

*REPORT OF EXAMINATION*

**COUNTY OF BLANCO,  
TEXAS**

*Johnson City, Texas*

**For the Year Ended  
September 30, 2010**

BLANCO COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2010

BLANCO COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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***NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.***

***Certified Public Accountants***

P.O. BOX 874 · 736 S. WASHINGTON ST.

FREDERICKSBURG, TEXAS 78624-0874

(830) 997-3348

FAX: (830) 997-3333

Email: nkhd@austin.rr.com

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER  
TEXAS SOCIETY OF  
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Independent Auditor's Report

Honorable Judge and County Commissioners  
County of Blanco, Texas  
Johnson City, TX 78636

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of County of Blanco as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County of Blanco's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Blanco as of September 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages (3 through 9) and budgetary comparison information (pages 34 through 35) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Blanco's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Neffendorf, Knopp, Dooss + Company, P.C.*

NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.  
Fredericksburg, Texas

April 19, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Blanco County, Texas, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of the County for the year ended September 30, 2010. Please read it in conjunction with the independent auditors' report on page 1, and County's Basic Financial Statements which begin on page 10.

### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$10,801,121 (net assets). Of this amount, \$3,880,373 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's net assets increased by \$632,221 as a result of this year's operations.
- At September 30, 2010, the County's governmental funds reported combined ending fund balances of \$9,704,234, a decrease of \$1,919,000 in comparison with the prior year.
- At September 30, 2010, the unreserved fund balance of the general fund was \$3,487,618, or 99.4 percent of total general fund expenditures.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities (on pages 10 and 11). These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (on pages 10 & 11) report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the County.

The notes to the financial statements (starting on page 21) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedules (operating fund) are presented as required supplementary information on pages 34-35. The combining statements (starting on page 37) for nonmajor funds contain even more information about the County's individual funds.

## **Reporting the County as a Whole**

### ***The Statement of Net Assets and the Statement of Activities***

The analysis of the County's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided by outside parties who pay for the costs of some programs and grants provided by the outside parties and agencies (program revenues), and revenues provided by the taxpayers or other unrestricted sources (general revenues). All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the County's net assets and changes in them. The County's net assets (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider other factors as well, such as changes in the County's customers or its property tax base and the condition of the County's facilities.

In the Statement of Net Assets and the Statement of Activities, the County has one kind of activity:

- Governmental activity - Most of the County's basic services are reported here, including the public safety; roads and bridges, justice system, juvenile services, health and human services, culture and recreation, conservation and development and administration. Property taxes, grants, user charges, sales tax and other tax finance most of these activities.

## **Reporting the County's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements on pages 10 & 11 provide detailed information about the most significant funds - not the County as a whole. Laws and contracts require the County to establish some funds, such as grants received from a government agency. The County's administration establishes many other funds to help it control and manage money for particular purposes.

- Governmental funds - Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the County's governmental activities.

Net assets of the County's governmental activities increased from \$10,168,900 to \$10,801,121. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$3,880,373 at September 30, 2010. This increase in governmental net assets was the result of three factors. First, the County's expenditures exceeded the revenues by \$1,919,000. Second, the County retired long-term debt in the amount of \$10,000 and acquired capital assets in the amount of \$2,910,684. Third, the County recorded depreciation in the amount of \$444,357.

**Table I**  
**Blanco County, Texas**

**NET ASSETS**  
in thousands

	Governmental Activities	
	2010	2009
Current and Other Assets	\$ 10,977	\$ 12,231
Capital Assets	7,212	4,746
Total Assets	<u>\$ 18,189</u>	<u>\$ 16,977</u>
Long-Term Liabilities	\$ 6,305	\$ 6,490
Other Liabilities	1,083	318
Total Liabilities	<u>\$ 7,388</u>	<u>\$ 6,808</u>
Net Assets:		
Invested in Capital Assets		
Net of Related Debt	\$ 5,129	\$ 4,510
Restricted	1,792	1,255
Unrestricted	3,880	4,404
Total Net Assets	<u>\$ 10,801</u>	<u>\$ 10,169</u>

**Table II**  
**Blanco County, Texas**

**CHANGES IN NET ASSETS**  
in thousands

	Governmental Activities	
	2010	2009
<b>Revenues:</b>		
Charges for Services	\$ 1,159	\$ 997
Property Taxes	3,527	3,530
Sales Tax	311	312
Other Taxes	14	9
Penalty and Interest	70	66
Investment Earnings	218	211
Miscellaneous	118	69
Grants	175	156
<b>Total Revenue</b>	<b>\$ 5,592</b>	<b>\$ 5,350</b>
<b>Expenses:</b>		
Financial Administration	\$ 85	\$ 83
Public Safety	1,446	1,315
General Administration	425	385
Tax Administration	345	332
Facilities Management	198	203
Roads and Bridges	651	639
Sanitation	110	91
Justice System	920	901
Juvenile Services	49	54
Health and Human Services	186	142
Conservation and Development	90	88
Debt Service	455	184
<b>Total Expenses</b>	<b>\$ 4,960</b>	<b>\$ 4,417</b>
<b>Increase in Net Assets</b>	<b>\$ 632</b>	<b>\$ 933</b>
<b>Net Assets - Beginning of Year</b>	<b>10,169</b>	<b>9,236</b>
<b>Net Assets - End of Year</b>	<b>\$ 10,801</b>	<b>\$ 10,169</b>

The cost of all governmental activities this year was \$4,959,924. However, as shown in the Statement of Activities on page 11, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$3,527,043 because the other costs were paid by sales tax (\$311,177), capital grants (\$41,518), operating grants (\$124,245), user charges (\$1,159,486), investment earnings (\$217,979) and other miscellaneous (\$210,695).

**THE COUNTY'S FUNDS**

As the County completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of \$9,704,234, which is less than last year's total of \$11,623,234. Included in this year's total change in fund balance is a decrease of \$518,360 in the County's General Fund.

The Commissioner's Court adopted the General Fund Budget and Road and Bridge Fund Budgets. Actual expenditures in the General Fund and Road and Bridge Fund were less than the budgeted amounts.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of 2010, the County had \$12,214,816 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$2,786,331, or 29.5 percent, more than last year.

**CAPITAL ASSETS**  
in thousands

	Governmental Activities	
	2010	2009
Land	\$ 1,278	\$ 1,256
Buildings	3,013	3,013
Improvements	1,681	1,539
Machinery & Equipment	3,129	3,102
Vehicles	493	403
Construction in Progress	2,678	116
Total Capital Assets	\$ 12,272	\$ 9,429
Accumulated Depreciation	5,060	4,683
Capital Assets, Net	\$ 7,212	\$ 4,746

This year's major additions included:

Right of Way Acquisition	\$	22,000
Machinery & Equipment		68,597
Vehicles		116,590
Road Improvements		141,822
Construction in Progress -		
Jail		1,069,403
Annex Building		1,492,272
		<u>          </u>
Totaling	\$	<u>2,910,684</u>

More detailed information about the County's capital assets is presented in Note 3.D. to the financial statements.

**DEBT**

At September 30, 2010, the County had the following outstanding debt:

**OUTSTANDING DEBT**  
in thousands

	Governmental Activities	
	<u>2010</u>	<u>2009</u>
Bonds Payable	\$ <u>6,490</u>	\$ <u>6,500</u>
Total Outstanding Debt	\$ <u>6,490</u>	\$ <u>6,500</u>

At year-end the County had \$6,490,000 in certificates of obligation outstanding, a decrease in total debt of \$10,000 from the previous year. The County paid \$10,000 in principal on the outstanding long-term debt.

More detailed information about the County's long-term liabilities is presented in Note 3.F. to the financial statements.

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

The County's elected and appointed officials considered many factors when setting the fiscal-year 2011 budget and tax rates. The major factors are the economy and property tax valuations. These indicators were taken into account when adopting the General Fund and Road and Bridge Fund budgets for 2011. Amounts available for appropriation in the General Fund budget are \$4,164,486 and expenditures are estimated to be \$4,277,451. Estimated revenues for the Road and Bridge Fund are \$779,068 (including transfer from the general fund of \$259,368) and expenditures are estimated to be \$776,739.

If these estimates are realized, the County's budgetary General Fund balance will decrease by \$112,965 and the Road and Bridge Fund balance will remain the same by the close of 2011.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Blanco County, Texas, Johnson City, Texas.

BASIC FINANCIAL STATEMENTS

COUNTY OF BLANCO  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

EXHIBIT A-1

	Primary Government
	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 372,543
Investments - Current	10,061,578
Receivables (net of allowance for uncollectibles)	479,762
Capitalized Debt Issuance Costs	63,300
Capital Assets:	
Land	1,277,789
Buildings, net	863,090
Improvements other than Buildings, net	1,490,358
Machinery and Equipment, net	902,877
Construction in Progress	2,677,848
Total Assets	18,189,145
<b>LIABILITIES</b>	
Accounts Payable	767,129
Intergovernmental Payable	46,345
Accrued Interest Payable	84,550
Bonds Payable - Current	185,000
Noncurrent Liabilities	
Due in More Than One Year	6,305,000
Total Liabilities	7,388,024
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	5,128,829
Restricted for:	
Restricted for Special Revenue	559,196
Restricted for Capital Projects	318,291
Restricted for Debt Service	914,432
Unrestricted Net Assets	3,880,373
Total Net Assets	\$ 10,801,121

The notes to the Financial Statements are an integral part of this statement.

COUNTY OF BLANCO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
Financial Administration	\$ 84,943	\$ -	\$ -
General Administration	424,921	14,151	-
Tax Administration	344,665	5,754	-
Facilities Management	197,635	-	-
Public Safety	1,446,249	295,669	44,861
Roads & Bridges	651,006	427,810	19,399
Sanitation	110,080	-	3,000
Justice System	919,625	401,951	44,861
Juvenile Services	49,286	-	-
Health & Human Services	186,426	-	-
Conservation and Development	89,933	14,151	12,124
Bond Interest	451,335	-	-
Fiscal Agent's Fees	400	-	-
Issuance Costs	3,420	-	-
<b>TOTAL PRIMARY GOVERNMENT:</b>	<u>\$ 4,959,924</u>	<u>\$ 1,159,486</u>	<u>\$ 124,245</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Other Taxes

Penalty and Interest

Grants and Contributions Not Restricted

Miscellaneous Revenue

Investment Earnings

Total General Revenues

Change in Net Assets

Net Assets--Beginning

Net Assets--Ending

The notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets	
Capital Grants and Contributions	Primary Government Governmental
\$ -	\$ (84,943)
-	(410,770)
-	(338,911)
-	(197,635)
41,518	(1,064,201)
-	(203,797)
-	(107,080)
-	(472,813)
-	(49,286)
-	(186,426)
-	(63,658)
-	(451,335)
-	(400)
-	(3,420)
<u>\$ 41,518</u>	<u>(3,634,675)</u>

2,943,776

583,267

311,177

14,332

69,522

8,899

117,944

217,979

4,266,896

632,221

10,168,900\$ 10,801,121

COUNTY OF BLANCO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

Data Control Codes	10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
<b>ASSETS</b>			
1010 Cash and Cash Equivalents	\$ (530,270)	\$ 137,706	\$ 1,526
1030 Investments - Current	5,000,000	-	-
1050 Taxes Receivable	180,115	-	32,145
1051 Allowance for Uncollectible Taxes (credit)	(9,006)	-	(1,607)
1150 Receivables (Net)	56,277	10,454	-
1260 Intergovernmental Receivables	16,698	-	-
1300 Due from Other Funds	-	-	912,906
1000 Total Assets	<u>\$ 4,713,814</u>	<u>\$ 148,160</u>	<u>\$ 944,970</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
2010 Accounts Payable	\$ 56,371	\$ 63,341	\$ -
2020 Wages and Salaries Payable	10,533	-	-
2060 Retainage Payable	-	-	-
2070 Intergovernmental Payable	46,345	-	-
2080 Due to Other Funds	941,837	-	-
2220 Deferred Revenues	171,110	-	30,538
2000 Total Liabilities	<u>1,226,196</u>	<u>63,341</u>	<u>30,538</u>
Fund Balances:			
Unreserved and Undesignated:			
3600 Reported in the General Fund	3,487,618	-	-
3610 Reported in the Special Revenue Fund	-	84,819	-
3620 Reported in the Debt Service Fund	-	-	914,432
3630 Reported in the Capital Projects Fund	-	-	-
3000 Total Fund Balances	<u>3,487,618</u>	<u>84,819</u>	<u>914,432</u>
4000 Total Liabilities and Fund Balances	<u>\$ 4,713,814</u>	<u>\$ 148,160</u>	<u>\$ 944,970</u>

The notes to the Financial Statements are an integral part of this statement.

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 318,291	\$ 445,290	\$ 372,543
5,061,578	-	10,061,578
-	-	212,260
-	-	(10,613)
-	156	66,887
-	-	16,698
-	28,931	941,837
<u>\$ 5,379,869</u>	<u>\$ 474,377</u>	<u>\$ 11,661,190</u>
\$ 539,380	\$ -	\$ 659,092
-	-	10,533
97,501	-	97,501
-	-	46,345
-	-	941,837
-	-	201,648
<u>636,881</u>	<u>-</u>	<u>1,956,956</u>
-	-	3,487,618
-	474,377	559,196
-	-	914,432
4,742,988	-	4,742,988
<u>4,742,988</u>	<u>474,377</u>	<u>9,704,234</u>
<u>\$ 5,379,869</u>	<u>\$ 474,377</u>	<u>\$ 11,661,190</u>

COUNTY OF BLANCO  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2010

<b>Total Fund Balances - Governmental Funds</b>	\$	9,704,234
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$9,428,485 and the accumulated depreciation was \$4,682,851. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to (decrease) net assets.		(1,754,366)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2010 capital outlays and debt principal payments is to increase net assets.		2,920,684
The 2010 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(444,357)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		374,926
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b>10,801,121</b>

The notes to the Financial Statements are an integral part of this statement.

COUNTY OF BLANCO  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	10 General Fund	Major Special Revenue Fund	50 Debt Service Fund
<b>REVENUES:</b>			
Taxes:			
5110 Property Taxes	\$ 2,989,525	\$ -	\$ 592,331
5120 General Sales and Use Taxes	311,177	-	-
5180 Other Taxes	14,332	-	-
5200 Licenses and Permits	30,024	427,810	-
5300 Intergovernmental Revenue and Grants	159,930	14,732	-
5400 Charges for Services	337,146	-	-
5510 Fines	-	123,203	-
5520 Forfeits	-	-	-
5610 Investment Earnings	215,439	-	-
5620 Rents and Royalties	11,100	-	-
5700 Other Revenue	89,787	-	-
5020 Total Revenues	<u>4,158,460</u>	<u>565,745</u>	<u>592,331</u>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
0015 Financial Administration	76,528	-	-
0016 General Administration	349,302	-	-
0017 Tax Administration	310,522	-	-
0018 Facilities Management	178,057	-	-
0020 Public Safety	1,278,175	-	-
0031 Roads & Bridges	-	586,516	-
0032 Sanitation	99,175	-	-
0033 Justice System	820,807	-	-
0036 Juvenile Services	44,404	-	-
0045 Health & Human Services	160,479	-	-
0060 Conservation and Development	81,019	-	-
Debt Service:			
0071 Bond Principal	-	-	10,000
0073 Bond Interest	-	-	533,505
0075 Fiscal Agent's Fees	-	-	400
Capital Outlay:			
0080 Capital Outlay	109,726	182,430	-
6030 Total Expenditures	<u>3,508,194</u>	<u>768,946</u>	<u>543,905</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>650,266</u>	<u>(203,201)</u>	<u>48,426</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	-	241,626	-
8911 Transfers Out (Use)	(1,168,626)	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,168,626)</u>	<u>241,626</u>	<u>-</u>
1200 Net Change in Fund Balances	(518,360)	38,425	48,426
0100 Fund Balance - October 1 (Beginning)	4,005,978	46,394	866,006
3000 Fund Balance - September 30 (Ending)	<u>\$ 3,487,618</u>	<u>\$ 84,819</u>	<u>\$ 914,432</u>

The notes to the Financial Statements are an integral part of this statement.

60 Capital Projects	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,581,856
-	-	311,177
-	-	14,332
-	-	457,834
-	-	174,662
-	93,107	430,253
-	-	123,203
-	172,466	172,466
2,540	-	217,979
-	-	11,100
11,352	-	101,139
<u>13,892</u>	<u>265,573</u>	<u>5,596,001</u>
-	-	76,528
-	33,526	382,828
-	-	310,522
-	-	178,057
-	83,552	1,361,727
-	-	586,516
-	-	99,175
-	7,718	828,525
-	-	44,404
-	7,485	167,964
-	-	81,019
-	-	10,000
-	-	533,505
-	-	400
<u>2,561,675</u>	<u>-</u>	<u>2,853,831</u>
<u>2,561,675</u>	<u>132,281</u>	<u>7,515,001</u>
<u>(2,547,783)</u>	<u>133,292</u>	<u>(1,919,000)</u>
927,000	-	1,168,626
-	-	(1,168,626)
<u>927,000</u>	<u>-</u>	<u>-</u>
<u>(1,620,783)</u>	<u>133,292</u>	<u>(1,919,000)</u>
<u>6,363,771</u>	<u>341,085</u>	<u>11,623,234</u>
<u>\$ 4,742,988</u>	<u>\$ 474,377</u>	<u>\$ 9,704,234</u>

COUNTY OF BLANCO  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(1,919,000)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2010 capital outlays and debt principal payments is to increase net assets.		2,920,684
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(444,357)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		74,894
<b>Change in Net Assets of Governmental Activities</b>	<u>\$</u>	<u>632,221</u>

The notes to the Financial Statements are an integral part of this statement.

COUNTY OF BLANCO  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2010

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 91,628	\$ 196,220
Investments - Current	36,500	-
Total Assets	<u>128,128</u>	<u>\$ 196,220</u>
<b>LIABILITIES</b>		
Accounts Payable	30,468	\$ -
Due to Others	-	196,220
Total Liabilities	<u>30,468</u>	<u>\$ 196,220</u>
<b>NET ASSETS</b>		
Restricted	<u>97,660</u>	
Total Net Assets	<u>\$ 97,660</u>	

The accompanying notes are an integral part of this statement.

COUNTY OF BLANCO  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Private Purpose Trust Fund
ADDITIONS:	
Investment Earnings	\$ 596
Rents and Royalties	10,142
Total Additions	<u>10,738</u>
DEDUCTIONS:	
Other Operating Expenses	10,738
Total Deductions	<u>10,738</u>
Change in Net Assets	-
Total Net Assets - October 1 (Beginning)	<u>97,660</u>
Total Net Assets - September 30 (Ending)	<u>\$ 97,660</u>

The notes to the Financial Statements are an integral part of this statement.

BLANCO COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Blanco County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

1.A. FINANCIAL REPORTING ENTITY

The County is an independent unit and is managed by a governing body of elected officials. The accompanying financial statements present the County's primary government.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14. The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the foregoing criteria, there were no component units identified that would require inclusion in this report.

1.B. BASIS OF PRESENTATION

***Government-wide Financial Statements:***

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements:***

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund

The General Fund, the primary operating fund of the County, is always classified as a major fund. It is the basic fund of the County and covers all activities for which a separate fund has not been established.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds

The Debt Service Fund accounts for the accumulation of financial resources for and the payment of principal and interest on general long-term debt of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's debt.

Capital Projects Fund - To account for financial resources to be used for the acquisition and construction of major capital facilities.

**Fiduciary Funds (Not included in government-wide statements)**

Agency Funds

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

Private Purpose Trust Funds

Private Purpose Trust Funds report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The reporting entity includes one private purpose trust fund.

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor. The major funds are as follows:

<b>Major Fund</b>	<b>Brief Description</b>
General	See above for description.
Special Revenue Fund: Road and Bridge	Accounts for all road and bridge construction and maintenance activity.
Debt Service Fund	See above for description.
Capital Projects Fund	See above for description.

**Nonmajor funds** consist of special revenue funds and are detailed in the Combining and Individual Fund Statements - Nonmajor Funds.

## 1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

### **Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Agency and Permanent Trust Funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

### **Basis of Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statement, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized revenues when both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within 60 days after year end. Also under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

## 1.D. ASSETS, LIABILITIES AND EQUITY

### **Cash and Cash Investments**

For the purpose of the Statement of Net Assets, "Cash and Cash Equivalents" includes demand deposit accounts and government investment pools. All amounts are considered available upon demand and are considered to be "cash equivalents."

Several funds may be invested in an investment account and each fund has an equity interest therein. Interest earned on the Investment of these monies is allocated based upon relative equity at month end.

### **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities relate to property taxes and court fines and fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants, and other intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

### **Fixed Assets**

#### Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable.

Donated assets are recorded at their estimated fair value at the date of donation.

Pursuant to GASB Statement Number 34, an extended period of deferral is available before the requirement to record and depreciate infrastructure assets (e.g., roads, bridges, and similar items) acquired before the implementation date becomes effective. Therefore, infrastructure assets acquired prior to October 1, 2002 have not yet been capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 - 50 years
Improvements	10 - 50 years
Machinery and Equipment	3 - 20 years
Infrastructure	25 - 50 years

#### Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### **Long-term Debt**

All long term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bond and note payables and capital lease transactions.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

### **Compensated Absences**

Vacation and Sick Leave - Vacation and sick leave expenses are charged to operations when taken by the employees of the County. Accordingly, no accruals are reflected in the accounts for unpaid amounts of vacation and sick leave earned by employees. After one year of service an employee is entitled to two weeks of vacation.

If the employee does not take the vacation within the year, they will lose the benefit. If an employee is terminated for any reason they will be entitled to payment for the vacation they have earned. The liabilities for accumulated vacation and sick leave at September 30, 2010 are estimated to be insignificant and are not reflected in the accompanying financial statements.

### **Equity Classifications**

#### Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**Use of Estimates**

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

1.E. REVENUES, EXPENDITURES AND EXPENSES

**Property Taxes**

The County contracted with the Blanco County Appraisal District for the appraisal of properties and collection of taxes. Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. For the 2009 tax roll, the total assessed valuation was \$941,956,282 and the taxes assessed amounted to \$3,630,441. The total tax rate was \$.3388 per \$100 valuation and allocated \$.2815 to the General Fund and \$.0573 to the Debt Service Fund. The maximum tax levy allowed by State law for the above purposes is \$.80 per \$100 valuation.

In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide financial statements.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

## NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the County is subject to various federal, state and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

### BUDGETARY INFORMATION

The County Judge and staff prepare the proposed budget, using revenue estimates furnished by the County Treasurer and submit the data to Commissioners Court. A public hearing is held on the budget by Commissioners Court. Before determining the final budget, Commissioners Court may increase or decrease the amounts requested by the various departments. In the final budget, which is usually adopted in September, expenditures for current operating funds cannot exceed the estimated available cash balances in such funds on October 1, plus the estimate of revenues for the ensuing year. At any time during the year, Commissioners Court may increase the budget for unexpected revenues. Commissioners Court may transfer amounts among individual budget line items within major expenditure categories during the year, but no such transfer may increase the overall total of the budget. Formal budgetary integration is employed for the General and Special Revenue operations. Budgets for these funds are prepared on a cash basis. Unused appropriations lapse at the end of each year.

## NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

### 3.A. Deposits and Investments

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

At September 30, 2010, the carrying amount of the County's deposits was \$465,951 and the bank balance was \$674,216. The County's cash deposits held at Blanco National Bank at September 30, 2010 and during the year ended September 30, 2010 were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

The County's temporary investments at September 30, 2010 are shown below:

Name	Carrying Amount	Market Value	FDIC Coverage	Pledged Securities
<u>Certificates of Deposit -</u>				
Blanco National Bank	\$ 5,036,500	\$ 5,036,500	\$ 250,000	\$ 7,719,046
<u>Liquid Asset Portfolio -</u>				
TexPool	5,061,578	5,061,578	*	*
Total Governmental Activities	<u>\$ 10,098,078</u>	<u>\$ 10,098,078</u>	<u>\$ 250,000</u>	<u>\$ 7,719,046</u>

\* The investment in TexPool is considered a government pool investment. Government pool investments are not categorized in accordance with GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book entry form. Also, investments in government investment pools are not required to disclose custodial credit risk, concentration of credit risk and interest rate risk in accordance with GASB Statement #40.

TexPool's portfolio has low market (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. The investment manager is required to maintain a stable \$1.00 net asset value and must take immediate action if the net asset value of the portfolio falls below \$.995 or rises above \$1.005.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address the following risks:

**Custodial Credit Risk - Deposits:** This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the County's agent bank in the County's name.

**Custodial Credit Risk - Investments:** 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. The County's investments (certificates of deposit) were secured by FDIC insurance and pledged securities.

**Other Credit Risk:** There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2010, the County was not exposed to concentration of credit risk or foreign currency risk.

3.B. AD VALOREM TAXES RECEIVABLE

Ad Valorem taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Ad Valorem taxes are prorated between maintenance, debt service, and special revenues based on rates adopted for the year of the levy. Allowances for uncollectible within the General, Debt Service and Special Revenue Funds are based upon historical experience in collecting property taxes. The County is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

Ad Valorem tax payments, received throughout the year, are recognized as revenue in the year received, except for those received within 60 days after year-end, which are recognized as revenue as of September 30, 2010.

The following is a summary, by major and nonmajor funds, of the gross taxes, the allowance for uncollectible taxes, and net taxes receivable.

	Taxes Receivable	Allowance for Uncollectible Taxes	Net Taxes Receivable
General Fund	\$ 180,116	\$ 9,006	\$ 171,110
Nonmajor Fund - Debt Service	<u>32,145</u>	<u>1,607</u>	<u>30,538</u>
<b>TOTAL - ALL FUNDS</b>	<u><u>\$ 212,261</u></u>	<u><u>\$ 10,613</u></u>	<u><u>\$ 201,648</u></u>

### 3.C. COURT FINES AND FEES RECEIVABLE

With the implementation of GASB Statement Number 34, the County has determined the amount of court fines and fees receivable to be \$666,127 which represents amounts owed and outstanding for the last 10 years. Based on historical collection rates for the various courts, the County has booked an allowance for uncollectible court fines and fees of \$471,597, resulting in a net receivable of \$194,530.

### 3.D. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2010.

	Balance 10/1/09	Additions	Deletions	Balance 9/30/10
<i>Governmental Activities:</i>				
Land	\$ 1,255,789	\$ 22,000	\$ -	\$ 1,277,789
Buildings	3,012,654	-	-	3,012,654
Improvements	1,539,029	141,822	-	1,680,851
Machinery & Equipment	3,101,922	68,597	41,440	3,129,079
Vehicles	402,918	116,590	26,060	493,448
Construction in Progress	<u>116,173</u>	<u>2,561,675</u>	<u>-</u>	<u>2,677,848</u>
Totals at Historic Cost	\$ 9,428,485	\$ 2,910,684	\$ 67,500	\$ 12,271,669
Less Accumulated Depreciation:				
Buildings	(2,089,311)	(60,253)	-	(2,149,564)
Improvements	(132,230)	(58,263)	-	(190,493)
Machinery & Equipment	(2,236,666)	(248,825)	41,440	(2,444,051)
Vehicles	(224,644)	(77,016)	26,060	(275,600)
Total Accumulated Depreciation	<u>\$ (4,682,851)</u>	<u>\$ (444,357)</u>	<u>\$ 67,500</u>	<u>\$ (5,059,708)</u>
Capital Assets, Net	<u><u>\$ 4,745,634</u></u>	<u><u>\$ 2,466,327</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,211,961</u></u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental Activities:	
Financial Administration	\$ 8,415
General Administration	42,093
Tax Administration	34,143
Facilities Management	19,578
Public Safety	141,375
Roads & Bridges	64,490
Sanitation	10,905
Justice System	91,100
Juvenile Services	4,882
Health & Human Services	18,462
Conservation & Development	<u>8,914</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>444,357</u></u>

3.E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2010, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General	\$ 28,931
Debt Service	General	<u>912,906</u>
 TOTAL		 \$ <u><u>941,837</u></u>

This balance results from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>		
	<u>Road &amp; Bridge Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
General Fund	\$ <u>241,626</u>	\$ <u>927,000</u>	\$ <u>1,168,626</u>
 TOTAL	 \$ <u><u>241,626</u></u>	 \$ <u><u>927,000</u></u>	 \$ <u><u>1,168,626</u></u>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

3.F. LONG-TERM DEBT

**Governmental Activities**

As of September 30, 2010, the governmental long-term debt consisted of the following:

**Changes in Long-Term Debt**

	Balance 10/1/09	Issued	Retired	Balance 9/30/10	Due Within One Year
Certificates of Obligation Payable - Series 2009	\$ 6,500,000	\$ -	\$ 10,000	\$ 6,490,000	\$ 185,000
<b>TOTAL LONG TERM DEBT</b>	<b>\$ 6,500,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 6,490,000</b>	<b>\$ 185,000</b>

3.G. CERTIFICATES OF OBLIGATIONS AND TAX REFUNDING BONDS

Certificates of Obligation payable at September 30, 2010 consists of the following:

\$6,500,000 Combination Tax and Revenue Certificates of Obligation, Series 2009 due in annual installments of principal and interest through August 1, 2029; interest on remaining outstanding bonds at 5.90% to 6.40%.

	\$ 6,490,000
<b>Total Certificates of Obligation</b>	<b>\$ 6,490,000</b>

The annual requirements for principal and interest on the outstanding certificates of obligation are as follows:

Year Ended September 30	Principal	Interest	Total
2011	\$ 185,000	\$ 399,520	\$ 584,520
2012	195,000	388,254	583,254
2013	210,000	376,378	586,378
2014	220,000	363,589	583,589
2015	235,000	350,191	585,191
2016 – 2020	1,425,000	1,196,140	2,621,140
2021 – 2025	1,955,000	1,031,995	2,986,995
2026 - 2030	2,065,000	340,480	2,405,480
<b>Totals</b>	<b>\$ 6,490,000</b>	<b>\$ 4,446,547</b>	<b>\$ 10,936,547</b>

NOTE 4 - OTHER NOTES

4.A. RETIREMENT PLAN

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 (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 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 TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

Blanco 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 County 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 8.04% for the months of the accounting year in 2010 and 7.37% for the months of the accounting year in 2009.

The contribution rate payable by the employee members for calendar year 2010 is the rate of 7%, as adopted by the governing body of the County. For calendar year 2009, the employee contribution rate was also 7%. The employee and the County contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Annual Pension Cost

For Blanco County's accounting year ended September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$143,034, and the actual contributions were \$143,034.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2009 and December 31, 2008, the basis for determining the contribution rate for calendar years 2010 and 2009. The December 31, 2009 actuarial valuation is the most recent valuation.

**ACTUARIAL VALUATION INFORMATION**

Actuarial valuation date	12/31/09	12/31/08	12/31/07
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	15
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
<b>Actuarial Assumptions:</b>			
Investment return <sup>1</sup>	8%	8%	8%
Projected salary increases <sup>1</sup>	5.4%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

<sup>1</sup>Includes inflation at the stated rate

**TREND INFORMATION FOR THE  
RETIREMENT PLAN FOR THE EMPLOYEES OF  
BLANCO COUNTY**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/06	\$ 107,169	100%	\$ -0-
9/30/07	116,474	100%	-0-
9/30/08	127,893	100%	-0-
9/30/09	130,929	100%	-0-
9/30/10	143,034	100%	-0-

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN  
FOR THE EMPLOYEES OF BLANCO COUNTY**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/09	\$ 3,502,391	\$ 4,011,460	\$ 509,069	87.31%	\$ 1,786,157	28.5%

<sup>1</sup>The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

The schedule of funding progress, presented as Required Supplementary Information 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.

#### 4.B. RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, error and omissions and personnel risks which relate to workers compensation. The county carries commercial insurance through the Texas Association of Counties in order to manage the above listed risks. The County also provides group health insurance coverage for full time employees through the Texas Association of Counties Insurance Trust (Blue Cross - Blue Shield).

#### 4.C. PERMANENT SCHOOL TRUST FUND

The Blanco County Permanent School Fund was established by State statute to receive and disburse funds earned from State lands and other investments granted to the County for educational purposes. Administration of the Fund vests in the office of the County Judge. Allocation of available funds to the County's independent school districts is according to the scholastic population of each district. The land owned by the Fund (738.96 acres located in Bailey County, Texas) was patented to Blanco County by certificate issued by the Commissioner of the General Land Office on January 4, 1906.

On December 31, 1978, the effective date of the abolition of the County School Administrative Offices, the "corpus" of the nature amounted to \$36,416. The remaining fund balance at September 30, 2010 in excess of the permanent portion is carried forward to the subsequent fiscal periods as a State required reserve of sufficient amount to pay the ad valorem taxes.

In addition to the regular distribution of annual net revenues to the school districts each year, distributions of previously undistributed funds in excess of the permanent corpus and reserved ad valorem tax money may be distributed to each district.

#### 4.D. CONTINGENT LIABILITIES

The County is involved in a lawsuit alleging violations of the Texas Open Meetings Act relating to the purchase of real property. Although the outcome of this lawsuit is not presently determinable, the County expects the liability, if any, not to have a material effect on the County's financial position.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

#### 4.E. SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 19, 2011, the date which the financial statements were available to be issued. The County is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BLANCO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
Taxes:					
5110	Property Taxes	\$ 3,008,660	\$ 3,008,660	\$ 2,989,525	\$ (19,135)
5120	General Sales and Use Taxes	260,000	260,000	311,177	51,177
5180	Other Taxes	5,000	5,000	14,332	9,332
5200	Licenses and Permits	22,000	22,000	30,024	8,024
5300	Intergovernmental Revenue and Grants	49,369	49,369	159,930	110,561
5400	Charges for Services	266,775	266,775	337,146	70,371
5610	Investment Earnings	150,000	150,000	215,439	65,439
5620	Rents and Royalties	13,500	13,500	11,100	(2,400)
5700	Other Revenue	8,260	8,260	89,787	81,527
5020	Total Revenues	3,783,564	3,783,564	4,158,460	374,896
<b>EXPENDITURES:</b>					
Current:					
General Government:					
0015	Financial Administration	86,317	86,317	76,528	9,789
0016	General Administration	452,412	452,412	349,302	103,110
0017	Tax Administration	333,387	333,387	310,522	22,865
0018	Facilities Management	287,000	287,000	178,057	108,943
0020	Public Safety	1,429,638	1,429,638	1,278,175	151,463
0032	Sanitation	94,932	94,932	99,175	(4,243)
0033	Justice System	956,665	956,665	820,807	135,858
0036	Juvenile Services	44,402	44,402	44,404	(2)
0045	Health & Human Services	271,358	271,358	160,479	110,879
0060	Conservation and Development	85,645	85,645	81,019	4,626
Capital Outlay:					
0080	Capital Outlay	3,100	3,100	109,726	(106,626)
6030	Total Expenditures	4,044,856	4,044,856	3,508,194	536,662
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(261,292)	(261,292)	650,266	911,558
<b>OTHER FINANCING SOURCES (USES):</b>					
8911	Transfers Out (Use)	(1,242,720)	(1,242,720)	(1,168,626)	74,094
7080	Total Other Financing Sources (Uses)	(1,242,720)	(1,242,720)	(1,168,626)	74,094
1200	Net Change	(1,504,012)	(1,504,012)	(518,360)	985,652
0100	Fund Balance - October 1 (Beginning)	4,005,978	4,005,978	4,005,978	-
3000	Fund Balance - September 30 (Ending)	\$ 2,501,966	\$ 2,501,966	\$ 3,487,618	\$ 985,652

COUNTY OF BLANCO  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND-ROAD & BRIDGE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-2

Data Control Codes	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
<b>REVENUES:</b>				
5200 Licenses and Permits	\$ 460,000	\$ 460,000	\$ 427,810	\$ (32,190)
5300 Intergovernmental Revenue and Grants	14,700	14,700	14,732	32
5510 Fines	100,000	100,000	123,203	23,203
5020 Total Revenues	574,700	574,700	565,745	(8,955)
<b>EXPENDITURES:</b>				
Current:				
0031 Roads & Bridges	773,756	773,756	586,516	187,240
Capital Outlay:				
0080 Capital Outlay	40,000	40,000	182,430	(142,430)
6030 Total Expenditures	813,756	813,756	768,946	44,810
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(239,056)	(239,056)	(203,201)	35,855
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	241,626	241,626	241,626	-
7080 Total Other Financing Sources (Uses)	241,626	241,626	241,626	-
1200 Change in Fund Balance	2,570	2,570	38,425	35,855
0100 Fund Balance - October 1 (Beginning)	46,394	46,394	46,394	-
3000 Fund Balance - September 30 (Ending)	\$ 48,964	\$ 48,964	\$ 84,819	\$ 35,855

The accompanying notes are an integral part of this statement.

BLANCO COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SEPTEMBER 30, 2010  
 (Unaudited)

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN  
 FOR THE EMPLOYEES OF BLANCO COUNTY**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll <sup>1</sup> (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/00	1,455,599	1,669,529	213,930	87.19%	1,130,880	18.92%
12/31/01	1,670,273	1,932,916	262,643	86.41%	1,202,589	21.84%
12/31/02	1,730,373	2,047,389	317,016	84.52%	1,242,913	25.51%
12/31/03	1,932,477	2,226,550	294,073	86.79%	1,325,363	22.19%
12/31/04	2,181,881	2,522,207	340,326	86.51%	1,337,828	25.44%
12/31/05	2,503,489	2,872,010	368,521	87.17%	1,377,264	26.76%
12/31/06	2,880,567	3,160,257	279,690	91.15%	1,469,831	19.03%
12/31/07	3,038,373	3,316,255	277,882	91.62%	1,564,378	17.76%
12/31/08	3,180,974	3,674,205	493,231	86.58%	1,735,023	28.43%
12/31/09	3,502,391	4,011,460	509,069	87.31%	1,786,157	28.50%

<sup>1</sup> The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

SUPPLEMENTARY INFORMATION

COUNTY OF BLANCO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2010

Data Control Codes	13 Hot Check	16 Records Management County Clerk	17 Records Preservation	18 Courthouse Security
<b>ASSETS</b>				
1010 Cash and Cash Equivalents	\$ 8,554	\$ 11,536	\$ 49,865	\$ 46,328
1150 Receivables (Net)	156	-	-	-
1300 Due from Other Funds	-	2,804	10,790	5,355
1000 Total Assets	<u>\$ 8,710</u>	<u>\$ 14,340</u>	<u>\$ 60,655</u>	<u>\$ 51,683</u>
<b>Fund Balances:</b>				
<b>Unreserved and Undesignated:</b>				
3610 Reported in the Special Revenue Fund	8,710	14,340	60,655	51,683
3000 Total Fund Balances	<u>8,710</u>	<u>14,340</u>	<u>60,655</u>	<u>51,683</u>
4000 Total Liabilities and Fund Balances	<u>\$ 8,710</u>	<u>\$ 14,340</u>	<u>\$ 60,655</u>	<u>\$ 51,683</u>

The notes to the Financial Statements are an integral part of this statement.

19 Child Safety Program	20 Records Management Dist. Court	21 Countywide Emergency Radio	22 FEMA Grant	24 Records Management Dist. Clerk	25 JP 1 Technology Fund	26 JP 4 Technology Fund	27 County Clerk Archive
\$ 108,465	\$ 1,182	\$ 5,000	\$ 13,543	\$ 698	\$ 18,064	\$ 7,002	\$ 67,354
-	-	-	-	-	-	-	-
9,982	-	-	-	-	-	-	-
<u>\$ 118,447</u>	<u>\$ 1,182</u>	<u>\$ 5,000</u>	<u>\$ 13,543</u>	<u>\$ 698</u>	<u>\$ 18,064</u>	<u>\$ 7,002</u>	<u>\$ 67,354</u>
118,447	1,182	5,000	13,543	698	18,064	7,002	67,354
118,447	1,182	5,000	13,543	698	18,064	7,002	67,354
<u>\$ 118,447</u>	<u>\$ 1,182</u>	<u>\$ 5,000</u>	<u>\$ 13,543</u>	<u>\$ 698</u>	<u>\$ 18,064</u>	<u>\$ 7,002</u>	<u>\$ 67,354</u>

COUNTY OF BLANCO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2010

Data Control Codes	28 Vital Statistics Preservation	29 Third Court of Appeals	30 Family Protection Plan	31 Chapter 19 Funds	
<b>ASSETS</b>					
1010	Cash and Cash Equivalents	\$ 2,801	\$ 1,250	\$ 3,485	\$ 1,923
1150	Receivables (Net)	-	-	-	-
1300	Due from Other Funds	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 2,801</u>	<u>\$ 1,250</u>	<u>\$ 3,485</u>	<u>\$ 1,923</u>
<b>Fund Balances:</b>					
<b>Unreserved and Undesignated:</b>					
3610	Reported in the Special Revenue Fund	2,801	1,250	3,485	1,923
3000	<b>Total Fund Balances</b>	<u>2,801</u>	<u>1,250</u>	<u>3,485</u>	<u>1,923</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,801</u>	<u>\$ 1,250</u>	<u>\$ 3,485</u>	<u>\$ 1,923</u>

The notes to the Financial Statements are an integral part of this statement.

33 Sheriff Seized Assets	38 Child Abuse Prevention	40 County Court Technology	41 Record Preservation Dist. Court	42 Record Preservation County Court	43 District Court Civil Technology	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 96,511	\$ 70	\$ 44	\$ 1,070	\$ 410	\$ 135	\$ 445,290	\$ 445,290
-	-	-	-	-	-	156	156
-	-	-	-	-	-	28,931	28,931
<u>\$ 96,511</u>	<u>\$ 70</u>	<u>\$ 44</u>	<u>\$ 1,070</u>	<u>\$ 410</u>	<u>\$ 135</u>	<u>\$ 474,377</u>	<u>\$ 474,377</u>
96,511	70	44	1,070	410	135	474,377	474,377
<u>96,511</u>	<u>70</u>	<u>44</u>	<u>1,070</u>	<u>410</u>	<u>135</u>	<u>474,377</u>	<u>474,377</u>
<u>\$ 96,511</u>	<u>\$ 70</u>	<u>\$ 44</u>	<u>\$ 1,070</u>	<u>\$ 410</u>	<u>\$ 135</u>	<u>\$ 474,377</u>	<u>\$ 474,377</u>

COUNTY OF BLANCO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	13  Hot Check	16 Records Management County Clerk	17 Records Preservation	18 Courthouse Security
<b>REVENUES:</b>				
5400 Charges for Services	\$ 1,077	\$ 2,528	\$ 21,282	\$ 13,677
5520 Forfeits	-	-	-	-
5020 Total Revenues	<u>1,077</u>	<u>2,528</u>	<u>21,282</u>	<u>13,677</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
0016 General Administration	-	-	28,354	-
0020 Public Safety	-	-	-	7,597
0033 Justice System	873	-	-	-
0045 Health & Human Services	-	-	-	-
6030 Total Expenditures	<u>873</u>	<u>-</u>	<u>28,354</u>	<u>7,597</u>
1200 Net Change in Fund Balance	204	2,528	(7,072)	6,080
0100 Fund Balance - October 1 (Beginning)	<u>8,506</u>	<u>11,812</u>	<u>67,727</u>	<u>45,603</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 8,710</u>	<u>\$ 14,340</u>	<u>\$ 60,655</u>	<u>\$ 51,683</u>

The notes to the Financial Statements are an integral part of this statement.

19 Child Safety Program	20 Records Management Dist. Court	21 Countywide Emergency Radio	22 FEMA Grant	24 Records Management Dist. Clerk	25 JP 1 Technology Fund	26 JP 4 Technology Fund	27 County Clerk Archive
\$ 18,360	\$ -	\$ -	\$ -	\$ 955	\$ 6,364	\$ 1,749	\$ 21,010
-	-	-	-	-	-	-	-
<u>18,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955</u>	<u>6,364</u>	<u>1,749</u>	<u>21,010</u>
-	-	-	-	5,172	-	-	-
-	-	-	-	-	3,848	2,185	-
7,500	-	-	-	-	-	-	-
<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,172</u>	<u>3,848</u>	<u>2,185</u>	<u>-</u>
10,860	-	-	-	(4,217)	2,516	(436)	21,010
<u>107,587</u>	<u>1,182</u>	<u>5,000</u>	<u>13,543</u>	<u>4,915</u>	<u>15,548</u>	<u>7,438</u>	<u>46,344</u>
\$ <u>118,447</u>	\$ <u>1,182</u>	\$ <u>5,000</u>	\$ <u>13,543</u>	\$ <u>698</u>	\$ <u>18,064</u>	\$ <u>7,002</u>	\$ <u>67,354</u>

COUNTY OF BLANCO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Data Control Codes	28 Vital Statistics Preservation	29 Third Court of Appeals	30 Family Protection Plan	31 Chapter 19 Funds
<b>REVENUES:</b>				
5400 Charges for Services	\$ 629	\$ 965	\$ 870	\$ 1,912
5520 Forfeits	-	-	-	-
5020 Total Revenues	<u>629</u>	<u>965</u>	<u>870</u>	<u>1,912</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
0016 General Administration	-	-	-	-
0020 Public Safety	-	-	-	-
0033 Justice System	493	-	-	319
0045 Health & Human Services	-	-	(15)	-
6030 Total Expenditures	<u>493</u>	<u>-</u>	<u>(15)</u>	<u>319</u>
1200 Net Change in Fund Balance	136	965	885	1,593
0100 Fund Balance - October 1 (Beginning)	<u>2,665</u>	<u>285</u>	<u>2,600</u>	<u>330</u>
3000 Fund Balance - September 30 (Ending)	<u>\$ 2,801</u>	<u>\$ 1,250</u>	<u>\$ 3,485</u>	<u>\$ 1,923</u>

The notes to the Financial Statements are an integral part of this statement.

33 Sheriff Seized Assets	38 Child Abuse Prevention	40 County Court Technology	41 Record Preservation Dist. Court	42 Record Preservation County Court	43 District Court Civil Technology	Total Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ 70	\$ 44	\$ 1,070	\$ 410	\$ 135	\$ 93,107	\$ 93,107
172,466	-	-	-	-	-	172,466	172,466
<u>172,466</u>	<u>70</u>	<u>44</u>	<u>1,070</u>	<u>410</u>	<u>135</u>	<u>265,573</u>	<u>265,573</u>
-	-	-	-	-	-	33,526	33,526
75,955	-	-	-	-	-	83,552	83,552
-	-	-	-	-	-	7,718	7,718
-	-	-	-	-	-	7,485	7,485
<u>75,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,281</u>	<u>132,281</u>
96,511	70	44	1,070	410	135	133,292	133,292
-	-	-	-	-	-	341,085	341,085
<u>\$ 96,511</u>	<u>\$ 70</u>	<u>\$ 44</u>	<u>\$ 1,070</u>	<u>\$ 410</u>	<u>\$ 135</u>	<u>\$ 474,377</u>	<u>\$ 474,377</u>

COUNTY OF BLANCO  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	BALANCE OCTOBER 1 2009	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2010
<b>OFFICIALS' FEES ACCOUNTS FUND</b>				
Assets:				
Cash and Cash Equivalents	\$ 270,658	\$ 2,152,505	\$ 2,226,943	\$ 196,220
Liabilities:				
Due to Others	\$ 270,658	\$ 2,152,505	\$ 2,226,943	\$ 196,220
 <b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Cash Equivalents	\$ 270,658	\$ 2,152,505	\$ 2,226,943	\$ 196,220
Liabilities:				
Due to Others	\$ 270,658	\$ 2,152,505	\$ 2,226,943	\$ 196,220

The notes to the Financial Statements are an integral part of this statement.