

**CORYELL COUNTY, TEXAS**

---

FINANCIAL  
STATEMENTS

AND

INDEPENDENT AUDITOR'S  
REPORT

---

YEAR ENDED

SEPTEMBER 30, 2010

Becky Roberts, CPA  
104 Pine Street, Suite 611  
Abilene, Texas 79601  
(325) 665-5239  
baroberts@clearwire.net

CORYELL COUNTY, TEXAS

CONTENTS

Page

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	9
Statement of Activities.....	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets .....	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities.....	14
Balance Sheet – Fiduciary Funds.....	15
Notes to Financial Statements .....	16
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	27
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund.....	28
Combining and Other Fund Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds.....	34
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund .....	39
Combining Schedule of Changes in Assets and Liabilities – All Agency Funds .....	40
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	42

# BECKY ROBERTS, CPA

104 PINE STREET, SUITE 611  
ABILENE, TEXAS 79601  
(325) 665-5239  
baroberts@clearwire.net

## INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and  
Members of the Commissioners Court of  
**Coryell County, Texas:**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Coryell County, Texas**, as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinions.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated March 8, 2011, on my consideration of **Coryell County, Texas'** internal control over financial reporting and my 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 my audit.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The management's discussion and analysis (MD&A) and the budgetary comparison schedules on pages 3 through 8 and 27 through 28, are not a required part of the basic statements but are supplementary information

required by accounting principals generally accepted in the United States of America. The combining and other fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information (MD&A, budgetary schedules, and other supplementary information) has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Becky Roberts, CPA". The signature is written in a cursive, flowing style.

BECKY ROBERTS, CPA

Abilene, Texas  
March 8, 2011

**CORYELL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

As management of Coryell County, we offer readers of Coryell County's financial statements this narrative overview and analysis of the financial activities of the Coryell County for the fiscal year ended September 30, 2010.

**Financial Highlights**

**Government-Wide Financial Statements**

- The assets of Coryell County exceeded its liabilities at the close of the most recent fiscal year by \$14,471,948 (*net assets*). Of this amount, \$5,400,601 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. \$1,312,921 of the County's equity is restricted for debt service, capital improvement, and special revenue funds, and \$7,758,426 is invested in capital assets, net of related debt.
- The County's total debt outstanding at September 30, 2010 is \$1,178,129.
- The total net assets (*equity*) of the County decreased by \$1,160,477 during the 2010 fiscal year.

**Fund Financial Statements**

- As of the close of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$6,476,126. Approximately 80% of the total fund balance amount, \$5,163,205, is *available for spending* at the government's discretion. This fund balance reflects a decrease of \$589,605 from the prior year.
- At the end of the current fiscal year, restricted fund balance for debt service, capital improvement and special revenue funds was \$1,312,921, which is a decrease of 474,934 from the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Coryell County's basic financial statements. Coryell County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-Wide Financial Statements***

The *statement of net assets* presents information on all of Coryell County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Coryell County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

**CORYELL COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2010**

The government-wide financial statements reflect functions of Coryell County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of Coryell County include general administration, judicial, legal, financial administration, public facilities, public safety, health and welfare, conservation, other supported services, and road and bridge. The government-wide financial statements can be found on pages 9-10 of this report.

***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Coryell County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Coryell County can be divided into two categories: governmental funds and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Coryell County has four governmental fund types which are the general fund, special revenue funds, debt service fund and capital projects fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, which are considered to be major funds. Data from the other non-major governmental funds are combined into the aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The governmental fund financial statements can be found on pages 11-14 of this report.

Coryell County adopts an annual appropriated budget for its general fund, road and bridge fund, debt service fund, and various other special revenue funds. A budgetary comparison statement has been provided for the general fund and the debt service fund to demonstrate compliance with these budgets on pages 27-28.

***Fiduciary funds.*** Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other governmental units. The County's fiduciary funds are all reported as Agency Funds. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's basic programs. The basic agency fund financial statement can be found on page 15, and the schedule of changes in the agency assets and liabilities can be found on pages 40-41 of this report.

**CORYELL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-26 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 29-38 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Coryell County, assets exceeded liabilities by \$14,471,948 at the close of the most recent fiscal year.

Coryell County's net assets reflect its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is outstanding of \$7,758,426. Coryell County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Coryell County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Coryell County's Net Assets**

	Governmental Activities	
	2010	2009
Current assets	\$ 7,303,299	\$ 8,361,668
Capital assets	8,936,555	9,245,533
Total Assets	16,239,854	17,607,201
Current liabilities	589,777	617,461
Long-term liabilities	1,178,129	1,496,925
Total Liabilities	1,767,906	2,114,386
Invested in capital assets, net of related debt	7,758,426	7,748,608
Restricted	1,312,921	1,787,855
Unrestricted	5,400,601	5,956,352
Total net assets	\$ 14,471,948	\$ 15,492,815

**CORYELL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

The government's net assets decreased by \$1,160,477 during the current fiscal year.

**Coryell County's Changes in Net Assets**

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,817,640	\$ 2,954,010
Operating Grants and Contributions	928,566	1,213,197
Capital Grants and Contributions		291,802
General Revenues		
Property and Other Taxes	9,849,227	9,795,348
Investment Income	37,576	107,219
Gain (loss) on disposal of assets	39,278	(6,241)
Miscellaneous Income	133,706	102,397
Total Revenues	13,805,993	14,457,732
Expenses		
General Administration	1,233,822	1,251,324
Judicial	1,596,862	1,639,445
Legal	872,863	901,671
Financial Administration	808,870	794,571
Public Facilities	2,892,795	2,521,068
Public Safety	3,101,674	2,953,980
Health and Welfare	804,610	697,841
Conservation	176,605	169,519
Other Supported Services	813,321	783,393
Road and Bridge	2,632,044	2,651,934
Interest on Long-term Debt	33,004	26,903
Total expenditures	14,966,470	14,391,649
Increase in net assets	(1,160,477)	66,083
Net Assets - Beginning of Year	15,492,815	15,214,314
Prior Period Adjustment	139,610	212,418
Net Assets - End of Year	\$ 14,471,948	\$ 15,492,815

***FINANCIAL ANALYSIS OF THE GOVERNMENTS FUNDS***

As noted earlier, Coryell County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CORYELL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

**Governmental funds.** The focus of Coryell County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Coryell County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Coryell County's governmental funds reported combined ending fund balances of \$6,476,126. Approximately 80 percent of this total amount, \$5,163,205 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* for capital improvements, special revenue and debt service purposes to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the County. All of the general fund's fund balance is unreserved. The unreserved fund balance represents 48% of the total general fund expenditures or approximately 6 months of operating equity.

**Fund Budgetary Highlights**

The original budget for the General Fund reflects a deficit of \$1,534,825, and the amended budget reflects a deficit of \$1,550,200 which would draw upon the fund balance. Budget amendments to expenditures were made during the year within the general fund departments. The actual expenditures were \$590,090 less than the final budgeted amounts, and actual revenues were \$226,105 more than was budgeted. This resulted in a favorable budget variance of \$816,195.

In the Debt Service fund, the original and amended budgets reflect a deficit of \$39,792. The actual expenditures were \$287 less than the final budgeted amounts, and actual revenues were \$4,066 less than was budgeted. This resulted in an unfavorable budget variance of \$3,779.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** Coryell County's investment in capital assets for its governmental activities as of September 30, 2010, amounts to \$8,936,555 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure.

**Coryell County's Capital Assets  
(net of depreciation)**

	Governmental Activities	
	2010	2009
Land	\$ 11,634	\$ 11,634
Buildings and improvements	3,457,360	3,591,601
Machinery and equipment	1,159,406	1,133,100
Vehicles	642,077	767,422
Infrastructure	3,666,078	3,741,776
Total	\$ 8,936,555	\$ 9,245,533

**CORYELL COUNTY, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010**

***Capital Assets - Continued***

Current year additions to capital outlays amounted to \$437,843, and \$325,580 of capital assets were disposed of. Depreciation expense was \$706,959 and 682,761 for the years ended September 31, 2010 and 2009, respectively.

***Debt Administration***

- **Notes Payable.** The County obtained \$164,750 in new debt during the current year to help finance the purchase of road and bridge equipment. \$483,546 was paid during the year on the outstanding debt, and the balance of the County's notes payables at September 30, 2010 was \$1,178,129.

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

- The tax rate for the 2011 fiscal year was increased from .3975 per \$100 valuation to .4228 per \$100 valuation.
- The County's 2011 fiscal year budget proposed significant increases in expenditures for the county jail and other mandated county operations; however, the budget reduced non-mandated expenditures and contained no salary increase for any elected official.

**Requests for Information**

This financial report is designed to provide a general overview of Coryell County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Coryell County Auditor, 620 E. Main, Gatesville, Texas 76528.

BASIC FINANCIAL STATEMENTS

**CORYELL COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2010

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS:</b>	
Cash and cash investments	\$ 2,805,189
Investments	3,234,353
Receivables:	
Property tax, net	267,604
Sales tax	275,873
Fines, net	373,370
Intergovernmental	170,865
Prepaid insurance	176,045
Capital assets net of accumulated depreciation	<u>8,936,555</u>
 TOTAL ASSETS	 <u>16,239,854</u>
 <b>LIABILITIES:</b>	
Accounts payable	335,170
Deposits payable	155,950
Due to state	86,207
Accrued interest payable	12,450
Noncurrent liabilities:	
Due in one year	418,020
Due in more than one year	<u>760,109</u>
 TOTAL LIABILITIES	 <u>1,767,906</u>
 <b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	7,758,426
Restricted for debt service	1,601
Restricted for special revenue and capital improvements	1,311,320
Unrestricted	<u>5,400,601</u>
 TOTAL NET ASSETS	 \$ <u><u>14,471,948</u></u>

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Function/Program	Expenses	Program Revenues			Primary Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental activities:					
General administration	\$ 1,233,822	\$ 439,699	\$ 16,058		\$ (778,065)
Judicial	1,596,862	671,178	90,410		(835,274)
Legal	872,863	42,176	130,897		(699,790)
Financial administration	808,870	443,363			(365,507)
Public facilities	2,892,795	45,950			(2,846,845)
Public safety	3,101,674	282,653	468,652		(2,350,369)
Health and welfare	804,610		65,720		(738,890)
Conservation	176,605				(176,605)
Other supported services	813,321		76,039		(737,282)
Road and bridge	2,632,044	892,621	80,790		(1,658,633)
Interest on long-term debt	33,004				(33,004)
	<u>14,966,470</u>	<u>2,817,640</u>	<u>928,566</u>		<u>(11,220,264)</u>
<b>Total governmental activities</b>	<u>14,966,470</u>	<u>2,817,640</u>	<u>928,566</u>		<u>(11,220,264)</u>
<b>Total primary government</b>	<u>\$ 14,966,470</u>	<u>\$ 2,817,640</u>	<u>\$ 928,566</u>		<u>\$ (11,220,264)</u>
<b>General revenues:</b>					
					8,183,126
Property taxes					1,666,101
Sales tax					37,576
Investment income					39,278
Gain on disposal of assets					133,706
Miscellaneous income					<u>10,059,787</u>
<b>Total general revenues</b>					<u>10,059,787</u>
					(1,160,477)
Change in net assets					<u>15,492,815</u>
Net assets - beginning of year					139,610
Prior Period Adjustment					<u>\$ 14,471,948</u>
<b>Net assets - end of year</b>					<u>\$ 14,471,948</u>

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2010

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash investments	\$ 1,253,318	\$ 1,601	\$ 1,550,270	\$ 2,805,189
Investments	3,234,353			3,234,353
Receivables:				
Property tax, net	267,604			267,604
Sales tax	275,873			275,873
Fines, net	373,370			373,370
Intergovernmental	89,981		80,884	170,865
Prepaid insurance	151,511		24,534	176,045
<b>TOTAL ASSETS</b>	<b><u>\$ 5,646,010</u></b>	<b><u>\$ 1,601</u></b>	<b><u>\$ 1,655,688</u></b>	<b><u>\$ 7,303,299</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 146,752		\$ 188,418	\$ 335,170
Deposits payable			155,950	155,950
Due to state	86,207			86,207
Deferred revenue	249,846			249,846
<b>TOTAL LIABILITIES</b>	<b><u>482,805</u></b>		<b><u>344,368</u></b>	<b><u>827,173</u></b>
Fund Balances:				
Restricted for debt service		1,601		1,601
Restricted for special revenue funds			1,311,320	1,311,320
Unreserved for general fund	5,163,205			5,163,205
<b>TOTAL FUND BALANCES</b>	<b><u>5,163,205</u></b>	<b><u>1,601</u></b>	<b><u>1,311,320</u></b>	<b><u>6,476,126</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 5,646,010</u></b>	<b><u>\$ 1,601</u></b>	<b><u>\$ 1,655,688</u></b>	<b><u>\$ 7,303,299</u></b>

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2010

Total Fund Balances - Governmental Funds	\$ 6,476,126
--	--------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is an increase in net assets.	8,936,555
---	-----------

Other long-term assets are not available to pay for current-period expenditures, therefore, are deferred in the governmental funds. Deferred revenue is recognized in the government-wide financial statements. This results in an increase in net assets.	249,846
--	---------

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net assets.	<u>(1,190,579)</u>
--	--------------------

Net Assets of Governmental Activities	\$ <u><u>14,471,948</u></u>
---------------------------------------	-----------------------------

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 6,329,184	\$ 470,885	\$ 1,347,109	\$ 8,147,178
Sales tax	1,666,101			1,666,101
Licenses and permits			870,210	870,210
Fees and charges for services	985,077		307,748	1,292,825
Intergovernmental	325,150		604,921	930,071
Investment earnings	37,574		2	37,576
Other miscellaneous	319,147		23,161	342,308
Fines, forfeitures and settlements	444,498			444,498
	<u>10,106,731</u>	<u>470,885</u>	<u>3,153,151</u>	<u>13,730,767</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General administration	1,065,418		103,059	1,168,477
Judicial	1,524,710		72,152	1,596,862
Legal	741,357		121,893	863,250
Financial administration	808,870			808,870
Public facilities	2,665,845		216,950	2,882,795
Public safety	2,141,586		737,799	2,879,385
Health and welfare	804,610			804,610
Conservation	176,605			176,605
Other supported services	813,321			813,321
Road and bridge			2,232,332	2,232,332
Debt service		514,456		514,456
Capital outlay	125,914		311,929	437,843
	<u>10,868,236</u>	<u>514,456</u>	<u>3,796,114</u>	<u>15,178,806</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	(761,505)	(43,571)	(642,963)	(1,448,039)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			190,859	190,859
Transfers out	(29,500)		(161,359)	(190,859)
Proceeds from financing agreements			164,750	164,750
Proceeds from sale of property	61,790		17,350	79,140
Total Other Financing Sources (Uses)	<u>32,290</u>		<u>211,600</u>	<u>243,890</u>
<b>CHANGE IN FUND BALANCE</b>	(729,215)	(43,571)	(431,363)	(1,204,149)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	5,752,810	45,172	1,742,683	7,540,665
Prior Period Adjustment	139,610			139,610
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,163,205</u>	<u>\$ 1,601</u>	<u>\$ 1,311,320</u>	<u>\$ 6,476,126</u>

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Net Change in Fund Balances - Governmental Funds	\$ (1,204,149)
--	----------------

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

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays net of disposals is to increase net assets.	397,981
--	---------

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of current year depreciation expense is to decrease net assets.	(706,959)
--	-----------

Revenue from property taxes and court fines recognized in the fund financial statements on the modified accrual basis but are recognized on the accrual basis in the government-wide financial statements. The net effect is to decrease net assets.	35,948
--	--------

Current year payments on long-term debt are expenditures in the fund financial statements, but are shown as reductions of the debt in the government-wide financial statements. The net effect is to increase net assets.	481,452
---	---------

Current year proceeds from issuance of debt is not shown as revenue in the government-wide financial statements. The net effect is to decrease net assets.	<u>(164,750)</u>
--	------------------

Change in Net Assets of Governmental Activities	<u><u>\$ (1,160,477)</u></u>
---	------------------------------

The accompanying notes are an integral part of this statement.

**CORYELL COUNTY, TEXAS**  
**BALANCE SHEET**  
**FIDUCIARY FUNDS**

SEPTEMBER 30, 2010

ASSETS	Agency Funds
Cash and cash investments held by:	
County Clerk	\$ 57,051
District Clerk	229,613
Justice of the Peace Pct #1	200
Justice of the Peace Pct #2	200
Justice of the Peace Pct #3	0
Justice of the Peace Pct #4	0
Jail	11,504
Sheriff	19,195
Tax Assessor Collector	526,203
Hot check fund	0
Investments held by:	
County Clerk	97,167
District Clerk	674,354
<b>TOTAL ASSETS</b>	<b>\$ <u><u>1,615,487</u></u></b>
<b>LIABILITIES</b>	
Due to others	\$ <u>1,615,487</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u><u>1,615,487</u></u></b>

The accompanying notes are an integral part of this statement.

## CORYELL COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010

#### *NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

##### **Reporting Entity**

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution and Vernon's Annotated Civil Statutes. The County was established on March 15, 1854 and operates under a county judge/commissioners' court type government as provided by state statute. The Commissioners' Court has governance responsibilities over all activities related to Coryell County, Texas. The County is not included in any other governmental reporting entity, and there are no component units included within the reporting entity.

The County provides the following services to its citizens: public safety, public transportation (roads and bridges), health and welfare, recreation facilities, judicial and legal, and general administrative services.

The financial and reporting policies of the County conform to U.S. generally accepted accounting principles ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB and those principles prescribed by the American Institute of Certified Public Accountants. The following is a summary of the more significant practices used by the County.

##### **Government-Wide and Fund Financial Statements**

*Government-wide financial statements.* The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

*Fund financial statements.* Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## CORYELL COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010

#### *NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

##### **Governmental Funds**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, fines, interest revenue, and revenue received from various governmental entities associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the state at year-end on behalf of the County also are recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

##### **Fiduciary Funds**

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. Formal budgetary accounting is not required for fiduciary funds. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

## CORYELL COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010

#### *NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues*. Likewise, general revenues include all taxes.

In the fund financial statements, governmental special revenue and debt service funds report restrictions of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

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

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

#### **Budget Policies**

The County follows these procedures in establishing budgetary data reflected in the financial statements:

Public hearings are conducted at the Coryell County Courthouse to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through adoption of an order by the Commissioners' Court. Budgets are adopted for the general fund, debt service fund, and most special revenue funds. All budget amendments are approved by the Commissioners' Court.

The budgeted amounts presented in these statements are as originally adopted and as amended by the Commissioners' Court during the year ended September 30, 2010. All appropriations lapse at year end.

**CORYELL COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

*NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued*

**Assets, Liabilities, and Net Assets or Equity**

**Deposits and Investments**

*Policies and legal and contractual provisions governing deposits* - The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank, approved pledged securities 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).

*Custodial credit risk—deposits.* Deposits in financial institutions are carried at cost which approximates fair value. At September 30, 2010, the County had cash and cash investments, which represents cash on hand, demand deposits and savings accounts at federally insured local banks. At September 30, 2010, the County was fully insured by federal depository insurance and pledged securities held by the County's agent bank.

Statutes authorize the County to invest in 1) obligations of the U.S. Treasury or 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, and 10) common trust funds. The County is required by Governmental Code Chapter 2256, Public Funds Investment Act (PFIA), to adopt, implement, and publicize an investment policy. That policy must address the following areas: 1) safety or 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, and 9) bid solicitation preferences for certificates of deposit.

*Interest rate risk* - For short term liquidity investment requirements, the County utilizes TexStar, which is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. TexStar is administered by First Southwest Asset Management, Inc. and JP Morgan Chase. TexStar maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

*Credit Risk* - State law and County policy limits investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2010, the County's investments in TexStar were rated AAAM by Standard and Poor's.

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

	<u>Cost Basis</u>	<u>Fair Value</u>
TexStar	\$ 109,472	\$ 109,472
Money Market	2,580,277	2,580,277
Certificates of Deposit-Primary Government	3,234,353	3,234,353
Certificates of Deposit-Fiduciary Funds	771,521	771,521

**CORYELL COUNTY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

*NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued*

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds”: (i.e., the non-current portion of interfund loans).

Property taxes are levied on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1. Property taxes attach as an enforceable lien as of January 1 to secure the payment of all taxes, penalties, and interest ultimately imposed. The Coryell Central Appraisal District assesses the property taxes for the County and the Coryell County Tax Assessor Collector collects the property taxes for the County. The County is permitted by the Municipal Finance Law of the State to levy taxes up to \$1.20 per \$100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal established by the Attorney General of the State of Texas. The tax rate for the year ended September 30, 2010 was \$.3975 per \$100 valuation.

All receivables are shown net of an allowance for uncollectibles.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. The County’s policy is to capitalize assets costing \$5,000 or more and having an estimated life of two years or more. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available.

Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments which materially extend the useful lives of the capital assets are capitalized. Depreciable capital assets are depreciated using the straight-line method over the asset’s estimated useful life as follows:

Buildings and improvements	20-50 years
Infrastructure	50-60 years
Machinery and equipment	5-7 years
Vehicles	5-7 years

**Long-Term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities. The long-term debt of the County includes notes payable.

**Compensated Absences**

The County’s policy does not permit employees to accumulate earned but unused vacation. Unused sick time can be accumulated; however, there is no liability for unpaid accumulated sick leave as the County does not have a policy to pay unused sick time when employees separate from service with the County.

**CORYELL COUNTY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

*NOTE 2: CAPITAL ASSET ACTIVITY*

The changes in capital assets for the year ended September 31, 2010 are as follows:

<b>Capital Assets</b>	Balance October 1, 2009	Additions	Retirements	Balance September 30, 2010
Land (not depreciated)	\$ 11,634	\$	\$	\$ 11,634
Buildings and improvements	6,174,000			6,174,000
Machinery and equipment	3,415,230	259,124		3,674,354
Vehicles	3,072,628	178,719	(325,580)	2,925,767
Infrastructure	18,317,951			18,317,951
<b>Total capital assets</b>	<b>30,991,443</b>	<b>437,843</b>	<b>(325,580)</b>	<b>31,103,706</b>
Less accumulated depreciation for:				
Buildings and improvements	2,582,399	134,241		2,716,640
Machinery and equipment	2,282,130	232,818		2,514,948
Vehicles	2,305,206	264,202	(285,718)	2,283,690
Infrastructure	14,576,175	75,698		14,651,873
<b>Total accumulated depreciation</b>	<b>21,745,910</b>	<b>706,959</b>	<b>(285,718)</b>	<b>22,167,151</b>
<b>Governmental activities capital assets</b>	<b>\$ 9,245,533</b>	<b>\$ (269,116)</b>	<b>\$ (39,862)</b>	<b>\$ 8,936,555</b>

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

Governmental Activities	
General administration	\$ 65,345
Public safety	222,289
Legal	9,613
Public facilities	10,000
Road and bridge	399,712
	<u>706,959</u>
	<u>\$ 706,959</u>

**CORYELL COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

**NOTE 3: LONG-TERM DEBT**

A summary of changes in long-term debt at September 30, 2010 is as follows:

	Balance October 1, 2009	Additions	Retirements	Balance September 30, 2010
Note 270 Road & Bridge Equipment	\$ 45,560	\$	\$ 45,560	\$ -
Note 271 Sheriff & Constable Vehicles	31,250		31,250	-
Note 272 Road & Bridge Equipment	71,440		35,720	35,720
Note 273 Sheriff Vehicles	21,666		21,666	-
Note 274 Road & Bridge Equipment	188,472		62,824	125,648
Note 275 Road & Bridge Equipment	224,000		56,000	168,000
Note 276 Sheriff Vehicles	52,167		26,084	26,083
Note 277 Road & Bridge Equipment	115,875		38,625	77,250
Note 251 Road & Bridge Equipment	407,607		81,521	326,086
Note 252 Sheriff Vehicles	123,888		41,296	82,592
Note 253 Fire Truck for Copperas Cove	215,000		43,000	172,000
Note 254 Komatsu Loader		164,750		164,750
Total long-term debt	<u>\$ 1,496,925</u>	<u>\$ 164,750</u>	<u>\$ 483,546</u>	<u>\$ 1,178,129</u>

Current maturities of the outstanding long-term debt at September 30, 2010 are as follows:

Year	Principal	Interest	Total
2011	\$ 418,020	\$ 23,052	\$ 441,072
2012	356,216	14,822	371,038
2013	213,472	7,876	221,348
2014	157,471	3,713	161,184
2015	32,950	643	33,593
	<u>\$ 1,178,129</u>	<u>\$ 50,106</u>	<u>\$ 1,228,235</u>

Notes payable at September 30, 2010 are comprised of the following:

Note 272 in the amount of \$178,600 was issued March 31, 2006 and was used to purchase Road and Bridge equipment. The note is due in annual installments on March 31, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due March 31, 2011. The principal balance at September 30, 2010 is \$35,720.

Note 274 in the amount of \$314,120 was issued April 27, 2007 and was used to purchase Road and Bridge equipment. The note is due in annual installments on April 27, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due April 27, 2012. The principal balance at September 30, 2010 is \$125,648.

## CORYELL COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010

*NOTE 3: LONG-TERM DEBT - continued*

Note 275 in the amount of \$280,000 was issued December 11, 2007 and was used to purchase Road and Bridge equipment. The note is due in annual installments on December 11, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due December 11, 2012. The principal balance at September 30, 2010 is \$168,000.

Note 276 in the amount of \$78,250 was issued December 28, 2007 and was used to purchase Sheriff vehicles. The note is due in annual installments on December 28, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due December 28, 2010. The principal balance at September 30, 2010 is \$26,083.

Note 277 in the amount of \$154,500 was issued February 22, 2008 and was used to purchase Road and Bridge equipment. The note is due in annual installments on February 22, with an annually adjusted interest rate of 60 percent of Wall Street Prime. The final interest and principal payment is due February 22, 2012. The principal balance at September 30, 2010 is \$77,250.

Note 251 in the amount of \$407,607 was issued March 5, 2009 and was used to purchase Road and Bridge equipment. The note is due in annual installments on March 5, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due March 5, 2014. The principal balance at September 30, 2010 is \$326,086.

Note 252 in the amount of \$123,888 was issued March 5, 2009 and was used to purchase Sheriff vehicles. The note is due in annual installments on March 5, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due March 5, 2012. The principal balance at September 30, 2010 is \$82,592.

Note 253 in the amount of \$215,000 was issued June 8, 2009 and was used to purchase a fire truck for the Copperas Cove fire department. The note is due in annual installments on June 8, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due June 8, 2014. The principal balance at September 30, 2010 is \$172,000.

Note 254 in the amount of \$164,750 was issued April 30, 2010 and was used to purchase Road and Bridge equipment. The note is due in annual installments on April 30, with an annually adjusted interest rate of 2/3 of Wall Street Prime. The final interest and principal payment is due April 30, 2015. The principal balance at September 30, 2010 is \$164,750.

There are a number of limitations and restrictions contained in the debt agreements. Management has indicated that the County is in compliance with all significant limitations and restrictions at September 30, 2010.

## CORYELL COUNTY, TEXAS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010

#### *NOTE 4: RETIREMENT PLAN*

Plan Description - Coryell County provides retirement, service 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 County, 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 - The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.29% and 8.39% for the 2010 and 2009 years, respectively. The contribution rate payable by the employee members for 2010 and 2009 was 7.0% as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

#### Annual Pension Cost

For the County's year ending September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$532,856, and the actual employee contributions were \$389,917.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance based on the actuarial valuations as of December 31, 2009, the basis for determining the contribution rate for calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

**CORYELL COUNTY, TEXAS**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

*NOTE 4: RETIREMENT PLAN – continued*

Actuarial Valuation Information

Actuarial valuation date	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>
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 in years	15	20	20
Asset valuation method	SAF: 10 yr Smoothed value ESF: Fund value	SAF: 10 yr smoothed value ESF: Fund value	SAF: 10 yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

\*Includes inflation at the stated rate

Trend Information  
for the Retirement Plan for the Employees of Coryell County

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2008	\$ 504,658	100%	- 0 -
September 30, 2009	\$ 552,134	100%	- 0 -
September 30, 2010	\$ 532,856	100%	- 0 -

Schedule of Funding Progress for the Retirement Plan  
for the Employees of Coryell County

	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/07	11,620,248	12,438,089	817,841	93.42%	5,373,407	15.22%
12/31/08	11,890,344	13,743,024	1,852,680	86.52%	5,875,383	31.53%
12/31/09	13,491,182	15,350,184	1,859,002	87.89%	6,389,369	29.10%

*NOTE 5: RISK MANAGEMENT*

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. During fiscal year 2010, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**CORYELL COUNTY, TEXAS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010**

**NOTE 6: *PRIOR PERIOD ADJUSTMENT***

A prior period adjustment is included in the financial statements to restate the receivable, net of an allowance for estimated uncollectible amounts, for outstanding fines within the District Courts of Coryell County. The adjustment increases the general fund balance and the primary government's net assets by \$139,610 as of September 30, 2009.

REQUIRED SUPPLEMENTAL INFORMATION

**CORYELL COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 6,425,872	\$ 6,425,872	\$ 6,329,184	\$ (96,688)
Sales tax	1,300,000	1,354,000	1,666,101	312,101
Fees and charges for services	1,018,000	1,018,000	985,077	(32,923)
Intergovernmental	254,154	254,154	325,150	70,996
Investment earnings	100,000	100,000	37,574	(62,426)
Other miscellaneous	215,000	262,600	319,147	56,547
Fines, forfeitures and settlements	<u>466,000</u>	<u>466,000</u>	<u>444,498</u>	<u>(21,502)</u>
 Total Revenues	 <u>9,779,026</u>	 <u>9,880,626</u>	 <u>10,106,731</u>	 <u>226,105</u>
 <b>EXPENDITURES:</b>				
Current:				
General administration	1,195,225	1,121,426	1,065,418	56,008
Judicial	1,681,450	1,681,747	1,524,710	157,037
Legal	802,794	803,910	741,357	62,553
Financial administration	818,967	825,422	808,870	16,552
Public facilities	2,413,988	2,798,205	2,665,845	132,360
Public safety	2,192,755	2,207,320	2,141,586	65,734
Health and welfare	970,828	824,928	804,610	20,318
Conservation	178,424	178,574	176,605	1,969
Other supported services	892,420	877,794	813,321	64,473
Capital outlay	<u>139,000</u>	<u>139,000</u>	<u>125,914</u>	<u>13,086</u>
 Total Expenditures	 <u>11,285,851</u>	 <u>11,458,326</u>	 <u>10,868,236</u>	 <u>590,090</u>
 EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	 (1,506,825)	 (1,577,700)	 (761,505)	 816,195
 OTHER FINANCING SOURCES (USES):				
Transfers out	(38,000)	(32,500)	(29,500)	3,000
Proceeds from financing agreements				
Proceeds from sale of property	<u>10,000</u>	<u>60,000</u>	<u>61,790</u>	<u>1,790</u>
Total Other Financing Sources (Uses)	<u>(28,000)</u>	<u>27,500</u>	<u>32,290</u>	<u>4,790</u>
 CHANGE IN FUND BALANCE	 (1,534,825)	 (1,550,200)	 (729,215)	 820,985
 FUND BALANCE - BEGINNING OF YEAR	 5,752,810	 5,752,810	 5,752,810	
Prior Period Adjustment	<u>139,610</u>	<u>139,610</u>	<u>139,610</u>	
 FUND BALANCE - END OF YEAR	 <u>\$ 4,357,595</u>	 <u>\$ 4,342,220</u>	 <u>\$ 5,163,205</u>	 <u>\$ 820,985</u>

**CORYELL COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 474,951	\$ 474,951	\$ 470,885	\$ (4,066)
Total Revenues	474,951	474,951	470,885	(4,066)
EXPENDITURES:				
Debt service	514,743	514,743	514,456	287
Total Expenditures	514,743	514,743	514,456	287
CHANGE IN FUND BALANCE	(39,792)	(39,792)	(43,571)	(3,779)
FUND BALANCE - BEGINNING OF YEAR	45,172	45,172	45,172	
FUND BALANCE - END OF YEAR	\$ 5,380	\$ 5,380	\$ 1,601	\$ (3,779)

ADDITIONAL INFORMATION

**CORYELL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2010

	<u>Road and Bridge</u>	<u>Law Library</u>	<u>Records Management</u>	<u>Courthouse Security</u>
<b>ASSETS</b>				
Cash and cash investments	\$ 155,348	\$ 7,358	\$ 263,221	\$ 13,705
Intergovernmental receivable	13,055			
Prepaid insurance	24,534	_____	_____	_____
Total Assets	\$ 192,937	\$ 7,358	\$ 263,221	\$ 13,705
 <b>LIABILITIES</b>				
Accounts payable	\$ 41,530	\$	\$ 37,898	\$
Deposits payable				
Deferred revenue	_____	_____	_____	_____
Total Liabilities	41,530	_____	37,898	_____
 <b>FUND EQUITY</b>				
Restricted fund balances	151,407	7,358	225,323	13,705
Total Fund Balance	151,407	7,358	225,323	13,705
Total Liabilities and Fund Balance	\$ 192,937	\$ 7,358	\$ 263,221	\$ 13,705

<u>Court Reporter Service</u>	<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Law Enforcement Block Grant</u>	<u>Activities Complex</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>
8,986	\$ 12,601	\$ 7,532	\$	\$ 6,084	\$ 834	\$ 105,195
<u>8,986</u>	<u>12,601</u>	<u>7,532</u>	<u></u>	<u>6,084</u>	<u>834</u>	<u>105,195</u>
\$	\$	\$	\$	\$ 1,913	\$	\$
				5,950		
				7,863		
<u>8,986</u>	<u>12,601</u>	<u>7,532</u>	<u></u>	<u>(1,779)</u>	<u>834</u>	<u>105,195</u>
<u>8,986</u>	<u>12,601</u>	<u>7,532</u>	<u></u>	<u>(1,779)</u>	<u>834</u>	<u>105,195</u>
<u>8,986</u>	<u>12,601</u>	<u>7,532</u>	<u></u>	<u>6,084</u>	<u>834</u>	<u>105,195</u>

**CORYELL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - Continued**

SEPTEMBER 30, 2010

	<u>Bail Bond Board</u>	<u>Hot Check</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Seized\ Forfeiture</u>
<b>ASSETS</b>				
Cash and cash investments	\$ 158,044	\$ 12,605	\$ 4,450	\$ 28,476
Intergovernmental receivable				
Prepaid insurance				
Total Assets	<u>\$ 158,044</u>	<u>\$ 12,605</u>	<u>\$ 4,450</u>	<u>\$ 28,476</u>
<b>LIABILITIES</b>				
Accounts payable	\$	\$	\$	\$ 17,620
Deposits payable	150,000			
Deferred revenue				
Total Liabilities	<u>150,000</u>			<u>17,620</u>
<b>FUND EQUITY</b>				
Restricted fund balances	<u>8,044</u>	<u>12,605</u>	<u>4,450</u>	<u>10,856</u>
Total Fund Balance	<u>8,044</u>	<u>12,605</u>	<u>4,450</u>	<u>10,856</u>
Total Liabilities and Fund Balance	<u>\$ 158,044</u>	<u>\$ 12,605</u>	<u>\$ 4,450</u>	<u>\$ 28,476</u>

<u>District Attorney Supplement</u>	<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>VAWA Grant</u>	<u>ORCA Grant</u>	<u>ORCA FEMA Match Grant</u>
\$ 15,235	\$ 5,417	\$ 35,049 54,408	\$ (6,246) 6,252	\$ (7,169) 7,169		\$
<u>\$ 15,235</u>	<u>\$ 5,417</u>	<u>\$ 89,457</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$	\$	\$ 89,457	\$	\$	\$	\$
		<u>89,457</u>				
<u>15,235</u>	<u>5,417</u>		<u>6</u>			
<u>15,235</u>	<u>5,417</u>		<u>6</u>			
<u>\$ 15,235</u>	<u>\$ 5,417</u>	<u>\$ 89,457</u>	<u>\$ 6</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CORYELL COUNTY, TEXAS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - Continued**

SEPTEMBER 30, 2010

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Capital Improvement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash investments	\$ 826,725	\$ 723,545	\$ 1,550,270
Intergovernmental receivable	80,884		80,884
Prepaid insurance	<u>24,534</u>		<u>24,534</u>
Total Assets	<u>\$ 932,143</u>	<u>\$ 723,545</u>	<u>\$ 1,655,688</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 188,418	\$	\$ 188,418
Deposits payable	155,950		155,950
Deferred revenue			
Total Liabilities	<u>344,368</u>		<u>344,368</u>
<b>FUND EQUITY</b>			
Restricted fund balances	<u>587,775</u>	<u>723,545</u>	<u>1,311,320</u>
Total Fund Balance	<u>587,775</u>	<u>723,545</u>	<u>1,311,320</u>
Total Liabilities and Fund Balance	<u>\$ 932,143</u>	<u>\$ 723,545</u>	<u>\$ 1,655,688</u>

**CORYELL COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Road and Bridge	Law Library	Records Management	Courthouse Security
<b>REVENUES:</b>				
Property taxes	\$ 882,366	\$	\$	\$
Licenses and permits	870,210			
Fees and charges for services		22,480	124,237	25,344
Intergovernmental	75,788			
Investment earnings	2			
Other miscellaneous	22,411			
	<u>1,850,777</u>	<u>22,480</u>	<u>124,237</u>	<u>25,344</u>
Total Revenues				
<b>EXPENDITURES:</b>				
Current:				
Salaries and benefits	1,172,236	3,884	36,904	13,063
Supplies	837,250			156
Repairs	142,214			
Other operating	47,737	16,976	66,155	11,934
Capital outlay	311,929			
	<u>2,511,366</u>	<u>20,860</u>	<u>103,059</u>	<u>25,153</u>
Total Expenditures				
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	(660,589)	1,620	21,178	191
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	141,859			
Transfers out				
Proceeds from financing agreements	164,750			
Proceeds from sale of property	17,350			
Total Other Financing Sources (Uses)	<u>323,959</u>	<u></u>	<u></u>	<u></u>
<b>NET CHANGE IN FUND BALANCE</b>	(336,630)	1,620	21,178	191
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>488,037</u>	<u>5,738</u>	<u>204,145</u>	<u>13,514</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 151,407</u>	<u>\$ 7,358</u>	<u>\$ 225,323</u>	<u>\$ 13,705</u>

<u>Court Reporter Service</u>	<u>LEOSE Training</u>	<u>Justice Court Technology</u>	<u>Law Enforcement Block Grant</u>	<u>Activities Complex</u>	<u>Fire Department</u>	<u>Pre-Trial Diversion</u>
\$	\$	\$	\$	\$	\$ 310,842	\$
14,694	6,801	10,155	39,439	13,400		84,930
<u>14,694</u>	<u>6,801</u>	<u>10,155</u>	<u>39,439</u>	<u>13,400</u>	<u>310,842</u>	<u>84,930</u>
13,602	4,986	2,819	39,439	1,772		21,458
				8,286		
13,602	4,986	6,680		21,784	311,773	2,440
<u>13,602</u>	<u>4,986</u>	<u>9,499</u>	<u>39,439</u>	<u>31,842</u>	<u>311,773</u>	<u>23,898</u>
1,092	1,815	656		(18,442)	(931)	61,032
				22,000		(6,500)
<u>1,092</u>	<u>1,815</u>	<u>656</u>	<u></u>	<u>22,000</u>	<u></u>	<u>(6,500)</u>
1,092	1,815	656		3,558	(931)	54,532
7,894	10,786	6,876		(5,337)	1,765	50,663
<u>8,986</u>	<u>12,601</u>	<u>7,532</u>	<u></u>	<u>(1,779)</u>	<u>834</u>	<u>105,195</u>

**CORYELL COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS - continued**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Bail Bond Board</u>	<u>Hot Check</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Seized\ Forfeiture</u>
REVENUES:				
Property taxes	\$	\$	\$	\$
Licenses and permits				
Fees and charges for services	2,670	9,838		
Intergovernmental				
Investment earnings				
Other miscellaneous				750
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	<u>2,670</u>	<u>9,838</u>		<u>750</u>
EXPENDITURES:				
Current:				
Salaries and benefits		7,267		
Supplies				
Repairs				
Other operating		1,651		250
Capital outlay				
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures		<u>8,918</u>		<u>250</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	2,670	920		500
OTHER FINANCING SOURCES (USES):				
Transfers in				
Transfers out				
Proceeds from financing agreements				
Proceeds from sale of property				
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	2,670	920		500
FUND BALANCE - BEGINNING OF YEAR	<u>5,374</u>	<u>11,685</u>	<u>4,450</u>	<u>10,356</u>
FUND BALANCE - END OF YEAR	\$ <u><u>8,044</u></u>	\$ <u><u>12,605</u></u>	\$ <u><u>4,450</u></u>	\$ <u><u>10,856</u></u>

<u>District Attorney Supplement</u>	<u>Crime Victims CJD Grant</u>	<u>HOT Auto Theft Task Force</u>	<u>Crime Victims Attorney General Grant</u>	<u>VAWA Grant</u>	<u>ORCA Grant</u>	<u>ORCA FEMA Match Grant</u>
\$	\$	\$	\$	\$	\$	\$
22,967	8,633	381,601	36,797	27,893	5,002	
<u>22,967</u>	<u>8,633</u>	<u>381,601</u>	<u>36,797</u>	<u>27,893</u>	<u>5,002</u>	
21,710	17,302 1,844	254,351	36,316	16,882 4,803		
65	14,145	127,250	483	6,208	5,002	
<u>21,775</u>	<u>33,291</u>	<u>381,601</u>	<u>36,799</u>	<u>27,893</u>	<u>5,002</u>	
1,192	(24,658)		(2)			
(13,000)	27,000					
<u>(13,000)</u>	<u>27,000</u>					
(11,808)	2,342		(2)			
<u>27,043</u>	<u>3,075</u>		<u>8</u>			
\$ <u><u>15,235</u></u>	\$ <u><u>5,417</u></u>	\$ <u><u></u></u>	\$ <u><u>6</u></u>	\$ <u><u></u></u>	\$ <u><u></u></u>	\$ <u><u></u></u>

**CORYELL COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
NONMAJOR GOVERNMENTAL FUNDS - continued**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Total Nonmajor Special Revenue Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
REVENUES:			
Property taxes	\$ 1,193,208	\$ 153,901	\$ 1,347,109
Licenses and permits	870,210		870,210
Fees and charges for services	307,748		307,748
Intergovernmental	604,921		604,921
Investment earnings	2		2
Other miscellaneous	23,161		23,161
	<hr/>	<hr/>	<hr/>
Total Revenues	2,999,250	153,901	3,153,151
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Current:			
Salaries and benefits	1,601,373		1,601,373
Supplies	888,083		888,083
Repairs	150,500		150,500
Other operating	659,121	185,108	844,229
Capital outlay	311,929		311,929
	<hr/>	<hr/>	<hr/>
Total Expenditures	3,611,006	185,108	3,796,114
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(611,756)	(31,207)	(642,963)
OTHER FINANCING SOURCES (USES):			
Transfers in	190,859		190,859
Transfers out	(19,500)	(141,859)	(161,359)
Proceeds from financing agreements	164,750		164,750
Proceeds from sale of property	17,350		17,350
Total Other Financing Sources (Uses)	353,459	(141,859)	211,600
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(258,297)	(173,066)	(431,363)
FUND BALANCE - BEGINNING OF YEAR	846,072	896,611	1,742,683
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	\$ 587,775	\$ 723,545	\$ 1,311,320
	<hr/>	<hr/>	<hr/>

**CORYELL COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
REVENUES:				
Property taxes	\$ 893,781	\$ 893,781	\$ 882,366	\$ (11,415)
Licenses and permits	840,000	840,000	870,210	30,210
Intergovernmental	75,000	75,000	75,788	788
Investment earnings			2	2
Other miscellaneous	5,000	5,000	22,411	17,411
	1,813,781	1,813,781	1,850,777	36,996
Total Revenues				
EXPENDITURES:				
Current:				
Road and bridge	2,321,548	2,321,548	2,199,437	122,111
Capital outlay	329,000	329,000	311,929	17,071
	2,650,548	2,650,548	2,511,366	139,182
Total Expenditures				
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(836,767)	(836,767)	(660,589)	176,178
OTHER FINANCING SOURCES (USES):				
Transfers in	187,000	187,000	141,859	(45,141)
Proceeds from financing agreements	215,000	215,000	164,750	(50,250)
Proceeds from sale of property	20,000	20,000	17,350	(2,650)
	422,000	422,000	323,959	(98,041)
Total Other Financing Sources (Uses)				
CHANGE IN FUND BALANCE	(414,767)	(414,767)	(336,630)	78,137
FUND BALANCE - BEGINNING OF YEAR	488,037	488,037	488,037	
FUND BALANCE - END OF YEAR	\$ 73,270	\$ 73,270	\$ 151,407	\$ 78,137

**CORYELL COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -**  
**ALL AGENCY FUNDS**

SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>COUNTY CLERK</b>				
Assets:				
Cash and cash investments	\$ 85,364	\$ 891,465	\$ 919,778	\$ 57,051
Investments	171,719	4,641	79,193	97,167
Total Assets	<u>\$ 257,083</u>	<u>\$ 896,106</u>	<u>\$ 998,971</u>	<u>\$ 154,218</u>
Liabilities:				
Due to others	\$ 257,083	\$ 896,106	\$ 998,971	\$ 154,218
Total Liabilities	<u>\$ 257,083</u>	<u>\$ 896,106</u>	<u>\$ 998,971</u>	<u>\$ 154,218</u>
 <b>DISTRICT CLERK</b>				
Assets:				
Cash and cash investments	\$ 267,762	\$ 671,342	\$ 709,491	\$ 229,613
Investments	680,503	111,993	118,142	674,354
Total Assets	<u>\$ 948,265</u>	<u>\$ 783,335</u>	<u>\$ 827,633</u>	<u>\$ 903,967</u>
Liabilities:				
Due to others	\$ 948,265	\$ 783,335	\$ 827,633	\$ 903,967
Total Liabilities	<u>\$ 948,265</u>	<u>\$ 783,335</u>	<u>\$ 827,633</u>	<u>\$ 903,967</u>
 <b>JUSTICE OF THE PEACE #1</b>				
Assets:				
Cash and cash investments	\$ 200	\$ 63,472	\$ 63,472	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 63,472</u>	<u>\$ 63,472</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 63,472	\$ 63,472	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 63,472</u>	<u>\$ 63,472</u>	<u>\$ 200</u>
 <b>JUSTICE OF THE PEACE #2</b>				
Assets:				
Cash and cash investments	\$ 200	\$ 160,363	\$ 160,363	\$ 200
Total Assets	<u>\$ 200</u>	<u>\$ 160,363</u>	<u>\$ 160,363</u>	<u>\$ 200</u>
Liabilities:				
Due to others	\$ 200	\$ 160,363	\$ 160,363	\$ 200
Total Liabilities	<u>\$ 200</u>	<u>\$ 160,363</u>	<u>\$ 160,363</u>	<u>\$ 200</u>
 <b>JUSTICE OF THE PEACE #3</b>				
Assets:				
Cash and cash investments	\$	\$ 113,667	\$ 113,667	\$
Total Assets	<u>\$</u>	<u>\$ 113,667</u>	<u>\$ 113,667</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 113,667	\$ 113,667	\$
Total Liabilities	<u>\$</u>	<u>\$ 113,667</u>	<u>\$ 113,667</u>	<u>\$</u>
 <b>JUSTICE OF THE PEACE #4</b>				
Assets:				
Cash and cash investments	\$	\$ 93,921	\$ 93,921	\$
Total Assets	<u>\$</u>	<u>\$ 93,921</u>	<u>\$ 93,921</u>	<u>\$</u>
Liabilities:				
Due to others	\$	\$ 93,921	\$ 93,921	\$
Total Liabilities	<u>\$</u>	<u>\$ 93,921</u>	<u>\$ 93,921</u>	<u>\$</u>

**CORYELL COUNTY, TEXAS**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -**  
**ALL AGENCY FUNDS**

SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>JAIL</b>				
Assets:				
Cash and cash investments	\$ 15,644	\$ 167,049	\$ 171,189	\$ 11,504
Total Assets	<u>\$ 15,644</u>	<u>\$ 167,049</u>	<u>\$ 171,189</u>	<u>\$ 11,504</u>
Liabilities:				
Due to others	\$ 15,644	\$ 167,049	\$ 171,189	\$ 11,504
Total Liabilities	<u>\$ 15,644</u>	<u>\$ 167,049</u>	<u>\$ 171,189</u>	<u>\$ 11,504</u>
 <b>SHERIFF</b>				
Assets:				
Cash and cash investments	\$ 27,820	\$ 30,268	\$ 38,893	\$ 19,195
Total Assets	<u>\$ 27,820</u>	<u>\$ 30,268</u>	<u>\$ 38,893</u>	<u>\$ 19,195</u>
Liabilities:				
Due to others	\$ 27,820	\$ 30,268	\$ 38,893	\$ 19,195
Total Liabilities	<u>\$ 27,820</u>	<u>\$ 30,268</u>	<u>\$ 38,893</u>	<u>\$ 19,195</u>
 <b>TAX ASSESSOR COLLECTOR</b>				
Assets:				
Cash and cash investments	\$ 416,214	\$ 48,414,037	\$ 48,304,048	\$ 526,203
Total Assets	<u>\$ 416,214</u>	<u>\$ 48,414,037</u>	<u>\$ 48,304,048</u>	<u>\$ 526,203</u>
Liabilities:				
Due to others	\$ 416,214	\$ 48,414,037	\$ 48,304,048	\$ 526,203
Total Liabilities	<u>\$ 416,214</u>	<u>\$ 48,414,037</u>	<u>\$ 48,304,048</u>	<u>\$ 526,203</u>
 <b>HOT CHECK FUND</b>				
Assets:				
Cash and cash investments	\$ 1,402	\$ 37,423	\$ 38,825	\$ _____
Total Assets	<u>\$ 1,402</u>	<u>\$ 37,423</u>	<u>\$ 38,825</u>	<u>\$ _____</u>
Liabilities:				
Due to others	\$ 1,402	\$ 37,423	\$ 38,825	\$ _____
Total Liabilities	<u>\$ 1,402</u>	<u>\$ 37,423</u>	<u>\$ 38,825</u>	<u>\$ _____</u>
 <b>TOTAL ALL AGENCY FUNDS</b>				
Assets:				
Cash and cash investments	\$ 814,606	\$ 50,643,007	\$ 50,613,647	\$ 843,966
Investments	852,222	116,634	197,335	771,521
Total Assets	<u>\$ 1,666,828</u>	<u>\$ 50,759,641</u>	<u>\$ 50,810,982</u>	<u>\$ 1,615,487</u>
Liabilities:				
Due to others	1,666,828	50,759,641	50,810,982	1,615,487
Total Liabilities	<u>\$ 1,666,828</u>	<u>\$ 50,759,641</u>	<u>\$ 50,810,982</u>	<u>\$ 1,615,487</u>

# BECKY ROBERTS, CPA

104 PINE STREET, SUITE 611  
ABILENE, TEXAS 79601  
(325) 665-5239  
baroberts@clearwire.net

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable County Judge and  
Members of the Commissioners Court of  
**Coryell County, Texas**

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Coryell County, Texas** as of and for the year ended September 30, 2010, which collectively comprise **Coryell County, Texas**' basic financial statements and have issued our report thereon dated March 8, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered **Coryell County, Texas**' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Coryell County, Texas**' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Coryell County, Texas**' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners Court, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Becky Roberts, CPA". The signature is written in a cursive, flowing style.

BECKY ROBERTS, CPA

Abilene, Texas  
March 8, 2011