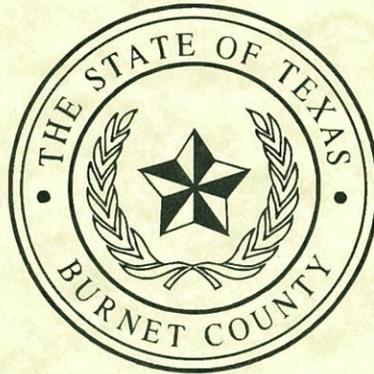


**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



*For the Fiscal Year
Ended September 30, 2011*

BURNET COUNTY, TEXAS

BURNET COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended September 30, 2011

Prepared By

County Auditor's Office

Karen Lester, County Auditor

Burnet County, Texas

Carole Poppema, First Assistant Auditor

Adrienne Klaus, Internal Audit Supervisor

Helen Cummins, Accounts Payable

Donna Hall, Assistant

Jolene Mock, Assistant Purchasing Agent

Laura Rippy, Accountant

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

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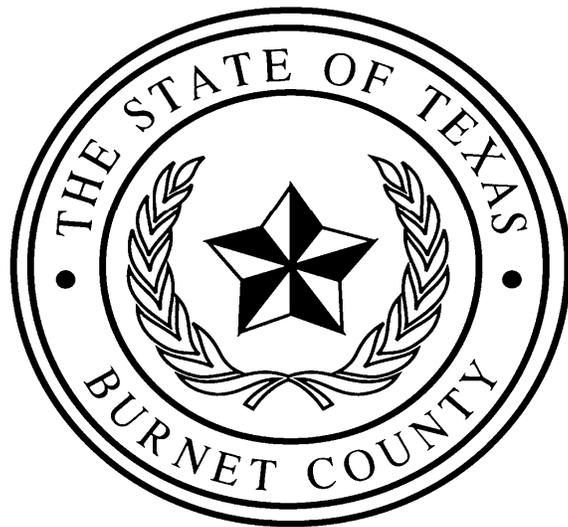
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INTRODUCTORY SECTION

BURNET COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2011

COMMISSIONERS

Bill Neve
Russell Graeter
Ronny Hibler
Joe Don Dockery

COUNTY ADMINISTRATIVE JUDGE

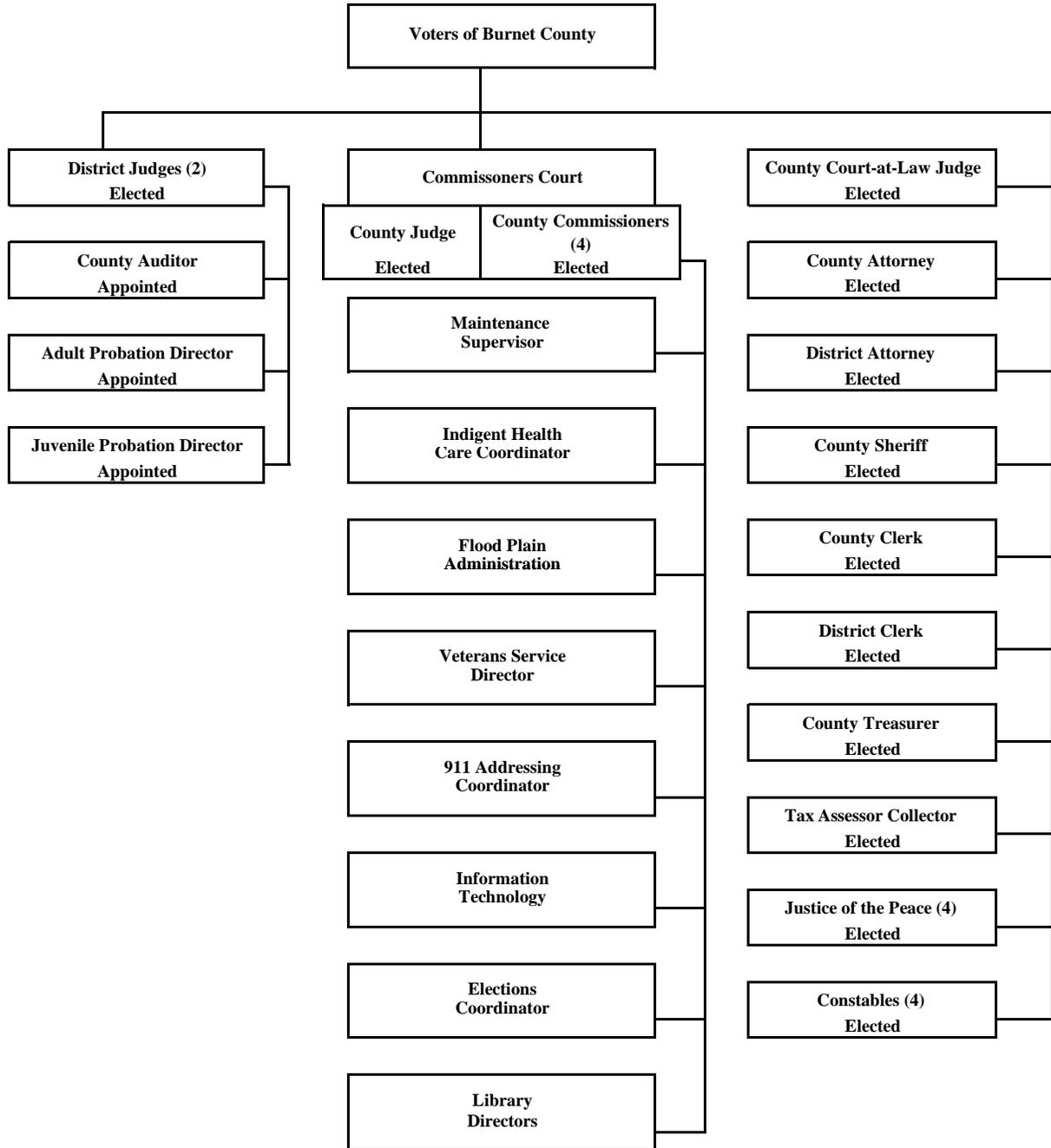
Donna Klaeger

OTHER OFFICIALS

William Savage	County Court-at-Law Judge
Eduardo Arrendondo	County Attorney
Janet Parker	County Clerk
Casie Wills	District Clerk
Joan Fisher	County Auditor
Karrie Crownover	County Treasurer
Sheri Frazier	Tax Assessor-Collector
W.T. Smith	County Sheriff
Calvin Boyd	Justice of Peace, Precinct 1
Lisa Whitehead	Justice of Peace, Precinct 2
Peggy Simon	Justice of Peace, Precinct 3
Edward Cutchin	Justice of Peace, Precinct 4
Mike Harnisch	Constable, Precinct 1
Charles Caraway	Constable, Precinct 2
Robert Ballard	Constable, Precinct 3
Chris Jett	Constable, Precinct 4

BURNET COUNTY ORGANIZATIONAL CHART

SEPTEMBER 2011





THE COUNTY OF BURNET

BURNET, TEXAS 78611

April 30, 2012

To the Honorable District Judges, County Judge, County Commissioners and the Citizens of the County of Burnet:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the County of Burnet for the year ended September 30, 2011. This report is prepared by the County Auditor's office which is responsible for both the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the County.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Accounting Standards Board (GASB). To demonstrate further public accountability, the independent accounting firm of Neffendorf, Knopp, Doss & Company, P.C., Independent Certified Public Accountants, whose report is included herein, has audited the County's financial statements. The independent auditors' report is presented as the first component of the financial section of this report.

The County is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the auditor's report.

PROFILE OF BURNET COUNTY

The financial statements present information on the financial position and operations of County government as a single comprehensive reporting entity. The various agencies, departments, boards, commissions and accounts of the County that constitute the County reporting entity are included in this report in accordance with criteria established by the GASB. The reporting entity consists of all the funds of the primary government (Burnet County).

The County provides a full range of services authorized by statute. Such services include general governmental functions such as recording and licensing, maintaining the County and District Court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare,

aiding conservation and maintaining County roads and bridges. The costs associated with these services are presented within the financial statements in detail and summary form.

The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the County is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Government Accounting and Financial Reporting Standards, since County Commissioners and the County Judge are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The Burnet County Government is administered under a Commissioners’ Court system. The five-member Court is comprised of the County Judge and four Commissioners. The Commissioners are elected by precinct and the County Judge is elected at large. The County Judge is the presiding officer of the County Commissioners’ Court. The Court is responsible for setting the County’s annual tax rate, approving the tax roll and supervising all expenditures of County money. The Court is also responsible for issuing bonds to finance capital improvements. The County Judge is elected to a four-year term. Commissioners are elected to four-year staggered terms with two Commissioners elected every two years.

Internal Controls

The County’s internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of costs and benefits requires estimates and judgments by management. A fulltime staff internal auditor has been assigned to perform these internal reviews, greatly enhancing the internal control process.

Budgetary Controls

The annual budget serves as the foundation for the County’s planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioners’ Court. Activities of the General Fund, Special Revenue Funds and Debt Service Fund are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level within each fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

The budgetary basis of accounting required by Local Government Code differs materially from the basis used to report revenues and expenditures in accordance with GAAP. In addition, the County’s budget is developed according to the statutorily required fund structure that differs extensively from the fund structure used in financial statements.

Debt Administration

At September 30, 2011, Burnet County had four (4) debt issues outstanding. The outstanding principal balance of the issues is \$6,140,000 and interest of \$337,777, for a grand total outstanding debt of \$6,477,777 in certificates of obligation, refunding bonds and tax notes. According to the Constitution of the State of Texas, Burnet County's outstanding bonded debt is limited to an amount not exceeding 25% of the assessed taxable value of real property in the County.

ECONOMIC CONDITION AND OUTLOOK

Community Profile

Burnet County, located in the Texas Hill Country, is 55 miles west of Austin and 100 miles north of San Antonio. The County covers 996 square miles with the Colorado River serving as the western boundary. The Llano River merges with the Colorado River in the southern portion of the County. A network of flood control dams has been built along this watershed creating a chain of five lakes in the county. The lakes coupled along with the excellent whitetail deer hunting and beautiful landscape make Burnet County one of the "hot spots" for tourism in the State of Texas.

The County, traversed by U.S. Highways 29, 71, 183 and 281, has a limited economy based on stone processing, tourism and agriculture. Activities that attract tourists to Burnet include hunting, fishing, water sports, Longhorn Caverns and Inks Lake State Park.

The duties and specific responsibilities of county government are unlike those of other entities, be they school, or special districts, however the differentiations are complimentary and not conflicting nor repetitive. Therefore, the role of the County and how its public servants are bringing those services to the citizens is our focus.

The primary components of the County's services are public administration, criminal justice, facilities and infrastructure and public health and safety. Intertwined and commingled among these are the same guiding criteria as stated in our Mission Statement, as given below that apply to all of our service endeavors.

Mission Statement

The mission of Burnet County is to maintain overall efficient and financial management of county resources and provide services desired by the people of Burnet County and mandated by state and federal law. We are here to serve.

The County's budget has maintained consistent service levels with a steady tax rate without taking on large amounts of bonded debt, all being accomplished in the face of an ever erratic economy, increasing operational expenses and diminishing available revenues.

The criminal justice requirements for County government account for more than one-half of all expenditures, excluding debt service. Included in this category are law enforcement, jail, prosecution and

judiciary. Numerous policy, procedures and projects, implemented and planned, will hopefully hold the expenditures relatively constant or possibly reduce the costs for these services with increased efficiencies.

The value of the public's tangible assets, excluding cash, such as land, buildings, equipment and vehicles exceeds \$31 million. The County continues to upgrade and maintain all these assets, with additional capital improvements to County facilities including the County jail, facility and equipment upgrades in the Road and Bridge and County radio communications towers and systems.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

The economy in the County remained somewhat steady in 2011. The construction industry continues to provide many jobs in the Central Texas area. Burnet has estimated its population to be 42,750 at September 2010. This represents a 25% increase in population since the 2000 census. The growth can be attributed to factors such as a large influx of retirement age citizens and the County's close proximity to the City of Austin. Numerous small businesses and some nationally recognized chains have opened in direct response to the growth of the county.

The cities of Burnet and Marble Falls continue to make aggressive efforts to attract job-producing industries into the County. On the horizon a new 60-bed full hospital located in the south end of the county. Construction has begun on the hospital and is expected to have the project completed by August 2014. The long anticipated TXDOT project of widening of the Hwy 281 bridge in Marble Falls began construction late in 2010, with three plus years completion date, and expects to bring new jobs to the area along with increased usage of hotels, restaurants and other businesses in the area.

Increasing growth creates challenges such as demand for increased services. Property values for FY 2010-2011 reflected an increase for the nineteenth year in a row. The certified tax roll shows a slight increase of \$33,781,811 in value over the 2009-2010 roll. The County relies heavily on ad valorem taxes for its operating resources. Unfortunately tax revenues generated from new construction were negligible over the last year due to poor economic conditions. The Burnet and Marble Falls school districts are also realizing some growing pains due to the slight rise in school enrollments.

There are two pressing issues that will have a financial impact on the County and its citizens:

- 1) Legislative activities to cap or restrict Ad Valorem taxes and appraisals.
- 2) Program and facility expansions to keep up with growth and demand on services.

The last three sessions of the Texas Legislature has been primarily focused on legislation that would limit local governments' ability to increase its Ad Valorem taxes as well as limiting the appraisal values on homesteads. Texas Counties rely primarily on Ad Valorem taxes as its major funding source for operational expenses. Local governments have been successful so far in battling the potential budget buster bills from passing; however, this next session promises to have a more united front and may get the necessary support to enact such legislation. If this type of legislation was to pass, counties across the state will be forced to reduce, if not eliminate, programs that are non-mandated (i.e. libraries, fire departments, EMS) in order to balance the budget.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Burnet County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2010. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the County Auditor's office and the competent services of the independent auditors. We also thank the members of the Commissioners' Court and their staff and all other County officials and employees who have given their support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,



Karen Lester

County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Burnet County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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

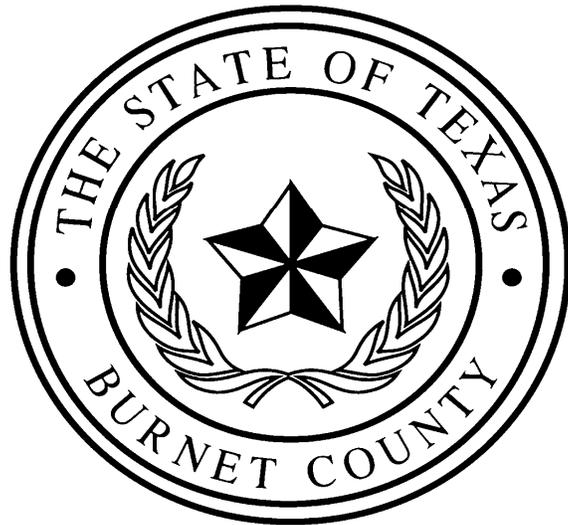


Linda C. Davison

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION

NEFFENDORE, KNOPP, DOSS & COMPANY, P.C.

Certified Public Accountants

P.O. BOX 874 · 736 S. WASHINGTON ST.

FREDERICKSBURG, TEXAS 78624-0874

(830) 997-3348

FAX: (830) 997-3333

Email: nkhd@austin.rr.com

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Judge and Members
of the Commissioners' Court
Burnet County, Texas
Burnet, TX 78611

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Burnet County, Texas (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Burnet County, Texas, as of September 30, 2011, and the respective changes in financial position, results of its operations, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Road and Bridge Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2012, on our consideration of Burnet County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Neffendorf, Knopp, Doss & Company, P.C.

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

April 18, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Burnet County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2011. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the County's financial statements.

FINANCIAL HIGHLIGHTS

- Burnet County's total combined net assets were \$17.9 million at September 30, 2011. The actual decrease from current year operations is \$467 thousand. Of this amount, \$7 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation fiscal policies.
- During the year, the County's governmental fund expenditures were \$716 thousand more than the \$20.5 million generated in taxes and other revenues.
- The General Fund reported a fund balance this year of \$6 million. All but \$1.0 million is available for spending at the government's discretion.
- Burnet County's revenues from grant sources were \$937 thousand in FY2011, a decrease of \$359 thousand or 28% less than last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *Government-Wide Financial Statements* that provide both *long-term* and *short-term* information about the County's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the government, reporting the County's operations in *more detail* than the government-wide statements.
- The *Governmental Funds* statements tell how general government services were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary Fund* statements provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of the overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**FIGURE A-1
MAJOR FEATURES OF THE COUNTY'S GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

<i>Type of Statement</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: self-insurance	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of net assets Statement of revenues, expenses and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of Changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of flow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

The Government-Wide Statements are designed to provide readers with a broad overview of Burnet County's finances, using accounting methods similar to those used by private-sector companies. The *statement of net assets* (page 2) presents information on all of Burnet 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 Burnet County's financial position is improving or deteriorating when examined in conjunction with non-financial factors. The *statement of activities* (page 2) presents information showing how the government's net assets changed during the 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.

Both of these Government-Wide Financial Statements distinguish functions of Burnet County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, public transportation, health and welfare, culture and recreation, conservation and debt service. These activities are financed primarily by property taxes.

Burnet County has a discretely-presented component unit (Burnet County Public Facilities Corporation). The Burnet County Public Facilities Corporation is a nonprofit corporation created under Texas Local Government Code Section 303 on November 2, 2007. During 2008 the Corporation issued revenue bonds totaling \$35,380,000 to fund the construction of a new jail. The jail was completed in 2009 and started operating in April of that year.

Further information regarding this discretely-presented component unit is included in the Summary of Significant Accounting Policies in Note 1 of the Notes to the Financial Statements.

Fund Financial Statements

The Fund Financial Statements provide more detailed information about Burnet County's most significant funds – not the County as a whole. Funds are groupings of related accounts that the County uses to keep track of specific sources of funding and spending for particular purposes. Burnet County, like other state and local governments, uses funds to show compliance with finance-related legal requirements as well as to control and manage money for other particular purposes. The County has three kinds of funds: governmental, proprietary and fiduciary.

- **Governmental funds** – Most of the County's basic services are included in governmental funds, which focus on short-term inflows and outflows of available resources and the balances of these resources that are available at the end of the year. Because the focus of 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, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*. These reconciliations can be found on pages 5 and 7 of the basic financial statements section.

The County maintains twenty individual governmental funds; however, four road and bridge funds are consolidated for report purposes, resulting in a report total of sixteen governmental funds. Information is presented separately in the governmental fund statements for the general fund and road and bridge fund (consolidated), which are considered to be major funds. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided on pages 45-47 and pages 55-63 to demonstrate compliance with this budget.

- **Proprietary funds** – Proprietary funds consist of two types of funds, enterprise and internal service funds. At this time, Burnet County has no enterprise funds. *Internal service funds* report activities that provide services and supplies for the County's other programs and activities. The two internal service funds are presented in the proprietary fund financial statements on pages 10-12.
- **Fiduciary funds** – The County is the trustee, or *fiduciary*, for certain funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and statement of changes in fiduciary net assets, found on page 13. Fiduciary funds are not reflected in the government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Burnet County's combined net assets were approximately \$17.9 million at September 30, 2011. By far the largest portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, equipment), less accumulated depreciation and any related outstanding debt. An additional portion of the County's net assets (approximately 11.2 %) represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the County's ongoing obligations to citizens and creditors.

**Table A-1
Burnet County's Net Assets**

	Governmental Activities	
	2011	2010
Current and Other Assets	\$ 10,192,952	\$ 12,068,973
Capital Assets	15,294,956	15,555,528
Total Assets	25,487,908	27,624,501
Current Liabilities	1,016,219	2,859,015
Long Term Liabilities	6,523,470	6,350,213
Total Liabilities	7,539,689	9,209,228
Net Assets		
Invested in Capital Assets, net of related debt	8,991,719	8,131,053
Restricted	1,973,018	2,363,974
Unrestricted	6,938,482	7,920,246
Total Net Assets	\$ 17,948,219	\$ 18,415,273

A portion of the County's net assets \$2.0 million, represents resources that are subject to external restriction on how they may be used. The remaining balance \$6.9 million of unrestricted net assets may be used to meet the County's ongoing obligation to citizens and creditors in accordance with the County's fund designation and fiscal policies. The overall financial condition of the county remained steady from FY2010 to FY2011.

Governmental Activities – Total revenues for the fiscal year ended September 30th were \$19.7 million. Approximately 81% of the County's revenue comes from taxes, with 79% from property taxes alone. Property tax revenue increased 3.4% due to an increase in the tax base. Expenses increased by \$1,054 thousand from the prior year. For the most part, this reflects an increase in the demand for services due to an expanding population in the County. The graph below shows the sources of revenues for FY2011. Table A-2 shows the changes in Net Assets between FY2010 and FY2011.

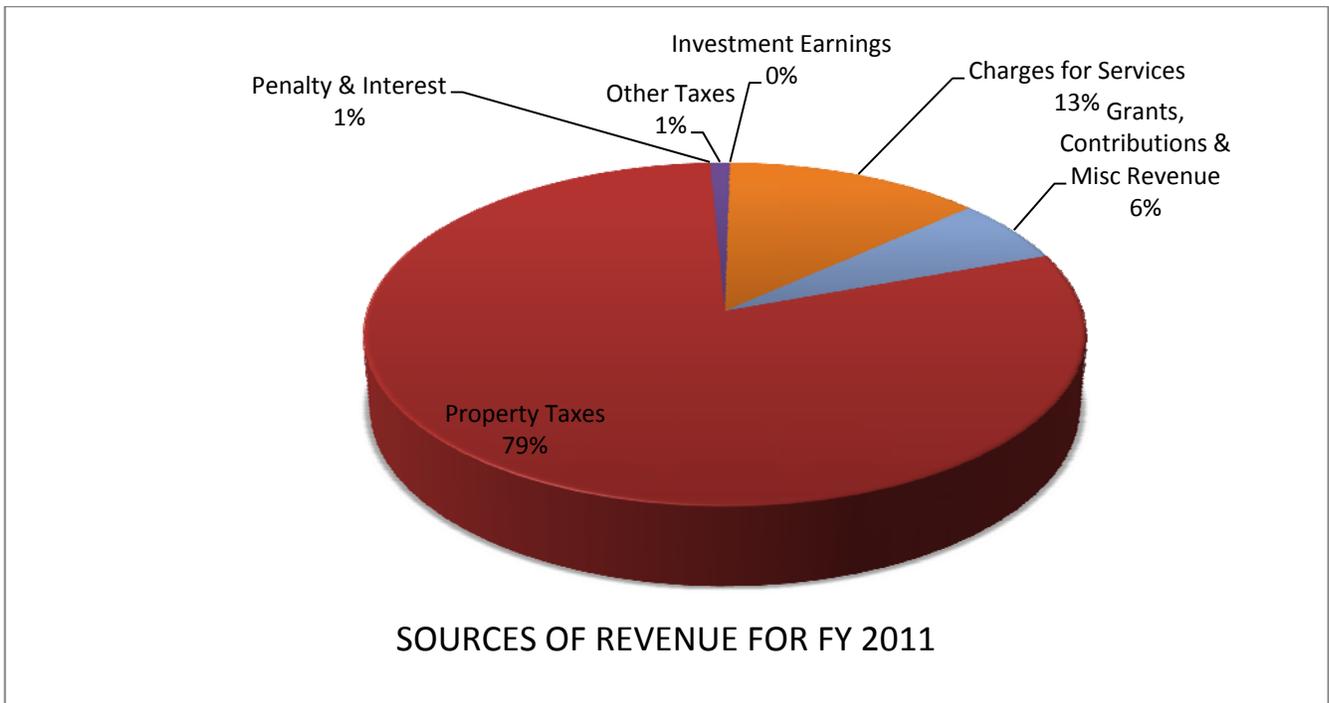


Table A-2 Burnet County Changes in Net Assets

	Governmental Activities	
	2011	2010
REVENUES:		
Program Revenues		
Charges for Services	\$ 2,377,663	\$ 3,190,141
Grants and Contributions	936,982	1,295,608
General Revenues		
Property Taxes	15,657,951	15,151,588
Other Taxes	274,257	307,643
Investment Earnings	88,625	54,434
Other Revenue, Not Restricted	288,352	674,037
Total Revenues	<u>19,623,830</u>	<u>20,673,451</u>
EXPENSES:		
General Government	9,365,277	8,971,896
Public Safety	5,888,344	5,621,349
Public Transportation	2,834,692	2,662,518
Health and Welfare	722,603	590,292
Culture and Recreation	749,805	726,592
Conservation	320,590	234,281
Debt Service	209,573	229,834
Total Expenses	<u>20,090,884</u>	<u>19,036,762</u>
INCREASE IN NET ASSETS	(467,054)	1,636,689
NET ASSETS, BEGINNING	18,415,273	16,778,584
Prior Period Adjustment		
NET ASSETS, ENDING	<u>\$ 17,948,219</u>	<u>\$ 18,415,273</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of the end of the fiscal year, Burnet County's governmental funds reported a *combined* fund balance of \$8.1 million, a decrease of \$420 thousand or 5% in comparison with the prior year. Approximately 61% of this total amount (\$5.0 million) is *unassigned* fund balance, which is available for spending at the government's discretion. The remainder of fund balance is divided among assigned fund balance of \$258 thousand, committed fund balance of \$860 thousand, restricted fund balance of \$2.0 million, and nonspendable fund balance of \$43 thousand. The County's ability to spend each of these types of fund balance is more limited than with the unassigned fund balance, and the limitations on spending are discussed more fully in the notes to the financial statements.

The General Fund is the chief operating fund of the County. At the end of the fiscal year, \$5.0 million of the total fund balance of \$6.0 million is unassigned. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34% of total general fund expenditures, while total fund balance represents 56% of that same amount.

The County's General Fund balance increased by \$480 thousand during the current fiscal year attributable to tightened budget policies and limited capital purchases for equipment. The Road & Bridge Fund increased by \$40 thousand mainly due to limited capital purchases. The Debt Service Fund has a total fund balance of \$327 thousand, which is all restricted for the payment of debt service. This fund balance decreased by \$192 thousand which was budgeted to reduce the fund balance in order to be able to service the current debt payments.

General Fund Budgetary Highlights – Over the course of the year, the County made revisions to the original appropriations budget approved by the Commissioners' Court. Overall, these changes resulted in an increase from the original budget by \$738 thousand.

Following are the main components of the increase:

- To reflect department year end projections and re-appropriate funds within or between departments,
- To re-appropriate funds from other governmental units received during the year (grants),
- To re-appropriate funds to pay for commitments in the form of encumbrances established prior to September 30th, but not paid by that date.

Although the total amended budget expenditures totaled \$16.4 million, actual expenditures totaled \$14.5 million, a \$1.8 million positive variance. This is a result of all departments not expending their total appropriations. Revenues also increased from the original budget of \$15.1 million to a final of \$15.8 million an increase of \$670 thousand reflected from intergovernmental revenue and grants that are not budgeted until received along with a slight increase in charges for services and other revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of September 30, 2011, the County had invested \$31 million in a broad range of capital assets, including land, buildings, roads, bridges and equipment. This amount represents a net increase (including additions, retirements and adjustments) of \$1.1 million or 3% over last year as you can see in Table A-3 below.

Major capital asset events affecting capital assets during the year were:

- Additional equipment purchases for the sheriff, maintenance, and road and bridge departments.
- Road and bridge improvement projects.
- Improved radio communication tower systems.

Table A-3
Burnet County's Capital Assets

	Governmental Activities		Percent Change
	2011	2010	
Land	\$ 831,013	\$ 830,321	---
Construction In Progress	4,300	207,611	(97.9%)
Infrastructure	6,935,950	6,002,730	15.5%
Buildings & Other Improvements	13,936,764	13,821,362	.8%
Office & Miscellaneous Equipment	4,155,008	4,039,566	2.9%
Road Equipment	5,309,683	5,187,243	2.4%
Total	31,172,718	30,088,833	3.6%
Total Accumulated Depreciation	15,877,762	14,533,305	9.3%
Net Capital Assets	\$ 15,294,956	\$ 15,555,528	(1.7%)

Additional information about the County's capital assets can be found in Note 10 of this report.

Component Unit – Capital Assets – As of September 30, 2011, the Burnet County Public Facilities Corporation (discretely –presented component unit) had invested \$29 million in capital assets, including building, improvements, and equipment. Additional information about the Component's Unit capital assets can be found in Note 21.C of this report.

Long Term Debt – At the end of the fiscal year, the County had \$6.4 million of outstanding debt. Of this amount, \$269 thousand is debt backed by the full faith and credit of the government and \$6.1 million represents bonds secured solely by specified revenue sources.

Burnet County’s Long Term Debt

	Governmental Activities		Percent Change
	2011	2010	
Bonds Payable	\$ 6,140,000	\$ 7,420,000	(17%)
Capital Leases Payable	269,030	196,928	37%
Total Bonds, Notes and Leases Payable	<u>\$ 6,409,030</u>	<u>\$ 7,616,928</u>	<u>(16%)</u>

During the year, Burnet County’s bond and capital lease debt decreased by a total of \$1.2 million. Capital leases had a net increase of \$186 thousand.

The State limits the amount of general obligation debt that a County can issue to 25% of its total assessed valuation. The current debt limitation is close to \$1.0 billion, which is significantly higher than the County’s outstanding general obligation debt.

More detailed information about the County’s long-term liabilities can be found in Note 12 of this report.

Component Unit – Long Term Debt – At September 30, 2011, the Burnet County Public Facilities Corporation (discretely-presented component unit) had \$34,660,000 in revenue bonds outstanding. As disclosed in Note 21.E of the notes to the financial statements, the Corporation is in default of the August 1, 2011 principal payment of \$780,000.

Additional information about the Component Unit’s long term debt can be found in Notes 21.D and 21.E of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The taxable value used for the FY2012 budget preparation is estimated to be up slightly to \$108.7 million or 2.4% from FY2011.
- The tax rate established for the FY2012 budget is \$.3692, which is the effective rate.
- Burnet County’s unemployment rate is currently 6.7%, which is an increase from a rate of 6.4% one year ago. Even though the rate increased slightly, the rate is favorable to the state’s average unemployment rate of 7.1%.
- Inflationary trends in the region are comparable to national indices.

These factors and others were taken into consideration when preparing the General Fund budget for the 2012 fiscal year.

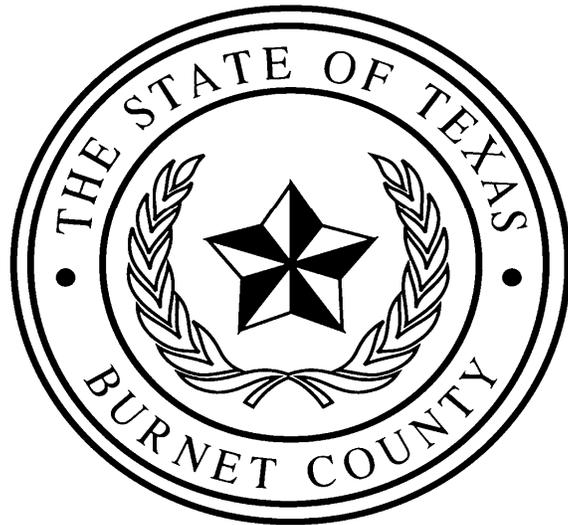
Amounts available for appropriation in the FY2012 governmental fund budgets are \$19.23 million, an increase of 0.3% over the FY2011 budget of \$19.28 million. Property taxes (benefiting from increases in assessed valuations) and licenses and permit revenue are expected to lead to this increase.

Budgeted expenditures are expected to decrease approximately 2.8% to \$20.5 million.

If these estimates are realized, the County’s budgetary General Fund balance is expected to remain the same.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Burnet County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of Burnet County Auditor, 220 South Pierce, Burnet, TX 78611.



BASIC FINANCIAL STATEMENTS

BURNET COUNTY
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

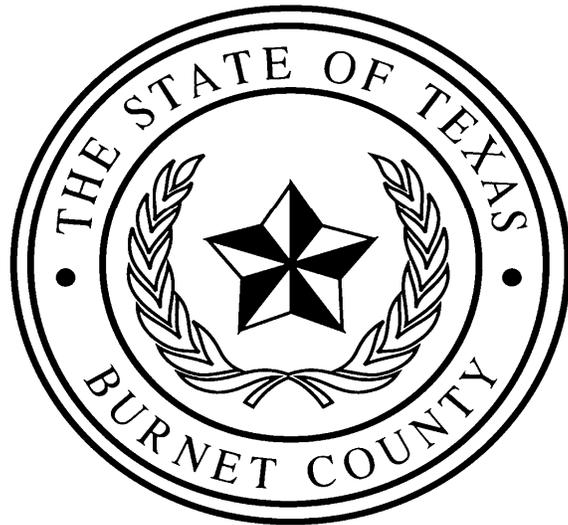
	Primary Government	Component Unit
	Governmental Activities	Burnet County Public Facilities Co
ASSETS		
Cash and Cash Equivalents	\$ 7,914,335	\$ 1,652,957
Investments - Current	297,187	3,455,338
Receivables (net of allowance for uncollectibles)	1,863,217	294,542
Due from Others	30,799	-
Inventories	767	-
Prepaid Items	42,032	-
Capitalized Debt Issuance Costs	44,615	512,109
Capital Assets:		
Land	831,013	-
Infrastructure, net	3,055,301	-
Buildings, net	7,334,246	26,646,381
Improvements other than Buildings, net	135,971	-
Machinery and Equipment, net	3,934,125	739,619
Construction in Progress	4,300	-
Total Assets	<u>25,487,908</u>	<u>33,300,946</u>
LIABILITIES		
Accounts Payable	985,834	261,985
Intergovernmental Payable	2,661	-
Accrued Interest Payable	22,724	445,890
Deferred Revenues	5,000	-
Noncurrent Liabilities		
Matured Bonds Payable	-	780,000
Due Within One Year	1,478,925	835,000
Due in More Than One Year	5,044,545	31,225,458
Total Liabilities	<u>7,539,689</u>	<u>33,548,333</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	8,991,719	(5,454,458)
Restricted for:		
Special Revenue	833,525	-
Debt Service	327,222	3,642,100
Capital Projects	141,940	-
Other Purposes	670,331	-
Unrestricted Net Assets	6,983,482	1,564,971
Total Net Assets	<u>\$ 17,948,219</u>	<u>\$ (247,387)</u>

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

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

	Program Revenues			Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Burnet County Public Facilities Co
Primary Government:						
GOVERNMENTAL ACTIVITIES:						
General Government	\$ 9,365,277	\$ 292,287	\$ 431,256	\$ 232,818	\$ (8,408,916)	\$ -
Public Safety	5,888,344	811,238	70,818	-	(5,006,288)	-
Public Transportation	2,834,692	1,231,456	30,063	-	(1,573,173)	-
Health and Welfare	722,603	5,829	95,574	-	(621,200)	-
Culture and Recreation	749,805	36,853	11,850	-	(701,102)	-
Conservation	320,590	-	-	64,603	(255,987)	-
Debt Interest	209,573	-	-	-	(209,573)	-
TOTAL PRIMARY GOVERNMENT:	\$ 20,090,884	\$ 2,377,663	\$ 639,561	\$ 297,421	(16,776,239)	-
Component Unit:						
Burnet County Public Facilities Corporation	\$ 9,952,468	\$ 9,658,891	\$ -	\$ -	-	(293,577)
TOTAL COMPONENT UNITS:	\$ 9,952,468	\$ 9,658,891	\$ -	\$ -	-	(293,577)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					14,221,717	-
Property Taxes, Levied for Debt Service					1,215,711	-
Other Taxes					274,257	-
Penalty and Interest					220,523	-
Grants and Contributions Not Restricted					90,566	-
Miscellaneous Revenue					197,786	-
Investment Earnings					88,625	94,676
Total General Revenues					16,309,185	94,676
Change in Net Assets					(467,054)	(198,901)
Net Assets--Beginning					18,415,273	(48,486)
Net Assets--Ending					\$ 17,948,219	\$ (247,387)

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



BURNET COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	General Fund	Road and Bridge Fund	Other Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,843,911	\$ 751,719	\$ 1,283,881	\$ 7,879,511
Investments - Current	170,821	15,330	50,740	236,891
Taxes Receivable	754,113	77,932	65,847	897,892
Allowance for Uncollectible Taxes (credit)	(226,234)	(23,379)	(16,462)	(266,075)
Receivables (Net)	113,938	59,824	58,327	232,089
Intergovernmental Receivables	375,078	6,839	315,928	697,845
Due from Other Funds	172,979	34,619	-	207,598
Due from Others	30,799	-	-	30,799
Inventories	767	-	-	767
Prepaid Items	40,292	87	1,653	42,032
Total Assets	\$ 7,276,464	\$ 922,971	\$ 1,759,914	\$ 9,959,349
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 577,478	\$ 96,450	\$ 81,997	\$ 755,925
Accrued Payroll Payable	188,661	-	-	188,661
Intergovernmental Payable	2,661	-	-	2,661
Due to Other Funds	-	-	207,598	207,598
Due to Others	626	13,640	10,401	24,667
Accrued Interest Payable	-	-	22,724	22,724
Deferred Revenues	532,879	54,552	49,385	636,816
Total Liabilities	1,302,305	164,642	372,105	1,839,052
Fund Balances:				
Non-Spendable	41,059	87	1,653	42,799
Restricted	670,331	722,306	580,381	1,973,018
Committed	55,096	-	805,775	860,871
Assigned	222,430	35,936	-	258,366
Unassigned	4,985,243	-	-	4,985,243
Total Fund Balances	5,974,159	758,329	1,387,809	8,120,297
Total Liabilities and Fund Balances	\$ 7,276,464	\$ 922,971	\$ 1,759,914	\$ 9,959,349

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

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

Total Fund Balances - Governmental Funds	\$	8,120,297
 The County uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net assets.		78,539
 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 \$30,088,833 and the accumulated depreciation was \$14,533,305. 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.		7,895,209
 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.		2,699,020
 The 2011 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(1,725,672)
 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.		880,826
 Net Assets of Governmental Activities	\$	17,948,219

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

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

	General Fund	Road and Bridge Fund	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
Property Taxes	\$ 12,687,658	\$ 1,504,561	\$ 1,197,592	\$ 15,389,811
Other Taxes	64,107	-	210,150	274,257
Penalty and Interest on Taxes	182,630	20,399	17,494	220,523
Licenses and Permits	383,246	898,003	-	1,281,249
Intergovernmental Revenue and Grants	130,347	47,508	829,106	1,006,961
Charges for Services	1,462,241	-	38,123	1,500,364
Fines	451,089	-	23,637	474,726
Forfeits	-	-	2,603	2,603
Investment Earnings	66,849	9,632	11,881	88,362
Rents and Royalties	28,080	-	-	28,080
Contributions & Donations from Private Sources	14,087	-	6,500	20,587
Other Revenue	66,074	16,686	90,913	173,673
Total Revenues	<u>15,536,408</u>	<u>2,496,789</u>	<u>2,427,999</u>	<u>20,461,196</u>
EXPENDITURES:				
Current:				
General Government	8,172,470	-	508,900	8,681,370
Public Safety	5,197,620	-	247,132	5,444,752
Public Transportation	-	2,253,269	-	2,253,269
Health and Welfare	624,579	-	84,049	708,628
Culture and Recreation	5,745	-	725,560	731,305
Conservation	193,685	-	104,578	298,263
Debt Service:				
Debt Principal	45,396	68,974	1,280,000	1,394,370
Debt Interest	654	2,321	170,568	173,543
Fiscal Agent's Fees	-	-	950	950
Capital Outlay:				
Capital Outlay	286,918	253,552	950,653	1,491,123
Total Expenditures	<u>14,527,067</u>	<u>2,578,116</u>	<u>4,072,390</u>	<u>21,177,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,009,341</u>	<u>(81,327)</u>	<u>(1,644,391)</u>	<u>(716,377)</u>
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	6,057	3,856	-	9,913
Issuance of Capital Leases	119,040	67,433	-	186,473
Proceeds from Insurance Settlements	-	12,143	-	12,143
Transfers In	129,260	37,873	752,159	919,292
Transfers Out (Use)	(783,952)	-	(47,090)	(831,042)
Total Other Financing Sources (Uses)	<u>(529,595)</u>	<u>121,305</u>	<u>705,069</u>	<u>296,779</u>
Net Change in Fund Balances	479,746	39,978	(939,322)	(419,598)
Fund Balance - October 1 (Beginning)	5,494,413	718,351	2,327,131	8,539,895
Fund Balance - September 30 (Ending)	<u>\$ 5,974,159</u>	<u>\$ 758,329</u>	<u>\$ 1,387,809</u>	<u>\$ 8,120,297</u>

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

BURNET 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	\$	(419,598)
The County uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net assets.		(134,686)
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.		2,699,020
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.		(1,725,672)
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 decrease net assets.		(886,118)
Change in Net Assets of Governmental Activities	\$	(467,054)

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

BURNET COUNTY
STATEMENT 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	\$ 12,473,307	\$ 12,473,307	\$ 12,687,658	\$ 214,351
Other Taxes	56,000	56,000	64,107	8,107
Penalty and Interest on Taxes	170,000	170,000	182,630	12,630
Licenses and Permits	341,000	341,000	383,246	42,246
Intergovernmental Revenue and Grants	143,000	251,157	130,347	(120,810)
Charges for Services	1,353,913	1,648,053	1,462,241	(185,812)
Fines	530,000	530,000	451,089	(78,911)
Investment Earnings	31,000	31,000	66,849	35,849
Rents and Royalties	24,210	24,210	28,080	3,870
Contributions & Donations from Private Sources	-	38,455	14,087	(24,368)
Other Revenue	20,200	250,065	66,074	(183,991)
Total Revenues	15,142,630	15,813,247	15,536,408	(276,839)
EXPENDITURES:				
Current:				
General Government	8,868,400	9,333,854	8,172,470	1,161,384
Public Safety	5,442,505	5,551,851	5,197,620	354,231
Health and Welfare	933,550	933,550	624,579	308,971
Culture and Recreation	5,500	23,794	5,745	18,049
Conservation	205,213	206,213	193,685	12,528
Debt Service:				
Debt Principal	71,185	51,677	45,396	6,281
Debt Interest	5,163	5,163	654	4,509
Capital Outlay:				
Capital Outlay	105,800	269,159	286,918	(17,759)
Total Expenditures	15,637,316	16,375,261	14,527,067	1,848,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	(494,686)	(562,014)	1,009,341	1,571,355
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	2,000	2,000	6,057	4,057
Issuance of Capital Leases	-	119,040	119,040	-
Transfers In	82,170	99,315	129,260	29,945
Transfers Out (Use)	(837,741)	(857,249)	(783,952)	73,297
Total Other Financing Sources (Uses)	(753,571)	(636,894)	(529,595)	107,299
Net Change in Fund Balances	(1,248,257)	(1,198,908)	479,746	1,678,654
Fund Balance - October 1 (Beginning)	5,494,413	5,494,413	5,494,413	-
Fund Balance - September 30 (Ending)	\$ 4,246,156	\$ 4,295,505	\$ 5,974,159	\$ 1,678,654

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

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 1,471,638	\$ 1,471,638	\$ 1,504,561	\$ 32,923
Penalty and Interest on Taxes	15,000	15,000	20,399	5,399
Licenses and Permits	1,010,000	1,010,000	898,003	(111,997)
Intergovernmental Revenue and Grants	46,200	46,200	47,508	1,308
Investment Earnings	4,000	4,000	9,632	5,632
Other Revenue	-	20,577	16,686	(3,891)
Total Revenues	2,546,838	2,567,415	2,496,789	(70,626)
EXPENDITURES:				
Current:				
Public Transportation	2,427,242	2,464,082	2,253,269	210,813
Debt Service:				
Debt Principal	75,954	66,113	68,974	(2,861)
Debt Interest	12,911	12,911	2,321	10,590
Capital Outlay:				
Capital Outlay	96,255	173,264	253,552	(80,288)
Total Expenditures	2,612,362	2,716,370	2,578,116	138,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,524)	(148,955)	(81,327)	67,628
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	3,000	6,856	3,856	(3,000)
Issuance of Capital Leases	-	67,433	67,433	-
Proceeds from Insurance Settlements	-	12,143	12,143	-
Transfers In	37,873	37,873	37,873	-
Total Other Financing Sources (Uses)	40,873	124,305	121,305	(3,000)
Change in Fund Balance	(24,651)	(24,650)	39,978	64,628
Fund Balance - October 1 (Beginning)	718,351	718,351	718,351	-
Fund Balance - September 30 (Ending)	\$ 693,700	\$ 693,701	\$ 758,329	\$ 64,628

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

BURNET COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

Total
Internal
Service Funds

ASSETS

Current Assets:

Cash and Cash Equivalents
Investments - Current

\$ 34,824
60,296

Total Assets

95,120

LIABILITIES

Current Liabilities:

Accounts Payable

16,581

Total Liabilities

16,581

NET ASSETS

Unrestricted Net Assets

78,539

Total Net Assets

\$ 78,539

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

BURNET COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Governmental Activities
	Total
	Internal Service Funds
<hr/>	
OPERATING EXPENSES:	
Insurance Claims and Reimbursements	\$ 39,340
Administrative Fees	7,359
Total Operating Expenses	46,699
Operating Income (Loss)	(46,699)
NON-OPERATING REVENUES (EXPENSES):	
Investment Earnings	263
Total Non-operating Revenue (Expenses)	263
Income (Loss) Before Transfers	(46,436)
Transfers In	31,793
Transfers Out	(120,043)
Change in Net Assets	(134,686)
Total Net Assets - October 1 (Beginning)	213,225
Total Net Assets - September 30 (Ending)	\$ 78,539

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

BURNET COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Total Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Payments for Insurance Claims & Reimbursement	\$ (27,774)
Cash Payments for Administrative Fees	(7,359)
Net Cash Provided by (Used for) Operating Activities	(35,133)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers In	31,793
Transfers Out	(120,043)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(88,250)
<u>Cash Flows from Investing Activities:</u>	
Proceeds from Redemption of Investments	120,042
Net Increase(Decrease) in Cash and Cash Equivalents	(3,341)
Cash and Cash Equivalents at Beginning of the Year:	38,165
Cash and Cash Equivalents at the End of the Year:	\$ 34,824
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</u>	
Operating Income (Loss):	\$ (46,699)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	11,566
Net Cash Provided by (Used for) Operating Activities	\$ (35,133)
<u>Noncash Investing, Capital and Financing Activities:</u>	
Increase in Fair Value of Investments	\$ 263

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

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

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,681,255
Total Assets	<u>\$ 1,681,255</u>
LIABILITIES	
Due to Others	\$ 1,681,255
Total Liabilities	<u>\$ 1,681,255</u>

The accompanying notes are an integral part of this statement.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

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BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 V.A.C.S. Burnet County (the County) operates under a county judge/commissioners court type of government as provided by state statute. The financial and reporting policies of the County conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. Accounting principles generally accepted in the United States of America 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 in the publication entitled *Audits of State and Local Governmental Units*.

A. Reporting Entity

The Commissioners' Court has governance responsibilities over all activities related to Burnet County, Texas. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the County is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB"), Statement No. 14, "The Financial Reporting Entity", since County Commissioners and the County Judge are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. There are no separate organizations for which the County is financially accountable. There are no separate organizations for which the nature and significance of their relationship with the County are such that exclusion would cause Burnet County's financial statements to be misleading or incomplete.

The County provides the following services to its citizens: public safety (law enforcement and detention, fire and ambulance), public transportation (roads and bridges), health and welfare (pauper care, health clinic facilities, meals for the elderly and indigent health care), culture and recreation facilities, conservation, public facilities, judicial and legal, election functions, and general and financial administrative services.

Discretely Presented Component Unit

Burnet County Public Facility Corporation

Burnet County Public Facility Corporation (the "Corporation") has been included in the reporting entity as a discretely presented component unit. The Corporation was created by the County in 2007 under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the County. The Board of Directors is appointed by and serves at the discretion of the Commissioners Court of the County. The operations of the Corporation are presented in the Government Wide Financial Statements. Separate financial statements of the Corporation may be obtained from the County Auditor's office. Additional information regarding this component unit is presented in Note 21.

B. Government-wide and fund financial statements

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Burnet County nonfiduciary activities with most of the interfund activities removed. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental Activities* include programs supported primarily by taxes, fines and fees, grants and other intergovernmental revenues.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Statement of Activities presents a comparison between expenses and program revenues for each function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include a) fees, fines and charges paid by the recipients of goods and services offered by the program, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary and fiduciary. Since the resources in the fiduciary funds cannot be used for County operations, they are not included in the government-wide statements. The County considers some governmental funds major and reports their financial condition and results of operations in a separate column. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. Fiduciary funds also utilize the accrual basis of accounting; however, the economic resources measurement focus is not applicable to agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both *measurable* and *available*. Available means collectible within the current period or expected to be collected within 60 days after year-end to be used to pay liabilities of the current period. Expenditures are generally recorded when the 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 are susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received because they are generally not measurable and available until cash is received by the government. Investment earnings are recorded on the accrual basis in all funds.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Intergovernmental revenues are recorded on a basis applicable to the legal and contractual requirements of the individual grant programs. If funds must be expended on the specific purpose or project before any amounts will be paid to the county, revenues are recognized as the expenditures or expenses recorded. If funds are virtually unrestricted and irrevocable, except for failure to comply with required compliance requirements, revenues are recognized when received or susceptible to accrual. Federal and State grants awarded on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other federal reimbursable-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

The Proprietary Fund Types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets. Fiduciary Funds, such as agency funds, have no measurement focus.

The County reports the following major governmental funds:

General Fund – The General Fund is the County’s primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the County.

Road & Bridge Fund – The Road & Bridge Fund is a special revenue fund that accounts for and reports the financial resources received from a designated part of the annual property tax levy and auto registration fees and traffic fines, which are used for operating and maintaining County owned roads and bridges.

Additionally, the County reports the following fund types:

Governmental Funds:

Special Revenue Funds – The County uses these funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund – The County uses this fund to account for and report all financial resources that are restricted, committed, or assigned to expenditure for principal and interest and related costs.

Capital Project Fund – The County uses this fund to account for and report all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

Proprietary Funds:

Internal Service Funds – The County uses this fund to account for and report the County’s self-insurance unemployment claims fund and the portion of the increase in employee insurance deductible when the county changed policies to reduce premiums.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fiduciary Funds:

Trust and Agency Funds – The County accounts for and reports resources held for others in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. Agency funds are used to account for court costs due to the State, monies received for waste sewage facility inspections due to the Texas Department of Health, bond money received and held for others as a result of action in the County or District Courts, and to account for monies received and held in trust for other individuals or entities as a result of action in County and District Courts.

D. Assets, liabilities, and net assets of equity

1. *Deposits and investments*

For purposes of the statement of cash flow for proprietary and similar fund types, the County considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments in the Local Government Investment Cooperative (LOGIC), the Texas Local Government Investment Pool (TexPool) and Texas CLASS are recorded at fair value for all funds.

2. *Receivables and payables*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

3. *Inventories and prepaid items*

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Capital Assets

Capital assets include land, buildings, furniture and equipment and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County depreciates capital assets using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	20
Buildings	22
Improvements (Other than Buildings)	20
Vehicles and Road Equipment	5-10
Office Equipment	3-15
Computer Equipment	5-6

5. 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 prepaid items) or are required to be maintained intact (such as the corpus of an endowment fund).
- 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 pursuant to formal action of Commissioner's Court. These amounts cannot be used for other purpose unless the Commissioner's Court removes or changes the constraints via the same type of action used to initially commit them.
 - *The Commissioners' Court shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.*

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- Assigned fund balance – amounts the County intends to use for a specific purpose, but which do not qualify for classification as either restricted or committed. The intent can be expressed by the county or by an official or body to which the County Commissioners delegates the authority.
 - *When it is appropriate for fund balance to be assigned, the Commissioner’s Court delegates the responsibility to assign funds to the County Auditor or his/her designee. Assignments may occur subsequent to the fiscal year-end.*
- Unassigned fund balance – amounts that are available for any purpose or the residual fund balance of the General Fund.
- Order of Spending: Where appropriate, Burnet County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but it reserves the right to deviate from this general strategy.

6. Unemployment and Health Insurance

The County has elected to be a reimbursing employer for all unemployment claims. Health insurance is provided to the County’s employees through a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code, and was documented by contractual agreement.

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Internal service funds are used by management for self-insurance costs. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.” The details of this \$78,539 difference are as follows:

Record current year assets	95,120
Record current year liabilities	<u>(16,581)</u>
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u><u>78,539</u></u>

Another element of that reconciliation explains that “beginning capital assets and long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported in the funds.” The details of this \$7,895,209 difference are as follows:

Beginning capital assets, net	15,555,528
Beginning capitalized debt issuance costs	55,281
Beginning long-term liabilities	<u>(7,715,600)</u>
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u><u>7,895,209</u></u>

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
continued**

Another element of that reconciliation explains that “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 are to increase net assets” The details of this \$2,699,020 difference are as follows:

Current year debt issued	(186,473)
Current year principal payments	1,394,370
Current year additions to capital assets	1,491,123
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	2,699,020

Another element of that reconciliation states that “various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting.” The detail of this \$880,826 difference is as follows:

Remove current year disposed capital assets & related accumulation depreciation	(40,385)
Record donated assets at fair value	14,362
Current year debt issuance costs	(10,666)
Current year amortization of accounting loss on refunding bonds	(32,770)
Current year amortization of premium on bonds	8,356
Current year decrease in compensated absences	8,647
Record court fees & fines receivable	301,466
Remove deferred revenues for taxes	631,816
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	880,826

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Internal service funds are used by management for self-insurance costs. The net revenue of certain activities of the internal service funds is reported with governmental activities.” The details of this \$(134,686) difference are as follows:

Record interest	263
Record transfers	(88,250)
Record operating loss	(46,699)
Net adjustment to decrease <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net assets-governmental activities</i>	(134,686)

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, continued

Another element of that reconciliation explains that “Governmental funds report capital outlays and long-term debt principal payments as expenditures, but they should be shown as increases in capital assets and reduction 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.” The detail of this \$2,699,020 difference is as follows:

Current year debt issued	(186,473)
Current year principal payments	1,394,370
Current year capital outlay	1,491,123
Net adjustment to increase <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net assets-governmental activities</i>	2,699,020

Another element of that reconciliation states that “various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting.” The detail of this \$(886,118) difference is as follows:

Remove current year disposed capital assets & related accumulation depreciation	(40,385)
Record donated assets at fair value	14,362
Current year debt issuance costs	(10,666)
Current year amortization of accounting loss on refunding bonds	(32,770)
Current year amortization of premium on bonds	8,356
Current year decrease in compensated absences	8,647
Record decrease in court fees & fines receivable	(881,279)
Recognize unearned property taxes	47,617
Net adjustment to increase <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net assets-governmental activities</i>	(886,118)

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information

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

1. The County Judge, as budget officer, with the assistance of the County Auditor, prepares a budget to cover all proposed expenditures and the means of financing them, for the succeeding year and delivers the proposed budget to Commissioners’ Court.
2. Commissioners’ Court holds budget sessions with each department head.
3. Commissioners’ Court holds budget hearings for the public at which all interested persons’ comments concerning the budget are heard.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, continued

4. Commissioners' Court formally adopts the budget in an open court meeting. Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Capital Project Funds, and the Debt Service Fund. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Formal budgetary integration is not employed for the proprietary funds. The County adopts an annual, informal budget as a financial plan for all proprietary funds. As no legal requirement exists, a budget to actual comparison is not presented in the financial statements.

5. The adopted budget becomes the authorization for all legal expenditures for the County for the fiscal year. Unencumbered appropriation balances lapse at year end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation. Expenditures may not legally exceed appropriations at the departmental level for each legally adopted annual operating budget. Amendments to the 2011 budget were approved by the Commissioners' Court as provided by law. The reported budgetary data has been revised for amendments legally authorized during the year.
6. The formally adopted budget may legally be amended by commissioners in accordance with article 689A-11 or 689A-20 of Vernon's Annotated Civil Statutes. Management does not amend the budget above the departmental level without approval by the Commissioners' Court. The legal level of budgetary control is at the departmental level. The budgetary comparison schedule for the General Fund that demonstrates compliance at the legal level of budgetary control is included in the Other Supplementary Information; the schedule for Road and Bridge Funds that is included with the Basic Financial Statements sufficiently demonstrates compliance.

An appropriate resolution (the appropriated budget) to control the level of expenditures must be legally enacted on or about September 1st of each year.

NOTE 4 PROPERTY 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 2010 tax roll, the total adjusted assessed valuation was \$3,484,737,786 and the taxes assessed amounted to \$15,425,858. The total tax rate was \$0.3692 per \$100 valuation and allocated \$0.3018 to General Fund maintenance and operations; \$0.0389 to Road & Bridge Fund maintenance and operations; and \$0.0285 to interest and sinking funds.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county-wide appraisal districts and for the State Property Tax Board which commenced operation in January, 1980.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 4 PROPERTY TAXES, continued

As of October 1, 1981, the appraisal of property within the County was the responsibility of the county-wide appraisal district. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. Beginning January 1, 1984, the value of property within the Appraisal District must be reappraised every three years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property.

However, if the effective tax rates for bonds and other contractual obligations and adjustments for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year. Through a contractual arrangement with the County, the Burnet Central Appraisal District is responsible for the collection of taxes. The Appraisal District is governed by a Board of Directors elected by the governing bodies of the taxing entities within the District. The Board of Directors appoints a Chief Appraiser to act as Chief Administrator of the Appraisal District and an Appraisal Review Board to equalize appraised values.

Statutory maximums for the County's various tax rates and restrictions on the use of the tax proceeds are as follows:

 \$.80 ___ - Limit imposed by Texas Constitution for all purposes of General Fund, Permanent Improvement Fund, and Jury Fund, including debt service obligations issued against such funds.

 \$.15 ___ - Limit imposed by Article 6790, V.A.C.S., for road maintenance, no part of which may be used for debt service.

 \$.30 ___ - Limit imposed by Article 7048A, V.A.C.S., for farm-to-market and lateral roads and/or flood control purposes.

 \$1.25 ___ - Total legal limit per \$100 of assessed valuation.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

Property tax revenues are recognized in the accounting period in which they become both measurable and available. Property tax revenues are considered measurable at the time of levy and are recognized as deferred revenue and taxes receivable, net of an allowance for estimated uncollectible taxes, at that time. Property tax revenues are considered available if collected within 60 days subsequent to year end.

NOTE 5: DEPOSITS, SECURITIES, AND INVESTMENTS

Legal and Contractual Provisions Governing 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.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

Legal and Contractual Provisions Governing Deposits and Investments, continued

At September 30, 2011, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$7,914,335 and the bank balance was \$8,361,342.

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 investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The County had the following investments at September 30, 2011:

Investment Type	Fair Value	Weighted Average Maturity (Days)
LOGIC	\$ 120,204	42
TexPool	126,196	44
Texas CLASS	50,787	30
TOTAL INVESTMENTS	\$ 297,187	

Local Government Investment Cooperative (LOGIC) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fund is administered by First Southwest Asset Management, Inc. and JP Morgan Chase.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. KPMG Peat Marwick, 111 Congress Avenue, Suite 1100, Austin, Texas 78701 performs the annual audit. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 5: DEPOSITS, SECURITIES, AND INVESTMENTS, continued

Texas CLASS was created as an investment pool for its participants pursuant to Section 2256 of the Public Funds Investment Act, Texas Government Code. The fund is administered by MBIA Municipal Investors Service Corporation and Wells Fargo Bank Texas, NA is the Custodian.

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's policy regarding types of deposits allowed and collateral requirements is to deposit funds in FDIC insurance banks which have sufficient pledged collateral. The County was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, was 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. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policies are governed by State statutes. In addition, the County has its own written investment policies. County funds are deposited in FDIC insured banks located within the County and in LOGIC, TexPool and Texas CLASS. Permissible investments include the following:

1. Obligations of the U.S. or its agencies and instrumentalities.
2. Direct obligations of the State of Texas or its agencies.
3. Other obligations, the principal and interest of which are unconditionally guaranteed by the State of Texas or the United States.
4. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to the investment quality by a nationally recognized investment firm and having received a rating of not less than A or its equivalent.
5. Certificates of deposit issued by state and national banks domiciled in the State of Texas that are guaranteed or insured by the FDIC or secured by other obligations that have a market value of not less than the principal amount of the certificates.

Policies Governing Deposits and Investments, continued

To minimize credit risk, TexPool's, LOGIC's and Texas CLASS investment policies allow the portfolio's investment managers to only invest in obligations of the U.S. Government, its agencies; repurchase agreements; and no-load AAAM money market mutual funds registered with the SEC. As of September 30, TexPool investments credit quality rating was AAAM (Standard & Poor's), LOGIC's investments credit quality rating was AAAM (Standard & Poor's), and Texas CLASS investments credit quality rating was AAAM (Standard & Poor's).

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6: DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at September 30, 2011 were as follows:

	<u>Property Taxes</u>	<u>Accounts Receivable</u>	<u>Intergovern- mental Receivable</u>	<u>Due From Other Funds</u>	<u>Due From Others</u>	<u>Total Receivables</u>
Governmental Activities:						
General Fund	754,113	\$ 113,938	\$ 375,078	\$ 172,979	\$ 30,799	\$ 1,446,907
Road & Bridge Fund	77,932	59,824	6,839	34,619	-	179,214
Non-major Governmental Funds	<u>65,847</u>	<u>58,327</u>	<u>315,928</u>	<u>-</u>	<u>-</u>	<u>440,102</u>
Total Governmental Activities	<u>\$ 897,892</u>	<u>\$ 232,089</u>	<u>\$ 697,845</u>	<u>\$ 207,598</u>	<u>\$ 30,799</u>	<u>\$ 2,066,223</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 266,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,075</u>

Payables at September 30, 2011 were as follows:

	<u>Accounts Payable</u>	<u>Payroll Expense Payable</u>	<u>Intergovern- mental Payable</u>	<u>Due to Other Funds</u>	<u>Due to Others</u>	<u>Accrued Interest Payable</u>	<u>Total</u>
Governmental Activities:							
General Fund	\$ 577,478	\$ 188,661	\$ 2,661	\$ -	\$ 626	\$ -	\$ 769,426
Road & Bridge Fund	96,450	-	-	-	13,640	-	110,090
Non-major Governmental Funds	<u>81,997</u>	<u>-</u>	<u>-</u>	<u>207,598</u>	<u>10,401</u>	<u>22,724</u>	<u>322,720</u>
Total Governmental Activities	<u>\$ 755,925</u>	<u>\$ 188,661</u>	<u>\$ 2,661</u>	<u>\$ 207,598</u>	<u>\$ 24,667</u>	<u>\$ 22,724</u>	<u>\$ 1,202,236</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7: 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 \$1,182,745 which represents amounts owed and outstanding. Based on historical collection rates for the various courts, the County has booked an allowance for uncollectible court fines and fees of \$881,279, resulting in a net receivable of \$301,466.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 8: INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2011 consisted of the following individual fund balances:

<u>Governmental Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:	\$ 172,979	\$ -
Road and Bridge Fund	34,619	-
Non Major Governmental Funds	<u>-</u>	<u>207,598</u>
Total Governmental Funds	<u>\$ 207,598</u>	<u>\$ 207,598</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be collected in the subsequent year.

Interfund transfers during the year ended September 30, 2011 consisted of the following:

<u>Governmental Activities</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Funds	\$ 129,260	\$ 783,952
Road and Bridge Fund	37,873	-
Non Major Governmental Funds	752,159	47,090
Internal Service Funds	<u>31,793</u>	<u>120,043</u>
Total Governmental Activities	<u>\$ 951,085</u>	<u>\$ 951,085</u>

The transfers from the General Fund were made to cover operating expenses of the Special Revenue Funds.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 9: CAPITAL ASSET ACTIVITY

Capital asset activity for the County for the year ended September 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 830,321	\$ 692	\$ -	\$ 831,013
Construction in Progress	<u>207,611</u>	<u>-</u>	<u>(203,311)</u>	<u>4,300</u>
Total Capital Assets, Not Being Depreciated	<u>1,037,932</u>	<u>692</u>	<u>(203,311)</u>	<u>835,313</u>
Capital Assets, Being Depreciated				
Infrastructure	6,002,730	933,220	-	6,935,950
Buildings and Other Improvements	13,821,361	146,647	(31,244)	13,936,764
Office and Miscellaneous Equipment	4,039,567	317,365	(201,924)	4,155,008
Road Equipment	<u>5,187,243</u>	<u>310,872</u>	<u>(188,432)</u>	<u>5,309,683</u>
Total Capital Assets, Being Depreciated	<u>29,050,901</u>	<u>1,708,104</u>	<u>(421,600)</u>	<u>30,337,405</u>
Less Accumulated Depreciation for:				
Infrastructure	(3,522,603)	(358,046)	-	(3,880,649)
Buildings and Other Improvements	(5,968,804)	(527,425)	29,682	(6,466,547)
Office and Miscellaneous Equipment	(1,418,471)	(444,298)	177,524	(1,685,245)
Road Equipment	<u>(3,623,427)</u>	<u>(395,903)</u>	<u>174,009</u>	<u>(3,845,321)</u>
Total Accumulated Depreciation	<u>(14,533,305)</u>	<u>(1,725,672)</u>	<u>381,215</u>	<u>(15,877,762)</u>
Total Capital Assets Being Depreciated, Net	<u>14,517,596</u>	<u>(17,568)</u>	<u>(40,385)</u>	<u>14,459,643</u>
Total Capital Assets, Net	<u>\$ 15,555,528</u>	<u>\$ (16,876)</u>	<u>\$ (243,696)</u>	<u>\$ 15,294,956</u>

Current year depreciation expense was charged to governmental functions as follows:

General Government	\$ 633,523
Public Safety	443,592
Public Transportation	593,755
Conservation	22,327
Culture & Recreation	18,500
Health & Welfare	13,975
Total Depreciation Expense	<u>\$ 1,725,672</u>

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 10: COMMITMENTS UNDER LEASES

Capital Leases

During September 2010, the County agreed to enter into a lease with Chase Equipment Leasing Corporation for one (1) tractor-boom axe for Precinct 2 and one (1) conveyor, one (1) tractor and one (1) broom for Precinct 4. The lease agreement meets the criteria of a capital lease. An additional \$176,910 has been recorded to the government-wide Statement of Net Assets to record the capital assets acquired. The lease commitment total is \$176,910. The capital lease agreement requires quarterly payments of \$15,171, including interest at 2.10% through August 2013.

During July 2011, the County agreed to enter into a lease with Chase Equipment Leasing Corporation for three (3) 2011 Chevy Tahoe SUV's, one (1) 2011 Chevy Silverado 2WD Pick Up Truck and two (2) 2000 Freightliner FL80 12 yd Dump Trucks. This lease agreement meets the criteria of a capital lease. An additional \$186,473 has been recorded to the government-wide Statement of Net Assets to record the capital assets acquired. The lease commitment total is \$186,473. The capital lease agreement requires quarterly payments of \$15,991, including interest at 2.10% through April 2014.

The assets acquired through capital leases are as follows:

Road equipment		\$	388,717
Less: accumulated depreciation			<u>(58,141)</u>
Total		\$	<u><u>330,576</u></u>

A summary of the commitments, by year, follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 119,938	\$ 4,709	\$ 124,647
2013	122,475	2,171	124,646
2014	<u>26,617</u>	<u>196</u>	<u>26,813</u>
Total	<u>\$ 269,030</u>	<u>\$ 7,076</u>	<u>\$ 276,106</u>

Operating Leases

Commitments under operating (non-capitalized) lease agreements for equipment provide for minimum future rental payments as of September 30th as follows:

<u>Year Ending September 30,</u>	
2012	\$ 38,417
2013	27,342
2014	20,464
2015	15,665
2016	<u>5,005</u>
Total Minimum Rentals	<u>\$ 106,893</u>
Rental Expenditures in Current Year	<u>\$ 34,978</u>

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11: LONG-TERM DEBT

Bonds and Certificates of Obligation

Current requirements for bonded indebtedness of the County are accounted for in the Debt Service Fund.

On January 15, 1996, the County issued \$3,515,000 in Certificates of Obligation, Series 1996, with interest rates ranging from 4.25% to 5.75%, maturing in 2011. The proceeds from the sale of the Certificates were used for expansion of Burnet County jail facilities.

On February 1, 2001, the County issued \$7,000,000 in Certificates of Obligation, Series 2001, with interest rates ranging from 4.25% to 5.75%, maturing in 2016. The proceeds from the sale of the Certificates were used to build a new courthouse annex in Burnet, Texas, a new courthouse annex in Marble Falls, Texas, and for the renovation of the existing courthouse in Burnet, Texas. Both courthouse annexes were completed in May 2002. The renovation of the existing courthouse began in June 2002 and was completed in May 2003.

On November 1, 2006, the County issued \$235,000 in Tax Notes, Series 2006, with interest rates ranging from 3.58% to 3.80%, maturing in 2014. The proceeds from the sale of the Tax Notes were used for the construction of a Records Storage and Elections Building.

On September 1, 2007, the County issued \$755,000 in Tax Notes, Series 2007, with interest rates ranging from 3.75% to 3.95%, maturing in 2013. The proceeds from the sale of the Tax Notes were used for the renovations to the Annex on the Square project.

On February 1, 2010, the County issued \$1,195,000 in Tax Notes, Series 2010, with interest rates ranging from 2.00% to 3.00%, maturing in 2015. The proceeds from the sale of the Tax Notes were used for purchasing new software for the courts system, new telephone system and road upgrade projects in the precincts.

Long Term Debt-Advance Refunding

During 2010, the County advance refunded two of the County's obligations with the issue of Burnet County, Texas Limited Tax Refunding Bonds - Series 2010 (\$5,075,000). The bonds were called and were redeemed on March 25, 2010 by purchasing \$4,742,750 in U.S. State and Local Government securities and by depositing \$398,871 into an escrow account. The various bonds have been defeased and removed as a liability of the County. The Series 2010 bonds mature on February 1, in each of the years 2011 through 2016, bearing interest at 2.00% - 2.50%. The refunding bonds resulted in a gross debt service savings of \$257,231 and the net present value savings of \$241,034. The following obligations are considered to be defeased and the liability removed from the accompanying financial statements:

<u>Description</u>	<u>Refunded Amount</u>	<u>Balance 9/30/2011</u>
Burnet County, Texas		
Certificates of Obligation – Series 1996	\$ 395,000	\$ -
Burnet County, Texas		
Certificates of Obligation – Series 2001	<u>4,550,000</u>	<u>4,550,000</u>
Total Amount Refunded	<u>\$ 4,945,000</u>	<u>\$ 4,550,000</u>

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11: LONG-TERM DEBT, continued

The following table summarizes the annual debt service requirements at September 30, 2011 to maturity:

Year Ending September 30,	Principal	Interest	Total Requirements
2012	\$ 1,350,000	\$ 128,026	\$ 1,478,026
2013	1,390,000	95,072	1,485,072
2014	1,215,000	64,691	1,279,691
2015	1,210,000	37,800	1,247,800
2016	975,000	12,188	987,188
Total	<u>\$ 6,140,000</u>	<u>\$ 337,777</u>	<u>\$ 6,477,777</u>

Long-term debt activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds, Loans and Leases Payable:					
General Obligation Bonds	\$ 7,420,000	-	\$ 1,280,000	\$ 6,140,000	\$ 1,350,000
Premium on Bond Issuance	44,567	-	8,356	36,211	-
Deferred Accounting Loss on Refunding Bonds	(174,774)	-	(32,770)	(142,004)	-
Capital Leases	<u>196,927</u>	<u>186,473</u>	<u>114,370</u>	<u>269,030</u>	<u>119,938</u>
Total Bonds, Loans and Leases Payable	<u>7,486,720</u>	<u>186,473</u>	<u>1,369,956</u>	<u>6,303,237</u>	<u>1,469,938</u>
Other Liabilities:					
Compensated Absences	<u>228,880</u>	<u>249,818</u>	<u>258,465</u>	<u>220,233</u>	<u>8,987</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 7,715,600</u>	<u>\$ 436,291</u>	<u>\$ 1,628,421</u>	<u>\$ 6,523,470</u>	<u>\$ 1,478,925</u>

NOTE 12: DEFERRED REVENUE

Unearned and unavailable revenue at year-end as reported on the Balance Sheet of the funds statements consisted of the following:

	General Fund	Road & Bridge Fund	Debt Service Fund	Total
Net Tax Revenue - unavailable	\$ 527,879	\$ 54,552	\$ 49,385	\$ 631,816
Intergovernmental Revenue - unearned	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
	<u>\$ 532,879</u>	<u>\$ 54,552</u>	<u>\$ 49,385</u>	<u>\$ 636,816</u>

Adjustments required for government-wide Statement of Net Assets decreased unearned revenue by \$631,816.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13: FUND BALANCE

As of September 30, 2011, governmental fund balance is composed of the following:

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Non- Major Funds</u>	<u>Total</u>
Fund Balances:				
Non-spendable:				
Inventories	\$ 767	\$ -	\$ -	\$ 767
Prepaid Items	<u>40,292</u>	<u>87</u>	<u>1,653</u>	<u>42,032</u>
Total Non-spendable	<u>41,059</u>	<u>87</u>	<u>1,653</u>	<u>42,799</u>
Restricted for:				
Records Management	336,996	-	-	336,996
Court Programs	215,058	-	6,946	222,004
Technology Programs	70,240	-	-	70,240
Property Purchasing & Improvements	48,037	-	-	48,037
Road and Bridge Maintenance & Construction	-	722,306	-	722,306
Federal and State Grants	-	-	104,273	104,273
Retirement of Long Term Debt	-	-	327,222	327,222
Capital Asset Acquisition	-	-	141,940	141,940
Total Restricted	<u>670,331</u>	<u>722,306</u>	<u>580,381</u>	<u>1,973,018</u>
Committed to:				
Property Purchasing & Improvements	49,245	-	-	49,245
Court Programs	5,851	-	-	5,851
Economic Development	-	-	534,436	534,436
Special Operations Unit	-	-	211,017	211,017
Library System	-	-	60,322	60,322
Total Committed	<u>55,096</u>	<u>-</u>	<u>805,775</u>	<u>860,871</u>
Assigned to:				
Property Purchasing & Improvements	222,430	-	-	222,430
Road and Bridge Maintenance & Construction	-	35,936	-	35,936
Total Assigned	<u>222,430</u>	<u>35,936</u>	<u>-</u>	<u>258,366</u>
Unassigned:	<u>4,985,243</u>	<u>-</u>	<u>-</u>	<u>4,985,243</u>
Total Fund Balances	<u>\$ 5,974,159</u>	<u>\$ 758,329</u>	<u>\$ 1,387,809</u>	<u>\$ 8,120,297</u>

NOTE 14: HEALTH INSURANCE AND WORKERS' COMPENSATION

Health Insurance

During the year ended September 30, 2011 employees of Burnet County were covered by a health insurance plan (the Plan). The County paid premiums of \$556 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code, and was documented by contractual agreement.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 14: HEALTH INSURANCE AND WORKERS' COMPENSATION, continued

Workers' Compensation

The County is a member of the Texas Association of Counties Workers' Compensation Self-Insurance Fund. The Fund is sponsored by the Texas Association of Counties and was originally established on March 28, 1974 by the entry into interlocal participation agreements by member political subdivisions of the State of Texas. The Fund was created to provide workers' compensation benefits for its members pursuant to the provisions of Chapter 504, V.T.C.A., Labor Code, Art. 715(c), Rev. Civ. Stat. Ann., and Chapter 791, V.T.C.A., Government Code. The contribution amount for the Fund Member is based upon gross payroll, classification rates for types of positions, and experience modifier. During the year ended September 30, 2011 the County contributed a total of \$140,453 to the Fund.

NOTE 15: RISK MANAGEMENT

The County's risk management program includes coverage for property, general liability, automobile liability, law enforcement liability, public officials' liability and employee dishonesty bonds. The County participates in the Texas Association of Counties Risk Management Pool. The premiums paid to the Texas Association of Counties (TAC) result in the transfer of risk to the pool.

NOTE 16: SELF-INSURANCE

Unemployment

Beginning with fiscal year 2011, the County has transferred all risk to the Texas Association of Counties (TAC) for unemployment insurance coverage. Before fiscal year 2011 the County had elected to be a reimbursing employer for all unemployment claims and accumulated funds quarterly based on ½ of 1.5% of the gross payroll. For the year ended September 30, 2011, a total of \$14,906 was paid in unemployment claims. Estimated unemployment claims that have been incurred but not paid, are not material at September 30th. No liability for unemployment claims has been recorded at September 30th due to the immaterial amounts involved.

Health Care Reimbursement (HRA)

The County has elected to create a Health Care Reimbursement Account to reimburse employees the cost of their health care insurance deductible when the County changed health care plans with a deductible that increased from \$250 to \$750 per employee, so that the employee would not incur any additional expense while the County's premium decreased.

NOTE 17: COMPENSATED ABSENCES

Accumulated unpaid annual leave, compensatory time and holiday leave amounts are not accrued in governmental funds using the modified accrual basis of accounting, but are reflected in the Government-Wide Statement of Net Assets. At September 30th, accrued employee benefits recorded on the Statement of Net Assets were as follows: Annual leave pay - \$204,280; Holiday pay - \$15,852; Compensated time - \$101 for a total accumulated employee benefits amounted to \$220,233. All unpaid employee leave is due to active employees. Any unpaid leave due to an employee who is terminated is paid immediately upon the termination. The liability has typically been liquidated primarily in the General Fund and Road and Bridge Fund.

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 18: DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The program is administered by Nationwide Retirement Solutions, Inc. The National Association of Counties (NACO) Deferred Compensation Program, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County has established a custodial legal trust arrangement with the investment company that administers the program. Under these trust arrangements, all amounts of compensation deferred under the program, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employees. Accordingly, the amounts invested with this investment company are not included in the County's basic financial statements.

NOTE 19: EMPLOYEES' 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 administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS issues an aggregated 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, and online at www.tcdrs.org.

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 age 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:

Burnet 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 Burnet County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of Burnet County is actuarially determined annually. Burnet County contributed using the actuarially determined rate of 10.99% for the months of the accounting year in 2010, and 11.19% for the months of the accounting year in 2011.

The deposit rate payable by the employee members for calendar years 2010 and 2011 is the rate of 7.0% as adopted by the governing body of Burnet County. The employee deposit rate and the employer contribution rate may be changed by the governing body of Burnet County within the options available in the TCDRS Act.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 19: EMPLOYEES' RETIREMENT PLAN, continued

Annual Pension Cost:

For the employer's accounting year ended September 30, 2011 the annual pension cost for the TCDRS plan for its employees was \$778,915, and the actual contributions were \$778,915.

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

Actuarial Valuation Information

Actuarial valuation date	12/31/08	12/31/09	12/31/10
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	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	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**Trend Information
for the Retirement Plan for the Employees of Burnet County, Texas**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/08	\$ 685,579	100%	-0-
9/30/09	723,147	100%	-0-
9/30/10	748,904	100%	-0-
9/30/11	778,915	100%	-0-

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Burnet County, Texas**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/10	\$ 19,281,435	\$ 24,359,941	\$ 5,258,506	78.57%	\$ 9,168,778	57.35%

BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS

NOTE 19: EMPLOYEES' RETIREMENT PLAN, continued

The Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 20: CONTINGENT LIABILITIES

The County is involved in several lawsuits and other threatened litigation claims. Although the outcome of these claims is not presently determinable, in the opinion of the government's management, the resolution of these matters will not have a material adverse effect on the accompanying financial statements.

Amounts received or receivable from grantor agencies are subject to audit and adjustments 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 cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 21: COMPONENT UNIT – BURNET COUNTY PUBLIC FACILITIES CORPORATION

On November 2, 2007 Burnet County formed the creation of Burnet County Public Facility Corporation (the "Corporation") under the Public Facility Corporation Act Chapter 303 (the "Act") of the Texas Local Government Code. The Corporation is legally separate from the County, but the County appoints all of the board members and has the ability to remove those board members at will. The Corporation provides housing for County prisoners.

21.A: Component Unit - Financing Agreements and Practical Considerations

The Corporation was formed for the initial purpose of building and equipping a county jail (the "Facility"). The project was initially financed with the issuance of the Project Revenue Bonds Series, 2008 (the "2008 bond issue"). The bonds are secured by the mortgage on the Facility and the Facility's revenues and are not secured by the full faith and credit of the County or tax revenues. In connection with these issuances on January 14, 2008, the Corporation and/or the County entered into a number of legal agreements for the financing of the project, many of which are designed to provide additional security to the bond holders.

The Corporation entered into the Trust Indenture with U.S. Bank National Association (the "Trustee") to serve as the Trustee related to the bond issues. The Trust Indenture is primarily for the benefit of the owners of the bonds and calls for the creation of a number of funds and accounts, including the Construction Fund, Bond Fund, Reserve Fund, and Project Fund. In addition, the Trust Indenture specifies the amounts of pledged revenues to be placed into each of the funds established by the Trustee and the order of priority of the disposition of the pledged revenues.

The Corporation entered into the Lease Agreement (the "Lease") with the option to purchase with Burnet County, Texas (the "County"), whereas the Corporation constructed and equipped the Facility which is being leased to the County. The term of the agreement is effectively concurrent with the related bonds. Under the Lease the County pledges all revenues to the Trust fund established under the Trust Indenture.

The County entered into the Facility Operation and Management Agreement with Southwestern Correctional, LLC, (the "Operator") for five years, containing options for both early cancellation and renewal. The Operator's compensation is payable solely from and to the extent monies are available in the operating account, as established in the Trust account in accordance with the Trust Indenture.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 21: COMPONENT UNIT, continued

The form of the legal agreements was structured to ensure compliance with the local government code and provide security for the bond holders. In substance, to the extent revenues are available they will first be used to repay the bonds, then the operator and the County will be paid. If revenue is not available, there is no legal obligation for any of the parties to be paid. In that instance, the bond holders' only security interest will be with any remaining trust funds and mortgage of the property. Neither the Corporation nor the County has any obligation in this instance.

This financing transaction is being accounted for as "substance over form" as the practical consideration in accounting for the transaction override the legal form of the agreements. The Corporation is responsible for the repayment of the debt based on the funds that are available and all available funds are recorded in the Trust. Accordingly, all monies held in the Trust accounts are considered assets of the Corporation and restrictions shown where applicable.

Similarly, all monies received by the Trust are considered revenues of the Corporation. The Corporation also records a receivable in connection with the billings to federal agencies and the local government which are unpaid. All payments made by the Trust are considered expenses of the Corporation. In addition, the Corporation accrues the amount due to the respective parties based on the accounts receivable. Neither the County nor the Corporation accounts for the lease agreement as a lease transaction.

21.B: Component Unit - Investments

Burnet County Public Facilities held the following investments at September 30, 2011.

	<u>Fair Market Value</u>	<u>FDIC Insurance</u>	<u>Securities Pledged</u>
<u>U.S. Bank, N.A.</u>			
Certificate of Deposit, Maturing 08/01/2014	\$ 3,455,338	\$ 250,000	\$ -
Money Market Accounts			
First American Government Obligation Fund CID	<u>1,652,957</u>	<u>*</u>	<u>*</u>
Total Investments	<u>\$ 5,108,295</u>		

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2011, Burnet County Public Facility Corporation has exposure to custodial risk because \$3,205,338 of the Certificate of Deposit was not collateralized. The Certificate of Deposit was purchased on August 11, 2009. Before this date the funds were invested in a money market account.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 21: COMPONENT UNIT, continued

21.C: Component Unit - Capital Assets

Capital asset activity for the Burnet County Public Facilities Corporation for the year ended September 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit Activities:				
Capital Assets, Being Depreciated				
Buildings and Improvements	\$ 28,233,251	\$ -	\$ -	\$ 28,233,251
Furniture, Machinery & Equipment	<u>1,023,621</u>	<u>52,963</u>	<u>-</u>	<u>1,076,584</u>
Total Capital Assets, Being Depreciated	<u>29,256,872</u>	<u>52,963</u>	<u>-</u>	<u>29,309,835</u>
Less Accumulated Depreciation for:				
Buildings and Other Improvements	(881,039)	(705,831)	-	(1,586,870)
Furniture, Machinery & Equipment	<u>(182,789)</u>	<u>(154,176)</u>	<u>-</u>	<u>(336,965)</u>
Total Accumulated Depreciation	<u>(1,063,828)</u>	<u>(860,007)</u>	<u>-</u>	<u>(1,923,835)</u>
Total Capital Assets Being Depreciated, Net	<u>28,193,044</u>	<u>(807,044)</u>	<u>-</u>	<u>27,386,000</u>
Total Capital Assets, Net	<u>\$ 28,193,044</u>	<u>\$ (807,044)</u>	<u>\$ -</u>	<u>\$ 27,386,000</u>

21.D: Component Unit - Long-Term Debt

Long-term debt activity for the Burnet County Public Facilities Corporation for the year ended September 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Component Unit Activities:					
Revenue Bonds, Series 2008	\$ 34,660,000	\$ -	\$ -	\$ 34,660,000	\$ 1,615,000
Discount on Revenue Bonds, Series 2008	<u>(1,920,628)</u>	<u>-</u>	<u>101,086</u>	<u>(1,819,542)</u>	<u>-</u>
Total Component Unit Debt	<u>\$ 32,739,372</u>	<u>\$ -</u>	<u>\$ 101,086</u>	<u>\$ 32,840,458</u>	<u>\$ 1,615,000</u>

On January 14, 2008, the Corporation issued Project Revenue Bonds, Series 2008, in the amount of \$35,380,000. The bonds were issued to finance a project that consists of the construction, furnishing, and equipping of a multi-classification secure county jail.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 21: COMPONENT UNIT, continued

Long-term debt obligations of the Corporation as of September 30, 2011 are as follows:

Fiscal Year	Principal	Interest	Total
Matured Bonds			
Payable	\$ 780,000	\$ -	\$ 780,000
2012	835,000	2,615,350	3,450,350
2013	900,000	2,551,137	3,451,137
2014	970,000	2,481,925	3,451,925
2015	1,045,000	2,407,324	3,452,324
2016	1,125,000	2,326,963	3,451,963
2017	1,210,000	2,240,437	3,450,437
2018	1,305,000	2,147,375	3,452,375
2019	1,405,000	2,047,000	3,452,000
2020	1,515,000	1,938,937	3,453,937
2021	1,630,000	1,822,413	3,452,413
2022	1,755,000	1,697,038	3,452,038
2023	1,890,000	1,562,050	3,452,050
2024	2,035,000	1,416,675	3,451,675
2025	2,195,000	1,260,150	3,455,150
2026	2,365,000	1,090,038	3,455,038
2027	2,545,000	906,750	3,451,750
2028	2,745,000	709,513	3,454,513
2029	6,410,000	496,775	6,906,775
Total	\$ 34,660,000	\$ 31,717,850	\$ 65,598,630

21.E: Component Unit – Event of Default on Project Revenue Bonds, Series 2008

The President of the Burnet County Public Facilities Corporation, notified U.S. Bank National Association (the “Trustee”) under the Trust Indenture, by letter dated July 28, 2011, that the Texas Department of Criminal Justice (TDCJ) had discontinued its contract with the Burnet County Jail, which represented, on average, 75% of the Burnet County Jail’s inmate population. The letter also stated that without the TDCJ contract, and until such time the facility is filled with other inmates, it is imminent that Burnet County Public Facility Corporation will default on its payments to its bondholders and requested that U.S. Bank, in conjunction with the working group of bondholders, take the necessary action to alleviate the pending financial distress. In response to the letter of notice, and upon receiving written direction from holders of at least two-third of the aggregate principal amount of outstanding bonds, the Trustee rescinded and did not make the aggregate \$780,000 sinking fund payments due on August 1, 2011, resulting in an Event of Default under the Indenture. The Trustee did make the full interest payments due on the outstanding bonds on August 1, 2011. Additionally, there was no direction from the holders of at least two-thirds of the aggregate principal amount of outstanding bonds regarding a revised Bond Amortization Schedule. As of the date of this report, April 18, 2012, the principal payment due on August 1, 2011 has not been made and there has been no further direction from the holders of at least two-thirds of the aggregate principal amount of outstanding bonds regarding when payment should be made.

The \$780,000 principal payment in event of default is reported as Matured Bonds Payable on the above schedule and on the Statement of Net Assets.

Amounts in the Reserve Fund could be used to make payments of debt service to the extent amounts in the Bond Fund are insufficient. The Reserve Fund as established by the Indenture has accumulated a balance of \$3,584,949 as of September 30, 2011.

**BURNET COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS**

NOTE 21: COMPONENT UNIT, continued

21.F: Component Unit Deficit Net Asset Balance

The Burnet County Public Facilities Corporation had a deficit net asset balance of \$247,387 at September 30, 2011. The deficit will be funded in the next year by increased operating income from inmate housing.

NOTE 22: SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 18, 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

**BURNET COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2011**

Texas County and District Retirement System Trend Data
Schedule of Funding Progress for the Retirement Plan
For the Employees of Burnet County, Texas
(unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/06	13,025,784	16,079,971	3,054,187	81.01%	7,866,284	38.83%
12/31/07	14,871,028	18,320,578	3,449,550	81.17%	8,364,477	41.24%
12/31/08	15,616,874	20,310,717	4,693,843	76.89%	8,919,013	52.63%
12/31/09	17,984,866	22,695,041	4,710,175	79.25%	8,987,085	52.41%
12/31/10	19,281,435	24,539,941	5,258,506	78.57%	9,168,778	57.35%

OTHER SUPPLEMENTARY INFORMATION

BURNET 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	\$ 12,473,307	\$ 12,473,307	\$ 12,687,658	\$ 214,351
Other Taxes	56,000	56,000	64,107	8,107
Penalty and Interest on Taxes	170,000	170,000	182,630	12,630
Licenses and Permits	341,000	341,000	383,246	42,246
Intergovernmental Revenue and Grants	143,000	251,157	130,347	(120,810)
Charges for Services	1,353,913	1,648,053	1,462,241	(185,812)
Fines	530,000	530,000	451,089	(78,911)
Investment Earnings	31,000	31,000	66,849	35,849
Rents and Royalties	24,210	24,210	28,080	3,870
Contributions & Donations from Private Sources	-	38,455	14,087	(24,368)
Other Revenue	20,200	250,065	66,074	(183,991)
Total Revenues	<u>15,142,630</u>	<u>15,813,247</u>	<u>15,536,408</u>	<u>(276,839)</u>
EXPENDITURES:				
Current:				
GENERAL GOVERNMENT				
General				
County Judge	189,943	193,969	190,293	3,676
Commissioners	228,136	228,136	228,136	-
County Records Management	48,000	45,343	5,574	39,769
County Clerk	283,416	320,556	283,097	37,459
County Clerk Records Management	176,420	183,679	160,929	22,750
Veterans Service Officer	6,665	10,967	7,649	3,318
Jail Administrator Coordinator	33,135	33,896	33,196	700
County Clerk Records Archive	100,186	101,186	51,103	50,083
911 Addressing Maintenance	-	30,024	429	29,595
Non-Departmental	3,154,420	3,181,501	2,651,415	530,086
Grant Administrator	44,815	45,314	44,096	1,218
Total General	<u>4,265,136</u>	<u>4,374,571</u>	<u>3,655,917</u>	<u>718,654</u>
Judicial				
County Court at Law	231,633	232,936	232,925	11
County Court	67,070	129,156	81,307	47,849
District Court	136,122	137,303	130,869	6,434
Judicial Services	162,941	267,178	267,178	-
Public Defender	317,550	317,550	317,550	-
District Clerk Records Management	18,206	18,206	-	18,206
District Clerk	273,021	334,635	265,738	68,897
Justices of the Peace	437,478	522,823	438,128	84,695
3rd Administrative Judicial District	2,666	2,666	2,666	-
Magistrates/Indigent Defense	56,900	57,130	52,963	4,167
Total Judicial	<u>1,703,587</u>	<u>2,019,583</u>	<u>1,789,324</u>	<u>230,259</u>
Legal				
County Attorney	399,350	397,774	373,382	24,392
District Attorney	512,919	515,453	465,056	50,397
Total Legal	<u>912,269</u>	<u>913,227</u>	<u>838,438</u>	<u>74,789</u>
Elections				
Election Expense	<u>146,229</u>	<u>186,271</u>	<u>136,250</u>	<u>50,021</u>

BURNET 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		
Financial Administration				
County Auditor	257,190	257,190	221,717	35,473
Purchasing	26,520	27,020	27,020	-
County Treasurer	89,882	89,882	88,187	1,695
Collections Department	35,503	36,002	35,072	930
Tax Assessor/Collector	238,823	241,821	240,405	1,416
Tax Appraisal District	307,926	307,926	307,734	192
Human Resources	44,701	45,201	41,458	3,743
Information Technology	337,132	325,761	301,559	24,202
Total Financial Administration	<u>1,337,677</u>	<u>1,330,803</u>	<u>1,263,152</u>	<u>67,651</u>
Public Facilities				
Maintenance Department	<u>503,502</u>	<u>509,399</u>	<u>489,389</u>	<u>20,010</u>
Total General Government	<u>8,868,400</u>	<u>9,333,854</u>	<u>8,172,470</u>	<u>1,161,384</u>
PUBLIC SAFETY				
Emergency Management	101,676	104,623	65,868	38,755
Emergency Medical Service	494,890	494,890	494,889	1
Area Fire Departments	256,718	273,218	273,218	-
Constables	165,167	174,627	164,147	10,480
Animal Control	54,288	56,353	56,163	190
County Sheriff	2,471,533	2,546,638	2,466,181	80,457
Courthouse Security	144,559	147,328	144,638	2,690
Juvenile Probation Department	192,900	192,900	154,103	38,797
Adult Probation Department	23,585	23,585	19,770	3,815
Department of Public Safety	37,189	37,689	37,040	649
Inmate Housing	1,500,000	1,500,000	1,321,603	178,397
Total Public Safety	<u>5,442,505</u>	<u>5,551,851</u>	<u>5,197,620</u>	<u>354,231</u>
HEALTH AND WELFARE				
Victims Assistance				-
Indigent Defense Grant				-
Hill Country Humane/SPCA	28,569	28,569	28,569	-
TDHS (Child Welfare)	9,700	9,700	9,700	-
Family Crisis Center	2,000	2,000	2,000	-
Childrens Advocacy Center	2,000	2,000	2,000	-
Court Appointed Special Advocate	2,000	2,000	2,000	-
Pauper Care	1,500	1,500	300	1,200
Meals on Wheels	6,000	6,000	6,000	-
Capital Area Rural Transportation	8,000	8,000	8,000	-
Care-A-Van	2,000	2,000	2,000	-
Boys and Girls Club	2,000	2,000	2,000	-
Indigent Health Care	869,781	869,781	562,010	307,771
Total Health and Welfare	<u>933,550</u>	<u>933,550</u>	<u>624,579</u>	<u>308,971</u>
CULTURE AND RECREATION				
Ft. Croghan/Historical Commission	500	18,794	2,026	16,768
County Parks	<u>5,000</u>	<u>5,000</u>	<u>3,719</u>	<u>1,281</u>
Total Culture and Recreation	<u>5,500</u>	<u>23,794</u>	<u>5,745</u>	<u>18,049</u>

BURNET 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		
CONSERVATION				
Agricultural Extension Service	69,707	70,207	65,813	4,394
Environmental Services	106,706	107,206	99,672	7,534
Government Trappers	28,800	28,800	28,200	600
Total Conservation	<u>205,213</u>	<u>206,213</u>	<u>193,685</u>	<u>12,528</u>
Debt Service:				
Maintenance Department	4,463	4,463	1,429	3,034
County Sheriff	71,885	52,377	44,621	7,756
Total Debt Service	<u>76,348</u>	<u>56,840</u>	<u>46,050</u>	<u>10,790</u>
Capital Outlay:				
County Records Management	12,000	22,199	22,199	-
Justices of the Peace	-	-	5,493	(5,493)
Information Technology	-	11,870	11,870	-
Maintenance Department	53,800	71,060	56,649	14,411
County Sheriff	40,000	164,030	190,707	(26,677)
Total Capital Outlay	<u>105,800</u>	<u>269,159</u>	<u>286,918</u>	<u>(17,759)</u>
Total Expenditures	<u>15,637,316</u>	<u>16,375,261</u>	<u>14,527,067</u>	<u>1,848,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(494,686)</u>	<u>(562,014)</u>	<u>1,009,341</u>	<u>1,571,355</u>
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	2,000	2,000	6,057	4,057
Issuance of Capital Leases	-	119,040	119,040	-
Transfers In	82,170	99,315	129,260	29,945
Transfers Out (Use)	(837,741)	(857,249)	(783,952)	73,297
Total Other Financing Sources (Uses)	<u>(753,571)</u>	<u>(636,894)</u>	<u>(529,595)</u>	<u>107,299</u>
Net Change in Fund Balances	(1,248,257)	(1,198,908)	479,746	1,678,654
Fund Balance - October 1 (Beginning)	5,494,413	5,494,413	5,494,413	-
Fund Balance - September 30 (Ending)	<u>\$ 4,246,156</u>	<u>\$ 4,295,505</u>	<u>\$ 5,974,159</u>	<u>\$ 1,678,654</u>

NON-MAJOR GOVERNMENTAL FUNDS

**BURNET COUNTY
NON-MAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

County Attorney Hot Check Fund

To account for fee money retained as the result of hot check collections through the County Attorney's office. The money is to be used at the discretion of the County Attorney.

Sheriff Abandoned Vehicle Fund

This fund accounts for the proceeds from the sale of abandoned motor vehicles in accordance with Section 5.04 of Article 4477-9a, Abandoned Motor Vehicles. Funds shall be used to reimburse the police department for the expenses of the auction, the costs of towing, preserving, and storing the vehicle that resulted from placing the abandoned motor vehicle in custody, and all notice and publication costs incurred under Section 5.03 of this Article. Any remainder from the proceeds of the sale shall be held for the owner or entitled lien holder for 90 days and then shall be deposited into a special fund that shall remain available for the payment of costs that result from placing another abandoned vehicle in custody, if the proceeds from the sale of this motor vehicle are insufficient to meet these expenses and costs. A municipality or county may transfer the amount in the special fund that exceeds \$1,000 from the special fund to the municipality's or county's general revenue account to be used by the police department.

Economic Development Fund

To account for revenues received from the collection of a hotel occupancy tax levied upon the customers renting or leasing, or otherwise occupying any room or space furnished by any hotel in Burnet County outside the city limits of Marble Falls, Burnet and Bertram. The 5% tax was approved by Commissioners' Court on December 8, 2003 and became effective on April 1, 2004. Hotel operators are authorized to retain 1% of the hotel occupancy tax collected as reimbursement for the costs of collecting the tax. Revenues to the County are to be used to fund projects related to economic development in the County.

Law Library Fund

To account for all the financial resources in the law library. The law library is available to the general public. Primary users are the District Judge, District Attorney, County Court-at-Law Judge, County Judge, County Attorney, prosecuting attorneys and defense attorneys.

Special Operations Unit Fund

To account for revenues and expenditures along with matching grant funds from participating entities in the area. The purpose of the program is to investigate, disrupt, and dismantle the manufacturing and or trafficking of methamphetamine in the area.

Library Fund

To account for all financial resources for the public library system, including the revenues and expenditures of grant funds from the Texas State Library and Archives Commission. This grant provided funds for the Burnet County Library System to purchase audio/visual materials. The Herman Brown Library in Burnet, Marble Falls Library, Oakalla Library and Bertram Library operate from this fund.

Grants Fund

To account for federal, state and local monies provided for the enhancement of programs not fully funded by the County.

**BURNET COUNTY
NON-MAJOR GOVERNMENTAL FUNDS**

OTHER FUNDS

Debt Service Fund

The County uses this fund to account for and report all financial resources that are restricted, committed, or assigned to expenditure for principal and interest and related costs.

Capital Projects Fund

The County uses this fund to account for and report all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

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

	11 County Attorney Hot Check Fund	13 Sheriff Abandoned Vehicle Fund	14 Economic Development Fund	15 Law Library Fund
ASSETS				
Cash and Cash Equivalents	\$ 4,811	\$ 2,959	\$ 473,900	\$ -
Investments - Current	-	-	18,215	-
Taxes Receivable	-	-	-	-
Allowance for Uncollectible Taxes (credit)	-	-	-	-
Receivables (Net)	2,235	-	52,393	-
Intergovernmental Receivables	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 7,046</u>	<u>\$ 2,959</u>	<u>\$ 544,508</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 100	\$ 2,959	\$ 10,072	\$ -
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
Accrued Interest Payable	-	-	-	-
Deferred Revenues	-	-	-	-
Total Liabilities	<u>100</u>	<u>2,959</u>	<u>10,072</u>	<u>-</u>
Fund Balances:				
Non-Spendable	-	-	-	-
Restricted	6,946	-	-	-
Committed	-	-	534,436	-
Total Fund Balances	<u>6,946</u>	<u>-</u>	<u>534,436</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 7,046</u>	<u>\$ 2,959</u>	<u>\$ 544,508</u>	<u>\$ -</u>

19 Special Operations Unit Fund	20 Library Fund	29 Grants Fund	Total Nonmajor Special Revenue Funds	60 Debt Service Fund	70 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 199,693	\$ 83,065	\$ -	\$ 764,428	\$ 336,218	\$ 183,235	\$ 1,283,881
12,454	-	-	30,669	11,747	8,324	50,740
-	-	-	-	65,847	-	65,847
-	-	-	-	(16,462)	-	(16,462)
-	981	-	55,609	2,718	-	58,327
-	-	315,928	315,928	-	-	315,928
1,653	-	-	1,653	-	-	1,653
<u>\$ 213,800</u>	<u>\$ 84,046</u>	<u>\$ 315,928</u>	<u>\$ 1,168,287</u>	<u>\$ 400,068</u>	<u>\$ 191,559</u>	<u>\$ 1,759,914</u>
\$ 1,130	\$ 12,487	\$ 39,512	\$ 66,260	\$ 737	\$ 15,000	\$ 81,997
-	-	172,979	172,979	-	34,619	207,598
-	-	10,401	10,401	-	-	10,401
-	-	-	-	22,724	-	22,724
-	-	-	-	49,385	-	49,385
<u>1,130</u>	<u>12,487</u>	<u>222,892</u>	<u>249,640</u>	<u>72,846</u>	<u>49,619</u>	<u>372,105</u>
1,653	-	-	1,653	-	-	1,653
-	11,237	93,036	111,219	327,222	141,940	580,381
211,017	60,322	-	805,775	-	-	805,775
<u>212,670</u>	<u>71,559</u>	<u>93,036</u>	<u>918,647</u>	<u>327,222</u>	<u>141,940</u>	<u>1,387,809</u>
<u>\$ 213,800</u>	<u>\$ 84,046</u>	<u>\$ 315,928</u>	<u>\$ 1,168,287</u>	<u>\$ 400,068</u>	<u>\$ 191,559</u>	<u>\$ 1,759,914</u>

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

	11 County Attorney Hot Check Fund	13 Sheriff Abandoned Vehicle Fund	14 Economic Development Fund	15 Law Library Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	210,150	-
Penalty and Interest on Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	24,907
Fines	-	-	-	-
Forfeits	-	-	-	-
Investment Earnings	-	-	2,950	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	21,551	-	-	-
Total Revenues	<u>21,551</u>	<u>-</u>	<u>213,100</u>	<u>24,907</u>
EXPENDITURES:				
Current:				
General Government	25,118	-	334,430	24,907
Public Safety	-	2,959	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Conservation	-	-	-	-
Debt Service:				
Debt Principal	-	-	-	-
Debt Interest	-	-	-	-
Fiscal Agent's Fees	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>25,118</u>	<u>2,959</u>	<u>334,430</u>	<u>24,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,567)</u>	<u>(2,959)</u>	<u>(121,330)</u>	<u>-</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	<u>(3,567)</u>	<u>(2,959)</u>	<u>(121,330)</u>	<u>-</u>
Fund Balance - October 1 (Beginning)	<u>10,513</u>	<u>2,959</u>	<u>655,766</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 6,946</u>	<u>\$ -</u>	<u>\$ 534,436</u>	<u>\$ -</u>

19 Special Operations Unit Fund	20 Library Fund	29 Grants Fund	Total Nonmajor Special Revenue Funds	60 Debt Service Fund	70 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,197,592	\$ -	\$ 1,197,592
-	-	-	210,150	-	-	210,150
-	-	-	-	17,494	-	17,494
23,880	8,400	796,163	828,443	663	-	829,106
-	13,216	-	38,123	-	-	38,123
-	23,637	-	23,637	-	-	23,637
2,603	-	-	2,603	-	-	2,603
1,628	-	-	4,578	3,160	4,143	11,881
-	6,500	-	6,500	-	-	6,500
20	-	-	21,571	-	69,342	90,913
<u>28,131</u>	<u>51,753</u>	<u>796,163</u>	<u>1,135,605</u>	<u>1,218,909</u>	<u>73,485</u>	<u>2,427,999</u>
-	-	124,445	508,900	-	-	508,900
39,664	-	204,509	247,132	-	-	247,132
-	-	84,049	84,049	-	-	84,049
-	716,952	8,608	725,560	-	-	725,560
-	-	104,578	104,578	-	-	104,578
-	-	-	-	1,280,000	-	1,280,000
-	-	-	-	170,568	-	170,568
-	-	-	-	950	-	950
-	18,149	214,340	232,489	-	718,164	950,653
<u>39,664</u>	<u>735,101</u>	<u>740,529</u>	<u>1,902,708</u>	<u>1,451,518</u>	<u>718,164</u>	<u>4,072,390</u>
<u>(11,533)</u>	<u>(683,348)</u>	<u>55,634</u>	<u>(767,103)</u>	<u>(232,609)</u>	<u>(644,679)</u>	<u>(1,644,391)</u>
-	692,883	19,508	712,391	39,768	-	752,159
-	-	(47,090)	(47,090)	-	-	(47,090)
-	<u>692,883</u>	<u>(27,582)</u>	<u>665,301</u>	<u>39,768</u>	-	<u>705,069</u>
(11,533)	9,535	28,052	(101,802)	(192,841)	(644,679)	(939,322)
<u>224,203</u>	<u>62,024</u>	<u>64,984</u>	<u>1,020,449</u>	<u>520,063</u>	<u>786,619</u>	<u>2,327,131</u>
<u>\$ 212,670</u>	<u>\$ 71,559</u>	<u>\$ 93,036</u>	<u>\$ 918,647</u>	<u>\$ 327,222</u>	<u>\$ 141,940</u>	<u>\$ 1,387,809</u>

BURNET COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY ATTORNEY CHECK COLLECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Other Revenue	\$ 35,000	\$ 35,000	\$ 21,551	\$ (13,449)
Total Revenues	35,000	35,000	21,551	(13,449)
EXPENDITURES:				
Current:				
General Government	44,540	44,540	25,118	19,422
Total Expenditures	44,540	44,540	25,118	19,422
Change in Fund Balance	(9,540)	(9,540)	(3,567)	5,973
Fund Balance - October 1 (Beginning)	10,512	10,513	10,513	-
Fund Balance - September 30 (Ending)	\$ 972	\$ 973	\$ 6,946	\$ 5,973

BURNET COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SHERIFF'S ABANDONED MV FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Forfeits	\$ -	\$ 2,959	\$ -	\$ (2,959)
Total Revenues	-	2,959	-	(2,959)
EXPENDITURES:				
Current:				
Public Safety	-	2,959	2,959	-
Total Expenditures	-	2,959	2,959	-
Change in Fund Balance	-	-	(2,959)	(2,959)
Fund Balance - October 1 (Beginning)	2,959	2,959	2,959	-
Fund Balance - September 30 (Ending)	\$ 2,959	\$ 2,959	\$ -	\$ (2,959)

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Taxes:				
Other Taxes	\$ 150,000	\$ 150,000	\$ 210,150	\$ 60,150
Investment Earnings	2,000	2,000	2,950	950
Total Revenues	<u>152,000</u>	<u>152,000</u>	<u>213,100</u>	<u>61,100</u>
EXPENDITURES:				
Current:				
General Government	345,231	345,231	334,430	10,801
Total Expenditures	<u>345,231</u>	<u>345,231</u>	<u>334,430</u>	<u>10,801</u>
Change in Fund Balance	(193,231)	(193,231)	(121,330)	71,901
Fund Balance - October 1 (Beginning)	<u>655,766</u>	<u>655,766</u>	<u>655,766</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 462,535</u>	<u>\$ 462,535</u>	<u>\$ 534,436</u>	<u>\$ 71,901</u>

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Charges for Services	\$ 21,000	\$ 24,907	\$ 24,907	\$ -
Total Revenues	21,000	24,907	24,907	-
EXPENDITURES:				
Current:				
General Government	21,000	24,907	24,907	-
Total Expenditures	21,000	24,907	24,907	-
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

BURNET COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL OPERATIONS UNIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 27,500	\$ 27,500	\$ 23,880	\$ (3,620)
Forfeits	-	-	2,603	2,603
Investment Earnings	200	200	1,628	1,428
Other Revenue	-	-	20	20
Total Revenues	27,700	27,700	28,131	431
EXPENDITURES:				
Current:				
Public Safety	66,650	66,650	39,664	26,986
Total Expenditures	66,650	66,650	39,664	26,986
Change in Fund Balance	(38,950)	(38,950)	(11,533)	27,417
Fund Balance - October 1 (Beginning)	224,203	224,203	224,203	-
Fund Balance - September 30 (Ending)	\$ 185,253	\$ 185,253	\$ 212,670	\$ 27,417

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 8,400	\$ 20,049	\$ 8,400	\$ (11,649)
Charges for Services	-	17,149	13,216	(3,933)
Fines	-	31,330	23,637	(7,693)
Contributions & Donations from Private Sources	-	8,397	6,500	(1,897)
Total Revenues	8,400	76,925	51,753	(25,172)
EXPENDITURES:				
Current:				
Culture and Recreation	730,741	783,517	716,952	66,565
Capital Outlay:				
Capital Outlay	-	18,149	18,149	-
Total Expenditures	730,741	801,666	735,101	66,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	(722,341)	(724,741)	(683,348)	41,393
OTHER FINANCING SOURCES (USES):				
Transfers In	722,341	722,341	692,883	(29,458)
Total Other Financing Sources (Uses)	722,341	722,341	692,883	(29,458)
Change in Fund Balance	-	(2,400)	9,535	11,935
Fund Balance - October 1 (Beginning)	62,024	62,024	62,024	-
Fund Balance - September 30 (Ending)	\$ 62,024	\$ 59,624	\$ 71,559	\$ 11,935

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ -	\$ 2,135,252	\$ 796,163	\$ (1,339,089)
Contributions & Donations from Private Sources	-	77,000	-	(77,000)
Total Revenues	-	2,212,252	796,163	(1,416,089)
EXPENDITURES:				
Current:				
General Government	-	235,857	124,445	111,412
Public Safety	-	596,287	204,509	391,778
Health and Welfare	-	86,019	84,049	1,970
Culture and Recreation	-	11,850	8,608	3,242
Conservation	-	381,639	104,578	277,061
Capital Outlay:				
Capital Outlay	-	961,094	214,340	746,754
Total Expenditures	-	2,272,746	740,529	1,532,217
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(60,494)	55,634	116,128
OTHER FINANCING SOURCES (USES):				
Transfers In	-	19,508	19,508	-
Transfers Out (Use)	-	(47,090)	(47,090)	-
Total Other Financing Sources (Uses)	-	(27,582)	(27,582)	-
Change in Fund Balance	-	(88,076)	28,052	116,128
Fund Balance - October 1 (Beginning)	64,984	64,984	64,984	-
Fund Balance - September 30 (Ending)	\$ 64,984	\$ (23,092)	\$ 93,036	\$ 116,128

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

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Taxes:				
Property Taxes	\$ 1,223,799	\$ 1,223,799	\$ 1,197,592	\$ (26,207)
Penalty and Interest on Taxes	15,000	15,000	17,494	2,494
Intergovernmental Revenue and Grants	-	-	663	663
Investment Earnings	3,500	3,500	3,160	(340)
Other Revenue	41,046	41,046	-	(41,046)
Total Revenues	1,283,345	1,283,345	1,218,909	(64,436)
EXPENDITURES:				
Current:				
Debt Service:				
Debt Principal	1,280,000	1,280,000	1,280,000	-
Debt Interest	178,788	179,031	170,568	8,463
Fiscal Agent's Fees	5,000	4,757	950	3,807
Total Expenditures	1,463,788	1,463,788	1,451,518	12,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,443)	(180,443)	(232,609)	(52,166)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	39,768	39,768
Total Other Financing Sources (Uses)	-	-	39,768	39,768
Change in Fund Balance	(180,443)	(180,443)	(192,841)	(12,398)
Fund Balance - October 1 (Beginning)	520,063	520,063	520,063	-
Fund Balance - September 30 (Ending)	\$ 339,620	\$ 339,620	\$ 327,222	\$ (12,398)

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 4,143	\$ 4,143
Other Revenue	-	-	69,342	69,342
Total Revenues	-	-	73,485	73,485
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	-	-	718,164	(718,164)
Total Expenditures	-	-	718,164	(718,164)
Change in Fund Balance	-	-	(644,679)	(644,679)
Fund Balance - October 1 (Beginning)	786,619	786,619	786,619	-
Fund Balance - September 30 (Ending)	\$ 786,619	\$ 786,619	\$ 141,940	\$ (644,679)

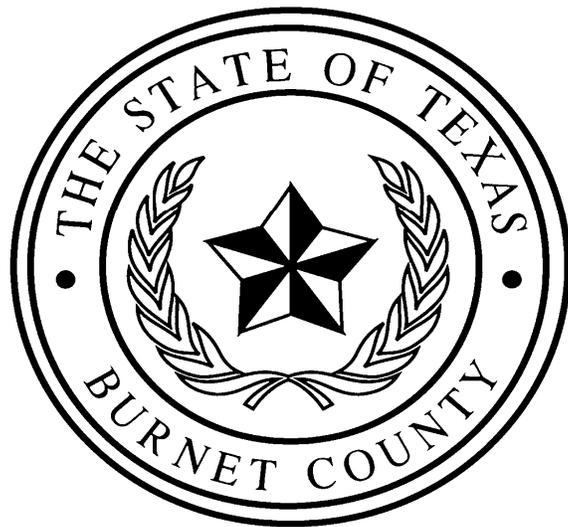
AGENCY FUNDS

BURNET 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
COURT COSTS AND FEES FUND				
Assets:				
Cash and Cash Equivalents	\$ 176,385	\$ 503,610	\$ 497,060	\$ 182,935
Liabilities:				
Due to Others	\$ 176,385	\$ 503,610	\$ 497,060	\$ 182,935
WASTEWATER PERMIT FEES				
Assets:				
Cash and Cash Equivalents	\$ 210	\$ 1,320	\$ 1,340	\$ 190
Liabilities:				
Due to Others	\$ 210	\$ 1,320	\$ 1,340	\$ 190
EMPLOYEE GREAT FUND				
Assets:				
Cash and Cash Equivalents	\$ 14,107	\$ 4,541	\$ 4,563	\$ 14,085
Liabilities:				
Due to Others	\$ 14,107	\$ 4,541	\$ 4,563	\$ 14,085
TREASURER'S CASH BONDS				
Assets:				
Cash and Cash Equivalents	\$ 1	\$ 3,500	\$ 3,000	\$ 501
Liabilities:				
Due to Others	\$ 1	\$ 3,500	\$ 3,000	\$ 501
COUNTY CLERK'S CASH BONDS				
Assets:				
Cash and Cash Equivalents	\$ 45,852	\$ 28,762	\$ 74,614	\$ -
Liabilities:				
Due to Others	\$ 45,852	\$ 28,762	\$ 74,614	\$ -
COUNTY CLERK'S TRUSTS				
Assets:				
Cash and Cash Equivalents	\$ 47,684	\$ 637	\$ 16,817	\$ 31,504
Liabilities:				
Due to Others	\$ 47,684	\$ 637	\$ 16,817	\$ 31,504
COUNTY CLERK'S REGISTRY				
Assets:				
Cash and Cash Equivalents	\$ 198,875	\$ 147,959	\$ 292,972	\$ 53,862
Liabilities:				
Due to Others	\$ 198,875	\$ 147,959	\$ 292,972	\$ 53,862
DISTRICT CLERK'S REGISTRY				
Assets:				
Cash and Cash Equivalents	\$ 380,480	\$ 709,843	\$ 529,846	\$ 560,477
Liabilities:				
Due to Others	\$ 380,480	\$ 709,843	\$ 529,846	\$ 560,477

BURNET 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
DISTRICT CLERK'S TRUSTS				
Assets:				
Cash and Cash Equivalents	\$ 247,736	\$ 14,328	\$ 83,791	\$ 178,273
Liabilities:				
Due to Others	\$ 247,736	\$ 14,328	\$ 83,791	\$ 178,273
COUNTY ATTORNEY HOT CHECKS				
Assets:				
Cash and Cash Equivalents	\$ 71,106	\$ 205,377	\$ 205,699	\$ 70,784
Liabilities:				
Due to Others	\$ 71,106	\$ 205,377	\$ 205,699	\$ 70,784
TAX A/C SALES TAX AND STATE FEES				
Assets:				
Cash and Cash Equivalents	\$ 373,787	\$ 24,140,367	\$ 24,059,221	\$ 454,933
Liabilities:				
Due to Others	\$ 373,787	\$ 24,140,367	\$ 24,059,221	\$ 454,933
SWC - JAIL COMMISSARY				
Assets:				
Cash and Cash Equivalents	\$ 17,080	\$ 299,364	\$ 242,937	\$ 73,507
Liabilities:				
Due to Others	\$ 17,080	\$ 299,364	\$ 242,937	\$ 73,507
SWC - INMATE TRUST				
Assets:				
Cash and Cash Equivalents	\$ 29,552	\$ 533,634	\$ 510,390	\$ 52,796
Liabilities:				
Due to Others	\$ 29,552	\$ 533,634	\$ 510,390	\$ 52,796
SWC - POLK STREET COMMISSARY				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 13,802	\$ 6,394	\$ 7,408
Liabilities:				
Due to Others	\$ -	\$ 13,802	\$ 6,394	\$ 7,408
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 1,602,855	\$ 26,607,044	\$ 26,528,644	\$ 1,681,255
Liabilities:				
Due to Others	\$ 1,602,855	\$ 26,607,044	\$ 26,528,644	\$ 1,681,255



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Health Reimbursement Fund (HRA)

This fund is to reimburse employees the cost of their health care insurance deductible up to \$500 per year. The County elected a new health care plan beginning October 1, 2009 and increased the deductible from \$250 to \$750 per year so as to reduce the County's premium. The funds are transferred from the general fund per the budget.

Unemployment Insurance Fund

This fund is for accumulating quarterly unemployment funds from the general and road and bridge funds. Also, to pay unemployment claims against the county.

BURNET COUNTY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2011

	85	89	
	HRA Fund	Unemployment Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 15,072	\$ 19,752	\$ 34,824
Investments - Current	-	60,296	60,296
Total Assets	<u>15,072</u>	<u>80,048</u>	<u>95,120</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	<u>15,072</u>	<u>1,509</u>	<u>16,581</u>
Total Liabilities	<u>15,072</u>	<u>1,509</u>	<u>16,581</u>
NET ASSETS			
Unrestricted Net Assets	-	78,539	78,539
Total Net Assets	<u>\$ -</u>	<u>\$ 78,539</u>	<u>\$ 78,539</u>

BURNET COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	85	89	Total Internal Service Funds
	HRA Fund	Unemployment Fund	
OPERATING EXPENSES:			
Insurance Claims and Reimbursements	\$ 24,434	\$ 14,906	\$ 39,340
Administrative Fees	7,359	-	7,359
Total Operating Expenses	<u>31,793</u>	<u>14,906</u>	<u>46,699</u>
Operating Income (Loss)	<u>(31,793)</u>	<u>(14,906)</u>	<u>(46,699)</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment Earnings	-	263	263
Total Non-operating Revenue (Expenses)	<u>-</u>	<u>263</u>	<u>263</u>
Income (Loss) Before Transfers	<u>(31,793)</u>	<u>(14,643)</u>	<u>(46,436)</u>
Transfers In	31,793	-	31,793
Transfers Out	<u>-</u>	<u>(120,043)</u>	<u>(120,043)</u>
Change in Net Assets	<u>-</u>	<u>(134,686)</u>	<u>(134,686)</u>
Total Net Assets - October 1 (Beginning)	<u>-</u>	<u>213,225</u>	<u>213,225</u>
Total Net Assets - September 30 (Ending)	<u>\$ -</u>	<u>\$ 78,539</u>	<u>\$ 78,539</u>

BURNET COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

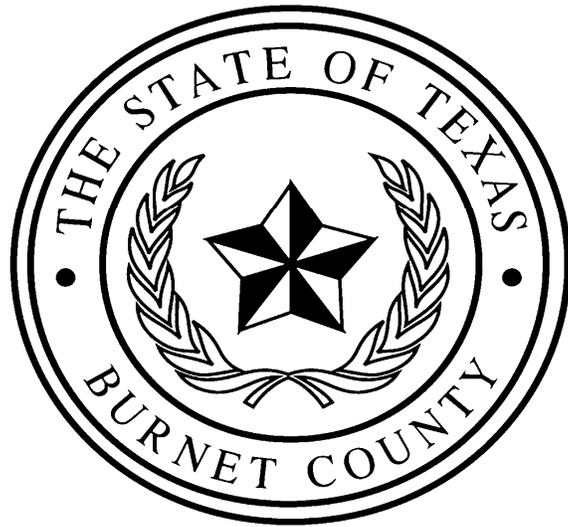
	85	89	
	HRA	Unemployment	Total
	Fund	Fund	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Payments for Insurance Claims & Cash Payments for Administrative Fees	\$ (9,362) (7,359)	\$ (18,412) -	\$ (27,774) (7,359)
Net Cash Provided by (Used for) Operating Activities	<u>(16,721)</u>	<u>(18,412)</u>	<u>(35,133)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Transfers In	31,793	-	31,793
Transfers Out	-	(120,043)	(120,043)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>31,793</u>	<u>(120,043)</u>	<u>(88,250)</u>
<u>Cash Flows from Investing Activities:</u>			
Proceeds from Redemption of Investments	-	120,042	120,042
Net Increase(Decrease) in Cash and Cash Equivalents	15,072	(18,413)	(3,341)
Cash and Cash Equivalents at Beginning of the Year:	-	38,165	38,165
Cash and Cash Equivalents at the End of the Year:	<u>\$ 15,072</u>	<u>\$ 19,752</u>	<u>\$ 34,824</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</u>			
Operating Income (Loss):	\$ (31,793)	\$ (14,906)	\$ (46,699)
Effect of Increases and Decreases in Current Assets and Liabilities:			
Increase (decrease) in Accounts Payable	15,072	(3,506)	11,566
Net Cash Provided by (Used for) Operating Activities	<u>\$ (16,721)</u>	<u>\$ (18,412)</u>	<u>\$ (35,133)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>			
Increase in Fair Value of Investments	-	263	263

BURNET COUNTY
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 BUDGET AND ACTUAL - HRA
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
OPERATING EXPENSES:				
Insurance Claims and Reimbursements	\$ 100,000	\$ 99,641	\$ 24,434	\$ 75,207
Administrative Fees	7,000	7,359	7,359	-
Total Operating Expenses	107,000	107,000	31,793	75,207
Income (Loss) Before Transfers	(107,000)	(107,000)	(31,793)	75,207
Transfers In	107,000	107,000	31,793	(75,207)
Change in Net Assets	-	-	-	-
Net Assets - October 1 (Beginning)	-	-	-	-
Net Assets - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

BURNET COUNTY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL - FIDUCIARY (UNEMPLOYMENT)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
OPERATING EXPENSES:				
Insurance Claims and Reimbursements	\$ -	\$ -	\$ 14,906	\$ (14,906)
Total Operating Expenses	-	-	14,906	(14,906)
Operating Income (Loss)	-	-	(14,906)	(14,906)
NON-OPERATING REVENUES (EXPENSES):				
Investment Earnings	-	-	263	263
Total Non-operating Revenue (Expenses)	-	-	263	263
Income (Loss) Before Transfers	-	-	(14,643)	(14,643)
Transfers Out	(120,043)	(120,043)	(120,043)	-
Change in Net Assets	(120,043)	(120,043)	(134,686)	(14,643)
Net Assets - October 1 (Beginning)	213,225	213,225	213,225	-
Net Assets - September 30 (Ending)	\$ 93,182	\$ 93,182	\$ 78,539	\$ (14,643)



STATISTICAL SECTION

County of Burnet, Texas
Statistical Section
For the Year Ended September 30, 2011

This part of the County of Burnet comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	Page Number(s)
Financial Trends These tables contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	78-81
Revenue Capacity These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	82-85
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	86-89
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	90-92
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report related to the services the County provides and the activities it performs.	93-97

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2004; tables presenting government-wide information include information beginning in that year.

BURNET COUNTY, TEXAS

**Net Assets by Component
Last Ten Fiscal Years ¹
(Accrual Basis of Accounting)**

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities										
Invested in capital assets, net of related debt			\$ 2,695,587	\$ 3,219,987	\$ 4,215,861	\$ 4,626,445	\$ 5,201,806	\$ 6,589,622	\$ 8,131,053	\$ 8,991,719
Restricted			1,864,297	2,301,630	1,639,434	2,738,586	2,832,962	2,238,176	2,363,974	1,973,018
Unrestricted			3,986,681	5,367,103	7,346,699	8,149,829	8,959,953	7,950,786	7,920,246	6,983,482
Total governmental activities net assets	\$ -	\$ -	\$ 8,546,565	\$ 10,888,720	\$ 13,201,994	\$ 15,514,860	\$ 16,994,721	\$ 16,778,584	\$ 18,415,273	\$ 17,948,219

Extracted from the Statement of Net Assets

¹ Ten years of information is not available; the County did not restate 2003 in the first year of implementation of GASB 34.

BURNET COUNTY, TEXAS

**Change in Net Assets
Last Ten Fiscal Years ¹**

(Accrual Basis of Accounting)

	Fiscal Year												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011			
EXPENSES													
Governmental activities:													
General government	\$	6,586,906	\$	5,897,132	\$	6,643,893	\$	7,914,836	\$	8,971,896	\$	9,365,277	
Public safety		2,875,257		4,038,134		4,797,097		5,132,123		5,621,349		5,888,344	
Public transportation		1,694,923		1,621,191		1,590,459		2,727,586		2,662,518		2,834,692	
Health and welfare		605,108		680,149		496,832		469,197		590,292		722,603	
Culture and recreation		418,233		489,326		521,388		649,080		726,592		749,805	
Conservation		129,417		139,280		156,752		213,902		234,281		320,590	
Debt Service		454,022		474,761		403,342		382,762		229,834		209,573	
Total governmental activities expenses	-	12,763,866	-	13,339,973	-	14,609,763	-	17,489,486	-	19,036,762	-	20,090,884	
PROGRAM REVENUES													
Governmental activities:													
Charges for services:													
General government		2,042,545		1,792,328		2,087,809		1,462,022		1,378,505		292,287	
Public safety		261,524		267,641		438,195		627,385		517,605		811,238	
Public transportation		1,036,202		1,028,117		1,012,693		1,281,895		1,209,877		1,231,456	
Health and welfare		300		476		574		5,410		5,325		5,829	
Culture and recreation				29,159		26,781		25,333		29,510		37,161	
Conservation				-		-		-		-		-	
Grants and contributions		830,757		1,303,663		1,083,204		1,632,874		1,256,815		936,982	
Total governmental activities program revenues	-	4,171,328	-	4,421,384	-	4,649,256	-	5,034,919	-	4,397,637	-	3,314,645	
Net (Expenses)/Revenues	\$	-	\$	(8,592,538)	\$	(8,918,589)	\$	(9,960,507)	\$	(13,878,468)	\$	(16,776,239)	
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS													
Governmental activities:													
Taxes:													
Property taxes		\$	9,211,624	\$	10,150,113	\$	10,966,266	\$	12,757,191	\$	13,992,242	\$	15,437,428
Other taxes		101,068		159,951		231,072		285,486		322,626		274,257	
Penalty and interest		200,390		198,171		200,827		193,647		203,547		220,523	
Other revenue not restricted to specific programs		-		250,829		457,425		323,053		176,058		288,352	
Investment earnings		74,682		198,702		418,191		375,051		114,249		88,625	
Gain on sale of capital assets		100		342,224		-		-		-		-	
Total general revenues	-	9,587,864	-	11,299,990	-	12,273,781	-	13,934,428	-	14,743,722	-	16,309,185	
Change in Net Assets	\$	-	\$	995,326	\$	2,313,274	\$	1,479,861	\$	865,254	\$	(467,054)	

Extracted from the Statement of Activities

¹ Ten years of information is not available; the County did not restate 2003 in the first year of implementation of GASB 34.

BURNET COUNTY, TEXAS

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Non-Spendable										\$ 41,059
Restricted										670,331
Committed										55,086
Assigned										222,430
Unassigned										4,985,243
Reserved	\$ 466,857	\$ 395,565	\$ 384,341	\$ 854,556	\$ 961,121	\$ 1,348,097	\$ 1,391,486	\$ 790,175	\$ 1,014,527	
Unreserved	1,818,217	1,657,105	2,324,259	3,174,120	4,073,796	4,276,231	4,147,886	4,271,139	4,479,886	
Total general fund	\$ 2,285,074	\$ 2,052,670	\$ 2,708,600	\$ 4,028,676	\$ 5,034,847	\$ 5,624,328	\$ 5,539,372	\$ 5,061,314	\$ 5,494,413	\$ 5,974,159
All other governmental funds										
Non-Spendable										\$ 1,740
Restricted										1,302,687
Committed										805,775
Assigned										35,936
Reserved	\$ 106	\$ 321	\$ -	\$ -	\$ 100,358	\$ 277,334	\$ 1,441,476	\$ 1,448,001	\$ 1,387,932	
Unreserved, reported in :										
Special revenue funds	676,400	670,825	830,735	878,568	898,679	1,233,196	1,991,172	1,818,982	1,657,549	
Debt service fund	(68,556)	86,973	135,850	41,369	255,946	533,585	-	-	-	
Capital projects fund	1,675,091	162,281	513,371	527,137	322,009	579,570	-	-	-	
Total all other governmental funds	2,283,041	920,400	1,479,956	1,447,074	1,576,992	2,623,685	3,432,648	3,266,983	3,045,481	2,146,138
Total funds	\$ 4,568,115	\$ 2,973,070	\$ 4,188,556	\$ 5,475,750	\$ 6,611,839	\$ 8,248,013	\$ 8,972,020	\$ 8,328,297	\$ 8,539,894	\$ 8,120,297

Extracted from Balance Sheet--Governmental Funds
Includes General, Special Revenue, Debt Service and Capital Projects Funds

BURNET COUNTY, TEXAS

Change in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes	\$ 7,459,889	\$ 8,387,024	\$ 9,597,668	\$ 10,496,091	\$ 11,393,677	\$ 11,982,828	\$ 13,224,103	\$ 14,393,941	\$ 15,419,894	\$ 15,884,691
Licenses and permits	1,194,159	1,203,140	1,259,549	1,248,904	1,277,759	1,301,006	1,336,018	1,258,994	1,256,519	1,281,249
Intergovernmental and grants	943,175	670,087	727,515	1,251,111	1,141,000	1,483,954	1,697,423	1,313,874	1,590,685	1,006,961
Charges for services	693,006	774,370	846,300	920,722	1,358,805	1,344,839	1,278,154	1,250,918	1,163,697	1,500,364
Fines	442,728	482,833	567,505	597,141	722,036	863,407	648,396	550,529	568,511	474,726
Investment earnings	410,681	338,774	76,884	191,867	405,962	515,845	359,671	109,861	53,334	88,362
Other revenue	-	-	370,304	220,591	213,905	234,406	276,963	154,627	299,209	224,943
Total Revenues	11,143,638	11,856,228	13,445,725	14,926,427	16,513,144	17,726,285	18,820,728	19,032,744	20,351,849	20,461,196
EXPENDITURES										
General government	5,348,558	5,870,934	6,384,112	5,586,087	6,264,895	6,866,915	7,423,279	7,739,771	8,445,073	8,681,370
Public safety	2,598,233	2,499,653	2,635,420	3,685,555	4,413,939	4,883,153	4,634,605	5,207,457	4,933,582	5,444,752
Health and welfare	554,802	753,695	604,108	679,480	495,832	403,277	469,197	637,731	576,317	708,628
Culture and recreation	646,477	446,749	412,045	474,805	509,545	516,321	602,880	674,122	708,917	731,305
Conservation	141,539	118,050	118,149	126,917	139,914	150,158	197,398	184,432	212,469	298,263
Public transportation	1,353,283	1,500,621	1,504,305	1,339,647	1,315,618	1,616,588	2,387,969	2,767,690	2,291,767	2,253,269
Construction	3,061,628	1,390,684	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	453,230	505,000	535,000	856,747	918,848	1,096,362	1,158,359	1,235,035	1,286,288	1,394,370
Interest	677,669	477,295	461,105	448,005	398,383	385,817	378,042	334,563	277,355	174,493
Capital outlay	-	-	536,887	1,459,232	1,107,796	1,741,300	992,682	1,123,387	2,878,861	1,491,123
Total Expenditures	14,835,519	13,562,681	13,191,131	14,657,075	15,566,770	17,659,891	18,244,411	19,904,188	21,610,629	21,177,573
Excess of revenues over (under) expenditures	(3,691,881)	(1,706,453)	254,594	269,352	946,374	66,394	576,317	(871,444)	(1,258,780)	(716,377)
OTHER FINANCING SOURCES (USES)										
Transfers in	1,821,347	2,132,654	2,242,400	843,771	848,202	754,907	1,095,660	1,254,976	2,624,501	919,292
Transfers out	(1,820,114)	(2,132,654)	(2,242,400)	(843,771)	(848,202)	(754,907)	(1,095,660)	(1,254,976)	(2,337,925)	(831,042)
Proceeds from debt issued & capital leases	272,818	107,715	954,308	308,638	178,375	1,564,931	136,348	220,162	1,367,246	186,473
Proceeds from insurance settlements	-	-	-	-	-	-	-	-	-	12,143
Other Resources - contribution	-	-	-	250,829	-	-	-	-	-	-
Proceeds from Sale of capital assets	335,020	3,693	100	506,620	11,340	4,849	11,342	7,559	116,490	9,913
Total other financing sources (uses)	609,071	111,408	954,408	1,057,087	189,715	1,569,780	147,690	227,721	1,770,312	296,779
Net change in fund balances	\$ (3,082,810)	\$ (1,595,045)	\$ 1,209,002	\$ 1,326,439	\$ 1,136,089	\$ 1,636,174	\$ 724,007	\$ (643,723)	\$ 511,532	\$ (419,598)
Debt services as a percentage of noncapital expenditures	3.06%	3.72%	4.23%	6.49%	6.35%	6.89%	6.71%	6.58%	6.87%	7.08%

Extracted from Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

BURNET COUNTY, TEXAS

**General Government Revenue By Source
(General, Special Revenue, Debt Service and Capital Projects)**

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter- Governmental	State/Federal Grants	Charges for Services	Fines and Forfeitures	Miscellaneous	Totals
2011	\$ 15,884,591	\$ 1,281,249	\$ 69,979	\$ 936,982	\$ 1,500,364	\$ 477,329	\$ 310,702	\$ 20,461,196
2010	\$ 15,419,894	\$ 1,256,519	\$ 295,078	\$ 1,295,608	\$ 1,163,697	\$ 568,511	\$ 352,543	\$ 20,351,849
2009	14,393,941	1,258,994	245,753	1,068,121	1,250,918	550,529	264,488	19,032,744
2008	7,459,889	1,194,159	(237,583)	1,180,758	693,006	442,728	410,681	11,143,638
2007	11,982,828	1,301,006	290,217	1,193,737	1,344,839	863,407	750,251	17,726,285
2006	11,393,677	1,277,759	354,331	786,669	1,358,805	722,036	619,867	16,513,144
2005	10,496,091	1,248,904	389,080	862,031	920,722	597,141	412,458	14,926,427
2004	9,597,668	1,259,549	314,908	412,607	846,300	567,505	447,188	13,445,725
2003	8,387,024	1,203,140	313,561	356,526	774,370	482,833	338,774	11,856,228
2002	7,459,889	1,194,159	221,724	721,451	693,006	442,728	410,681	11,143,638

Source:

Extracted from Statement of Revenues, Expenditures, and changes in Fund Balance - Governmental Funds.
Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

BURNET COUNTY, TEXAS

Assessed Value and Estimated Actual Value of Taxable Property ¹
 Last Ten Fiscal Years

Fiscal Year Ended September 30	Real Property			All Other	Less: Total Exemptions	Total Assessed Value	Total Direct Tax Rate ²	Total Estimated Adjusted Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property							
2011	2,662,340,790	403,281,579		1,497,008,828	261,182,451	4,562,631,197	0.33030	3,484,737,786	0.76376
2010	2,615,424,333	393,594,834		1,444,904,219	239,631,639	4,453,923,386	0.32670	3,468,961,578	0.77886
2009	2,380,145,662	351,169,223		1,378,020,542	205,521,502	4,109,335,427	0.32770	3,250,104,295	0.79091
2008	4,341,278,980	341,058,166		264,663,943	1,518,539,624	4,945,020,887	0.37790	3,426,481,263	0.69292
2007	3,682,742,539	299,186,692		184,392,267	1,102,849,753	4,164,360,967	0.38070	3,061,511,214	0.73517
2006	3,492,692,417	267,657,996		178,885,992	1,175,308,410	3,939,236,405	0.40020	2,763,927,995	0.70164
2005	2,950,165,169	240,414,935		169,155,760	844,391,532	3,359,735,864	0.40370	2,515,344,332	0.74867
2004	2,825,407,302	220,674,218		133,525,831	856,647,973	3,179,607,351	0.39610	2,322,959,378	0.73058
2003	2,720,620,273	185,622,519		110,750,560	848,869,700	3,016,993,352	0.38270	2,168,123,652	0.71864
2002	2,467,525,195	167,798,339		104,121,906	811,278,491	2,739,445,440	0.38520	1,928,166,949	0.70385

Source: Burnet Central Appraisal District

¹ Property value amounts were reclassified for this schedule for clarity. FY 2009 is not comparable to previous years.

² Beginning in Fiscal Year 2009 the total direct tax rate does not include the Burnet County Special Tax Rate.

BURNET COUNTY, TEXAS

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Direct Rates										
Burnet County General Rates	0.3688	0.3655	0.3781	0.3857	0.3752	0.3553	0.3478	0.3277	0.3267	0.3303
Burnet Co. Special Road & Bridge Rate	0.0164	0.0172	0.0180	0.0180	0.0250	0.0254	0.0301	0.0350	0.0360	0.0389
Total direct debt	0.3852	0.3827	0.3961	0.4037	0.4002	0.3807	0.3779	0.3627	0.3627	0.3692
Overlapping debt:										
City Rates										
City of Burnet	0.4648	0.4979	0.4979	0.5200	0.5098	0.6393	0.5819	0.5574	0.5852	0.6265
City of Bertram	0.4124	0.3792	0.4109	0.4109	0.4419	0.4784	0.4856	0.4565	0.4565	0.4565
City of Marble Falls	0.1929	0.3825	0.4200	0.4170	0.4200	0.3950	0.4850	0.6300	0.6134	0.6435
City of Granite Shoals	0.1555	0.1482	0.2412	0.4412	0.4057	0.4091	0.4000	0.4311	0.4300	0.4480
City of Cottonwood Shores	0.2420	0.3807	0.3735	0.3744	0.4349	0.4399	0.4997	0.4638	0.4999	0.5000
City of Meadowlakes	0.0642	0.0640	0.0677	0.0677	0.0670	0.0673	0.2990	0.2990	0.2990	0.2990
City of Highland Haven	0.0913	0.0878	0.0878	0.0878	0.0878	0.0775	0.0747	0.0724	0.0680	0.0718
City of Horseshoe Bay	-	-	-	-	-	0.5000	0.4000	0.3500	0.3300	0.2500
School District Rates										
Burnet C. I. S. D.	1.4432	1.5817	1.6790	1.7500	1.7400	1.5978	1.2750	1.2500	1.2500	1.2650
Marble Falls I. S. D.	1.4730	1.6422	1.6420	1.6550	1.6400	1.4716	1.2350	1.2550	1.2850	1.2900
Special District Rates										
Burnet ESD #1	-	-	0.0420	0.0350	0.0334	0.0295	0.0295	0.0295	0.0280	0.0280
Burnet ESD #2	-	-	-	-	-	-	-	0.1000	0.1000	0.1000
Burnet ESD #4	-	-	-	-	-	-	-	0.0780	0.0810	0.0826
Burnet ESD #5	-	-	-	-	-	-	-	-	0.1000	0.1000
Burnet ESD #7	-	-	-	-	-	-	-	-	0.1000	0.0960
Burnet ESD #8	-	-	-	-	-	-	-	-	-	0.1000
Kingsland M.U.D.	-	-	-	-	-	-	-	0.2500	0.2400	0.2250
Meadowlakes M. U. D	0.2500	0.2300	0.2300	0.2300	0.2300	0.2300	-	-	0.0131	0.0108
Central Texas Groundwater	-	-	-	-	-	0.0165	0.0151	0.0137	-	-
Lake LBJ M. U. D.	0.0570	0.1550	0.2500	0.2500	-	-	-	-	-	-
Total Direct and Overlapping Rates	5.2115	5.9319	6.3381	6.6427	6.4107	6.7326	6.1584	6.5991	6.8418	6.9619

Source: Burnet Central Appraisal District
Note: ESD #8 is new for fiscal year 2011

BURNET COUNTY, TEXAS

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 15,425,858	\$ 15,092,330	97.84%	\$ 297,481	\$ 15,389,811	99.77%
2010	\$ 14,943,142	\$ 14,565,642	97.47%	-	\$ 14,565,642	97.47%
2009	13,949,024	13,600,505	97.50%	172,959	13,773,464	98.74%
2008	11,783,091	11,531,728	97.87%	180,285	11,712,013	99.40%
2007	11,548,946	11,276,310	97.64%	208,447	11,484,757	99.44%
2006	10,987,901	10,698,641	97.37%	160,066	10,858,707	98.82%
2005	10,145,876	9,873,117	97.17%	204,700	10,077,817	99.33%
2004	9,291,276	9,024,956	98.17%	232,753	9,257,709	99.64%
2003	8,263,804	8,001,010	96.82%	214,083	8,215,093	99.41%
2002	7,390,546	7,151,881	96.77%	178,771	7,330,652	99.19%

Source: Burnet Central Appraisal District

BURNET COUNTY, TEXAS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Percentage of Personal Income ^{1,2}	Net Bonded Debt Per Capita
	General Obligation Bonds	Capital Leases	Less Debt Service Reserved Balance	Total Primary Government		
2011	\$ 6,140,000	\$ 269,030	\$ 327,222	\$ 6,081,808	0.58%	\$ 142.26
2010	\$ 7,420,000	\$ 196,927	\$ 520,063	\$ 7,096,864	0.48%	\$ 166.01
2009	7,070,000	334,154	750,619	6,653,535	0.61%	145.73
2008	8,000,000	416,178	776,269	7,639,909	0.55%	174.87
2007	8,820,000	618,189	533,585	8,904,604	0.71%	207.59
2006	8,585,000	384,620	255,946	8,713,674	0.79%	199.78
2005	9,305,000	400,134	41,369	9,663,765	0.93%	271.29
2004	9,970,000	259,487	135,850	10,093,637	0.85%	287.84
2003	9,785,000	222,019	86,973	9,920,046	1.02%	284.01
2002	10,290,000	278,059	-	10,568,059	1.24%	301.34

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

² Ratio of Total Primary Government Debt to Total County Personal Income.

BURNET COUNTY, TEXAS

**Direct and Overlapping Governmental Activities Debt
As of September 30, 2011
(unaudited)**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Burnet County	\$ 6,140,000	100.00%	\$ 6,140,000
Total direct debt	<u>6,140,000</u>		<u>6,140,000</u>
Overlapping debt:			
City of Meadowlakes	4,075,000	100.00%	4,075,000
City of Burnet	21,376,000	100.00%	21,376,000
City of Bertram	1,672,000	100.00%	1,672,000
City of Marble Falls	49,180,000	100.00%	49,180,000
Lake LBJ M. U. D.	6,615,000	11.46%	758,079
Burnet C. I. S. D.	36,387,000	74.79%	27,213,837
Lampasas I. S. D.	48,928,347	6.87%	3,361,377
Marble Falls I. S. D.	85,151,000	87.27%	74,311,278
City of Granite Shoals	11,550,000	100.00%	11,550,000
City of Cottonwood Shores	414,000	100.00%	414,000
Total overlapping debt	<u>265,348,347</u>		<u>193,911,571</u>
Total direct and overlapping debt	<u>\$ 271,488,347</u>		<u>\$ 200,051,571</u>

Source: Outstanding Debt as of September 30, 2011

BURNET COUNTY, TEXAS

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2011	\$ 6,140,000	327,222	\$ 5,812,778	0.1668%	\$ 135.97
2010	\$ 6,140,000	520,063	\$ 5,619,937	0.1729%	\$ 131.46
2009	7,420,000	750,619	6,669,381	0.1946%	146.07
2008	7,070,000	776,269	6,293,731	0.2056%	144.06
2007	8,000,000	533,585	7,466,415	0.2701%	174.06
2006	8,585,000	255,946	8,329,054	0.3013%	190.96
2005	9,305,000	41,369	9,263,631	0.3684%	271.29
2004	9,970,000	135,850	9,829,034	0.4188%	287.84
2003	9,785,000	86,973	9,698,027	0.4490%	284.01
2002	10,290,000	-	10,290,000	0.5363%	301.34

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics.

BURNET COUNTY, TEXAS

Legal Debt Margin Information

Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 684,861,360	\$ 754,248,338	\$ 794,901,838	\$ 839,933,966	\$ 984,809,101	\$ 1,041,580,375	\$ 1,236,255,222	\$ 1,062,185,912	\$ 927,148,304	\$ 936,480,059
Total net debt applicable to limit	10,290,000	9,698,027	9,829,034	9,263,631	8,329,054	8,286,415	7,223,731	6,319,381	6,899,937	5,812,778
Legal debt margin	\$ 674,571,360	\$ 744,550,311	\$ 785,072,804	\$ 830,670,335	\$ 976,480,047	\$ 1,033,293,960	\$ 1,229,031,491	\$ 1,055,866,531	\$ 920,248,367	\$ 930,667,281
Total net debt applicable to the limit as percentage of debt limit	1.50%	1.29%	1.24%	1.10%	0.85%	0.80%	0.58%	0.59%	0.74%	0.62%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value ¹	\$ 3,484,737,786
Add back: exempt real property ¹	<u>261,182,451</u>
Total assessed value	\$ 3,745,920,237
Debt Limit (25% of total assessed value)	936,480,059
Debt applicable to limit:	
General obligation bonds ²	6,140,000
Less: Amount set aside for repayment of general obligation debt ³	<u>327,222</u>
Total net debt applicable to limit	5,812,778
Legal debt margin	<u>\$ 930,667,281</u>

Sources:
¹Burnet Central Appraisal District
²Note 10 of the Financial Statements

BURNET COUNTY

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Employer	2002			2011		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Pedernales Electric Co-Op, Inc.	\$ 31,637,182	1	1.52%	\$ 24,655,605	1	0.55%
Capitol Aggregates LTD	3,275,625	10		17,335,888	2	0.39%
ATMI Materials LTD				14,552,734	3	0.33%
LCRA Transmission Services Corp.				13,008,170	4	0.29%
GTE Southwest, Inc.	16,014,852	2	0.77%	11,892,666	5	0.27%
J.M. Huber Corp	5,579,997	7	0.27%	9,463,935	6	0.21%
Wal-Mart Stores, Inc	12,326,289	3	0.59%	7,877,472	7	0.18%
Lowe's Home Centers, Inc				7,503,163	8	0.17%
Wal-Mart Stores, East LP				6,953,997	9	0.16%
Johnson-Sewell Family Partnership				6,484,716	10	0.15%
Seminole Pipeline Co.	7,302,295	6	0.35%			
Texas Granite Corp.	8,554,520	5	0.41%			
Wollaston Properties	12,087,609	4	0.58%			
Austin Golf Clubs, Inc.	4,432,625	8	0.21%			
Forty Six Twenty Toreador	4,141,017	9	0.20%			
Total	\$ 105,352,011		4.71%	\$ 119,728,346		3.91%

Source: Burnet Central Appraisal District

BURNET COUNTY

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (2)	Per capita Personal Income (3)	Median Age (4)	Education Level in Years of Formal Schooling (5)	Public School Enrollment (6)	Burnet County Unemployment Rate (7)
2011	42,750	\$ 1,052,761,500	24,626	43.5	13.2	7,582	6.7%
2010	42,750	\$ 1,048,700,250	24,531	41.5	12.6	7,316	6.4%
2009	45,658	1,093,737,390	23,955	41.3	12.6	7,296	5.7%
2008	43,689	1,009,565,412	23,108	41.0	12.6	7,328	4.1%
2007	42,896	1,102,132,704	25,269	40.2	12.6	7,363	3.6%
2006	43,616	1,102,132,704	25,269	41.2	12.6	8,677	3.9%
2005	43,109	1,034,400,455	23,995	41.2	12.6	8,103	3.7%
2004	42,490	1,183,516,460	27,854	40.9	12.6	7,947	3.4%
2003	41,677	976,908,880	23,440	40.4	12.6	7,486	3.3%
2002	39,614	849,957,984	21,456	40.4	12.0	7,337	3.3%

(1) (2) (3) (5) US Census Bureau

(4) U.S. Census Bureau, 2006-2008 American Community Survey

(6) Texas Education Agency Website (Grades K-12)

(7) <http://www.bls.gov/ro6/home.htm>

BURNET COUNTY

**Principal Employers
Current and Five Years Ago**

Employer	2007			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
	Horseshoe Bay Resort & Marriott	175	6	0.73%	650	1
Marble Falls ISD	600	1	2.51%	621	2	2.70%
Wal-Mart Stores, Inc.	375	2	1.57%	373	3	1.62%
Seton Highland Lakes	120	10	0.50%	311	4	1.35%
HEB Grocery	285	4	1.19%	289	5	1.26%
Burnet ISD	285	3	1.19%	285	6	1.24%
Burnet County	208	5	0.87%	189	7	0.82%
City of Marble Falls				124	8	0.54%
Pedernales Electric Coop	131	8	0.55%	122	9	0.53%
City of Burnet	120	9	0.50%	120	10	0.52%
Lewis Contractors, Inc.	135	7	0.56%			
Total	2,434		10.18%	3,084		13.62%

*Note-Information is not available for periods prior to FY 2006.

Sources: Area Chambers of Commerce

Number of employed from the Texas Labor Market Info--Burnet County Website--

BURNET COUNTY, TEXAS

Full-time Equivalent County Government Employees by Function

Last Ten Fiscal Years

<u>Function/ Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010*</u>	<u>2011</u>
General government	52	56	54	57	61	63	68	66	65	65
Elected Officials	19	20	20	20	20	20	20	20	20	20
Public Safety	64	66	66	70	68	84	81	55	58	58
Conservation/Environmental	4	4	4	5	4	4	3	5	4	4
Health and Welfare	1	1	1	1	1	1	2	1	1	1
Community Service	1	1	1	1	1	1	1	1	1	1
Library	17	17	15	17	17	10	11	11	14	13
Road and Bridge	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>23</u>	<u>25</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>27</u>
Total	<u>180</u>	<u>187</u>	<u>183</u>	<u>193</u>	<u>195</u>	<u>208</u>	<u>211</u>	<u>185</u>	<u>190</u>	<u>189</u>

*Note--FY 2010 equivalent employees has been changed to include part-time positions allocated by hours worked

Source: Burnet County Human Resources Department

BURNET COUNTY, TEXAS

Operating Indicators by Function

Last Ten Fiscal Years ¹

(unaudited)

Function/ Program	2006	2007	2008	2009	2010	2011
General Government						
County Finance						
Accounts Payable checks issued	5,502	4,376	5,052	4,506	4,516	5,880
Payroll checks and advices issued	6,786	5,902	7,048	5,720	7,070	7,016
Deposit warrants issued	152,642	2,799	4,283	3,448	3,871	5,014
Tax Office						
Auto titles issued	11,165	11,590	10,347	9,887	10,049	10,121
Auto registrations	46,926	49,144	50,007	50,724	50,681	50,746
Administration of justice						
District court level						
Civil cases filed	1,120	582	504	758	605	521
Civil case dispositions	1,158	541	684	675	575	558
Criminal cases filed	333	348	382	400	257	916
Criminal case dispositions	300	365	376	452	282	387
Juvenile cases filed	39	45	87	64	60	41
Juvenile cases disposed	41	41	84	78	59	11
County court level						
Civil cases filed	345	572	480	612	432	423
Civil case dispositions	1,783	523	552	530	444	307
Criminal cases filed	1,783	1,812	1,492	1,070	835	950
Criminal case dispositions	1,337	1,597	2,022	1,262	989	1,100
Justice of the Peace court level						
Civil cases filed	287	150	449	566	337	518
Civil case dispositions	120	82	293	530	281	362
Criminal cases filed	6,477	200	4,950	902	4,940	4,451
Criminal case dispositions	143	116	4,892	1,262	4,487	4,214
Public Safety						
Jail Facilities						
Total prisoner days	88	91	79	110	112	90
Cost per prisoner day	28.25	29.61	46.26	40.00	40.00	32.13
Law Enforcement						
Arrests	1,136	2,703	2,707	2,907	2,375	944
Citations filed	750	900	703	1,106	577	485
Culture and recreation						
County Library						
Materials circulated	262,231	274,594	260,960	285,143	292,100	298,714
Patrons	161,760	18,810	10,320	14,677	12,625	12,773
Transportation						
Road and Bridge						
Miles of new roadways	2.60	2.00	2.20	0.51	-	-
Miles of road surface-Major Improvements	45.40	14.40	23.00	0.25	-	-

¹ Information is not available for periods prior to FY2006.

BURNET COUNTY, TEXAS

**Capital Asset Statistics by Function
Last Ten Fiscal Years¹**

Function	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government						
Administrative Vehicles	3	7	14	14	16	16
Public Safety						
Sheriff patrol units	44	48	49	53	48	48
Law Enforcement units	11	20	20	12	16	16
Transportation						
Road and Bridge Vehicles	20	23	25	28	32	32
Road and Bridge Equipment	121	124	127	91	96	96
County roads (miles)	485	487	489	490	490	490
Culture and recreation						
County Parks	3	3	3	2	2	2
County Libraries	4	4	4	4	4	4

¹ Information is not available for periods prior to FY2006.

BURNET COUNTY, TEXAS

SCHEDULE OF INSURANCE IN FORCE

**September 30, 2011
(unaudited)**

Type of Coverage and Name of Company	Policy Number	Policy From	Policy To	Details of Coverage	Liability Limits	Annual Premium
AUTOMOBILE LIABILITY (TAC Risk Management Pool)	AL 0270 2008 05 01	05/01/2011	5/1/2012	Auto Liability Bodily Injury Property Damage Uninsured Motorist - Bodily Injury Property Damage Personal Injury Prot	\$ 1,000 / Deductible 100,000 / Person 300,000 / Occurrence 100,000 / Occurrence 20,000 / Person 40,000 / Occurrence 15,000 / Occurrence 3,559 / Person	\$ 36,804
AUTOMOBILE PHYSICAL DAMAGE (TAC Risk Management Pool)	APD 0270 2008 05 01	05/01/2011	5/1/2012	Comprehensive Collision	250 / Deductible Actual cash value or cost of repair (lesser)	19,032
GENERAL LIABILITY (TAC Risk Management Pool)	GL 0270 2008 05 01	05/01/2011	5/1/2012	General Liability Bodily Injury Property Damage Medical Expense Employee Benefits Personal & Advertising Injury	1,000 / Deductible 100,000 / Person 300,000 / Occurrence 100,000 / Occurrence 1,000 / Person 100,000 / Claim 100,000 / Person 300,000 / Offense/Aggr	34,177
BUILDINGS/PROPERTY (TAC Risk Management Pool)	PR 0270 2008 05 01	7/1/2011	7/1/2012	Basic Coverage: Buildings Contents Flood Earth Movement Valuable Papers Electronic Data Equip Mobile Equipment Equipment Breakdown Terrorism	1,000 / Deductible 18,093,664 / Limit 1,979,255 / Limit 2,500,000 / Limit 5,000,000 / Limit 220,000 / Limit 516,048 / Limit 1,787,736 / Limit 15,594,880 / Limit 5,000,000 / Limit	38,627
CRIME (TAC Risk Management Pool)	CR 0270 2008 05 01	05/01/2011	5/1/2012	Crime Coverage	1,000 / Deductible 20,000 / Occurrence	222
PUBLIC OFFICIALS LIABILITY (TAC Risk Management Pool)	PO 0270 2008 05 01	05/01/2011	5/1/2012	Public Officials Liability	5,000 / Deductible 2,000,000 / Loss 2,000,000 / Aggregate 1,000,000 / CCE&O 1,000,000 / DCE&O	17,062
LAW ENFORCEMENT LIABILITY (TAC Risk Management Pool)	LE 0270 2008 03 28	4/1/2011	4/1/2012	Law Enforcement Liability	5,000 / Deductible 2,000,000 / Loss 2,000,000 / Aggregate	24,238
WORK RELEASE VOLUNTEER PROGRAM (The CIMA Companies, Inc.)	SPS900305	07/01/2011	7/1/2012	Volunteer Ins. Service	2,500 / Each 25,000 / Med. Ind.	1,138
WORKERS' COMPENSATION & EMPLOYERS' LIABILITY (TAC/Administrator- County Re-Insurance LTD. Re-Insurance Co.)	270	1/1/2011	1/1/2012	Workers' Compensation and Employers' Liability	1991 Texas Worker's Compensation Act 750,000 / Employee	144,305
UNEMPLOYMENT (Participation Agreement-TAC Unemployment Compensation Group Account Fund)	99-991884-D	10/1/2010	9/30/2011	Unemployment Compensation Group Account Fund	Texas Workforce Commission/ Texas Labor Code Requirements	34,297

BURNET COUNTY, TEXAS

**SCHEDULE OF SALARIES, SUPPLEMENTS AND SURETY
BONDS OF PRINCIPAL OFFICIALS**

**For the Year Ended September 30, 2011
(unaudited)**

<u>Name of Official</u>	<u>Title</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond</u>
Donna Klaeger	County Judge	\$ 83,634	\$ 5,000
Bill Neve	Commissioner, Precinct 1	57,034	3,000
Russell Graeter	Commissioner, Precinct 2	57,034	3,000
Ronny Hibler	Commissioner, Precinct 3	57,034	3,000
Joe Don Dockery	Commissioner, Precinct 4	57,034	10,000
William Savage	County Court-at-Law Judge	124,000	5,000
Eduardo Arredondo	County Attorney	115,441	5,000
Janet Parker	County Clerk	54,871	92,000
Casie Wills	District Clerk	54,871	75,000
Joan Fisher	County Auditor	68,910	5,000
Karrie Crownover	County Treasurer	54,871	95,000
Sheri Frazier	Tax Assessor-Collector	56,348	100,000
W. T. Smith	County Sheriff	67,101	10,000
Calvin Boyd	J.P., Precinct 1	48,652	10,000
Lisa Whitehead	J.P., Precinct 2	48,652	5,000
Peggy Simon	J.P., Precinct 3	48,652	5,000
Edward Cutchin	J.P., Precinct 4	48,652	5,000
Mike Harnisch	Constable, Precinct 1	34,632	10,000
Charles Caraway	Constable, Precinct 2	34,632	5,000
Robert Ballard	Constable, Precinct 3	34,632	1,500
Chris Jett	Constable, Precinct 4	34,632	1,500

