | 0.0250 | 0.0237 | 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 | 0.0000 | 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 | 0.1000 |
| Downtown Special Improvement District | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Elm Creek Watershed Authority | 0.0280 | 0.0275 | 0.0286 | 0.0286 | 0.0294 | 0.0294 | 0.0283 | 0.0306 | 0.0327 | 0.0327 |
| <u>Cities:</u> | | | | | | | | | | |
| Bellmead | 0.3529 | 0.3107 | 0.3103 | 0.3052 | 0.2964 | 0.2788 | 0.2533 | 0.2470 | 0.2656 | 0.2748 |
| Beverly Hills | - | - | - | 0.2500 | 0.0000 | 0.2829 | 0.2829 | 0.2829 | 0.3298 | 0.3266 |
| Bruceville-Eddy | 0.4929 | 0.4644 | 0.4338 | 0.4239 | 0.4495 | 0.4495 | 0.4426 | 0.4637 | 0.4822 | 0.4841 |
| Crawford | 0.4557 | 0.3678 | 0.3543 | 0.3341 | 0.3267 | 0.3402 | 0.3822 | 0.3822 | 0.4998 | 0.4999 |
| Gholson | 0.2500 | 0.2334 | 0.2454 | 0.2454 | 0.2454 | 0.2340 | 0.2179 | 0.2179 | 0.2135 | 0.2135 |

(continued)

(continued)

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

| Jurisdiction | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fiscal Year Ending Date - September 30 | <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> |
| Tax Roll Date - October 1 (2) | | | | | | | | | | |
| Cities (continued): | | | | | | | | | | |
| Hewitt | 0.5000 | 0.4550 | 0.4842 | 0.4842 | 0.4842 | 0.4842 | 0.4842 | 0.4842 | 0.4998 | 0.4998 |
| Lacy-Lakeview | 0.3033 | 0.2883 | 0.2927 | 0.2810 | 0.2920 | 0.3285 | 0.3285 | 0.3285 | 0.3659 | 0.3592 |
| Lorena | 0.4239 | 0.4234 | 0.4314 | 0.4353 | 0.5246 | 0.5004 | 0.5068 | 0.5068 | 0.5054 | 0.5389 |
| Mart | 0.9085 | 0.8000 | 0.3448 | 0.7099 | 0.8320 | 0.7842 | 0.7988 | 0.7988 | 0.8253 | 0.8067 |
| McGregor | 0.5567 | 0.5402 | 0.5349 | 0.5400 | 0.5700 | 0.5650 | 0.5577 | 0.5772 | 0.5414 | 0.5302 |
| Moody | 0.6010 | 0.6010 | 0.5973 | 0.6130 | 0.4886 | 0.5004 | 0.5396 | 0.5395 | 0.6173 | 0.6335 |
| Riesel | - | - | - | 0.1627 | 0.2500 | 0.2500 | 0.2500 | 0.2500 | 0.2500 | 0.2500 |
| Robinson | 0.3960 | 0.3590 | 0.3570 | 0.3570 | 0.3870 | 0.3870 | 0.4170 | 0.4170 | 0.4065 | 0.4155 |
| Waco | 0.7148 | 0.7148 | 0.6997 | 0.6997 | 0.6997 | 0.6997 | 0.7862 | 0.7962 | 0.7862 | 0.7862 |
| West | 0.3247 | 0.6925 | 0.2990 | 0.3390 | 0.3590 | 0.3676 | 0.4140 | 0.4548 | 0.4548 | 0.4725 |
| Woodway | 0.4829 | 0.2900 | 0.4572 | 0.4572 | 0.4572 | 0.4572 | 0.4572 | 0.4572 | 0.4572 | 0.4569 |
| School Districts: | | | | | | | | | | |
| County-Line School Districts: | | | | | | | | | | |
| Axtell Independent School District | 1.4200 | 1.3800 | 1.5000 | 1.4970 | 1.5000 | 1.3700 | 1.1700 | 1.1700 | 1.1700 | 1.1700 |
| Bruceville-Eddy Independent School District | 1.3800 | 1.4100 | 1.4100 | 1.4500 | 1.4500 | 1.3257 | 1.3250 | 1.3250 | 1.3250 | 1.3250 |
| China Spring Independent School District | 1.5000 | 1.5600 | 1.5725 | 1.5380 | 1.5900 | 1.4595 | 1.4296 | 1.4296 | 1.4070 | 1.4114 |
| Crawford Independent School District | 1.5299 | 1.5299 | 1.5492 | 1.5492 | 1.6200 | 1.4915 | 1.2479 | 1.3778 | 1.2689 | 1.2266 |
| Lorena Independent School District | 1.5910 | 1.6894 | 1.6894 | 1.7546 | 1.7000 | 1.5815 | 1.2474 | 1.2474 | 1.2800 | 1.2900 |
| Mart Independent School District | 1.6850 | 1.6500 | 1.6500 | 1.6329 | 1.5380 | 1.4204 | 1.1954 | 1.1954 | 1.1912 | 1.2018 |
| Moody Independent School District | 1.3800 | 1.3800 | 1.4200 | 1.4200 | 1.4200 | 1.2591 | 0.9867 | 0.9880 | 1.1100 | 1.3900 |
| Oglesby Independent School District | 1.4000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.3041 | 1.1052 | 1.1050 | 1.1100 | 1.1100 |
| Riesel Independent School District | 1.5537 | 1.6486 | 1.6334 | 1.6271 | 1.6454 | 1.5126 | 1.1963 | 1.1499 | 1.1100 | 1.2989 |
| Robinson Independent School District | 1.6615 | 1.6403 | 1.6571 | 1.6510 | 1.6274 | 1.5109 | 1.1800 | 1.3150 | 1.3150 | 1.3150 |
| Valley Mills Independent School District | 1.6400 | 1.6950 | 1.6750 | 1.6750 | 1.6700 | 1.5100 | 1.3140 | 1.3140 | 1.3140 | 1.3140 |
| West Independent School District | 1.5800 | 1.4974 | 1.6293 | 1.6964 | 1.7364 | 1.5510 | 1.2253 | 1.2253 | 1.2300 | 1.2250 |
| Other School Districts: | | | | | | | | | | |
| Bosqueville Independent School District | 1.4989 | 1.5910 | 1.5898 | 1.4921 | 1.5300 | 1.4198 | 1.5613 | 1.5551 | 1.5453 | 1.5376 |
| Connally Independent School District | 1.6496 | 1.4985 | 1.6243 | 1.6470 | 1.6520 | 1.5118 | 1.2300 | 1.2300 | 1.2888 | 1.2811 |
| Gholson Independent School District | 1.5000 | 1.4052 | 1.4500 | 1.4524 | 1.4524 | 1.3278 | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| Hallsburg Independent School District | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 1.3700 | 1.0401 | 1.0400 | 1.0400 | 1.0400 |
| LaVega Independent School District | 1.5360 | 1.5080 | 1.5400 | 1.7200 | 1.6925 | 1.5366 | 1.1828 | 1.1828 | 1.3650 | 1.3650 |
| McGregor Independent School District | 1.6500 | 1.6500 | 1.6500 | 1.6500 | 1.6500 | 1.5211 | 1.2100 | 1.2100 | 1.1900 | 1.1900 |
| Midway Independent School District | 1.6400 | 1.6020 | 1.6220 | 1.6220 | 1.6220 | 1.5065 | 1.3200 | 1.3200 | 1.3200 | 1.3200 |
| Waco Independent School District | 1.5920 | 1.4850 | 1.5242 | 1.5383 | 1.5640 | 1.4438 | 1.3591 | 1.3664 | 1.3648 | 1.3610 |

(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 |
| 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 |
| 2011 | 0.4283 | 0.0360 | 0.4643 | 0.1003 | 0.0526 | 0.1528 | 0.2114 | 0.0634 | 0.2748 | 0.3266 | - | 0.3266 |

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)

Table VIII

| Fiscal Year | Overlapping Rates | | | | | | | | | | | |
|-------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | 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 |
| 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 |
| 2011 | 0.4841 | - | 0.4841 | 0.4117 | 0.0882 | 0.4999 | 0.2135 | - | 0.2135 | 0.3601 | 0.1398 | 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)

Table VIII

| Fiscal Year | Overlapping Rates | | | | | | | | | | | |
|-------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | 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 |
| 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 |
| 2011 | 0.2345 | 0.1247 | 0.3592 | 0.3817 | 0.1572 | 0.5389 | 0.3043 | 0.5025 | 0.8067 | 0.4872 | 0.0429 | 0.5302 |

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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)

Table VIII

| Fiscal Year | Overlapping Rates | | | | | | | | | | | |
|-------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | 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 |
| 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 |
| 2011 | 0.6335 | - | 0.6335 | 0.2500 | - | 0.2500 | 0.2947 | 0.1208 | 0.4155 | 0.6112 | 0.1750 | 0.7862 |

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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)

Table VIII

| Fiscal Year | Overlapping Rates | | | | | | | | | | | |
|-------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | 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 |
| 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 |
| 2011 | 0.3812 | 0.0913 | 0.4725 | 0.4084 | 0.0485 | 0.4569 | 1.1700 | - | 1.1700 | 1.1700 | 0.3676 | 1.5376 |

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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)

Table VIII

| Fiscal Year | Overlapping Rates | | | | | | | | | | | |
|-------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | 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 |
| 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 |
| 2011 | 1.1700 | 0.1550 | 1.3250 | 1.0400 | 0.3714 | 1.4114 | 1.0400 | 0.2411 | 1.2811 | 1.0400 | 0.1866 | 1.2266 |

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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)

Table VIII

| 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 |
| 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 |
| 2011 | 1.0400 | - | 1.0400 | 1.0400 | - | 1.0400 | 1.1700 | 0.1950 | 1.3650 | 1.1700 | 0.1200 | 1.2900 |

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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)

Table VIII

| 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 |
| 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 |
| 2011 | 1.0400 | 0.1618 | 1.2018 | 1.0400 | 0.1500 | 1.1900 | 1.0400 | 0.2800 | 1.3200 | 1.0400 | 0.3450 | 1.3850 |

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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)

Table VIII

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 |
| 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 |
| 2011 | 1.0400 | 0.0700 | 1.1100 | 1.0400 | 0.2589 | 1.2989 | 1.1700 | 0.1450 | 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)

Table VIII

| 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 | | |
| 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 | |
| 2011 | 1.0400 | 0.3210 | 1.3610 | 1.0400 | 0.1850 | 1.2250 | 0.0237 | - | 0.1000 | - | 0.0327 | 33.1891 | |

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

| Taxpayer | 2011 | | | 2002 | | |
|---------------------------------|--|------|---|--|------|---|
| | 2010 Tax Roll* Assessed Value | Rank | Percentage of Total Assessed Value | 2001 Tax Roll* Assessed Value | Rank | Percentage of Total Assessed Value |
| Sandy Creek Energy Assoc LP | \$ 417,814,221 | 1 | 2.8657% | | | |
| Oncor Electric Delivery Co. | 122,467,648 | 2 | 0.8400% | | | |
| Mars SnackFood U.S. | 106,641,690 | 3 | 0.7314% | \$ 90,172,090 | 2 | 1.2579% |
| Coca-Cola Company | 75,307,626 | 4 | 0.5165% | 54,810,540 | 6 | 0.7646% |
| L-3 Communications | 71,802,723 | 5 | 0.4925% | | | |
| Allergan Inc. | 55,961,317 | 6 | 0.3838% | 30,696,670 | 9 | 0.4282% |
| Inland Western Waco Central LP | 50,860,329 | 7 | 0.3488% | | | |
| Southwestern Bell Telephone Co. | 44,744,198 | 8 | 0.3069% | 88,086,900 | 3 | 1.2288% |
| CBL/Richland Mall LP | 40,477,164 | 9 | 0.2776% | | | |
| Butt H E Grocery Co | 39,059,979 | 10 | 0.2679% | | | |
| TXU Electric Company | | | | 145,804,750 | 1 | 2.0340% |
| Raytheon E-Systems, Inc. | | | | 59,833,660 | 4 | 0.8347% |
| Owens-Brockway Services | | | | 56,153,850 | 5 | 0.7833% |
| Huck Manufacturing Co. | | | | 41,952,270 | 7 | 0.5852% |
| Paragon Trade Brands | | | | 35,325,460 | 8 | 0.4928% |
| Sherwin Williams Co., Inc. | | | | 28,187,180 | 10 | 0.3932% |
| | <u>\$ 1,025,136,895</u> | | <u>7.0312%</u> | <u>\$ 631,023,370</u> | | <u>8.8028%</u> |
| Total Assessed Valuation | <u>\$ 14,579,812,413</u> | | | <u>\$ 7,168,464,358</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 | | | |
| 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% |
| 2011 | 47,702,573 | 46,734,210 | 97.97% | 671,124 | 47,405,334 | 99.38% |

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 |
|-------------|--------------------------|---------------|--------------------|---------------------------|--------------------------|----------------------------|------------|
| 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 |
| 2011 | 26,985,000 | 48,265,000 | - | 4,963,847 | 80,213,847 | 0.95 | 341 |

(1) Excludes Compensated Absences and Net OPEB Obligations
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 |
|-------------|----------------------|---|-------------------|---|-----------------|--|----------------------------|
| 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 |
| 2011 | 234,906 | 14,579,812 | 75,250,000 | 7,351,772 | 67,898,228 | 0.47 | 289 |

Source: McLennan County Financial Records

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2011
(Unaudited)

| Jurisdiction | As of | Net Debt Outstanding (1) | Percentage Applicable to County (2) | Amount Applicable to County |
|--|------------|--------------------------------|--|-----------------------------------|
| Overlapping Debt: | | | | |
| <u>County-Wide Taxing Entities:</u> | | | | |
| McLennan County College District | 8/31/2011 | 81,270,000 | 100% | 81,270,000 |
| <u>Special Districts:</u> | | | | |
| County-Line Special Districts: | | | | |
| Aquilla-Hackberry Creek Conservation District | 9/30/2011 | - | 25% | - |
| McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District No. 1 | 9/30/2011 | - | 99.46% | - |
| McLennan and Hill Counties Tehuacana Creek Water Control and Improvement District - Benefit Tax | 9/30/2011 | - | 79.87% | - |
| Other Special Districts: | | | | |
| Elm Creek Watershed Authority | 9/30/2011 | - | 100% | - |
| McLennan County Water Control and Improvement District No. 2 | 9/30/2011 | - | 100% | - |
| Tax Increment District No. 1 | 9/30/2011 | - | 100% | - |
| Tax Increment District No. 2 | 9/30/2011 | - | 100% | - |
| <u>Cities:</u> | | | | |
| Bellmead | 9/30/2011 | 1,103,299 | 100% | 1,103,299 |
| Beverly Hills | 9/30/2011 | - | 100% | - |
| Bruceville-Eddy | 12/31/2011 | - | 100% | - |
| Crawford | 10/31/2011 | 147,388 | 100% | 147,388 |
| Gholson | 9/30/2011 | - | 100% | - |
| Hewitt | 9/30/2011 | 25,120,000 | 100% | 25,120,000 |
| Lacy-Lakeview | 9/30/2011 | 3,917,238 | 100% | 3,917,238 |
| Lorena | 9/30/2011 | 1,234,172 | 100% | 1,234,172 |
| Mart | 9/30/2011 | 193,988 | 100% | 193,988 |
| McGregor | 9/30/2011 | 6,479,448 | 100% | 6,479,448 |
| Moody | 9/30/2011 | 206,407 | 100% | 206,407 |
| Riesel | 9/30/2011 | 1,066,555 | 100% | 1,066,555 |
| Robinson | 9/30/2011 | 5,245,000 | 100% | 5,245,000 |
| Waco | 9/30/2011 | 97,700,518 | 100% | 97,700,518 |
| West | 9/30/2011 | - | 100% | - |
| Woodway | 9/30/2011 | 4,145,000 | 100% | 4,145,000 |

(continued)

(continued)

McLENNAN COUNTY, TEXAS

Computation of Direct and Overlapping Debt

September 30, 2011

(Unaudited)

| <u>Jurisdiction</u> | <u>As of</u> | <u>Net Debt Outstanding (1)</u> | <u>Percentage Applicable to County (2)</u> | <u>Amount Applicable to County</u> |
|---|--------------|---------------------------------|--|------------------------------------|
| <u>School Districts:</u> | | | | |
| County-Line School Districts: | | | | |
| Axtell Independent School District | 8/31/2011 | \$ - | 93.41% | \$ - |
| Bruceville-Eddy Independent School District | 6/30/2011 | 7,245,000 | 97.41% | 7,057,355 |
| China Spring Independent School District | 6/30/2011 | 35,005,589 | 97.01% | 33,958,922 |
| Crawford Independent School District | 8/31/2011 | 5,534,997 | 96.64% | 5,349,021 |
| Lorena Independent School District | 8/31/2011 | 11,029,995 | 97.98% | 10,807,189 |
| Mart Independent School District | 8/31/2011 | 2,950,000 | 79.04% | 2,331,680 |
| Moody Independent School District | 8/31/2011 | 11,865,680 | 53.77% | 6,380,176 |
| Oglesby Independent School District | 8/31/2011 | 555,000 | 7.11% | 39,461 |
| Riesel Independent School District | 8/31/2011 | 26,779,831 | 49.98% | 13,384,560 |
| Robinson Independent School District | 8/31/2011 | 9,979,831 | 98.51% | 9,831,132 |
| Valley Mills Independent School District | 8/31/2011 | 8,410,000 | 46.38% | 3,900,558 |
| West Independent School District | 8/31/2011 | 2,618,670 | 98.48% | 2,578,866 |
| Other School Districts: | | | | |
| Bosqueville Independent School District | 6/30/2011 | 10,725,579 | 100% | 10,725,579 |
| Connally Independent School District | 8/31/2011 | 20,057,374 | 100% | 20,057,374 |
| Gholson Independent School District | 8/31/2011 | - | 100% | - |
| Hallsburg Independent School District | 6/30/2011 | - | 100% | - |
| LaVega Independent School District | 8/31/2011 | 44,859,993 | 100% | 44,859,993 |
| McGregor Independent School District | 8/31/2011 | 8,002,721 | 100% | 8,002,721 |
| Midway Independent School District | 8/31/2011 | 112,045,886 | 100% | 112,045,886 |
| Waco Independent School District | 8/31/2011 | 195,992,813 | 100% | 195,992,813 |
| Total Overlapping Debt: | | | | \$ 715,132,299 |
| Total Direct Debt: | | | | \$ 80,213,847 |
| Total Direct and Overlapping Debt: | | | | \$ 795,346,146 |

(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.

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

| | 2002 | 2003 | 2004 | 2005 |
|---|---------------------|---------------------|---------------------|---------------------|
| <u>Debt Limit (Article 3, Section 52 of the Texas Constitution)</u> | | | | |
| Assessed Value of Real Property | \$ 5,549,856 | \$ 6,782,069 | \$ 7,213,337 | \$ 7,922,995 |
| Debt Limit (One-fourth of the assessed value of Real Property | 1,387,464 | 1,695,517 | 1,803,334 | 1,980,749 |
| Road Bonds Outstanding | - | - | - | - |
| Legal Debt Margin | <u>\$ 1,387,464</u> | <u>\$ 1,695,517</u> | <u>\$ 1,803,334</u> | <u>\$ 1,980,749</u> |
| <u>Debt Limit (Under Texas General Laws)</u> | | | | |
| Assessed Value of All Taxable Property | \$ 7,168,464 | \$ 8,542,415 | \$ 9,208,393 | \$ 10,119,984 |
| Debt Limit (5%) | 358,423 | 427,121 | 460,420 | 505,999 |
| Outstanding General Obligation Bonds, Net of Assets in Debt Service Funds | 39,756 | 45,335 | 42,370 | 39,615 |
| Legal Debt Margin | <u>\$ 318,667</u> | <u>\$ 381,786</u> | <u>\$ 418,050</u> | <u>\$ 466,384</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

| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 8,710,431 | \$ 9,438,987 | \$ 10,112,257 | \$ 11,021,761 | \$ 11,550,239 | \$ 12,228,624 |
| 2,177,608 | 2,359,747 | 2,528,064 | 2,755,440 | 2,887,560 | 3,057,156 |
| - | - | - | - | - | - |
| <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> | <u>\$ 3,057,156</u> |
| \$ 10,829,902 | \$ 11,623,772 | \$ 12,344,439 | \$ 13,325,391 | \$ 13,928,493 | \$ 14,579,812 |
| 541,495 | 581,189 | 617,222 | 666,270 | 696,425 | 728,991 |
| 41,230 | 37,985 | 34,491 | 72,939 | 73,671 | 67,898 |
| <u>\$ 500,265</u> | <u>\$ 543,204</u> | <u>\$ 582,731</u> | <u>\$ 593,331</u> | <u>\$ 622,754</u> | <u>\$ 661,093</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) |
|------|-------------------|---|---|-----------------------------|----------------------|-----------------------------|
| 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% |
| 2011 | 234,906 | 8,400,653 | 34,922 | 44,840 | - | 8.0% |

Source:

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

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

| Employer | Industry | 2011 | | | 2002 * | | |
|------------------------------------|------------------|--------------------------------|------|--------------------------------------|--------------------------------|------|--------------------------------------|
| | | Full Time Equivalent Employees | Rank | Percentage of Total County Workforce | Full Time Equivalent Employees | Rank | Percentage of Total County Workforce |
| Providence Health Center | Healthcare | 2,618 | 1 | 2.23 % | >1000 | 5 | N/A |
| Baylor University | Education | 2,583 | 2 | 2.20 % | >1000 | 2 | N/A |
| Wal-Mart (all locations) | Retail | 2,561 | 3 | 2.18 % | | | |
| Waco Independent School District | Public Education | 2,276 | 4 | 1.94 % | >1000 | 1 | N/A |
| L-3 Communications | Aerospace | 2,079 | 5 | 1.77 % | >1000 | 7 | N/A |
| Hillcrest Baptist Medical Center | Healthcare | 1,793 | 6 | 1.53 % | >1000 | 4 | N/A |
| City of Waco | Local Government | 1,506 | 7 | 1.28 % | >1000 | 3 | N/A |
| H.E. Butt Grocery Co. (all stores) | Retail | 1,500 | 8 | 1.28 % | >1000 | 8 | N/A |
| Midway Independent School District | Public Education | 1,067 | 9 | 0.91 % | | | |
| Sanderson Farms Inc. | Manufacturing | 1,041 | 10 | 0.89 % | | - | |

Source: Greater Waco Chamber of Commerce

* The exact number of full time employees was not available for 2002, thus we are unable to provide the totals as a percentage of the total county workforce.



Table XVII

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

| <u>Function</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> | <u>2011</u> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Administration | 51 | 50 | 50 | 51 | 56 | 56 | 56 | 55 | 54 | 56 |
| Judicial | 84 | 89 | 92 | 90 | 96 | 97 | 104 | 105 | 102 | 103 |
| Legal Services | 36 | 39 | 39 | 39 | 44 | 46 | 47 | 47 | 47 | 45 |
| Elections | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Financial Administration | 82 | 83 | 83 | 83 | 84 | 85 | 86 | 85 | 86 | 87 |
| Public Safety | 358 | 363 | 378 | 392 | 395 | 417 | 501 | 502 | 497 | 519 |
| Health and Welfare | 28 | 30 | 30 | 30 | 30 | 42 | 39 | 38 | 39 | 42 |
| Conservation | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Public Transportation | <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> | <u>79</u> |
| Total | <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> | <u><u>943</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 Nine Fiscal Years
(unaudited)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | |
| County Auditor: | | | | | | | | | |
| Employees full time | 18 | 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 | 32,225 |
| Accounts payable checks issued | 16,936 | 17,304 | 17,773 | 18,213 | 18,551 | 18,906 | 18,994 | 18,982 | 17,972 |
| Internal audit months completed | 386 | 386 | 385 | 385 | 365 | 370 | 371 | 382 | 382 |
| County Judge: | | | | | | | | | |
| Employees full time | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Probate cases filed | N/A | N/A | 436 | 605 | 553 | 559 | 534 | 580 | 563 |
| Guardianship cases filed | N/A | N/A | 51 | 70 | 69 | 48 | 51 | 61 | 52 |
| Hearings held | N/A | N/A | 563 | 734 | 682 | 651 | 647 | 639 | 617 |
| County Treasurer: | | | | | | | | | |
| Employees full time | 5 | 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 | 23,132 |
| Cash receipts processed | 3,611 | 3,594 | 3,229 | 3,514 | 3,407 | 3,479 | 3,638 | 3,590 | 3,621 |
| Human Resources: | | | | | | | | | |
| Employees full time | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| New hires processed | 136 | 115 | 138 | 132 | 141 | 165 | 127 | 108 | 119 |
| Terminations processed | 119 | 117 | 137 | 140 | 146 | 144 | 135 | 103 | 104 |
| Purchasing: | | | | | | | | | |
| Employees full time | 4 | 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 | 5,954 |
| Tax Assessor/Collector: | | | | | | | | | |
| Employees full time | 35 | 37 | 37 | 37 | 36 | 37 | 36 | 36 | 36 |
| Motor vehicle registrations | N/A | 182,713 | 188,837 | 193,919 | 197,351 | 201,880 | 182,052 | 206,545 | 209,177 |
| Ad valorem assessment notices issued | 111,374 | 112,603 | 116,163 | 117,372 | 125,207 | 122,141 | 117,231 | 117,845 | 119,378 |
| Judicial | | | | | | | | | |
| Bail Bond Office: | | | | | | | | | |
| Employees full time | 2 | 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 | 10,847 |
| Dismissals | 986 | 1,249 | 1,152 | 980 | 1,298 | 1,421 | 855 | 782 | 722 |
| Dispositions | 6,916 | 8,007 | 11,154 | 8,384 | 9,270 | 9,389 | 7,046 | 6,633 | 4,777 |
| County Clerk: | | | | | | | | | |
| Employees full time | 24 | 24 | 24 | 24 | 25 | 26 | 26 | 26 | 26 |
| Civil cases | 1,583 | 1,727 | 1,859 | 2,298 | 2,627 | 2,128 | 1,901 | 1,750 | 1,895 |
| Criminal cases | 5,308 | 5,249 | 5,063 | 5,553 | 6,197 | 5,834 | 5,282 | 4,673 | 5,427 |
| Probate cases | 638 | 691 | 623 | 674 | 623 | 610 | 584 | 640 | 651 |
| Marriage licenses | 2,120 | 2,188 | 2,018 | 2,036 | 2,195 | 1,998 | 1,866 | 1,867 | 2,161 |

(Continued)

(Continued)

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Judicial (cont.) | | | | | | | | | |
| District Clerk: | | | | | | | | | |
| Employees full time | 21 | 21 | 21 | 22 | 25 | 25 | 25 | 25 | 25 |
| Civil cases | 4,118 | 4,203 | 3,845 | 4,034 | 5,956 | 6,302 | 6,874 | 5,784 | 7,772 |
| Criminal cases | 2,004 | 2,273 | 2,316 | 2,678 | 3,175 | 3,311 | 2,132 | 2,554 | 2,961 |
| Juvenile cases | 604 | 662 | 535 | 662 | 648 | 640 | 640 | 614 | 495 |
| Jurors Summoned | N/A | 23,000 | 26,000 | 27,600 | 27,600 | 28,400 | 27,700 | 27,000 | 26,400 |
| Jurors Impaneled | N/A | 1,004 | 1,004 | 960 | 906 | 1,105 | 1,056 | 1,044 | 1,284 |
| Justices of the Peace: | | | | | | | | | |
| Employees full time | 25 | 25 | 25 | 25 | 24 | 24 | 24 | 24 | 24 |
| Civil cases filed | 2,691 | 2,945 | 2,814 | 3,735 | 3,987 | 4,912 | 3,732 | 4,247 | 4,073 |
| Criminal cases filed | 20,178 | 17,780 | 19,701 | 19,150 | 18,398 | 18,466 | 18,054 | 18,321 | 14,258 |
| Mental Health Court Services: | | | | | | | | | |
| Employees full time | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Mental health cases filed | 393 | 438 | 401 | 366 | 396 | 252 | 217 | 219 | 309 |
| 90 day commitments | 213 | 270 | 264 | 227 | 270 | 172 | 137 | 130 | 223 |
| Warrants issued | 172 | 230 | 212 | 254 | 287 | 291 | 293 | 395 | 464 |
| Public Safety | | | | | | | | | |
| Constables: | | | | | | | | | |
| Employees full time | 22 | 22 | 22 | 22 | 24 | 24 | 24 | 23 | 23 |
| Civil process (1) | 13,181 | 12,704 | 12,673 | 10,896 | 12,670 | 12,004 | 10,857 | 9,758 | 12,961 |
| County Sheriff: | | | | | | | | | |
| Employees full time | 98 | 95 | 94 | 94 | 97 | 97 | 97 | 97 | 102 |
| Total arrests | 11,772 | 12,575 | 12,992 | 13,000 | 42,129 | 40,287 | 40,235 | 35,725 | 36,909 |
| Total charges | 31,717 | 35,622 | 38,673 | 39,185 | 42,411 | 40,646 | 40,417 | 36,032 | 37,337 |
| Jail: | | | | | | | | | |
| Employees full time | 177 | 187 | 185 | 185 | 186 | 229 | 232 | 227 | 230 |
| Total prisoner days | 285,891 | 282,662 | 271,184 | 309,781 | 328,777 | 322,175 | 315,133 | 312,150 | 322,965 |
| Prisoner hospital expenditures | \$ 157,976 | \$ 160,857 | \$ 176,942 | \$ 188,319 | \$ 290,267 | \$ 172,989 | \$ 312,150 | \$ 140,101 | \$ 79,654 |
| Prisoner physician expenditures | \$ 231,040 | \$ 254,507 | \$ 274,672 | \$ 313,329 | \$ 324,129 | \$ 55,215 | \$ 92,448 | \$ 42,970 | \$ 50,509 |
| Prisoner pharmacy expenditures | \$ 277,369 | \$ 363,479 | \$ 362,797 | \$ 346,818 | \$ 336,296 | \$ 638,187 | \$ 540,354 | \$ 481,655 | \$ 288,870 |
| Welfare | | | | | | | | | |
| County Welfare Department | | | | | | | | | |
| Employees full time | 14 | 13 | 14 | 14 | 13 | 10 | 10 | 10 | 10 |
| Clients registered | 6,554 | 6,299 | 5,443 | 5,100 | 4,347 | 4,599 | 4,283 | 5,580 | 5,448 |
| Clients seen | 4,609 | 4,606 | 4,434 | 4,407 | 4,128 | 4,124 | 4,044 | 2,259 | 2,472 |
| Clients screened | 2,793 | 2,489 | 2,203 | 2,163 | 1,532 | 1,450 | 1,668 | 2,259 | 2,472 |
| Pauper burials | 40 | 52 | 47 | 62 | 75 | 48 | 64 | 72 | 88 |

Source: Various County departments

(1) Constable, Precinct 3 has 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.



Table XIX

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

| Function | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | |
| General Administration | 61,159 | 61,159 | 62,359 | 61,159 | 61,159 | 61,159 | 59,808 | 67,551 | 70,837 |
| Legal | 13,295 | 13,295 | 13,295 | 13,295 | 13,295 | 13,295 | 13,295 | 18,458 | 18,458 |
| Elections | 6,662 | 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 | 65,946 |
| Judicial | 61,105 | 61,105 | 61,105 | 61,105 | 65,151 | 65,151 | 65,151 | 67,018 | 70,314 |
| Public Safety | | | | | | | | | |
| Law Enforcement | 26,518 | 26,518 | 26,518 | 26,518 | 59,668 | 59,668 | 35,195 | 35,195 | 39,018 |
| Corrections | 251,323 | 251,323 | 236,187 | 298,079 | 296,343 | 298,243 | 240,704 | 229,857 | 291,570 |
| Other Protection | 390 | 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 | 24,970 |
| Health | 7,763 | 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 | 5,343 |
| Culture/Recreation | 459,150 | 501,150 | 501,150 | 501,150 | 502,764 | 502,764 | 425,731 | 425,731 | 502,764 |
| Conservation | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,311 | 5,311 | 5,000 |
| Infrastructure: | | | | | | | | | |
| Road miles | 1,071 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,078 | 1,078 |
| Number of bridges | 200 | 190 | 190 | 190 | 190 | 188 | 185 | 185 | 188 |

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.