

REPORT OF EXAMINATION

**COUNTY OF BLANCO,
TEXAS**

Johnson City, Texas

**For the Year Ended
September 30, 2011**

BLANCO COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2011

BLANCO COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2011

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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, 2011, 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, 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.

The management's discussion and analysis on pages (3 through 8) 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 March 23, 2012 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

March 23, 2012

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, 2011. 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 \$11,251,765 (net assets). Of this amount, \$2,911,136 (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 \$450,644 as a result of this year's operations.
- At September 30, 2011, the County's governmental funds reported combined ending fund balances of \$5,057,144, a decrease of \$4,647,090 in comparison with the prior year.
- At September 30, 2011, the unreserved fund balance of the general fund was \$2,553,319, or 71 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 9 and 10). 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 9 & 10) 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 20) 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 9. 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 9 & 10 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 \$10,801,121 to \$11,251,765. 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 \$2,911,136 at September 30, 2011. This increase in governmental net assets was the result of three factors. First, the County's expenditures exceeded the revenues by \$4,647,090. Second, the County retired long-term debt in the amount of \$185,000 and acquired capital assets in the amount of \$5,346,020. Third, the County recorded depreciation in the amount of \$416,167.

Table I
Blanco County, Texas

NET ASSETS
in thousands

	Governmental Activities	
	2011	2010
Current and Other Assets	\$ 5,928	\$ 10,977
Capital Assets	12,142	7,212
Total Assets	<u>\$ 18,070</u>	<u>\$ 18,189</u>
Long-Term Liabilities	\$ 6,110	\$ 6,305
Other Liabilities	708	1,083
Total Liabilities	<u>\$ 6,818</u>	<u>\$ 7,388</u>
Net Assets:		
Invested in Capital Assets		
Net of Related Debt	\$ 6,783	\$ 5,129
Restricted	1,558	1,792
Unrestricted	2,911	3,880
Total Net Assets	<u>\$ 11,252</u>	<u>\$ 10,801</u>

Table II
Blanco County, Texas

CHANGES IN NET ASSETS
in thousands

	Governmental Activities	
	2011	2010
Revenues:		
Charges for Services	\$ 960	\$ 1,159
Property Taxes	3,623	3,527
Sales Tax	321	311
Other Taxes	10	14
Penalty and Interest	70	70
Investment Earnings	202	218
Miscellaneous	120	118
Grants	159	175
Total Revenue	<u>\$ 5,465</u>	<u>\$ 5,592</u>
Expenses:		
Financial Administration	\$ 87	\$ 85
Public Safety	1,411	1,446
General Administration	578	425
Tax Administration	304	345
Facilities Management	210	198
Roads and Bridges	609	651
Sanitation	130	110
Justice System	953	920
Juvenile Services	49	49
Health and Human Services	192	186
Conservation and Development	109	90
Debt Service	382	455
Total Expenses	<u>\$ 5,014</u>	<u>\$ 4,960</u>
Increase in Net Assets	\$ 451	\$ 632
Net Assets - Beginning of Year	<u>10,801</u>	<u>10,169</u>
Net Assets - End of Year	<u>\$ 11,252</u>	<u>\$ 10,801</u>

The cost of all governmental activities this year was \$5,013,594. However, as shown in the Statement of Activities on page 10, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$3,622,084 because the other costs were paid by sales tax (\$321,456), capital grants (\$43,595), operating grants (\$115,500), user charges (\$959,985), investment earnings (\$202,254) and other miscellaneous (\$199,365).

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$5,057,144, which is less than last year's total of \$9,704,234. Included in this year's total change in fund balance is a decrease of \$934,299 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 2011, the County had \$17,558,339 invested in a broad range of capital assets, including land, buildings, vehicles and equipment and other improvements. This amount represents a net increase of \$5,286,850, or 43 percent, more than last year.

CAPITAL ASSETS in thousands

	Governmental Activities	
	2011	2010
Land	\$ 1,300	\$ 1,278
Buildings	5,475	3,013
Improvements	1,805	1,681
Machinery & Equipment	3,181	3,129
Vehicles	437	493
Construction in Progress	5,360	2,678
Total Capital Assets	\$ 17,558	\$ 12,272
Accumulated Depreciation	5,416	5,060
Capital Assets, Net	\$ 12,142	\$ 7,212

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

DEBT

At September 30, 2011, the County had the following outstanding debt:

OUTSTANDING DEBT
in thousands

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Bonds Payable	\$ 6,305	\$ 6,490
Total Outstanding Debt	<u>\$ 6,305</u>	<u>\$ 6,490</u>

At year-end the County had \$6,305,000 in certificates of obligation outstanding, a decrease in total debt of \$185,000 from the previous year. The County paid \$185,000 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 2012 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 2012. Amounts available for appropriation in the General Fund budget are \$5,310,636 and expenditures are estimated to be \$5,654,647. Estimated revenues for the Road and Bridge Fund are \$779,600 (including transfer from the general fund of \$260,000) and expenditures are estimated to be \$779,220.

If these estimates are realized, the County's budgetary General Fund balance will decrease by \$344,000 and the Road and Bridge Fund balance will remain the same by the close of 2012.

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

BLANCO COUNTY
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 686,778
Investments - Current	4,700,000
Receivables (net of allowance for uncollectibles)	481,822
Capitalized Debt Issuance Costs	59,880
Capital Assets:	
Land	1,299,789
Buildings, net	3,252,946
Improvements other than Buildings, net	1,550,329
Machinery and Equipment, net	677,481
Construction in Progress	5,361,270
Total Assets	18,070,295
LIABILITIES	
Accounts Payable	402,515
Intergovernmental Payable	47,705
Accrued Interest Payable	63,310
Bonds Payable - Current	195,000
Noncurrent Liabilities	
Due in More Than One Year	6,110,000
Total Liabilities	6,818,530
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	6,783,469
Restricted for:	
Restricted for Special Revenue	536,064
Restricted for Debt Service	1,021,096
Unrestricted Net Assets	2,911,136
Total Net Assets	\$ 11,251,765

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

BLANCO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
Financial Administration	\$ 86,774	\$ -	\$ -
General Administration	577,920	18,706	-
Tax Administration	303,502	264	-
Facilities Management	210,416	-	-
Public Safety	1,410,461	122,804	41,070
Roads & Bridges	609,426	418,423	17,760
Sanitation	130,274	-	4,500
Justice System	953,370	381,082	41,070
Juvenile Services	48,911	-	-
Health & Human Services	191,585	-	-
Culture and Recreation	6,107	-	-
Conservation and Development	102,748	18,706	11,100
Bond Interest	378,280	-	-
Fiscal Agent's Fees	400	-	-
Issuance Costs	3,420	-	-
TOTAL PRIMARY GOVERNMENT:	\$ 5,013,594	\$ 959,985	\$ 115,500

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
\$ -	\$ (86,774)
-	(559,214)
-	(303,238)
-	(210,416)
28,595	(1,217,992)
-	(173,243)
15,000	(110,774)
-	(531,218)
-	(48,911)
-	(191,585)
-	(6,107)
-	(72,942)
-	(378,280)
-	(400)
-	(3,420)
<u>\$ 43,595</u>	<u>(3,894,514)</u>

2,944,048
678,036
321,456
10,189
70,342
21,198
97,635
202,254

4,345,158

450,644

10,801,121

\$ 11,251,765

BLANCO COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General Fund	Road and Bridge	Debt Service Fund
ASSETS			
Cash and Cash Equivalents	\$ (1,091,621)	\$ 87,775	\$ 1,526
Investments - Current	4,700,000	-	-
Taxes Receivable	179,908	-	30,209
Allowance for Uncollectible Taxes (credit)	(8,995)	-	(1,510)
Receivables (Net)	75,780	9,697	-
Intergovernmental Receivables	34,928	-	-
Due from Other Funds	-	-	1,019,570
Total Assets	\$ 3,890,000	\$ 97,472	\$ 1,049,795
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 59,862	\$ 12,653	\$ -
Wages and Salaries Payable	9,699	-	-
Retainage Payable	-	-	-
Intergovernmental Payable	47,705	-	-
Due to Other Funds	1,048,502	-	-
Deferred Revenues	170,913	-	28,699
Total Liabilities	1,336,681	12,653	28,699
Fund Balances:			
Restricted Fund Balance:			
Restricted for Special Revenue	-	84,819	-
Capital Acquisition and Contractual Obligation	-	-	-
Retirement of Long-Term Debt	-	-	1,021,096
Unassigned Fund Balance	2,553,319	-	-
Total Fund Balances	2,553,319	84,819	1,021,096
Total Liabilities and Fund Balances	\$ 3,890,000	\$ 97,472	\$ 1,049,795

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

Capital Projects	Other Funds	Total Governmental Funds
\$ 1,266,965	\$ 422,134	\$ 686,779
-	-	4,700,000
-	-	210,117
-	-	(10,505)
-	180	85,657
-	-	34,928
-	28,931	1,048,501
<u>\$ 1,266,965</u>	<u>\$ 451,245</u>	<u>\$ 6,755,477</u>
\$ 180,324	\$ -	\$ 252,839
-	-	9,699
139,976	-	139,976
-	-	47,705
-	-	1,048,502
-	-	199,612
<u>320,300</u>	<u>-</u>	<u>1,698,333</u>
-	451,245	536,064
946,665	-	946,665
-	-	1,021,096
-	-	2,553,319
<u>946,665</u>	<u>451,245</u>	<u>5,057,144</u>
<u>\$ 1,266,965</u>	<u>\$ 451,245</u>	<u>\$ 6,755,477</u>

BLANCO COUNTY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2011

Total Fund Balances - Governmental Funds	\$	5,057,144
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 \$12,271,669 and the accumulated depreciation was \$5,059,708.. 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 increase net assets.		721,961
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 2011 capital outlays and debt principal payments is to increase net assets.		5,531,020
The 2011 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(416,167)
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.		357,807
Net Assets of Governmental Activities	\$	11,251,765

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

BLANCO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General Fund	Road and Bridge	Debt Service Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 3,002,875	\$ -	\$ 691,584
General Sales and Use Taxes	321,456	-	-
Other Taxes	10,189	-	-
Licenses and Permits	24,634	418,423	-
Intergovernmental Revenue and Grants	165,574	14,719	-
Charges for Services	330,138	-	-
Fines	-	122,804	-
Investment Earnings	197,011	-	-
Rents and Royalties	17,400	-	-
Other Revenue	85,716	1,800	-
Total Revenues	4,154,993	557,746	691,584
EXPENDITURES:			
Current:			
General Government:			
Financial Administration	78,779	-	-
General Administration	505,669	-	-
Tax Administration	275,538	-	-
Facilities Management	191,029	-	-
Public Safety	1,250,213	-	-
Roads & Bridges	-	553,274	-
Sanitation	118,271	-	-
Justice System	822,219	-	-
Juvenile Services	44,404	-	-
Health & Human Services	162,391	-	-
Culture and Recreation	5,544	-	-
Conservation and Development	93,281	-	-
Debt Service:			
Bond Principal	-	-	185,000
Bond Interest	-	-	399,520
Fiscal Agent's Fees	-	-	400
Capital Outlay:			
Capital Outlay	63,111	126,476	-
Total Expenditures	3,610,449	679,750	584,920
Excess (Deficiency) of Revenues Over (Under) Expenditures	544,544	(122,004)	106,664
OTHER FINANCING SOURCES (USES):			
Transfers In	-	122,004	-
Transfers Out (Use)	(1,478,843)	-	-
Total Other Financing Sources (Uses)	(1,478,843)	122,004	-
Net Change in Fund Balances	(934,299)	-	106,664
Fund Balance - October 1 (Beginning)	3,487,618	84,819	914,432
Fund Balance - September 30 (Ending)	\$ 2,553,319	\$ 84,819	\$ 1,021,096

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

Capital Projects	Other Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,694,459
-	-	321,456
-	-	10,189
-	-	443,057
-	-	180,293
-	88,357	418,495
-	-	122,804
5,243	-	202,254
-	-	17,400
-	1,253	88,769
<u>5,243</u>	<u>89,610</u>	<u>5,499,176</u>
-	-	78,779
-	20,931	526,600
-	-	275,538
-	-	191,029
-	33,365	1,283,578
-	-	553,274
-	-	118,271
-	47,705	869,924
-	-	44,404
-	12,713	175,104
-	-	5,544
-	-	93,281
-	-	185,000
-	-	399,520
-	-	400
<u>5,144,133</u>	<u>12,300</u>	<u>5,346,020</u>
<u>5,144,133</u>	<u>127,014</u>	<u>10,146,266</u>
<u>(5,138,890)</u>	<u>(37,404)</u>	<u>(4,647,090)</u>
1,342,567	15,991	1,480,562
-	(1,719)	(1,480,562)
<u>1,342,567</u>	<u>14,272</u>	<u>-</u>
<u>(3,796,323)</u>	<u>(23,132)</u>	<u>(4,647,090)</u>
<u>4,742,988</u>	<u>474,377</u>	<u>9,704,234</u>
<u>\$ 946,665</u>	<u>\$ 451,245</u>	<u>\$ 5,057,144</u>

BLANCO COUNTY
 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, 2011

Total Net Change in Fund Balances - Governmental Funds	\$	(4,647,090)
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 2011 capital outlays and debt principal payments is to increase net assets.		5,531,020
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.		(416,167)
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 decrease net assets.		(17,119)
Change in Net Assets of Governmental Activities	\$	450,644

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

BLANCO COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 100,164	\$ 128,206
Investments - Current	36,500	-
Total Assets	<u>136,664</u>	<u>\$ 128,206</u>
LIABILITIES		
Accounts Payable	39,004	\$ -
Due to Others	-	128,206
Total Liabilities	<u>39,004</u>	<u>\$ 128,206</u>
NET ASSETS		
Unrestricted Net Assets	<u>97,660</u>	
Total Net Assets	<u>\$ 97,660</u>	

The accompanying notes are an integral part of this statement.

BLANCO COUNTY
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Private Purpose Trust Fund
ADDITIONS:	
Investment Earnings	\$ 528
Rents and Royalties	10,100
Total Additions	<u>10,628</u>
DEDUCTIONS:	
Other Operating Expenses	10,628
Total Deductions	<u>10,628</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, 2011

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:

Major Fund	Brief Description
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, 2011 are estimated to be insignificant and are not reflected in the accompanying financial statements.

Fund Equity

Beginning with fiscal year end September 30, 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are in non-spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e. County Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the County's governmental funds have been restated to reflect the above classifications.

The County Commissioners establish (and modify or rescind) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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 2010 tax roll, the total assessed valuation was \$942,664,601 and the taxes assessed amounted to \$3,743,232. The total tax rate was \$.3419 per \$100 valuation and allocated \$.2765 to the General Fund and \$.0654 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, 2011, the carrying amount of the County's deposits was \$786,942 and the bank balance was \$1,367,247. The County's cash deposits held at Blanco National Bank at September 30, 2011 and during the year ended September 30, 2011 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, 2011 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>FDIC Coverage</u>	<u>Pledged Securities</u>
<u>Certificates of Deposit -</u>				
Blanco National Bank	\$ 4,736,500	\$ 4,736,500	\$ 250,000	\$ 6,839,451

* 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, 2011, 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, 2011.

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	\$ 179,908	\$ 8,995	\$ 170,913
Nonmajor Fund - Debt Service	30,209	1,510	28,699
TOTAL - ALL FUNDS	\$ 210,117	\$ 10,505	\$ 199,612

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 \$620,389 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 \$458,764, resulting in a net receivable of \$161,625.

3.D. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2011.

	Balance 10/1/10	Additions	Deletions	Balance 9/30/11
<i>Governmental Activities:</i>				
Land	\$ 1,277,789	\$ 22,000	\$ -	\$ 1,299,789
Buildings	3,012,654	2,462,421	-	5,475,075
Improvements	1,680,851	123,991	-	1,804,842
Machinery & Equipment	3,129,079	54,186	2,500	3,180,765
Vehicles	493,448	-	56,850	436,598
Construction in Progress	2,677,848	5,172,065	2,488,643	5,361,270
Totals at Historic Cost	\$ 12,271,669	\$ 7,834,663	\$ 2,547,993	\$ 17,558,339
<i>Less Accumulated Depreciation:</i>				
Buildings	(2,149,563)	(72,565)	-	(2,222,128)
Improvements	(190,493)	(64,020)	-	(254,513)
Machinery & Equipment	(2,444,051)	(210,354)	59,350	(2,595,055)
Vehicles	(275,600)	(69,228)	-	(344,828)
Total Accumulated Depreciation	\$ (5,059,707)	\$ (416,167)	\$ 59,350	\$ (5,416,524)
Capital Assets, Net	\$ 7,211,962	\$ 7,418,496	\$ 2,488,643	\$ 12,141,815

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

Governmental Activities:	
Financial Administration	\$ 7,995
General Administration	51,320
Tax Administration	27,964
Facilities Management	19,387
Public Safety	126,883
Roads & Bridges	56,151
Sanitation	12,003
Justice System	83,446
Juvenile Services	4,507
Health & Human Services	16,481
Conservation & Development	9,467
Culture & Recreation	563
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ <u>416,167</u>

3.E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2011, 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	1,019,570
		<hr/>
TOTAL		\$ <u>1,048,501</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:

	Transfer In:			
	<u>Road & Bridge Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Transfer Out:				
General Fund	\$ 122,004	\$ 1,342,567	\$ 14,272	\$ 1,478,843
NonMajor Governmental Fund	-	-	1,719	1,719
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ <u>122,004</u>	\$ <u>1,342,567</u>	\$ <u>15,991</u>	\$ <u>1,480,562</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, 2011, the governmental long-term debt consisted of the following:

Changes in Long-Term Debt

	Balance 10/1/10	Issued	Retired	Balance 9/30/11	Due Within One Year
Certificates of Obligation Payable - Series 2009	\$ 6,490,000	\$ -	\$ 185,000	\$ 6,305,000	\$ 195,000
TOTAL LONG TERM DEBT	<u>\$ 6,490,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ 6,305,000</u>	<u>\$ 195,000</u>

3.G. CERTIFICATES OF OBLIGATIONS AND TAX REFUNDING BONDS

Certificates of Obligation payable at September 30, 2011 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%.	\$ 6,305,000
Total Certificates of Obligation	<u>\$ 6,305,000</u>

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

Year Ended September 30	Principal	Interest	Total
2012	\$ 195,000	\$ 388,254	\$ 583,254
2013	210,000	376,378	586,378
2014	220,000	362,389	582,389
2015	235,000	350,191	585,191
2016	250,000	335,880	585,880
2017 – 2021	1,520,000	1,430,620	2,950,620
2022 – 2026	2,080,000	914,450	2,994,450
2027 - 2031	1,595,000	208,320	1,803,320
Totals	<u>\$ 6,305,000</u>	<u>\$ 4,366,482</u>	<u>\$ 10,671,482</u>

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 618 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 8.05% for the months of the accounting year in 2011 and 8.04% for the months of the accounting year in 2010.

The contribution rate payable by the employee members for calendar year 2011 is the rate of 7%, as adopted by the governing body of the County. For calendar year 2010, 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, 2011, the annual pension cost for the TCDRS plan for its employees was \$145,856, and the actual contributions were \$145,856.

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, 2010 and December 31, 2009, the basis for determining the contribution rate for calendar years 2011 and 2010. The December 31, 2010 actuarial valuation is the most recent valuation.

ACTUARIAL VALUATION INFORMATION

Actuarial valuation date	12/31/10	12/31/09	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	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%	8%	8%
Projected salary increases ¹	5.4%	5.4%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0%	0.0%	0.0%

¹Includes 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-
9/30/11	145,856	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 Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (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%
12/31/10	3,680,159	4,262,845	582,686	86.33%	1,805,350	32.28%

¹The 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. GASB 45: ACCOUNTING AND FINANCIAL REPORTING BY EMPLOYERS FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The County of Blanco participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

The GTLF is a separate trust administered by the TCERS board of trustees. TCERS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCERS' CAFR may also be obtained by writing to the Texas County & District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Blanco County contributions to the GTLF for the years ended September 30, 2011, 2010 and 2009, were \$14,865, \$15,742 and \$16,027, respectively, which equaled the contractually required contributions each year.

4.C. 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.D. 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, 2011 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.E. 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.F. SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 23, 2012, 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

BLANCO COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 2,960,000	\$ 2,960,000	\$ 3,002,875	\$ 42,875
General Sales and Use Taxes	250,000	250,000	321,456	71,456
Other Taxes	6,000	6,000	10,189	4,189
Licenses and Permits	24,000	24,000	24,634	634
Intergovernmental Revenue and Grants	449,661	449,661	165,574	(284,087)
Charges for Services	270,025	270,025	330,138	60,113
Investment Earnings	175,000	175,000	197,011	22,011
Rents and Royalties	23,000	23,000	17,400	(5,600)
Other Revenue	6,800	6,800	85,716	78,916
Total Revenues	4,164,486	4,164,486	4,154,993	(9,493)
EXPENDITURES:				
Current:				
General Government:				
Financial Administration	86,205	86,205	78,779	7,426
General Administration	488,170	488,170	505,669	(17,499)
Tax Administration	324,737	324,737	275,538	49,199
Facilities Management	237,000	237,000	191,029	45,971
Public Safety	1,400,603	1,400,603	1,250,213	150,390
Sanitation	65,320	65,320	118,271	(52,951)
Justice System	908,355	908,355	822,219	86,136
Juvenile Services	44,402	44,402	44,404	(2)
Health & Human Services	272,926	272,926	162,391	110,535
Culture and Recreation	7,500	7,500	5,544	1,956
Conservation and Development	99,972	99,972	93,281	6,691
Capital Outlay:				
Capital Outlay	342,261	342,261	63,111	279,150
Total Expenditures	4,277,451	4,277,451	3,610,449	667,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,965)	(112,965)	544,544	657,509
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	(1,759,368)	(1,759,368)	(1,478,843)	280,525
Total Other Financing Sources (Uses)	(1,759,368)	(1,759,368)	(1,478,843)	280,525
Net Change	(1,872,333)	(1,872,333)	(934,299)	938,034
Fund Balance - October 1 (Beginning)	3,487,618	3,487,618	3,487,618	-
Fund Balance - September 30 (Ending)	\$ 1,615,285	\$ 1,615,285	\$ 2,553,319	\$ 938,034

BLANCO COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND-ROAD & BRIDGE
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT G-2

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Licenses and Permits	\$ 405,000	\$ 405,000	\$ 418,423	\$ 13,423
Intergovernmental Revenue and Grants	14,700	14,700	14,719	19
Fines	100,000	100,000	122,804	22,804
Other Revenue	-	-	1,800	1,800
Total Revenues	519,700	519,700	557,746	38,046
EXPENDITURES:				
Current:				
Roads & Bridges	776,739	776,739	553,274	223,465
Capital Outlay:				
Capital Outlay	-	-	126,476	(126,476)
Total Expenditures	776,739	776,739	679,750	96,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	(257,039)	(257,039)	(122,004)	135,035
OTHER FINANCING SOURCES (USES):				
Transfers In	259,368	259,368	122,004	(137,364)
Total Other Financing Sources (Uses)	259,368	259,368	122,004	(137,364)
Change in Fund Balance	2,329	2,329	-	(2,329)
Fund Balance - October 1 (Beginning)	84,819	84,819	84,819	-
Fund Balance - September 30 (Ending)	\$ 87,148	\$ 87,148	\$ 84,819	\$ (2,329)

The notes to the Financial Statements 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 ¹ (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%
12/31/10	3,680,159	4,262,845	582,686	86.33%	1,805,350	32.28%

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

SUPPLEMENTARY INFORMATION

BLANCO COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2011

	13 Hot Check Fee	16 Records Management County C	17 Records Preservation	18 Courthouse Security
ASSETS				
Cash and Cash Equivalents	\$ 7,199	\$ 13,658	\$ 37,737	\$ 41,803
Receivables (Net)	180	-	-	-
Due from Other Funds	-	2,804	10,790	5,355
Total Assets	<u>\$ 7,379</u>	<u>\$ 16,462</u>	<u>\$ 48,527</u>	<u>\$ 47,158</u>
Fund Balances:				
Restricted Fund Balance:				
Restricted for Special Revenue	<u>7,379</u>	<u>16,462</u>	<u>48,527</u>	<u>47,158</u>
Total Fund Balances	<u>7,379</u>	<u>16,462</u>	<u>48,527</u>	<u>47,158</u>
Total Liabilities and Fund Balances	<u>\$ 7,379</u>	<u>\$ 16,462</u>	<u>\$ 48,527</u>	<u>\$ 47,158</u>

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

19 Child Safety Program	20 Records Management District C	21 Countywide Emergency Radio	22 FEMA Grant	24 Records Management District C	25 JP 1 Technology	26 JP 2 Technology	27 County Clerk Archive
\$ 113,577	\$ 299	\$ 5,000	\$ 13,543	\$ 1,566	\$ 13,520	\$ 984	\$ 79,608
-	-	-	-	-	-	-	-
9,982	-	-	-	-	-	-	-
<u>\$ 123,559</u>	<u>\$ 299</u>	<u>\$ 5,000</u>	<u>\$ 13,543</u>	<u>\$ 1,566</u>	<u>\$ 13,520</u>	<u>\$ 984</u>	<u>\$ 79,608</u>
123,559	299	5,000	13,543	1,566	13,520	984	79,608
123,559	299	5,000	13,543	1,566	13,520	984	79,608
<u>\$ 123,559</u>	<u>\$ 299</u>	<u>\$ 5,000</u>	<u>\$ 13,543</u>	<u>\$ 1,566</u>	<u>\$ 13,520</u>	<u>\$ 984</u>	<u>\$ 79,608</u>

33 Sheriff Seized Assets	38 Child Abuse Prevention	39 District Court Technology	40 County Clerk Technology	41 District Clerk Record Preservation	42 County Court Record Preservation	43 District Court Civil Tech Fee	44 Blanco County Historical Commission
\$ 82,242	\$ 70	\$ 8	\$ 132	\$ 330	\$ 1,140	\$ 895	\$ 1,253
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 82,242</u>	<u>\$ 70</u>	<u>\$ 8</u>	<u>\$ 132</u>	<u>\$ 330</u>	<u>\$ 1,140</u>	<u>\$ 895</u>	<u>\$ 1,253</u>
<u>82,242</u>	<u>70</u>	<u>8</u>	<u>132</u>	<u>330</u>	<u>1,140</u>	<u>895</u>	<u>1,253</u>
<u>82,242</u>	<u>70</u>	<u>8</u>	<u>132</u>	<u>330</u>	<u>1,140</u>	<u>895</u>	<u>1,253</u>
<u>\$ 82,242</u>	<u>\$ 70</u>	<u>\$ 8</u>	<u>\$ 132</u>	<u>\$ 330</u>	<u>\$ 1,140</u>	<u>\$ 895</u>	<u>\$ 1,253</u>

BLANCO COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Total Nonmajor Special Revenue Funds	36 Certificate Obligation Project	37 Law Enforcement Center Proj	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 422,134	\$ -	\$ -	\$ 422,134
Receivables (Net)	180	-	-	180
Due from Other Funds	28,931	-	-	28,931
Total Assets	<u>\$ 451,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,245</u>
Fund Balances:				
Restricted Fund Balance:				
Restricted for Special Revenue	451,245	-	-	451,245
Total Fund Balances	<u>451,245</u>	<u>-</u>	<u>-</u>	<u>451,245</u>
Total Liabilities and Fund Balances	<u>\$ 451,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,245</u>

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

BLANCO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	13 Hot Check Fee	16 Records Management County C	17 Records Preservation	18 Courthouse Security
REVENUES:				
Charges for Services	\$ 882	\$ 2,122	\$ 18,500	\$ 14,571
Other Revenue	-	-	-	-
Total Revenues	<u>882</u>	<u>2,122</u>	<u>18,500</u>	<u>14,571</u>
EXPENDITURES:				
Current:				
General Government:				
General Administration	-	-	20,048	-
Public Safety	-	-	-	19,096
Justice System	2,213	-	-	-
Health & Human Services	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	10,580	-
Total Expenditures	<u>2,213</u>	<u>-</u>	<u>30,628</u>	<u>19,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,331)</u>	<u>2,122</u>	<u>(12,128)</u>	<u>(4,525)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,331)	2,122	(12,128)	(4,525)
Fund Balance - October 1 (Beginning)	<u>8,710</u>	<u>14,340</u>	<u>60,655</u>	<u>51,683</u>
Fund Balance - September 30 (Ending)	<u>\$ 7,379</u>	<u>\$ 16,462</u>	<u>\$ 48,527</u>	<u>\$ 47,158</u>

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

19 Child Safety Program	20 Records Management District C	21 Countywide Emergency Radio	22 FEMA Grant	24 Records Management District C	25 JP 1 Technology	26 JP 2 Technology	27 County Clerk Archive
\$ 17,825	\$ -	\$ -	\$ -	\$ 868	\$ 8,123	\$ 2,083	\$ 18,340
-	-	-	-	-	-	-	-
17,825	-	-	-	868	8,123	2,083	18,340
-	883	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	10,948	8,100	6,086
12,713	-	-	-	-	-	-	-
-	-	-	-	-	-	1,720	-
12,713	883	-	-	-	10,948	9,820	6,086
5,112	(883)	-	-	868	(2,825)	(7,737)	12,254
-	-	-	-	-	-	1,719	-
-	-	-	-	-	(1,719)	-	-
-	-	-	-	-	(1,719)	1,719	-
5,112	(883)	-	-	868	(4,544)	(6,018)	12,254
118,447	1,182	5,000	13,543	698	18,064	7,002	67,354
\$ 123,559	\$ 299	\$ 5,000	\$ 13,543	\$ 1,566	\$ 13,520	\$ 984	\$ 79,608

BLANCO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	28 Vital Statistics Preservation	29 Third Court of Appeals	30 Family Protection Plan	31 Chapter 19 Funds
REVENUES:				
Charges for Services	\$ 354	\$ 825	\$ 570	\$ 448
Other Revenue	-	-	-	-
Total Revenues	<u>354</u>	<u>825</u>	<u>570</u>	<u>448</u>
EXPENDITURES:				
Current:				
General Government:				
General Administration	-	-	-	-
Public Safety	-	-	-	-
Justice System	300	1,415	-	16,643
Health & Human Services	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>300</u>	<u>1,415</u>	<u>-</u>	<u>16,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>54</u>	<u>(590)</u>	<u>570</u>	<u>(16,195)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	14,272
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,272</u>
Net Change in Fund Balance	54	(590)	570	(1,923)
Fund Balance - October 1 (Beginning)	<u>2,801</u>	<u>1,250</u>	<u>3,485</u>	<u>1,923</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,855</u>	<u>\$ 660</u>	<u>\$ 4,055</u>	<u>\$ -</u>

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

33 Sheriff Seized Assets	38 Child Abuse Prevention	39 District Court Technology	40 County Clerk Technology	41 District Clerk Record Preservation	42 County Court Record Preservation	43 District Court Civil Tech Fee	44 Blanco County Historical Commission
\$ -	\$ -	\$ 8	\$ 88	\$ 1,260	\$ 730	\$ 760	\$ -
-	-	-	-	-	-	-	1,253
-	-	8	88	1,260	730	760	1,253
14,269	-	-	-	-	-	-	-
-	-	-	-	2,000	-	-	-
-	-	-	-	-	-	-	-
14,269	-	-	-	2,000	-	-	-
(14,269)	-	8	88	(740)	730	760	1,253
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(14,269)	-	8	88	(740)	730	760	1,253
96,511	70	-	44	1,070	410	135	-
\$ 82,242	\$ 70	\$ 8	\$ 132	\$ 330	\$ 1,140	\$ 895	\$ 1,253

BLANCO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Total Nonmajor Special Revenue Funds	36 Certificate Obligation Project	37 Law Enforcement Center Proj	Total Nonmajor Governmental Funds
REVENUES:				
Charges for Services	\$ 88,357	\$ -	\$ -	\$ 88,357
Other Revenue	1,253	-	-	1,253
Total Revenues	<u>89,610</u>	<u>-</u>	<u>-</u>	<u>89,610</u>
EXPENDITURES:				
Current:				
General Government:				
General Administration	20,931	-	-	20,931
Public Safety	33,365	-	-	33,365
Justice System	47,705	-	-	47,705
Health & Human Services	12,713	-	-	12,713
Capital Outlay:				
Capital Outlay	12,300	-	-	12,300
Total Expenditures	<u>127,014</u>	<u>-</u>	<u>-</u>	<u>127,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(37,404)</u>	<u>-</u>	<u>-</u>	<u>(37,404)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	15,991	-	-	15,991
Transfers Out (Use)	(1,719)	-	-	(1,719)
Total Other Financing Sources (Uses)	<u>14,272</u>	<u>-</u>	<u>-</u>	<u>14,272</u>
Net Change in Fund Balance	(23,132)	-	-	(23,132)
Fund Balance - October 1 (Beginning)	<u>474,377</u>	<u>-</u>	<u>-</u>	<u>474,377</u>
Fund Balance - September 30 (Ending)	<u>\$ 451,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,245</u>

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

BLANCO COUNTY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	BALANCE OCTOBER 1 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2011
OFFICIALS' FEES ACCOUNTS FUND				
Assets:				
Cash and Cash Equivalents	\$ 196,220	\$ 2,350,862	\$ 2,418,876	\$ 128,206
Liabilities:				
Due to Others	\$ 196,220	\$ 2,350,862	\$ 2,418,676	\$ 128,406
 TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 196,220	\$ 2,350,862	\$ 2,418,876	\$ 128,206
Liabilities:				
Due to Others	\$ 196,220	\$ 2,350,862	\$ 2,418,676	\$ 128,406

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