COLORADO COUNTY, TEXAS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010

Prepared by
Raymie Kana
County Auditor

COLORADO COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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Introductory Section

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COLORADO COUNTY
Courthouse - 3rd Floor
400 Spring St., Room 308-E
Columbus, Texas 78934

Colorado County Courthouse
Constructed in 1890

RAYMIE KANA
County Auditor
Phone/Fax: 979/732-2791
raymie.kana@co.colorado.tx.us

June 28, 2011

Honorable 25th and 2nd 25th District Judges,
the Honorable Commissioners' Court, and
the Citizens of Colorado County

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the County of Colorado for the year ended December 31, 2010. 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 Rutledge Crain & Company, PC, a firm of licensed 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 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*. Information related to this single audit, including a schedule of federal financial assistance, findings, and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations will be issued as a separate report.

Generally accepted accounting principles require 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 report of the independent auditors.

PROFILE OF COLORADO COUNTY

Colorado County, incorporated in 1836, is located in south/central Texas, midway between San Antonio and Houston on Interstate 10 and is one of 13 counties in the Gulf Coast Region. Colorado County is one of the original counties established in Texas by Stephen F. Austin. The County is a rural county approximately 963 square miles in area.

The County is a public corporation and political subdivision of the State of Texas. The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated, which provide for a Commissioners Court consisting of the County Judge and four Commissioners, one from each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms with two Commissioners elected every two years. Policy-making authority is vested in the Commissioners Court and the Commissioners Court are responsible, among other things, for adopting the budget and for setting the County's annual tax rate, along with setting county policies.

The County provides a full range of services authorized by statute. Such services include general government 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.

Budget

The annual budget serves as the foundation for Colorado County's financial 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. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within each fund. All transfers of appropriations, either between departments or within an individual department's budget, require the approval of the Commissioners' Court. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Local Economy

The County's economy is based primarily on agribusiness, oil-field services and equipment manufacturing, and minerals processing. Rice, corn, sorghums and livestock play a major role in the area's economy. Manufacturing in the area is robust and growing with new businesses and existing ones expanding. One of the most important sectors of the area's economy is tourism. Tourism dollars represented by restaurant sales and specialty shop sales are a significant contributor to the overall economy.

The Texas Almanac for 2010-2011 records Colorado County's third quarter of 2008 wages at $56 million. Retail sales within the County during 2007 totaled $268.6 million. Unemployment within the County of 7.7% for 2010 remained below the state average for that year of 8.0%. Bank deposits county-wide totaled $288 million at December 31, 2010 compared to $297 million at December 31, 2009.

The future economic outlook for Colorado County indicates an economic slow-down due to the effects of the global financial crisis along with interest rates remaining historically low and oil prices staying unstable. The drought had a drastic impact on both the crop and livestock sectors of the County's agriculture. Gov. Rick Perry issued a disaster declaration for Colorado and surrounding counties in response to the significant threat posed by wildfire conditions. Countywide tax abatement plans, which give reduced property taxes for a number of years, are being offered to industries to locate in the County. No new tax abatements were requested for fiscal year 2010; however, the County has one existing tax abatement.

Long Term Financial Planning

County strategies and plans are integrated into all departmental budgets to ensure unified efforts within County government to achieve the goals and objectives of the County. Texas county government operates under a balanced budget as required by law. This does not mean that estimated revenues must always be exactly equal to expenditures. In most of the annual operating budgets, the Commissioners' Court members usually decide to use a portion of fund balances reserves to balance the revenues to appropriations. As a sound financial management practice, members of Commissioners Court consistently emphasize maintaining sufficient undesignated fund balance levels (unreserved net assets) to meet first quarter obligations of payroll and operating costs and furthermore, this assists in maintaining financial stability and retaining or enhancing the County's bond ratings.

Fund balance refers to the excess of assets over liabilities in governmental funds. For the purpose of financial planning, fund balance is defined as the cumulative surpluses or deficits resulting from the difference between expenditures and revenues in any one fiscal year. The cumulative effect of yearly fund balance amounts is furthermore addressed as a fund balance reserve. When evaluating fund balance reserves, it is vitally important to maintain sufficient positive fund balance reserves in order to avoid borrowing to meet short term operating needs.

It is vitally important that the Commissioners Court remain focused on trends of the general fund, especially in light of the experienced shortfalls in the current fiscal year and projected shortfalls for future fiscal years, being affected by the sluggish local and national economy. It is imperative that the Commissioners Court continue to focus on revenue enhancement in order to adequately fund present and future mandates placed on County government. Departments will continue to be challenged to increase efficiencies in order to operate within their budgets. More than ever, monitoring of revenues and expenditures will be paramount in forecasting budget inadequacies and identifying potential excesses.

For the future, it is anticipated that in fiscal year 2011 the Court will continue to face significant funding challenges. Some of those challenges will be additional operating costs of a new facility along with continued slow revenue growth. Also, expenditure growth due to inflation and the possibility of new mandates will be challenges faced by the Court.

Finally, as a result of the trend of shifting of unfunded mandates by both federal and state levels to local government, it is anticipated that additional financial burden will continue to be experienced by the County and ultimately local taxpayers if other sources of funding are not identified. The County will be tasked with identifying new or additional revenues to counter these expenditures. At its discretion, the Court will probably continue to utilize some amount of fund balance, which is healthy in the sense that it keeps the County from building up excessive reserves and reduces a future burden on taxpayers. Based on the amount of fund balance utilized to balance the 2011 budget, the Court must remain cautious in planning for the budget in fiscal year 2012 in the absence of either continued cost containment initiatives or significant additional revenue enhancement efforts. It is imperative that County government continually strive to maintain steady increases in revenue while costs are on the rise.

Major Initiatives

During the fiscal year 2010, some of the major initiatives funded with the debt issued in previous fiscal years were substantially completed. The Courthouse exterior restoration is scheduled to be completed in late 2011. The Courthouse Annex is also scheduled to be complete in early 2011.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Colorado County for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. This was the 16th consecutive year that Colorado County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The production of this report would not have been possible without the efficient and dedicated services of the County Auditor's staff. The preparation of this comprehensive annual financial report could not have been accomplished without the assistance from our outside auditing firm, Rutledge Crain & Company, PC. I would like to express my appreciation to all the members of the Commissioners' Court for their unfailing support in maintaining the highest standards of professionalism in the management of the Colorado County's finances. I express my sincere thanks to all other County officials, Department Heads, and employees for their roles in directing the financial affairs of the County in a responsible and professional manner.

Respectfully submitted,

Raymie Kana

Raymie Kana
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Colorado County

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

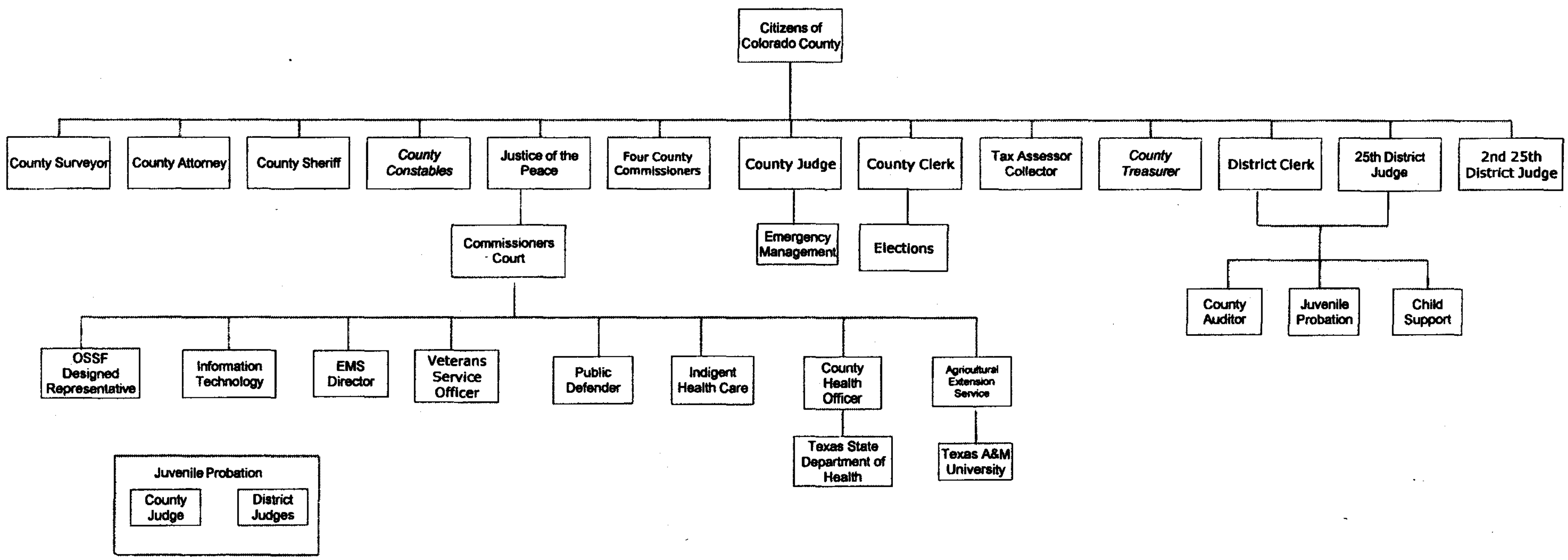
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

Colorado County, Texas
Organization Chart
December 31, 2010



COLORADO COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2010

Elected Officials	
County Judge	A. G. Jamison
Commissioners	
Precinct 1	Doug Wessels
Precinct 2	Herbie Helmcamp
Precinct 3	Tommy Hahn
Precinct 4	Darrel Gertson
25th Judicial District Judge	Dwight Peschel
2nd 25th Judicial District Judge	William C. Kirkendall
Tax Assessor-Collector	Mary Jane Poenitzsch
County Clerk	Darlene A. Hayek
County/District Attorney	Ken Sparks
District Clerk	Harvey Vornsand
County Treasurer	Diane Matus
County Sheriff	R.H. "Curly" Wied, III
Justices of Peace	
Precinct 1	Billy Hefner
Precinct 2	James C. Maddux
Precinct 3	Francis J. Truchard
Precinct 4	George Cason
Constable No. 1	Lawrence Berger
Constable No. 2	Lonnie Hinze
Constable No. 3	Ivan V. Menke
Constable No. 4	Darrell Stancik
County Surveyor	Matthew Loessin

Appointed Officials	
Veterans' Service Officer	Eddie Hernandez
Public Defenders	Kevin Dunn Louis Gimbert
County Auditor	Raymie Kana
Adult Chief Probation Officer	Linda Smith
Juvenile Chief Probation Officer	Marty Maloney
Adult Probation Officer	Richard Wessels
Juvenile Probation Officer	Lisa Rolirad
County Health Officer and Medical Director	Donna Campbell, M.D.
County Extension Office	
County Ag Agent	Kara Mathency
Consumer and Family Science	Janis Pfeffer
Medical Director	Donna Campbell, M.D.

Financial Section

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioners
Comprising the Commissioners' Court of
Colorado County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colorado County, Texas as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Colorado County, Texas' 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, each major fund, and the aggregate remaining fund information of Colorado County, Texas as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 21 and 50 through 57 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 performed for the purpose of forming opinions on the financial statements which collectively comprise Colorado County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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 it.

Rutledge Crain & Company, PC

June 28, 2011

Management's Discussion and Analysis

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As management of Colorado County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial performance of the County for the fiscal year ended December 31, 2010. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $19,426,093 (*net assets*). Of this amount, $1,165,307 (*restricted net assets*) may only be used to pay for the building of the courthouse annex and to pay down the county's debt.
- The County's total net assets increased $1,515,283 during the current fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $7,712,187, a decrease of $52,628 in comparison with the prior year. The amount which is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*) is $7,282,793.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was $3,527,545 or 37 percent of total general fund expenditures.
- The County's total debt decreased by $285,000 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Colorado County's basic financial statements. Colorado County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. The statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

- The *statement of net assets* presents information on all the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increase or decrease in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general administration, financial administration, judicial, public safety, public facilities, public transportation, health and welfare, and conservation.

The government-wide financial statements are presented on pages 25 to 27 of this report.

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

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

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 reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains a general fund, a capital projects fund, twenty-three special revenue funds, and a debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 33 through 47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary comparison schedules for the General Fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the General Fund Budget.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Colorado County, assets exceeded liabilities by $19,426,093 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (83 percent) reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of *unrestricted net assets* may be used to meet the County's ongoing obligations to citizens and creditors.

The County's condensed net assets for fiscal year ended December 31, 2010 are summarized as follows:

Colorado County Net Assets
Governmental Activities

	2010	2009	Change
Current and other assets	$ 17,858,934	$ 17,234,549	$ 624,385
Capital assets (net of accumulated depreciation)	20,340,426	18,708,914	1,631,512
Total assets	38,199,360	35,943,463	2,255,897
Current and other liabilities	9,568,719	8,529,080	1,039,639
Long-term liabilities	9,204,548	9,503,573	(299,025)
Total liabilities	18,773,267	18,032,653	740,614
Net assets:			
Invested in capital assets, net of related debt	16,147,180	16,110,062	37,118
Restricted	1,165,307	2,096,369	(931,062)
Unrestricted debt	2,113,606	(295,621)	2,409,227
Total net assets	$ 19,426,093	$ 17,910,810	$ 1,515,283

Total assets of $38,199,360 reflect an increase of $2,255,897 during the fiscal year. Of the County's total assets, the largest components are: 1) cash and investments of $9,033,028 or 24%, 2) receivables which largely represent the deferred taxes for FY2010 and amounts due from other governments of $8,825,908 or 23%, and 3) capital assets net of accumulated depreciation of $20,340,426 or 53%. The receivables are offset by deferred revenue since the FY2010 tax levy is not recognized until FY2011 even though it occurs in FY2010. Capital assets represent investments with useful lives exceeding one year but are non-liquid assets and cannot be utilized to satisfy County obligations.

The County's assets exceeded liabilities by $19,426,093 at the close of the most recent fiscal year.

About 5% or $1,165,307 of the County's net assets represents *restricted net assets* which are resources that are subject to external restrictions on how they may be used. The most significant portion (83% or $16,147,180) of the County's net assets reflects its *investment in capital assets* (e.g., land, buildings, equipment, and infrastructure) net of related debt.

Governmental activities. Governmental activities increased the County's net assets by $1,515,283. Key elements of this increase are as follows:

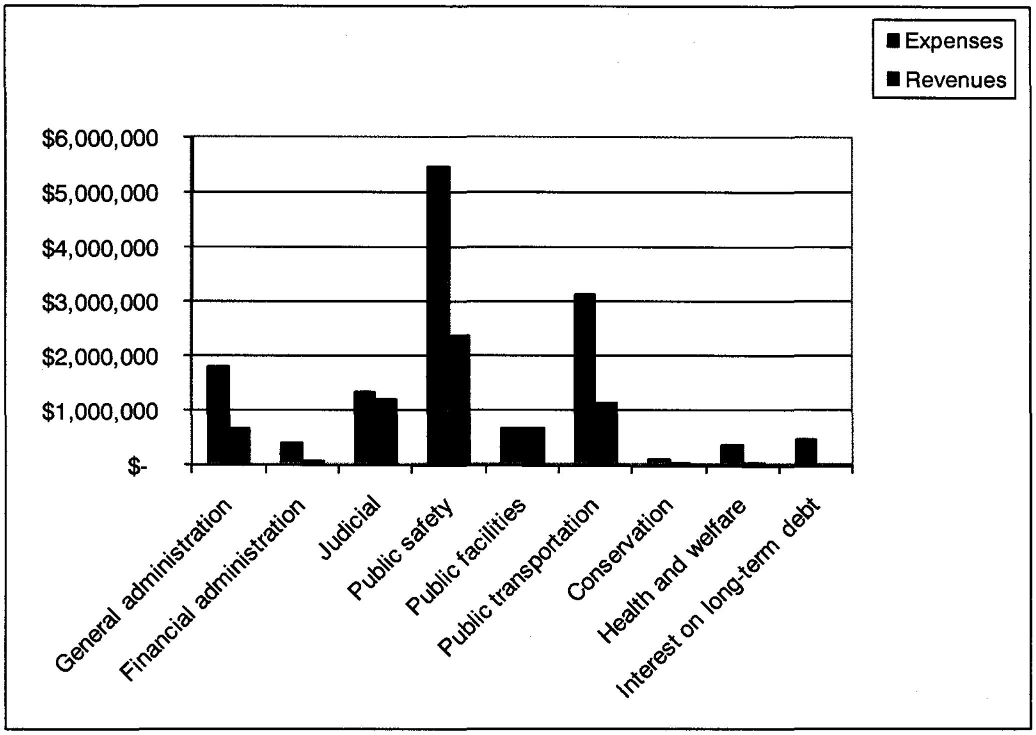
Colorado County Changes in Net Assets
Governmental Activities

	2010	2009	Change
Revenues:			
Net Program Revenues:			
Charges for services	$ 3,517,135	$ 3,867,979	$ (350,844)
Operating grants and contributions	1,871,857	908,277	963,580
Capital grants and contributions	863,716	24,913	838,803
General Revenues:			
Property taxes	7,787,259	7,665,967	121,292
Sales and alcoholic beverage taxes	891,625	1,154,836	(263,211)
Miscellaneous	456,086	161,253	294,833
Unrestricted investments earnings	32,550	50,758	(18,208)
Total revenues	15,420,228	13,833,983	1,586,245
Expenses:			
General administration	1,811,240	2,047,697	(236,457)
Financial administration	412,358	403,415	8,943
Judicial	1,344,174	1,230,495	113,679
Public safety	5,498,919	5,535,790	(36,871)
Public facilities	699,369	369,030	330,339
Public transportation	3,164,681	3,105,659	59,022
Conservation	132,463	118,288	14,175
Health and welfare	374,445	335,413	39,032
Interest on long-term debt	467,296	250,796	216,500
Total expenses	13,904,945	13,396,583	508,362
Change in net assets	1,515,283	437,400	$ 1,077,883
Net assets - beginning	17,910,810	17,473,410	
Net assets - ending	$ 19,426,093	$ 17,910,810	

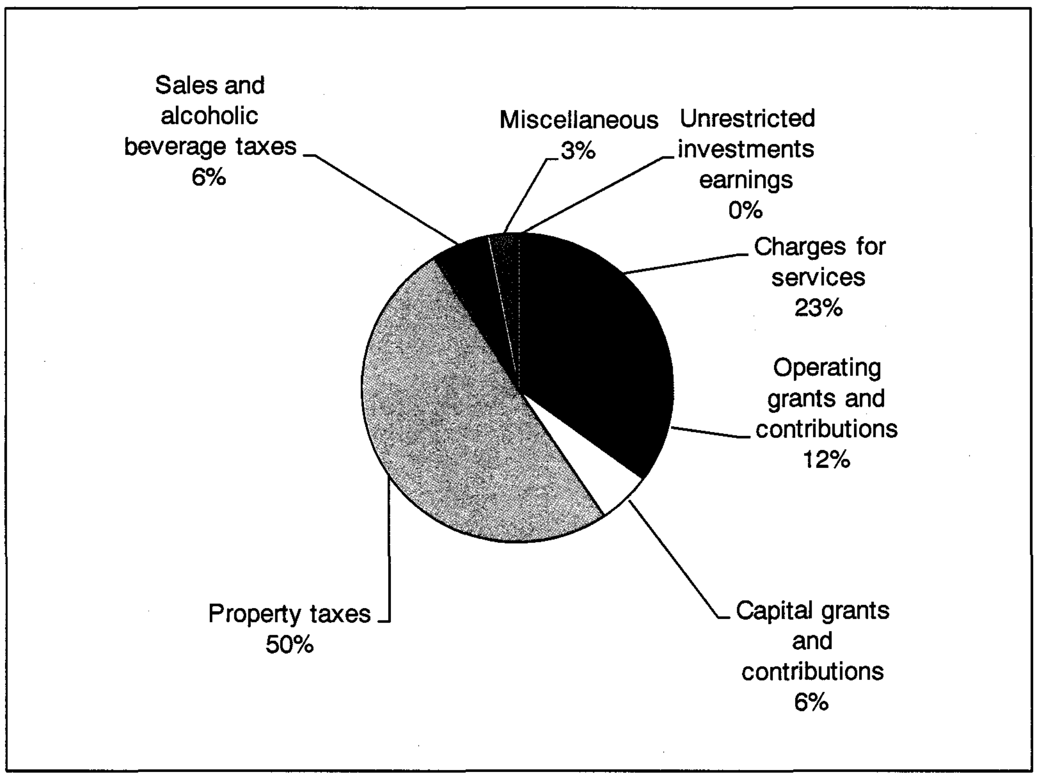
At December 31, 2010 the total reported revenues of $15,420,228, an increase of $1,586,245 over the prior year. The increase is due to an increase in operating grants and contributions in the amount of $963,580 and an increase in capital grants and contributions of $838,803. Ad valorem taxes increased as a result of increases in property valuations. The decrease in the judicial function is attributable to less tickets being written and people being affected by the economy, therefore, not paying their fines and fees in the various courts.

Expenses increased by $508,362 or approximately 4% over the prior year. The largest increase in expenditures was public facilities of $330,339 which was primarily due to architect fees and the restoration of the courthouse exterior with capital grant funds received through the Texas Historical Commission and the building of the courthouse annex. The decrease in the general administration function was due to the architect completing the master plan for the courthouse restoration project in the amount of $772,715.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of $6,252,708 equaled 45% of government expenses of $13,904,945. As expected, general revenues ($9,167,520) provided the required support and coverage for expenses.

- Over one-half of the expenses are Public Safety and Public Transportation ($8,663,600) while these categories consumed about 56% of total revenues of $15,420,228.

- The next largest category of expenses is General Administration ($1,811,240) at 12%.

- Grant revenues and contributions ($2,735,573) comprised about 18% of revenues. Miscellaneous Revenue reported the largest increase from the previous year due to Union Pacific Railroad closing two of their railroad crossings and contributing to the road and bridge precincts one and two to design an alternate route for property owners effected while charges for services showed the largest decrease from the previous year mainly due to a decrease in ambulance collections.

Financial Analysis of the Government's Funds

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting budget controls and fiscal responsibility is the framework of the County's strong fiscal management and accountability. Colorado County's bond rating is A+.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $7,712,187, a decrease of $52,628 in comparison with the prior year. Approximately 95% of this total amount ($7,282,793) is unreserved fund balance which is available for spending at the County's discretion. The remainder ($429,394) of fund balance is reserved for the payment of debt service.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $3,527,545. Unreserved fund balance represents 37 percent of total general fund expenses.

The fund balance of the County's general fund increased by $439,808 during the current fiscal year primarily due to additional grant funds for various emergency and crime prevention equipment and communications improvement.

The debt service fund has a total fund balance of $429,394 all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $11,821. The reserves for the payment of debt service approximate 84% of next year's scheduled debt payment.

General Fund Budgetary Highlights

Significant Differences in Original vs. Final Budget:

During the year there was a $1,013,000 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- $282,500 supplemental appropriation for the purchase of emergency and crime prevention equipment for the sheriff's department and security equipment for the courthouse with American Recovery and Reinvestment Act Funds;

- $326,000 supplemental appropriation for the installation of a 450' tower through the Homeland Security Program to improve the County's radio communications;

- $100,000 supplemental appropriation for the purchase of a law enforcement surveillance equipment through the Homeland Security Program for the sheriff's department;

- $270,000 supplemental appropriation for professional services for an architect to prepare the plans and specifications for courthouse restoration.

The increase was possible because of additional anticipated revenues. Those revenues included an increase in ad valorem taxes ($248,575) and an increase in operating grants ($1,139,000).

Significant Budget Variances:

- Commissioners Court – the county saved on workers compensation and other risk management insurance due to our carrier, Texas Association of Counties, issuing refunds, discounts, and rebates on various county policies.

- Non-Departmental – Services and Charges; the county hired an architect to prepare the plans and specifications for the courthouse restoration.

- Emergency Management – Other; larger than original budget by $293,710 due to receiving Homeland Security Funds for a new radio tower.

- EMS Director/Ambulance – Capital Outlay; the county did not build the new EMS station in Weimar, Texas.

- County Sheriff – Personnel Services was less than budget by $67,624 because several authorized positions were not filled for most of the year.

- Jail – Personnel Services and Services and Charges were less than budget by $142,213; the County received a discount on our law enforcement liability insurance; saved on electricity by renewing at a lower rate and had several authorized positions that were not filled for most of the year.

- Public Facilities – Services and Charges was less than budget by $105,034 due to the use of capital grant funds elsewhere to restore the courthouse exterior.

- Indigent Health Care – Services and Charges; diligent indigent screening resulted in fewer qualified applicants and reduced related costs.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of December 31, 2010, amounts to $20,340,426 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and infrastructure.

	Balance 12/31/10	Balance 12/31/09
Capital assets, not being depreciated:		
Land	$ 501,410	$ 476,410
Construction in progress	1,620,919	-
Capital assets, being depreciated		
Buildings and improvements	7,845,999	8,159,836
Equipment	2,534,827	2,591,528
Infrastructure	7,837,271	7,481,140
	$ 20,340,426	$ 18,708,914

Major capital asset events during the current fiscal year included the following:

- Purchase of used ambulance at a cost of $41,000.
- Purchased repeater and antenna for R&B precinct commissioners to communicate with workers.
- Purchased road equipment (auto crane, tractor and shredders).
- Purchased various emergency and crime prevention equipment for the sheriff's department with funds provided with the American Recovery and Reinvestment Act funds.
- Purchased five (5) new patrol units for the sheriff's department.
- Completed replacement of bridge at Harvey Creek.
- Continued two construction projects: the restoration of the courthouse exterior and a new courthouse annex.

Additional information on Colorado County's capital assets can be found in note V of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of $6,035,000.

	12/31/10	12/31/09
GOVERNMENTAL ACTIVITIES:		
Certificates of obligation	$ 6,035,000	$ 6,320,000
Bond premium	4,081	5,101
Bond discount	(8,066)	(10,083)
Contractual obligations	2,953,750	2,953,750
Compensated absences payable	167,623	184,164
OPEB obligation	52,160	50,641
	$ 9,204,548	$ 9,503,573

The County's total debt decreased by $285,000 during the current fiscal year.

The County's bond rating is "A+" from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is $161,073,200, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on Colorado County's long-term debt may be found in Note VI of this report.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners Court set the direction of the County, allocate its resources and establish its priorities.

- The 2010 annual unemployment rate for Colorado County was 7.7 percent up from 6.4 percent for 2009. This compares favorably to the state's average unemployment rate of 8 percent and the national rate of 9.1 percent.
- Due to uncertain national economy and its effects on the County's financial outlook, no salary increases were approved for county employees in the budget for the 2011 fiscal year.
- Limited local economy, which is centered on agriculture, mineral production, and processing plants.
- In calculating the taxes for the fiscal year 2011 budget, Colorado County had a net taxable appraised value of $1,610,732,004 billion, which was $32,060,087 less than the previous year. This is a result of reduced property value and oil and gas reserves along with slower growth.

All of these factors were considered in preparing the County's budget for the for the 2011 fiscal year. The property tax rate for the 2011 budget was set at the effective tax rate of $0.48206 per hundred dollar valuation. Before the adjustment for newly added property, the effective tax rate adjusts to only allow the county to receive the same tax levy as the previous year. Therefore, additional property tax revenue is generated from new property and tax rate increases in accordance with the State of Texas' Truth-in-Taxation laws.

Acknowledgements

For their assistance and cooperation during the year, I thank the District Judges, Commissioners' Court, elected officials, department heads, and employees in the various departments with whom we work. The interest and support of the Commissioners' Court in planning and conducting the financial operations of the county is appreciated. Those officials and employees exercising responsible and progressive management of the County's assets have contributed to the current status of Colorado County's financial condition.

Request for Information

This financial report is designed to provide a general overview of Colorado County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Raymie Kana, County Auditor, 318 Spring St., Suite 104, Columbus, Texas 78934.

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Basic Financial Statements

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COLORADO COUNTY, TEXAS

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Governmental Activities
ASSETS	
Cash	$ 6,270,653
Investments	1,135,939
Receivables (net of allowances for uncollectibles):	
Taxes	5,177,642
Accounts	648,381
Due from other governments	2,932,452
Deferred charges	67,431
Restricted assets:	
Cash	1,626,436
Capital assets not being depreciated:	
Land	501,410
Construction in progress	1,620,919
Capital assets (net of accumulated depreciation):	
Buildings and improvements	7,845,999
Equipment	2,534,827
Infrastructure	7,837,271
Total Assets	38,199,360
LIABILITIES	
Accounts payable	1,247,964
Due to others	13,054
Due to other governments	418,932
Unearned revenue	4,873,245
Taxes collected in advance	3,015,524
Noncurrent liabilities:	
Due within one year	3,415,378
Due in more than one year	5,789,170
Total Liabilities	18,773,267
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	16,147,180
Restricted For:	
Debt Service	454,623
Capital Projects	710,684
Unrestricted	2,113,606
Total Net Assets	$ 19,426,093

The accompanying notes are an integral part of this statement.

COLORADO COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General administration	$ 1,811,240	$ 221,373	$ 459,854	$ --
Financial administration	412,358	93,955	--	--
Judicial	1,344,174	1,126,978	78,267	--
Public safety	5,498,919	1,056,623	1,329,588	--
Public facilities	699,369	80,465	--	616,274
Public transportation	3,164,681	886,243	--	247,442
Conservation	132,463	2,380	4,148	--
Health and welfare	374,445	49,118	--	--
Interest on long-term debt	467,296	--	--	--
Total Governmental Activities	13,904,945	3,517,135	1,871,857	863,716
Total Primary Government	$ 13,904,945	$ 3,517,135	$ 1,871,857	$ 863,716

General Revenues:

Ad valorem taxes, penalty and interest

Sales taxes

Alcoholic beverage taxes

Miscellaneous

Unrestricted investment earnings

Transfers

Total General Revenues

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets
Governmental Activities
$ (1,130,013)
(318,403)
(138,929)
(3,112,708)
(2,630)
(2,030,996)
(125,935)
(325,327)
(467,296)
(7,652,237)
(7,652,237)
7,787,259
877,256
14,369
456,086
32,550
--
9,167,520
1,515,283
17,910,810
$ 19,426,093

COLORADO COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	$ 2,622,340	$ 3,648,313	$ 6,270,653
Investments	8,855	1,127,084	1,135,939
Receivables (net of allowances for uncollectibles):			
Taxes	3,241,285	1,936,357	5,177,642
Accounts	635,627	12,754	648,381
Due from other funds	289,901	--	289,901
Due from other governments	1,802,902	1,129,550	2,932,452
Restricted assets:			
Cash	1,031,662	594,774	1,626,436
Total Assets	$ 9,632,572	$ 8,448,832	$ 18,081,404
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 141,042	$ 797,255	$ 938,297
Due to others	13,054	--	13,054
Due to other funds	--	289,901	289,901
Due to other governments	418,932	--	418,932
Deferred revenue	3,638,855	2,054,655	5,693,510
Taxes collected in advance	1,893,144	1,122,379	3,015,523
Total Liabilities	6,105,027	4,264,190	10,369,217
Fund Balances:			
Reserved Fund Balances			
Reserved for debt service	--	429,394	429,394
Unreserved, reported in:			
General Fund	3,527,545	--	3,527,545
Special Revenue Funds	--	3,044,564	3,044,564
Capital Projects Funds	--	710,684	710,684
Total Fund Balances	3,527,545	4,184,642	7,712,187
Total Liabilities and Fund Balances	$ 9,632,572	$ 8,448,832	$ 18,081,404

The accompanying notes are an integral part of this statement.

COLORADO COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balances - governmental funds balance sheet	$	7,712,187
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not reported in the funds.		20,340,426
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		402,349
Payables for bond principal which are not due in the current period are not reported in the funds.		(6,031,015)
Payables for bond interest which are not due in the current period are not reported in the funds.		(309,666)
Payables for compensated absences which are not due in the current period are not reported in the funds.		(167,624)
Payables for contracts which are not due in the current period are not reported in the funds.		(2,953,750)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		67,431
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.		266,212
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.		151,704
Payables for OPEB obligation is not reported in the funds.		(52,160)
Net assets of governmental activities - Statement of Net Assets	$	19,426,093

The accompanying notes are an integral part of this statement.

COLORADO COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes, penalty and interest	$ 4,809,756	$ 2,998,987	$ 7,808,743
Other taxes	891,625	--	891,625
Licenses and permits	10,000	693,860	703,860
Fines and forfeitures	833,737	26,563	860,300
Charges for services	1,805,950	151,667	1,957,617
Intergovernmental	1,816,522	677,277	2,493,799
Miscellaneous	49,335	541,118	590,453
Total revenues	10,216,925	5,089,472	15,306,397
Expenditures:			
Current:			
General administration	1,694,427	67,305	1,761,732
Financial administration	413,859	--	413,859
Judicial	1,215,962	127,545	1,343,507
Public safety	5,248,126	107,513	5,355,639
Public facilities	418,693	1,000,008	1,418,701
Public transportation	--	3,104,217	3,104,217
Conservation	132,192	--	132,192
Health and welfare	343,332	17,787	361,119
Capital outlay	--	944,365	944,365
Debt service:			
Principal	--	285,000	285,000
Interest and fiscal charges	--	237,284	237,284
Bond issue costs	--	1,410	1,410
Total expenditures	9,466,591	5,892,434	15,359,025
Excess (deficiency) of revenues over (under) expenditures	750,334	(802,962)	(52,628)
Other financing sources (uses):			
Transfers in	--	310,526	310,526
Transfers out	(310,526)	--	(310,526)
Total other financing sources (uses)	(310,526)	310,526	--
Change in net assets	439,808	(492,436)	(52,628)
Fund balances, January 1	3,087,737	4,677,078	7,764,815
Fund balances, December 31	$ 3,527,545	$ 4,184,642	$ 7,712,187

The accompanying notes are an integral part of this statement.

COLORADO COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

Net change in fund balances - total governmental funds	$	(52,628)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		2,831,618
The depreciation of capital assets used in governmental activities is not reported in the funds.		(1,425,190)
The gain or loss on the sale of capital assets is not reported in the funds.		(22,357)
Donations of capital assets increase net assets in the SOA but not in the funds.		247,442
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		(21,483)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		285,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.		(8,442)
(Increase) decrease in accrued interest from beginning of period to end of period.		(221,568)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		16,539
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.		3,655
Certain ambulance receivables are deferred in the funds. This is the change in these amounts this year.		(115,783)
Changes in OPEB obligation reported as the amount earned in the SOA but as the amount paid in the funds.		(1,519)
Change in net assets of governmental activities - Statement of Activities	$	1,515,283

The accompanying notes are an integral part of this statement.

COLORADO COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Agency Funds
ASSETS	
Cash	$ 728,186
Total Assets	$ 728,186
LIABILITIES	
Due to others	$ 422,121
Due to other governments	306,065
Total Liabilities	$ 728,186

The accompanying notes are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County is governed by an elected judge and four county commissioners which comprise the commissioners court. The County's operational activities include general and financial administration, judicial, public safety, public facilities, construction and maintenance of roads, conservation and health and welfare assistance,

The Colorado County Commissioners' Court is the level of government which has oversight responsibility and control over all activities of the County. The Court is composed of four commissioners, one elected from each of the four precincts in the County, and the County Judge elected from the entire County. The members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. Although the County receives funding from local, state and federal government entities, the Commissioners' Court is not included in any other government "reporting entity."

For financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability - The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the financial statements present the County only.

B. Use of Estimates

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

C. Government-wide and Fund Financial Statements

The **government-wide financial statements** (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity that represents direct expenses (charges based on actual use) between funds has not been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

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

Separate fund financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund meets criteria as a major governmental fund. Non-major funds include Special Revenue, Debt Service, and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Revenues are classified as *program revenues* and *general revenues.* Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, miscellaneous, and investment earnings.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. Property taxes which were levied and due October 1, 2010 are intended to finance the County's budget for the fiscal year beginning January 1, 2011; accordingly, recognition of revenue from this levy has been deferred to the next fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

The General Fund is the County's general operating fund and is always classified as a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include property and other taxes, intergovernmental revenues, charges for services, and investment of idle funds. Primary expenditures are for general and financial administration, judicial, public safety, public facilities, conservation and health and welfare assistance,

The Capital Projects Fund accounts for expenditures of bond proceeds used for an ongoing courthouse renovation program.

Nonmajor funds include special revenue, and the debt service fund.

Fiduciary fund financial statements include fiduciary funds which are classified into private purpose trust and agency funds. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other fiduciary funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations; these funds are used by the County Clerk, District Clerk, JP #1, JP #2, County Sheriff, County Attorney, County Tax Assessor/Collector, County Attorney, and for Payroll Clearing.

E. Assets, liabilities, and net assets or equity

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted cash is reported in funds receiving ad valorem tax revenue for taxes levied for fiscal year 2011.

2. Investments

The County's investment policy authorizes the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured 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 investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); (6) money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less; (7) eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by the Commissioner's Court, and whose investment philosophy and strategy are consistent with the Policy and the County's ongoing investment strategy.

Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices. All investment income is recognized in the appropriate fund's statement of activity and or statement of revenues, expenditures and changes in fund balance.

3. Receivables and Payables

Due from Other Governments - Due from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the grantor have been met.

Reimbursements for services performed are recorded as receivables and revenue when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

Due From or Due to Other Funds - Lending or borrowing between funds is reflected as "due from or due to" (current portion) or "advances to or advances from other funds" (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund activity reflected in "due from or due to" is eliminated on the government-wide statements.

4. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads and bridges), are reported in the government-wide financial statements. Capital assets (except for grant assets with lower thresholds) are defined as assets with a cost of $5,000 or more. Infrastructure assets include County-owned roads and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets except for infrastructure are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	30 years
Equipment	3 - 10 years
Infrastructure	20 - 45 years

5. Fund Equity

In government-wide statements, net assets are classified into three categories as follows:

a. **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. **Restricted** – This component of net assets consists of net assets whose use is restricted by contributors, laws or regulations of other governments, or by laws through constitutional provisions or enabling legislation.

c. **Unrestricted** – This component of net assets consists of those assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or legally restricted by outside parties for a specific purpose. Fund reservations include debt service, capital projects, and prepaid assets.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balances for total governmental funds and net assets as reported in the government-wide statement of net assets. The details of the difference are as follows:

Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds:

Deferred charges (bond issuance costs)	$ 67,431

Court fines receivable are unavailable to pay for current period expenditures and are deferred in the funds:

Deferred fines and fee revenue	
County clerk fines	$ 107,944
District clerk fines	138,377
Justice of peace fines	19,891
	$ 266,212

III. DEPOSITS, INVESTMENTS AND INVESTMENT POLICIES

A. Deposits

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The County's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at December 31, 2010. At year end, the carrying amount of the County's deposits was $8,625,275 (including $1,626,436 restricted) and the respective bank balance was $9,059,076. The bank balance was collateralized with securities held by the pledging financial institution's agent in the County's name. At year end, the County's depository had pledged securities, with a par value of $10,303,418 and fair value of $10,821,694.

B. Investments

State statutes, County bond ordinances and Commissioners Court orders authorize the County's investments. At December 31, 2010, all of the County's investments were held by the County or its agent in the County's name. At year end the County's investments were:

Description	Carrying Amount	Fair Value	Investment Rating	Percent of Portfolio	Average Days to Maturity
Investments not subject to categorization:					
Government sponsored investment pool - TexPool	$ 8,855	$ 8,840	n/a	0.8%	1
Government sponsored investment pool - TexSTAR	1,127,084	1,127,084	AAAm	99.2%	1
	1,135,939	1,135,924			
	$ 1,135,939	$ 1,135,924			

TexPool Local Government Investment Pool

TexPool is an external investment pool operated by the Texas Comptroller of Public Accounts and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

Texas Short Term Asset Reserve ("TexSTAR") Cash Reserve Fund

The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. TexSTAR has a board of directors, appointed by the governmental participants, who provide for the joint investment of participant's public funds and funds under their control. TexSTAR operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, to the extent such rule is applicable to its operations. Accordingly, TexSTAR uses the amortized cost method permitted by SEC Rule 2a-7 to report net assets and share prices since that amount approximates fair value. The investment activities of TexSTAR and is administered by third party advisors. There is no regulatory oversight by the State of Texas over TexSTAR.

Interest Rate Risk. – In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolios as follows:

Operating portfolio - less than 270 days.
Surplus funds portfolio – up to 5 years.
Construction and capital improvements portfolios – up to 5 years.
Special revenue fund portfolios – up to 2 years.
Registry and state agency funds – up to 90 days.

Credit Risk – The County's investment policy limits investments as described previously in Note I.E.2.

Concentration of Credit Risk – With the exception of U.S. Government securities (100%), as authorized, and authorized local government investment pools (up to 60%), no more than 50% of the total investment portfolio may be invested in any one security type or with a single financial institution. Investments in money market mutual funds are limited to 10% of the County's total portfolio.

Custodial Credit Risk – Deposits. In the case of deposits this is the risk, that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of a 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 the outside party.

IV. PROPERTY TAXES AND OTHER RECEIVABLES

A. Property Tax Calendar/Taxes Collected In Advance

The County's property tax is levied and recorded as a receivable each October 1, on the assessed value listed as of the prior January 1, for all real and business property located in the County. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment. The County is prohibited from using taxes collected between October 1 and December 31 until the first day of the budget year for which the taxes are levied. As a result, taxes collected between these dates are shown as restricted cash and deferred revenue on the balance sheets of the General and Debt Service Funds.

The appraisal of property within the County is the responsibility of the Colorado County Appraisal District as required by legislation passed by the Texas Legislature. The Appraisal District is required under such legislation 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. The value of property within the appraisal district must be reviewed every five years; however, the county may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

B. Receivables

Governmental fund type receivables consist of amounts due for property taxes or amounts due for services (net of allowance for uncollectibles). Any portion of receivables that do not meet the criteria for revenue recognition are recorded as deferred revenue.

Receivables for individual major funds and nonmajor funds in the aggregate at December 31, 2010 were as follows:

	Major Fund General	Non-Major Funds	Total
Taxes receivable	$ 3,241,285	$ 1,936,357	$ 5,177,642
Accounts receivable	2,160,285	18,221	2,178,506
Allowance for uncollectible accounts	(1,524,658)	(5,467)	(1,530,125)
	635,627	12,754	648,381
Due from other governments	1,802,902	1,129,550	2,932,452
Total	$ 5,679,814	$ 3,078,661	$ 8,758,475

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
General Fund			
Current ad valorem taxes receivable	$ 243,828	$ -	$ 243,828
Ambulance receivable	151,704	-	151,704
Fines and fees receivable	262,544	-	262,544
Delinquent ad valorem taxes receivable	-	2,980,779	2,980,779
	658,076	2,980,779	3,638,855
Non-Major Funds			
Current ad valorem taxes receivable	158,521	-	158,521
Fines and fees receivable	3,668	-	3,668
Grant advance	-	125,000	125,000
Delinquent ad valorem taxes receivable	-	1,767,466	1,767,466
	162,189	1,892,466	2,054,655
Total	$ 820,265	$ 4,873,245	$ 5,693,510

V. CAPITAL ASSETS

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB-34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at estimated or actual historical costs. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in governmental-type activities. Donated capital assets are valued at their estimated fair market value on the date of donation.

The County uses the following criteria to classify capital assets:

Useful life exceeds one year, and cost equals $5,000 or more for assets acquired by governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital assets are estimated using the straight line method over estimated useful lives and are charged as an expense against operations. Accumulated depreciation and amortization are reported for governmental activities.

The following is a summary of capital asset activity for the year ended December 31, 2010:

	Balance 12/31/09	Additions	Retirements	Transfers and Completed Construction	Balance 12/31/10
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	$ 476,410	$ 25,000	$ -	$ -	$ 501,410
Construction in progress	-	1,620,919	-	-	1,620,919
Total capital assets not being depreciated	476,410	1,645,919	-	-	2,122,329
Capital assets, being depreciated					
Buildings and improvements	15,326,894	-	-	-	15,326,894
Equipment	7,152,963	625,305	(237,115)	-	7,541,153
Infrastructure	99,054,109	807,836	(811,839)	-	99,050,106
Total capital assets being depreciated	121,533,966	1,433,141	(1,048,954)	-	121,918,153
Less accumulated depreciation for:					
Buildings and improvements	(7,167,058)	(314,819)	982	-	(7,480,895)
Equipment	(4,561,436)	(658,666)	213,776	-	(5,006,326)
Infrastructure	(91,572,969)	(451,705)	811,839	-	(91,212,835)
Total accumulated depreciation	(103,301,463)	(1,425,190)	1,026,597	-	(103,700,056)
Total capital assets being depreciated, net	18,232,503	7,951	(22,357)	-	18,218,097
Governmental activities capital assets, net	$ 18,708,913	$ 1,653,870	$ (22,357)	$ -	$ 20,340,426

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

Functions/Programs	
General administration	$ 50,069
Judicial	7,664
Public safety	559,600
Public transportation	793,517
Health and welfare	14,340
	$ 1,425,190

VI. LONG-TERM DEBT

A. General Obligation Debt

The County finances acquisition or construction of facilities with general obligation debt which is repaid by the debt service funds. At December 31, 2010, the County had the following outstanding bonded debt:

Purpose	Original Amount	Year of Issue	Final Maturity	Average Annual Payment	Interest Rate	Balance 12/31/2010
GOVERNMENTAL ACTIVITIES DEBT						
Certificates of Obligation:						
Refunding (Buildings)	$ 2,440,000	2004	2014	$ 291,200	1.25% - 3.50%	$ 1,075,000
Bond premium/discount						(3,985)
Building repairs	5,000,000	2008	2028	403,280	3.92%	4,960,000
Total Governmental Activites Debt						$ 6,031,015

Annual debt service requirements to maturity for general debt:

Year Ending December 31,	Principal	Interest	Total
2011	295,000	228,534	523,534
2012	305,000	219,699	524,699
2013	310,000	210,181	520,181
2014	325,000	199,703	524,703
2015	260,000	188,160	448,160
2016 - 2020	1,480,000	778,120	2,258,120
2021 - 2025	1,800,000	464,520	2,264,520
2026 - 2028	1,260,000	99,960	1,359,960
	$ 6,035,000	$ 2,388,877	$ 8,423,877

B. Compensated Absences

Vested or accumulated vacation leave and compensation time that is expected to be paid with expendable available financial resources is reported as expenditures and fund liabilities of the General Fund and Road and Bridge special revenue funds. Amounts of vested or accumulated vacation leave and compensation time that are not expected to be paid with expendable available financial resources are reported in the in the government wide statement of assets and expense is recorded for the net change in the government wide statement of changes in net assets. A liability for these amounts is reported in governmental funds only if they are matured, for example, unused reimbursable leave payable as a result of employee resignations and retirements.

C. Contractual Obligation/Special Item

Juvenile Detention Boot Camp

During 2005, the County's juvenile detention boot camp operator resigned from operating the boot camp. Under the terms of an agreement between the parties, the County is required to repay a prorated amount based on an advance from the operator to the County which was used to construct part of the facility. This amount is estimated to be $403,750. The County operated the boot camp until February, 2006. The County disputes the terms of the agreement and intends to vigorously resist repayment. Until a resolution is reached, this amount is reported as a current obligation.

During 2006, the County Commissioners Court elected to cease operating the boot camp. Under the terms of an agreement between the County and the Texas Juvenile Probation Commission (TJPC), the County is required to repay a nonprorated advance from TJPC if boot camp operations cease. This amount is estimated to be $2,550,000. The County disputes the terms of the agreement and intends to vigorously resist repayment. Until a resolution is reached, this amount is reported as a current obligation.

D. Schedule of Changes in Long-Term Debt

	12/31/2009	Additions	Retirements	12/31/2010	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Certificates of obligation	$ 6,320,000	$ -	$ (285,000)	$ 6,035,000	$ 295,000
Bond premium	5,101	-	(1,020)	4,081	1,020
Bond discount	(10,083)	-	2,016	(8,067)	(2,016)
Contractual obligations	2,953,750	-	-	2,953,750	2,953,750
Compensated absences payable	184,163	-	(16,539)	167,624	167,624
OPEB obligation	50,641	1,519	-	52,160	-
	$ 9,503,572	$ 1,519	$ (300,543)	$ 9,204,548	$ 3,415,378

Liabilities for compensated absences and OPEB obligation are liquidated by the General Fund.

E. Operating Lease Payments

The County has entered into operating leases for copy machines for various offices.

FY	Amount
2011	$ 26,522
2012	25,655
2013	11,404
2014	4,883
2015	2,784

VII. DUE FROM/DUE TO OTHER FUNDS AND TRANSFERS

Due From/To Other Funds at December 31, 2010 were as follows:

	Transfers In	Transfers Out
General Fund	$ 289,901	$ -
Nonmajor governmental funds	-	289,901
Total transfers	$ 289,901	$ 289,901

The General Fund has temporarily advanced funds to the Courthouse Preservation Fund in expectation of settlement using grant proceeds.

Transfers during 2010 were as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 310,526
Nonmajor governmental funds	310,526	-
Total transfers	$ 310,526	$ 310,526

Transfers were made primarily to support airport fund operations and courthouse preservation.

VIII. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-2034.

The plan provisions are adopted by the County Commissioners' Court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years 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 County Commissioners' Court within the 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 contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B. Funding Policy

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.41% for 2010.

The contribution rate payable by the employee members for calendar year 2010 is the rate of 7% as adopted by the County Commissioners' Court. The employee contribution rate and the employer contribution rate may be changed by the County Commissioners' Court within the options available in the TCDRS Act.

C. Annual Pension Cost

For the County's fiscal year ended December 31, 2010, the annual pension cost for the TCDRS plan for its employees was $556,523 and the actual contributions were $556,523.

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

Actuarial Valuation Information

Actuarial valuation date	12/31/07	12/31/08	12/31/09
Actuarial cost method	entry age	entry age	entry age
	level percentage	level percentage	level percentage
Amortization method	of payroll, closed	of payroll, closed	of payroll, closed
Amortization period in years	15.0	18.0	20.0
	SAF: 10-yr	SAF: 10-yr	SAF: 10-yr
	smoothed value;	smoothed value;	smoothed value;
Asset valuation method	ESF: Fund value	ESF: Fund value	ESF: Fund value
Assumptions:			
Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

Schedule of Funding Progress

Acruarial valuation date	12/31/07	12/31/08	12/31/09
Actuarial value of assets	$ 8,022,660	$ 8,627,103	$ 10,026,299
Actuarial accrued liability (AAL)	$ 9,074,219	$ 11,063,685	$ 12,571,193
Unfunded actuarial accrued liability (UAAL)	$ 1,051,559	$ 2,436,582	$ 2,544,894
Funded ratio	88.4%	78.0%	79.8%
Annual covered payroll (actuarial)	$ 4,179,142	$ 4,599,743	$ 5,088,053
UAAL as percentage of covered payroll	25.2%	53.0%	50.0%

Trend Information

Accounting Year Ending	12/31/08	12/31/09	12/31/10
Annual Pension Cost (APC)	$ 352,340	$ 387,204	$ 556,516
Percentage of APC contributed	100.0%	100.0%	100.0%
Net Pension Obligation	$ -	$ -	$ -

IX. OTHER POST EMPLOYEMENT BENFITS

A. Plan Description

General

The Colorado County Retiree Health Care Plan is not a formal document detailing the specific terms of the plan, but is a substantive plan - loosely defined as the benefits covered by the plan as understood by the employer and plan members at the time of each actuarial valuation.

Beginning in FY 2008, the County implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions". In connection with such implementation, the County has commissioned an actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. This study indicates an unfunded actuarial accrued liability as of December 31, 2009 of approximately $179,212.

OPEB Plan Eligibility

Permanent full-time employees who retire drawing a monthly county pension from the Texas County & District Retirement System (TCDRS) are eligible to participate in the Texas Association of Counties HEBP health care plan. at the expense of the retiree.

Members are eligible for retirement in TCDRS at age 60 with 8 years of service credit or at any age with 20 years of service credit or when member's age plus service credit totals 75. Members terminating before normal retirement conditions are not eligible. Benefits include dental/vision coverage, and life insurance.

Retirees who terminate employment before normal retirement conditions are not eligible.

Retiree's surviving spouses are eligible for death-in-service benefits if the spouse was enrolled in the TAC HEBP health care plan at the time of the retiree's death at the expense of the surviving spouse.

Employees who become eligible for disability retirement also are eligible to participate in the plan at the expense of the retiree.

TAC HEBP health care coverage terminates once the retiree is eligible for Medicare. The retiree is then eligible for the County Silver Choice Plan at the retiree's expense. Spouses and dependents of a Medicare eligible retiree may continue TAC HEBP health care coverage for up to 18 months through COBRA.

Health Care and Other Benefits

Retiree medical coverage for retirees is the same as coverage provided to active County employees in accordance with the terms and conditions of the current TAC HEBP health care coverage if they were enrolled at the time of death. Benefits include medical and prescription drug, vision/dental coverage, and life insurance ($10,000 without AD&D until age 65). All benefits are provided at the expense of the retiree.

B. Funding Policies

The County has elected to fund the plan on a current pay as you go (PAYGO), i.e., the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the use of a discount rate consistent with the investment return on the employer's general assets. In the valuation, the discount rate is 4.5%.

The actuarially determined contribution requirement for the County's fiscal year is computed through an actuarial valuation performed as of December 31, 2008. The actuarial valuation is performed to determine the adequacy of the contribution rate, to describe the current financial condition of OPEB and to analyze changes in conditions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information (initiated in 2008) provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the plan and include the types of benefits in force at the valuations date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Significant Actuarial Assumptions	
Actuarially assumed investment rate	4.5% per annum compounded annually net after investment expense.
Mortality rates for males and females	Retirement Plans 2000 Healthy Mortality Table
Retirement, disablement and separation rates	Graduated rates based on age (detailed in actuary's report).
Actuarial cost method	The projected unit credit cost method.
General inflation	3.0% per annum
Payroll growth rate	3.0% per annum
Health cost increase	Graduated rates based on age (detailed in actuary's report).
Method used for determining actuarial value of assets	Market value of assets
Amortization method	Level percent, closed
Remaining amortization	28 years

The County's annual OPEB costs, contributions, percent contributed, and net OPEB asset is as follows:

	OPEB Plan			
Year Ended	Annual OPEB Cost	County Contribution	Percentage Contributed	Net OPEB Cost
December 31, 2008	$ 49,116	$ -	0.0%	$ 49,116
December 31, 2009	$ 50,589	$ -	0.0%	$ 50,589
December 31, 2010	$ 31,714	$ -	0.0%	$ 31,714

The funding status of the OPEB plan as of January 1, 2010, representing the most recent valuation date is as follows:

Valuation Date	Actuarial Valuation of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Asset (Liability) (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
December 31, 2010	$ -	$ 374,049	$ 374,049	0.0%	$ 5,088,053	7.4%

The County's net OPEB liability for fiscal years ended December 31, 2010, 2009, and 2008 are as follows:

	2010	2009	2008
Annual Required Contribution (ARC)	$ 23,650	$ 50,589	$ 49,116
Interest on net OPEB (NOPEB)	8,064	18,076	-
Adjustment to ARC	-	(291,147)	-
Annual OPEB cost	31,714	(222,482)	49,116
Employer contributions	-	-	-
Change in OPEB	31,714	(222,482)	49,116
NOPEB - January 1	179,211	401,693	352,577
NOPEB - December 31	$ 210,925	$ 179,211	$ 401,693

X. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess insurance coverage. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements.

XI. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment. 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 County expects such amounts, if any, to be immaterial.

Occasionally, the County is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

XII. OTHER DISCLOSURES

Concentrations of Credit Risk / Business Concentrations

Governmental fund type accounts and taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for approving credit and filing property tax liens.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes, penalty and interest	$ 4,600,450	$ 4,635,450	$ 4,849,025	$ 213,575
Other taxes	960,400	965,400	857,276	(108,124)
Licenses and permits	9,500	9,500	10,784	1,284
Fines and forfeitures	796,650	822,150	829,379	7,229
Charges for services	1,892,950	1,964,600	1,804,792	(159,808)
Intergovernmental	125,000	1,243,886	1,264,136	20,250
Miscellaneous	65,050	72,050	59,014	(13,036)
Total revenues	8,450,000	9,713,036	9,674,406	(38,630)
Expenditures:				
Current:				
General Administration				
County Judge				
Personnel services	135,150	135,150	131,835	3,315
Supplies	2,000	3,500	3,242	258
Services and charges	6,850	6,350	5,281	1,069
Capital outlay	4,000	3,000	2,750	250
Total County Judge	148,000	148,000	143,108	4,892
Commisioners' Court				
Personnel services	256,405	256,405	251,847	4,558
Supplies	65,000	65,000	45,904	19,096
Services and charges	435,250	402,250	342,970	59,280
Total Commisioners' Court	756,655	723,655	640,721	82,934
County Clerk				
Personnel services	337,150	337,150	321,523	15,627
Supplies	12,000	12,000	10,967	1,033
Services and charges	20,250	22,750	19,331	3,419
Capital outlay	5,000	5,000	6,912	(1,912)
Total County Clerk	374,400	376,900	358,733	18,167
Elections				
Supplies	6,000	15,000	14,342	658
Services and charges	16,500	24,500	23,531	969
Total Elections	22,500	39,500	37,873	1,627
Veteran Service Officer				
Personnel services	14,855	16,255	16,292	(37)
Supplies	1,795	1,700	251	1,449
Services and charges	1,500	1,595	1,059	536
Total Veteran Service Officer	18,150	19,550	17,602	1,948
Nondepartmental				
Personnel services	78,010	75,778	65,985	9,793
Supplies	38,500	38,500	24,948	13,552
Services and charges	221,350	504,850	412,238	92,612
Capital outlay	50,000	--	--	--
Total Nondepartmental	387,860	619,128	503,171	115,957

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Information Technology				
Personnel services	$ --	$ 21,760	$ 21,689	$ 71
Total Information Technology	--	21,760	21,689	71
Total General Administration	1,707,565	1,948,493	1,722,897	225,596
Financial Administration				
County Auditor				
Personnel services	155,300	155,300	151,995	3,305
Supplies	3,000	3,000	3,210	(210)
Services and charges	3,700	4,300	3,341	959
Capital outlay	2,000	2,000	1,756	244
Total County Auditor	164,000	164,600	160,302	4,298
County Treasurer				
Personnel services	60,320	60,320	59,140	1,180
Supplies	1,500	1,500	1,319	181
Services and charges	2,600	3,000	2,669	331
Capital outlay	1,500	1,500	799	701
Total County Treasurer	65,920	66,320	63,927	2,393
Tax Assessor - Collector				
Personnel services	188,200	188,200	183,262	4,938
Supplies	2,000	2,500	2,281	219
Services and charges	8,500	8,000	3,035	4,965
Capital outlay	1,000	1,000	1,100	(100)
Total Tax Assessor - Collector	199,700	199,700	189,678	10,022
Total Financial Administration	429,620	430,620	413,907	16,713
Judicial				
County Court				
Services and charges	30,000	32,500	23,961	8,539
Total County Court	30,000	32,500	23,961	8,539
Public Defender				
Personnel services	138,500	138,500	135,441	3,059
Supplies	3,000	3,000	2,505	495
Services and charges	4,250	5,000	3,231	1,769
Total Public Defender	145,750	146,500	141,177	5,323
Court Reporter				
Supplies	110	110	140	(30)
Services and charges	24,890	24,890	20,192	4,698
Total Court Reporter	25,000	25,000	20,332	4,668
Court Coordinator				
Supplies	110	110	139	(29)
Services and charges	24,890	24,890	22,308	2,582
Total Court Coordinator	25,000	25,000	22,447	2,553

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
District Court				
Services and charges	$ 55,350	$ 60,350	$ 58,950	$ 1,400
Total District Court	55,350	60,350	58,950	1,400
District Clerk				
Personnel services	143,800	130,872	115,596	15,276
Supplies	6,000	6,000	2,798	3,202
Services and charges	2,500	2,750	2,261	489
Capital outlay	8,000	8,000	7,168	832
Total District Clerk	160,300	147,622	127,823	19,799
Justice of the Peace Number 1				
Personnel services	118,600	118,600	109,731	8,869
Supplies	4,000	2,300	2,205	95
Services and charges	7,000	9,200	6,972	2,228
Capital outlay	2,000	2,000	858	1,142
Total Justice of the Peace Number 1	131,600	132,100	119,766	12,334
Justice of the Peace Number 2				
Personnel services	111,900	111,900	106,485	5,415
Supplies	4,000	4,000	3,059	941
Services and charges	7,700	7,700	6,565	1,135
Capital outlay	2,000	2,000	--	2,000
Total Justice of the Peace Number 2	125,600	125,600	116,109	9,491
Justice of the Peace Number 3				
Personnel services	114,900	114,900	111,127	3,773
Supplies	5,500	5,500	4,488	1,012
Services and charges	6,700	7,700	4,424	3,276
Capital outlay	3,000	3,000	825	2,175
Total Justice of the Peace Number 3	130,100	131,100	120,864	10,236
Justice of the Peace Number 4				
Personnel services	77,800	77,800	76,151	1,649
Supplies	3,000	4,000	3,809	191
Services and charges	11,600	12,700	10,517	2,183
Capital outlay	2,000	1,250	--	1,250
Total Justice of the Peace Number 4	94,400	95,750	90,477	5,273
County Attorney				
Personnel services	344,700	344,700	338,382	6,318
Services and charges	25,000	20,500	19,972	528
Capital outlay	--	4,500	4,280	220
Total County Attorney	369,700	369,700	362,634	7,066
Total Judicial	1,292,800	1,291,222	1,204,540	86,682

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Public Safety				
Emergency Management				
Personnel services	$ 36,200	$ 36,200	$ 35,418	$ 782
Supplies	1,600	1,600	1,211	389
Services and charges	8,200	9,200	7,777	1,423
Capital outlay	41,000	40,000	6,000	34,000
Other	20,000	346,200	313,710	32,490
Total Emergency Management	107,000	433,200	364,116	69,084
EMS Director/Ambulance				
Personnel services	902,890	902,890	923,565	(20,675)
Supplies	85,000	79,800	81,895	(2,095)
Services and charges	171,250	174,750	156,134	18,616
Capital outlay	176,500	159,000	48,250	110,750
Total EMS Director/Ambulance	1,335,640	1,316,440	1,209,844	106,596
Constables				
Personnel services	75,800	75,800	73,997	1,803
Services and charges	14,200	14,200	11,493	2,707
Total Constables	90,000	90,000	85,490	4,510
911 Rural Addressing				
Personnel services	79,025	79,025	76,915	2,110
Services and charges	22,800	22,800	10,382	12,418
Capital outlay	5,000	5,000	--	5,000
Total 911 Rural Addressing	106,825	106,825	87,297	19,528
County Sheriff				
Personnel services	1,480,975	1,480,975	1,413,351	67,624
Supplies	122,750	118,250	112,904	5,346
Services and charges	165,750	149,250	109,062	40,188
Capital outlay	146,000	177,000	163,625	13,375
Other	--	100,200	29,384	70,816
Total County Sheriff	1,915,475	2,025,675	1,828,325	197,350
ARRA Grant/JAG Program				
Supplies	--	16,524	16,307	217
Capital outlay	--	265,962	265,844	118
Total ARRA Grant/JAG Program	--	282,486	282,151	335
Operation of Jail				
Personnel services	906,800	906,800	855,322	51,478
Supplies	128,000	136,500	143,728	(7,228)
Services and charges	352,500	344,000	253,265	90,735
Capital outlay	5,000	5,000	2,025	2,975
Total Operation of Jail	1,392,300	1,392,300	1,254,340	137,960
Correction - Probation Juvenile				
Personnel services	13,990	13,990	13,695	295
Services and charges	84,975	84,975	75,503	9,472
Total Correction - Probation Juvenile	98,965	98,965	89,198	9,767

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Department of Public Safety				
Personnel services	$ 38,550	$ 38,550	$ 37,583	$ 967
Supplies	1,000	1,000	528	472
Services and charges	2,300	2,300	2,137	163
Capital outlay	4,500	4,500	--	4,500
Total Department of Public Safety	46,350	46,350	40,248	6,102
Total Public Safety	5,092,555	5,792,241	5,241,010	551,231
Public Facilities				
Courthouse Building				
Personnel services	131,800	131,800	113,489	18,311
Supplies	17,000	22,500	20,950	1,550
Services and charges	347,000	346,500	241,466	105,034
Capital outlay	3,000	48,500	48,413	87
Total Courthouse Building	498,800	549,300	424,318	124,982
Total Public Facilities	498,800	549,300	424,318	124,982
Conservation				
Agriculture Extension Service				
Personnel services	110,700	110,700	107,952	2,748
Supplies	6,000	6,000	5,453	547
Services and charges	17,200	18,200	17,336	864
Capital outlay	9,500	8,500	798	7,702
Total Agriculture Extension Service	143,400	143,400	131,539	11,861
Total Conservation	143,400	143,400	131,539	11,861
Health and Welfare				
Septic System - Flood Plain				
Personnel services	41,550	41,550	33,590	7,960
Supplies	1,450	1,450	925	525
Services and charges	7,700	7,700	4,933	2,767
Capital outlay	1,000	1,000	--	1,000
Total Septic System - Flood Plain	51,700	51,700	39,448	12,252
Mental Health and Alcohol				
Services and charges	52,180	52,180	31,989	20,191
Total Mental Health and Alcohol	52,180	52,180	31,989	20,191
Health Services				
Personnel services	18,300	18,300	17,988	312
Services and charges	7,200	7,200	7,161	39
Total Health Services	25,500	25,500	25,149	351
Contract Services				
Services and charges	102,380	124,880	122,065	2,815
Other	18,000	18,000	18,000	--
Total Contract Services	120,380	142,880	140,065	2,815

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Indigent Health Care				
Personnel services	$ 36,500	$ 36,500	$ 30,540	$ 5,960
Supplies	500	500	468	32
Services and charges	274,450	274,450	65,959	208,491
Capital outlay	750	750	--	750
Total Indigent Health Care	312,200	312,200	96,967	215,233
Parks and Recreation				
Services and charges	4,000	5,000	3,311	1,689
Capital outlay	6,000	5,000	--	5,000
Total Parks and Recreation	10,000	10,000	3,311	6,689
Total Health and Welfare	571,960	594,460	336,928	257,532
Total expenditures	9,736,700	10,749,736	9,475,138	1,274,598
Excess (deficiency) of revenues over (under) expenditures	(1,286,700)	(1,036,700)	199,268	1,235,968
Other financing sources (uses):				
Transfers out	(10,000)	(410,000)	(600,427)	(190,427)
Total other financing sources (uses)	(10,000)	(410,000)	(600,427)	(190,427)
Net change in cash	(1,296,700)	(1,446,700)	(401,159)	1,045,541
Cash, January 1	3,032,356	3,032,356	3,032,356	--
Cash, December 31	$ 1,735,656	$ 1,585,656	$ 2,631,197	$ 1,045,541

A. Budgetary Information

Annual budgets are adopted on the cash basis. Cash received in the current year, representing collection of the tax levy intended to finance the subsequent fiscal year's operations, is not included in revenue.

Annual budgets are adopted for all governmental funds with the following exceptions:

Annual budgets were not adopted for the following special revenue funds: County Attorney Forfeitures, County Forfeiture, Sheriff Forfeiture, JP Technology, Historical Commission, Hot Check, and the County Attorney Salary Supplement.

Project-length budgets were adopted for all capital projects funds. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available cash.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund, department and category. Any transfers of appropriations are first approved by the Commissioners' Court. Department heads may approve line item transfers for expenditures of their respective departments. However, no amendments for the personnel services category may be made without Commissioners' Court approval to the total budget. Thus, the legal level of budgetary control is the personnel services category level within the each department and the department level overall. Expenditures can exceed appropriations as long as they do not exceed available revenues and cash balances.

The Commissioners' Court made several supplemental budgetary appropriations throughout the year. Supplementary budgetary appropriations were made for the general fund and certain special revenue funds. Approximate changes were as follows:

General Fund	$ 1,013,000	*
Special Revenue Funds		
County Attorney Forfeiture	50,600	*
County Attorney Federal Forfeiture	11,800	*
Airport	17,000	***
Sheriff Forfeiture	29,600	***
Road & Bridge Precinct No. 1	190,000	*
Road & Bridge Precinct No. 2	365,700	*
Road & Bridge Precinct No. 3	50,000	*
Road & Bridge Precinct No. 4	10,000	*

* Funded with available fund balance and/or additional miscellaneous income.
** Funded with available fund balance and charges for services.
*** Funded with grant proceeds.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2010, expenditures exceeded appropriations for the personnel services category or at the department level as follows:

General Fund		
Veteran Service Officer personnel services	$	37
Court Reporter personal services		30
Court Coordinator personal services		29
EMS Director/Ambulance personnel services		20,675
EMS Director/Ambulance personnel services		11,783
Special Revenue Funds		
Boot Camp Repair	$	3,760

Excess revenues and fund balances were sufficient to provide for these over-expenditures.

C. Excess of Expenditures over Appropriations

At year end, the Courthouse Preservation Fund had a fund deficit of $41,818. This will be eliminated with a transfer from General Fund unrestricted fund balance.

D. Budget/GAAP Reconciliation

The following is a reconcilement of budget basis to GAAP basis for the General Fund:

		General Fund
Change in net unrestricted cash and investments - Budget Basis	$	(401,159)
Adjustments to GAAP basis		
Revenue recognition differences		542,519
Expenditure recognition differences		8,547
Other sources (uses)		289,901
Change in net assets - GAAP Basis	$	439,808

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Combining Statement and Budget Comparisons as Other Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board and considered a part of the basic financial statements, but are presented for purposes of additional analysis.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

County Attorney Federal Forfeiture Fund – This fund is used to account for federal forfeitures transferred by a Treasury Agency and may be expended solely for expenses of the office.

County Attorney Forfeiture Fund – This fund is used to account for forfeitures awarded as part of Article 59.06 of the Code of Criminal Procedure and may be expended solely for expenses of office.

Records Preservation Fund – This fund is used to account for the records management and preservation fee received by the County Clerk. Funds generated from this fee may only be used for special records preservation and automation projects.

Airport Fund – This fund is used to account for the County's revenues (user fees and fuel commissions) and expenditures related to the maintenance of the Robert R. Wells, Jr. Airport.

Sheriff Forfeiture Fund – This fund is used to account for forfeitures awarded as part of Article 59.06 of the Texas Code of Criminal Procedure and may be expended solely for law enforcement purposes.

Texas Capital Fund – This fund is used to account for revenues and expenses related to a loan from the Texas Department of Housing & Community Affairs for improvements at Splashway Waterpark.

Non-Border Colonia Grant Fund – This fund is used to account for a federal pass-through grant.

Road and Bridge Precinct Number 1 Fund – This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within County Precinct #1.

Road and Bridge Precinct Number 2 Fund – This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within County Precinct #2.

Road and Bridge Precinct Number 3 Fund – This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within County Precinct #3.

Road and Bridge Precinct Number 4 Fund – This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within County Precinct #4.

Courthouse Preservation Fund - This fund is used to account for projects conducted to preserve and restore the historical heritage of the Courthouse.

Boot Camp Repair – This fund is used to account for maintenance costs of the Eagle Lake Boot Camp Facility.

LEOSE - This fund is used to account for revenues and expenditures related to the continuing education of persons licensed under Chapter 1701, Occupations Code.

Security Fund – This fund is used to account for revenues and expenditures related to improving and maintaining courtroom and general courthouse security.

Law Library Fund – This fund is used to account for revenues and expenditures related to the maintenance of a library for use by members of the Texas Bar Association

Justice Court Technology – This fund is used to account for revenues and expenditures related to the purchase and maintenance of technology enhancements for justice courts.

County and District Court Technology Fund - This fund is used to account for revenues and expenditures related to the purchase and maintenance of technology enhancements for county and district courts.

Historical Commission Fund – This fund is used to account for programs conducted to preserve the historical heritage of the County.

Hot Check Fund – This fund is used to account for "hot check" fees received by the County Attorney and County Clerk.

County Attorney Supplement – This fund is used to account for state source revenues use to supplement salaries and other expenditures of the County Attorney's office.

AGENCY FUNDS

County Clerk - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

District Clerk - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

Justice of the Peace Number 1 - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

Justice of the Peace Number 2 - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.
Sheriff - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

County Attorney - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

Tax Collector - This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

County Attorney Seizure Fund – This fund is used to account for seizures pending final judgment rendered concerning contraband seized as part of Article 59.06 of the Texas Code of Criminal Procedure.

Payroll Clearing - This fund is used to account for amounts deposited for payment of net payroll checks, and withholding and County contributions for payroll taxes and employee benefits.

COLORADO COUNTY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund — Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Cash	$ 3,205,032	$ 443,281	$ --	$ 3,648,313
Investments	--	--	1,127,084	1,127,084
Receivables (net of allowances for uncollectibles):				
Taxes	1,613,929	322,428	--	1,936,357
Accounts	12,754	--	--	12,754
Due from other governments	1,042,925	86,625	--	1,129,550
Restricted assets:				
Cash	509,422	85,352	--	594,774
Total Assets	$ 6,384,062	$ 937,686	$ 1,127,084	$ 8,448,832
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 380,855	$ --	$ 416,400	$ 797,255
Due to other funds	289,901	--	--	289,901
Deferred revenue	1,733,929	320,726	--	2,054,655
Taxes collected in advance	934,813	187,566	--	1,122,379
Total Liabilities	3,339,498	508,292	416,400	4,264,190
Fund Balances:				
Reserved Fund Balances				
Reserved for debt service	--	429,394	--	429,394
Unreserved, reported in:				
Special Revenue Funds	3,044,564	--	--	3,044,564
Capital Projects Funds	--	--	710,684	710,684
Total Fund Balances	3,044,564	429,394	710,684	4,184,642
Total Liabilities and Fund Balances	$ 6,384,062	$ 937,686	$ 1,127,084	$ 8,448,832

COLORADO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund: Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Ad valorem taxes, penalty and interest	$ 2,466,889	$ 532,098	$ --	$ 2,998,987
Licenses and permits	693,860	--	--	693,860
Fines and forfeitures	26,563	--	--	26,563
Charges for services	151,667	--	--	151,667
Intergovernmental	677,277	--	--	677,277
Miscellaneous	536,130	2,007	2,981	541,118
Total revenues	4,552,386	534,105	2,981	5,089,472
Expenditures:				
Current:				
General administration	67,305	--	--	67,305
Judicial	127,545	--	--	127,545
Public safety	107,513	--	--	107,513
Public facilities	1,000,008	--	--	1,000,008
Public transportation	3,104,217	--	--	3,104,217
Health and welfare	17,787	--	--	17,787
Capital outlay	--	--	944,365	944,365
Debt service:				
Principal	--	285,000	--	285,000
Interest and fiscal charges	--	237,284	--	237,284
Bond issue costs	--	--	1,410	1,410
Total expenditures	4,424,375	522,284	945,775	5,892,434
Excess (deficiency) of revenues over (under) expenditures	128,011	11,821	(942,794)	(802,962)
Other financing sources (uses):				
Transfers in	310,526	--	--	310,526
Total other financing sources (uses)	310,526	--	--	310,526
Change in net assets	438,537	11,821	(942,794)	(492,436)
Fund balances, January 1	2,606,027	417,573	1,653,478	4,677,078
Fund balances, December 31	$ 3,044,564	$ 429,394	$ 710,684	$ 4,184,642

COLORADO COUNTY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	County Attorney Forfeiture	Records Preservation	Airport	Sheriff Forfeiture
ASSETS				
Cash	$ 294,002	$ 216,414	$ 12,194	$ 15,281
Receivables (net of allowances for uncollectibles):				
Taxes	--	--	--	--
Accounts	877	1,913	1,656	--
Due from other governments	--	--	--	--
Restricted assets:				
Cash	--	--	--	--
Total Assets	$ 294,879	$ 218,327	$ 13,850	$ 15,281
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ --	$ --	$ 2,146	$ --
Due to other funds	--	--	--	--
Deferred revenue	--	1,913	--	--
Taxes collected in advance	--	--	--	--
Total Liabilities	--	1,913	2,146	--
Fund Balances (Deficits):				
Unreserved	294,879	216,414	11,704	15,281
Total Fund Balances (Deficits)	294,879	216,414	11,704	15,281
Total Liabilities and Fund Balances	$ 294,879	$ 218,327	$ 13,850	$ 15,281

Road & Bridge Precinct Number 1	Road & Bridge Precinct Number 2	Road & Bridge Precinct Number 3	Road & Bridge Precinct Number 4	Courthouse Preservation
$ 653,422	$ 591,005	$ 652,620	$ 580,644	$ --
405,891	405,891	481,148	320,999	--
1,580	1,580	2,048	1,250	--
106,773	106,773	127,447	84,397	616,275
127,865	127,865	152,623	101,069	--
$ 1,295,531	$ 1,233,114	$ 1,415,886	$ 1,088,359	$ 616,275
$ 3,984	$ 1,269	$ 744	$ 1,829	$ 368,192
--	--	--	--	289,901
403,716	528,719	478,552	319,274	--
234,638	234,638	280,070	185,467	--
642,338	764,626	759,366	506,570	658,093
653,193	468,488	656,520	581,789	(41,818)
653,193	468,488	656,520	581,789	(41,818)
$ 1,295,531	$ 1,233,114	$ 1,415,886	$ 1,088,359	$ 616,275

COLORADO COUNTY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Boot Camp Repair	LEOSE	Security
ASSETS			
Cash	$ 13,622	$ 30,528	$ 47,700
Receivables (net of allowances for uncollectibles):			
Taxes	--	--	--
Accounts	--	95	1,404
Due from other governments	--	--	--
Restricted assets:			
Cash	--	--	--
Total Assets	$ 13,622	$ 30,623	$ 49,104
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 1,049	$ --	$ 1,583
Due to other funds	--	--	--
Deferred revenue	--	--	1,404
Taxes collected in advance	--	--	--
Total Liabilities	1,049	--	2,987
Fund Balances (Deficits):			
Unreserved	12,573	30,623	46,117
Total Fund Balances (Deficits)	12,573	30,623	46,117
Total Liabilities and Fund Balances	$ 13,622	$ 30,623	$ 49,104

Law Library	Justice Court Technology	County and District Court Technology	Historical Commission
$ 27,502	$ 44,368	$ 630	$ 7,828
--	--	--	--
--	351	--	--
--	--	--	--
--	--	--	--
$ 27,502	$ 44,719	$ 630	$ 7,828
$ --	$ --	$ --	$ --
--	--	--	--
--	351	--	--
--	--	--	--
--	351	--	--
27,502	44,368	630	7,828
27,502	44,368	630	7,828
$ 27,502	$ 44,719	$ 630	$ 7,828

COLORADO COUNTY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Hot Check	County Attorney Salary Supplement	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
Cash	$ 16,063	$ 1,209	$ 3,205,032
Receivables (net of allowances for uncollectibles):			
Taxes	--	--	1,613,929
Accounts	--	--	12,754
Due from other governments	1,260	--	1,042,925
Restricted assets:			
Cash	--	--	509,422
Total Assets	$ 17,323	$ 1,209	$ 6,384,062
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 59	$ --	$ 380,855
Due to other funds	--	--	289,901
Deferred revenue	--	--	1,733,929
Taxes collected in advance	--	--	934,813
Total Liabilities	59	--	3,339,498
Fund Balances (Deficits):			
Unreserved	17,264	1,209	3,044,564
Total Fund Balances (Deficits)	17,264	1,209	3,044,564
Total Liabilities and Fund Balances	$ 17,323	$ 1,209	$ 6,384,062

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COLORADO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Co Attorney Federal Forfeiture	County Attorney Forfeiture	Records Preservation	Airport
Revenues:				
Ad valorem taxes, penalty and interest	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines and forfeitures	--	25,933	--	--
Charges for services	--	--	58,578	29,117
Intergovernmental	--	--	--	13,266
Miscellaneous	17	979	807	--
Total revenues	17	26,912	59,385	42,383
Expenditures:				
Current:				
General administration	--	--	67,024	--
Judicial	11,874	50,633	--	--
Public safety	--	--	--	--
Public facilities	--	--	--	--
Public transportation	--	--	--	53,174
Health and welfare	--	--	--	--
Total expenditures	11,874	50,633	67,024	53,174
Excess (deficiency) of revenues over (under) expenditu	(11,857)	(23,721)	(7,639)	(10,791)
Other financing sources (uses):				
Transfers in	--	--	--	10,000
Total other financing sources (uses)	--	--	--	10,000
Change in net assets	(11,857)	(23,721)	(7,639)	(791)
Fund balances, January 1	11,857	318,600	224,053	12,495
Fund balances (deficits), December 31	$ --	$ 294,879	$ 216,414	$ 11,704

Sheriff Forfeiture	Texas Capital	Non-Border Colonia Grant	Road & Bridge Precinct Number 1	Road & Bridge Precinct Number 2
$ --	$ --	$ --	$ 619,197	$ 619,140
--	--	--	173,908	174,708
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
40,355	40,163	--	151,775	251,764
40,355	40,163	--	944,880	1,045,612
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
29,678	40,163	--	--	--
--	--	--	784,201	921,478
--	--	5,820	--	--
29,678	40,163	5,820	784,201	921,478
10,677	--	(5,820)	160,679	124,134
--	--	--	--	--
--	--	--	--	--
10,677	--	(5,820)	160,679	124,134
4,604	--	5,820	492,514	344,354
$ 15,281	$ --	$ --	$ 653,193	$ 468,488

COLORADO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Road & Bridge Precinct Number 3	Road & Bridge Precinct Number 4	Courthouse Preservation	Boot Camp Repair
Revenues:				
Ad valorem taxes, penalty and interest	$ 738,996	$ 489,556	$ --	$ --
Licenses and permits	207,581	137,663	--	--
Fines and forfeitures	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental	--	4,148	616,274	--
Miscellaneous	7,347	16,045	--	423
Total revenues	953,924	647,412	616,274	423
Expenditures:				
Current:				
General administration	--	--	--	--
Judicial	--	--	--	--
Public safety	--	--	--	40,809
Public facilities	--	--	930,167	--
Public transportation	863,849	481,515	--	--
Health and welfare	--	--	--	--
Total expenditures	863,849	481,515	930,167	40,809
Excess (deficiency) of revenues over (under) expenditu	90,075	165,897	(313,893)	(40,386)
Other financing sources (uses):				
Transfers in	--	--	272,075	--
Total other financing sources (uses)	--	--	272,075	--
Change in net assets	90,075	165,897	(41,818)	(40,386)
Fund balances, January 1	566,445	415,892	--	52,959
Fund balances (deficits), December 31	$ 656,520	$ 581,789	$ (41,818)	$ 12,573

LEOSE	Security	Law Library	Justice Court Technology	County and District Court Technology
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	630
--	36,852	--	27,120	--
5,573	--	--	--	--
--	169	13,611	109	--
5,573	37,021	13,611	27,229	630
--	--	--	--	--
--	--	10,521	--	--
3,401	63,303	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	11,967	--
3,401	63,303	10,521	11,967	--
2,172	(26,282)	3,090	15,262	630
28,451	--	--	--	--
28,451	--	--	--	--
30,623	(26,282)	3,090	15,262	630
--	72,399	24,412	29,106	--
$ 30,623	$ 46,117	$ 27,502	$ 44,368	$ 630

COLORADO COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Historical Commission	Hot Check	County Attorney Salary Supplement	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:				
Ad valorem taxes, penalty and interest	$ --	$ --	$ --	$ 2,466,889
Licenses and permits	--	--	--	693,860
Fines and forfeitures	--	--	--	26,563
Charges for services	--	--	--	151,667
Intergovernmental	--	3,580	34,436	677,277
Miscellaneous	835	11,731	--	536,130
Total revenues	835	15,311	34,436	4,552,386
Expenditures:				
Current:				
General administration	281	--	--	67,305
Judicial	--	20,081	34,436	127,545
Public safety	--	--	--	107,513
Public facilities	--	--	--	1,000,008
Public transportation	--	--	--	3,104,217
Health and welfare	--	--	--	17,787
Total expenditures	281	20,081	34,436	4,424,375
Excess (deficiency) of revenues over (under) expenditur	554	(4,770)	--	128,011
Other financing sources (uses):				
Transfers in	--	--	--	310,526
Total other financing sources (uses)	--	--	--	310,526
Change in net assets	554	(4,770)	--	438,537
Fund balances, January 1	7,274	22,034	1,209	2,606,027
Fund balances (deficits), December 31	$ 7,828	$ 17,264	$ 1,209	$ 3,044,564

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COLORADO COUNTY, TEXAS

EXHIBIT C-5

RECORDS PRESERVATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 64,100	$ 54,682	$ (9,418)
Miscellaneous	1,400	843	(557)
Total revenues	65,500	55,525	(9,975)
Expenditures:			
Current:			
General Administration			
Records Preservation			
Services and charges	85,500	63,200	22,300
Capital outlay	5,000	--	5,000
Total Records Preservation	90,500	63,200	27,300
Total expenditures	90,500	63,200	27,300
Net change in cash	(25,000)	(7,675)	17,325
Cash, January 1	224,053	224,053	--
Cash, December 31	$ 199,053	$ 216,378	$ 17,325

COLORADO COUNTY, TEXAS

EXHIBIT C-6

AIRPORT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 28,500	$ 27,999	$ (501)
Intergovernmental	13,500	13,266	(234)
Miscellaneous	5,000	--	(5,000)
Total revenues	47,000	41,265	(5,735)
Expenditures:			
Current:			
Public Transportation			
Airport			
Personnel services	15,900	4,888	11,012
Supplies	13,500	15,999	(2,499)
Services and charges	8,600	6,170	2,430
Other	24,000	24,068	(68)
Total Airport	62,000	51,126	10,874
Excess (deficiency) of revenues over (under) expenditures	(15,000)	(9,861)	5,139
Other financing sources (uses):			
Transfers in	10,000	10,000	--
Total other financing sources (uses)	10,000	10,000	--
Net change in cash	(5,000)	139	5,139
Cash, January 1	12,054	12,054	--
Cash, December 31	$ 7,054	$ 12,193	$ 5,139

COLORADO COUNTY, TEXAS

ROAD & BRIDGE PRECINCT NUMBER 1
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	$ 591,395	$ 618,083	$ 26,688
Licenses and permits	173,900	173,659	(241)
Miscellaneous	152,705	151,873	(832)
Total revenues	918,000	943,615	25,615
Expenditures:			
Current:			
Public Transportation			
Road and Bridge			
Personnel services	316,150	306,536	9,614
Supplies	264,150	194,669	69,481
Services and charges	285,700	265,564	20,136
Capital outlay	102,000	16,648	85,352
Total Road and Bridge	968,000	783,417	184,583
Net change in cash	(50,000)	160,198	210,198
Cash, January 1	493,224	493,224	--
Cash, December 31	$ 443,224	$ 653,422	$ 210,198

COLORADO COUNTY, TEXAS

EXHIBIT C-8

ROAD & BRIDGE PRECINCT NUMBER 2
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	$ 591,295	$ 618,022	$ 26,727
Licenses and permits	174,600	174,459	(141)
Miscellaneous	271,805	275,440	3,634
Total revenues	1,037,700	1,067,921	30,221
Expenditures:			
Current:			
Public Transportation			
Road and Bridge			
Personnel services	357,625	346,436	11,189
Supplies	202,425	153,627	48,798
Services and charges	545,650	421,592	124,058
Capital outlay	32,000	--	32,000
Total Road and Bridge	1,137,700	921,655	216,045
Net change in cash	(100,000)	146,266	246,266
Cash, January 1	444,739	444,739	--
Cash, December 31	$ 344,739	$ 591,005	$ 246,266

COLORADO COUNTY, TEXAS

EXHIBIT C-9

ROAD & BRIDGE PRECINCT NUMBER 3
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	$ 705,597	$ 737,659	$ 32,062
Licenses and permits	206,000	207,275	1,275
Miscellaneous	13,403	7,297	(6,106)
Total revenues	925,000	952,231	27,231
Expenditures:			
Current:			
Public Transportation			
Road and Bridge			
Personnel services	366,825	329,033	37,792
Supplies	256,625	229,875	26,750
Services and charges	207,550	162,217	45,333
Capital outlay	144,000	143,189	811
Total Road and Bridge	975,000	864,314	110,686
Net change in cash	(50,000)	87,917	137,917
Cash, January 1	564,703	564,703	--
Cash, December 31	$ 514,703	$ 652,620	$ 137,917

COLORADO COUNTY, TEXAS

EXHIBIT C-10

ROAD & BRIDGE PRECINCT NUMBER 4
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	$ 467,451	$ 488,682	$ 21,231
Licenses and permits	138,700	137,467	(1,233)
Intergovernmental	5,500	4,148	(1,352)
Miscellaneous	16,349	16,127	(222)
Total revenues	628,000	646,424	18,424
Expenditures:			
Current:			
Public Transportation			
Road and Bridge			
Personnel services	336,100	296,241	39,859
Supplies	164,600	136,445	28,155
Services and charges	135,300	36,395	98,905
Capital outlay	39,000	13,123	25,877
Total Road and Bridge	675,000	482,204	192,796
Net change in cash	(47,000)	164,220	211,220
Cash, January 1	416,424	416,424	--
Cash, December 31	$ 369,424	$ 580,644	$ 211,220

COLORADO COUNTY, TEXAS

COURTHOUSE PRESERVATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
Public Facilities			
Courthouse Preservation			
Other	$ 400,000	$ 561,975	$ (161,975)
Total Courthouse Preservation	400,000	561,975	(161,975)
Other financing sources (uses):			
Transfers in	400,000	561,976	161,976
Total other financing sources (uses)	400,000	561,976	161,976
Net change in cash	--	1	1
Cash, January 1	--	--	--
Cash, December 31	$ --	$ 1	$ 1

COLORADO COUNTY, TEXAS

EXHIBIT C-12

BOOT CAMP REPAIR
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Miscellaneous	$ 16,000	$ 36,486	$ 20,486
Total revenues	16,000	36,486	20,486
Expenditures:			
Current:			
Public Safety			
TJPC			
Personnel services	8,000	7,324	676
Supplies	2,250	312	1,938
Services and charges	24,750	32,124	(7,374)
Capital outlay	1,000	--	1,000
Total TJPC	36,000	39,760	(3,760)
Net change in cash	(20,000)	(3,274)	16,726
Cash, January 1	16,896	16,896	--
Cash, December 31	$ (3,104)	$ 13,622	$ 16,726

COLORADO COUNTY, TEXAS

EXHIBIT C-13

LEOSE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	$ 5,000	$ 5,573	$ 573
Total revenues	5,000	5,573	573
Expenditures:			
Current:			
Public Safety			
Constables			
Services and charges	2,000	244	1,756
Total Constables	2,000	244	1,756
County Sheriff			
Services and charges	3,000	3,252	(252)
Total County Sheriff	3,000	3,252	(252)
Total Public Safety	5,000	3,496	1,504
Excess (deficiency) of revenues over (under) expenditures	--	2,077	2,077
Other financing sources (uses):			
Transfers in	--	28,451	28,451
Total other financing sources (uses)	--	28,451	28,451
Net change in cash	--	30,528	30,528
Cash, January 1	--	--	--
Cash, December 31	$ --	$ 30,528	$ 30,528

COLORADO COUNTY, TEXAS

EXHIBIT C-14

SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 35,000	$ 36,852	$ 1,852
Miscellaneous	1,000	181	(819)
Total revenues	36,000	37,033	1,033
Expenditures:			
Current:			
Public Safety			
Security			
Personnel services	69,500	60,207	9,293
Services and charges	6,500	2,759	3,741
Capital outlay	20,000	--	20,000
Total Security	96,000	62,966	33,034
Net change in cash	(60,000)	(25,933)	34,067
Cash, January 1	73,632	73,632	--
Cash, December 31	$ 13,632	$ 47,699	$ 34,067

COLORADO COUNTY, TEXAS

EXHIBIT C-15

LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Miscellaneous	$ 12,000	$ 13,612	$ 1,612
Total revenues	12,000	13,612	1,612
Expenditures:			
Current:			
Judicial			
Law Library			
Services and charges	12,000	10,703	1,297
Total Law Library	12,000	10,703	1,297
Total Judicial	12,000	10,703	1,297
Net change in cash	--	2,909	2,909
Cash, January 1	24,594	24,594	--
Cash, December 31	$ 24,594	$ 27,503	$ 2,909

COLORADO COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 30,000	$ 27,121	$ (2,879)
Miscellaneous	100	114	14
Total revenues	30,100	27,235	(2,865)
Expenditures:			
Current:			
Health and Welfare			
Tobacco Settlement			
Services and charges	23,100	10,768	12,332
Capital outlay	7,000	1,199	5,801
Total Tobacco Settlement	30,100	11,967	18,133
Net change in cash	--	15,268	15,268
Cash, January 1	29,101	29,101	--
Cash, December 31	$ 29,101	$ 44,369	$ 15,268

COLORADO COUNTY, TEXAS

EXHIBIT C-17

COUNTY AND DISTRICT COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines and forfeitures	$ 10,000	$ 527	$ (9,473)
Total revenues	10,000	527	(9,473)
Expenditures:			
Current:			
Public Transportation			
Road and Bridge			
Services and charges	10,000	--	10,000
Total Road and Bridge	10,000	--	10,000
Net change in cash	--	527	527
Cash, January 1	--	103	103
Cash, December 31	$ --	$ 630	$ 630

COLORADO COUNTY, TEXAS

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes, penalty and interest	$ 508,038	$ 547,713	$ 39,675
Miscellaneous	2,962	2,007	(955)
Total revenues	511,000	549,720	38,720
Expenditures:			
Debt service:			
Principal	285,000	285,000	--
Interest and fiscal charges	237,300	237,284	16
Total expenditures	522,300	522,284	16
Net change in cash	(11,300)	27,436	38,736
Cash, January 1	415,844	415,844	--
Cash, December 31	$ 404,544	$ 443,280	$ 38,736

COLORADO COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2010

	County Clerk	District Clerk	Justice of the Peace Number 1	Sheriff
ASSETS				
Cash	$ 166,017	$ 224,168	$ 2,780	$ 21,809
Total Assets	$ 166,017	$ 224,168	$ 2,780	$ 21,809
LIABILITIES				
Due to others	$ 166,017	$ 224,168	$ 2,780	$ 21,809
Due to other governments	--	--	--	--
Total Liabilities	$ 166,017	$ 224,168	$ 2,780	$ 21,809

County Attorney	Tax Collector	County Attorney Seizure	Payroll Clearing Fund	Total Agency Funds (See Exhibit A-7)
$ 2,282	$ 308,737	$ 1,152	$ 1,241	$ 728,186
$ 2,282	$ 308,737	$ 1,152	$ 1,241	$ 728,186
$ 2,282	$ 2,672	$ 1,152	$ 1,241	$ 422,121
--	306,065	--	--	306,065
$ 2,282	$ 308,737	$ 1,152	$ 1,241	$ 728,186

COLORADO COUNTY, TEXAS

EXHIBIT C-20

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
COUNTY CLERK				
ASSETS				
Cash and cash equivalents	$ 287,502	$ 30,023	$ 151,508	$ 166,017
Total Assets	$ 287,502	$ 30,023	$ 151,508	$ 166,017
LIABILITIES				
Due to Others	$ 287,502	$ 30,023	$ 151,508	$ 166,017
Total Liabilities	$ 287,502	$ 30,023	$ 151,508	$ 166,017
DISTRICT CLERK				
ASSETS				
Cash and cash equivalents	$ 151,941	$ 448,741 **	376,514	$ 224,168
Total Assets	$ 151,941	$ 448,741	$ 376,514	$ 224,168
LIABILITIES				
Due to Others	$ 151,941	$ 448,741 **	376,514	$ 224,168
Total Liabilities	$ 151,941	$ 448,741	$ 376,514	$ 224,168
JUSTICE OF THE PEACE NUMBER 1				
ASSETS				
Cash and cash equivalents	$ 2,605	$ 200	$ 25	$ 2,780
Total Assets	$ 2,605	$ 200	$ 25	$ 2,780
LIABILITIES				
Due to Others	$ 2,605	$ 200	$ 25	$ 2,780
Total Liabilities	$ 2,605	$ 200	$ 25	$ 2,780
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 28,037	$ 139,777	$ 146,005	$ 21,809
Total Assets	$ 28,037	$ 139,777	$ 146,005	$ 21,809
LIABILITIES				
Due to Others	$ 28,037	$ 139,777	$ 146,005	$ 21,809
Total Liabilities	$ 28,037	$ 139,777	$ 146,005	$ 21,809
COUNTY ATTORNEY				
ASSETS				
Cash and cash equivalents	$ 3,339	$ 82,400	$ 83,457	$ 2,282
Total Assets	$ 3,339	$ 82,400	$ 83,457	$ 2,282
LIABILITIES				
Due to Others	$ 3,339	$ 82,400	$ 83,457	$ 2,282
Total Liabilities	$ 3,339	$ 82,400	$ 83,457	$ 2,282
TAX COLLECTOR				
ASSETS				
Cash and cash equivalents	$ 342,484	$ 2,058,640	$ 2,092,387	$ 308,737
Total Assets	$ 342,484	$ 2,058,640	$ 2,092,387	$ 308,737
LIABILITIES				
Due to Others	$ 5,329	$ 621	$ 3,278	$ 2,672
Due to Other Governments	337,155	2,058,019	2,089,109	306,065
Total Liabilities	$ 342,484	$ 2,058,640	$ 2,092,387	$ 308,737

COLORADO COUNTY, TEXAS

EXHIBIT C-20

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
COUNTY ATTORNEY SEIZURE				
ASSETS				
Cash and cash equivalents	$ 3,072	$ --	$ 1,920	$ 1,152
Total Assets	$ 3,072	$ --	$ 1,920	$ 1,152
LIABILITIES				
Due to Others	$ 3,072	$ --	$ 1,920	$ 1,152
Total Liabilities	$ 3,072	$ --	$ 1,920	$ 1,152
PAYROLL CLEARING FUND				
ASSETS				
Cash and cash equivalents	$ 1,116	$ 7,414,645	$ 7,414,520	$ 1,241
Total Assets	$ 1,116	$ 7,414,645	$ 7,414,520	$ 1,241
LIABILITIES				
Due to Others	$ 1,116	$ 7,414,645	$ 7,414,520	$ 1,241
Total Liabilities	$ 1,116	$ 7,414,645	$ 7,414,520	$ 1,241
TOTAL AGENCY FUNDS:				
ASSETS				
Cash and cash equivalents	$ 820,096	$ 10,174,426	$ 10,266,336	$ 728,186
Accounts receivable (net)	--	--	--	--
Total Assets	$ 820,096	$ 10,174,426	$ 10,266,336	$ 728,186
LIABILITIES				
Due to Others	$ 482,941	$ 8,116,407	$ 8,177,227	$ 422,121
Due to Other Governments	337,155	2,058,019	2,089,109	306,065
Total Liabilities	$ 820,096	$ 10,174,426	$ 10,266,336	$ 728,186

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STATISTICAL SECTION

This part of Colorado County, Texas' 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. The tables herein, are unaudited.

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports for the relevant year. The County began implementing Statement 34 in fiscal year 2004.

COLORADO COUNTY, TEXAS

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	2004	2005	2006
Governmental Activities			
Invested in Capital Assets,			
Net of Related Debt	$ 11,164,133	$ 11,554,162	$ 13,322,684
Restricted	527,657	441,829	385,351
Unrestricted	4,621,239	4,079,388	2,028,146
Total Governmental Activities Net Assets	$ 16,313,029	$ 16,075,379	$ 15,736,181

Note: The County began to report accrual information when it implemented GASB Statement-34 in fiscal year 2004. This information is presented using the accrual basis of accounting.

2007 has been restated.

Fiscal Year 2007	2008	2009	2010
$ 13,474,958	$ 14,460,052	$ 16,110,062	$ 16,147,180
415,883	436,063	2,096,369	1,165,307
2,859,339	2,577,292	(295,621)	2,113,606
$ 16,750,180	$ 17,473,407	$ 17,910,810	$ 19,426,093

COLORADO COUNTY, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	2004	2005	2006
Expenses			
Governmental Activities:			
General administration	$ 1,104,459	$ 1,184,152	$ 1,303,159
Financial administration	313,745	322,548	345,323
Judicial	917,146	969,523	1,018,680
Public safety	2,662,635	5,002,081	4,253,876
Public facilities	1,413,729	486,379	392,554
Public transportation	2,386,591	2,124,990	2,170,587
Conservation	106,704	108,301	113,944
Health and welfare	585,109	290,468	556,319
Interest on Long-Term Debt	79,626	73,371	68,122
Total Governmental Activities Expenses	9,569,744	10,561,813	10,222,564
Total Primary Government Expenses	$ 9,569,744	$ 10,561,813	$ 10,222,564
Program Revenues			
Governmental Activities:			
Charges for Services:			
General administration	$ 184,600	$ 289,785	$ 392,322
Financial administration	83,964	84,033	94,402
Judicial	893,567	905,676	936,224
Public safety	744,055	1,109,054	1,668,802
Public facilities	825	5,140	4,050
Public transportation	722,385	726,311	716,434
Conservation	--	--	--
Health and welfare	15,200	32,350	28,884
Operating Grants and Contributions	1,518,993	1,129,851	829,985
Capital Grants and Contributions	--	--	818,413
Total Governmental Activities Program Revenues	4,163,589	4,282,200	5,489,516
Total Primary Government Program Revenues	$ 4,163,589	$ 4,282,200	$ 5,489,516
Net (Expense)/Revenue			
Governmental Activities	$ (5,406,155)	$ (6,279,613)	$ (4,733,048)
Total Primary Government Net Expense	$ (5,406,155)	$ (6,279,613)	$ (4,733,048)

Note: The County began to report accrual information when it implemented GASB Statement-34 in fiscal year 2004. This information is presented using the accrual basis of accounting.

2005 and 2006 have been restated.

Fiscal Year 2007	2008	2009	2010
$ 1,475,136	$ 1,697,451	$ 2,047,697	$ 1,811,240
365,362	378,346	403,415	412,358
1,091,521	1,177,418	1,230,495	1,344,174
4,424,034	4,669,271	5,535,790	5,498,919
669,316	371,383	369,030	699,369
2,655,519	3,090,878	3,105,659	3,164,681
119,156	120,115	118,288	132,463
411,551	503,328	335,413	374,445
60,785	135,314	250,796	467,296
11,272,380	12,143,504	13,396,583	13,904,945
$ 11,272,380	$ 12,143,504	$ 13,396,583	$ 13,904,945
$ 364,480	$ 298,926	$ 994,088	$ 221,373
87,510	88,795	91,083	93,955
1,361,126	1,178,098	1,457,621	1,126,978
1,160,797	1,370,697	348,185	1,056,623
61,700	12,510	6,471	80,465
697,661	774,468	920,786	886,243
--	--	1,560	2,380
28,548	54,769	48,185	49,118
419,083	358,008	908,277	1,871,857
89,797	862,865	24,913	863,716
4,270,702	4,999,136	4,801,169	6,252,708
$ 4,270,702	$ 4,999,136	$ 4,801,169	$ 6,252,708
$ (7,001,678)	$ (7,144,368)	$ (8,595,414)	$ (7,652,237)
$ (7,001,678)	$ (7,144,368)	$ (8,595,414)	$ (7,652,237)

COLORADO COUNTY, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	2004	2005	2006
Net (Expense)/Revenue			
Governmental Activities	$ (5,406,155)	$ (5,875,863)	$ (4,733,048)
Total Primary Government Net Expense	(5,406,155)	(5,875,863)	(4,733,048)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
General Revenues:			
Ad valorem taxes, penalty and interest	4,714,317	4,945,688	5,330,769
Sales taxes	708,381	835,531	910,110
Alcoholic beverage taxes	4,218	4,643	7,831
Miscellaneous	205,315	47,040	183,624
Unrestricted investment earnings	108,560	209,061	379,776
Special and Extraordinary Items			
Special item outflow	--	(403,750)	(2,550,000)
Total Governmental Activities	5,740,791	5,638,213	4,262,110
Total Primary Government	5,740,791	5,638,213	4,262,110
Change in Net Assets			
Governmental Activities	334,636	(237,650)	(470,938)
Total Primary Government	$ 334,636	$ (237,650)	$ (470,938)

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. This information is presented using the accrual basis of accounting.

2005, 2006, and 2007 have been restated.

Fiscal Year 2007	2008	2009	2010
$ (7,001,678)	$ (7,144,368)	$ (8,595,414)	$ (7,652,237)
(7,001,678)	(7,144,368)	(8,595,414)	(7,652,237)
6,050,215	6,606,623	7,665,967	7,787,259
1,101,018	944,413	1,138,789	877,256
10,385	8,796	16,047	14,369
163,477	103,068	161,253	456,086
406,938	204,695	50,758	32,550
--	--	--	--
7,732,033	7,867,595	9,032,814	9,167,520
7,732,033	7,867,595	9,032,814	9,167,520
730,355	723,227	437,400	1,515,283
$ 730,355	$ 723,227	$ 437,400	$ 1,515,283

TABLE D-4

COLORADO COUNTY, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	Fiscal Year 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Unreserved	$ 2,921,374	$ 2,900,078	$ 2,233,556	$ 2,503,457	$ 2,563,983	$ 2,444,410	$ 2,806,959	$ 2,787,641	$ 3,087,737	$ 3,527,545
Total General Fund	$ 2,921,374	$ 2,900,078	$ 2,233,556	$ 2,503,457	$ 2,563,983	$ 2,444,410	$ 2,806,959	$ 2,787,641	$ 3,087,737	$ 3,527,545
All Other Governmental Funds										
Reserved	$ 251,822	$ 272,827	$ 282,396	$ 314,553	$ 335,309	$ 364,412	$ 395,552	$ 406,890	$ 417,573	$ 429,394
Unreserved, Reported In:										
Special Revenue Funds	2,182,014	2,074,049	1,565,060	1,802,434	1,690,244	1,828,272	2,306,330	2,012,440	2,606,026	3,044,564
Capital Projects Funds	--	--	--	--	--	--	--	4,487,128	1,653,477	710,684
Total All Other Governmental Funds	$ 2,433,836	$ 2,346,876	$ 1,847,456	$ 2,116,987	$ 2,025,553	$ 2,192,684	$ 2,701,882	$ 6,906,458	$ 4,677,076	$ 4,184,642

2005, 2006, and 2007 have been restated.

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TABLE D-5

COLORADO COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Ad valorem taxes, penalty and interest	$ 3,391,382	$ 3,896,025	$ 4,098,167	$ 4,527,989	$ 4,942,155	$ 5,347,199	$ 6,037,131	$ 6,553,613	$ 7,608,212	$ 7,808,743
Other taxes	675,894	657,624	641,170	712,599	840,174	917,941	1,111,404	953,209	1,154,836	891,625
Licenses and permits	653,882	673,318	687,260	691,479	696,259	689,037	671,260	1,608,777	717,529	703,860
Fines and forfeitures	612,259	541,537	401,955	503,257	547,243	563,323	831,018	778,051	1,151,733	860,300
Charges for services	1,319,826	1,437,731	1,509,544	1,374,901	1,973,676	2,217,088	2,205,370	1,293,732	2,017,391	1,957,617
Intergovernmental	1,405,192	1,108,780	1,151,936	1,279,971	1,104,472	864,120	524,254	501,675	935,203	2,493,799
Miscellaneous	437,514	253,182	184,124	349,513	340,796	603,679	634,693	345,116	242,144	590,453
Total Revenues	8,495,949	8,568,197	8,674,156	9,439,709	10,444,775	11,202,387	12,015,130	12,034,173	13,827,048	15,306,397
Expenditures										
Current:										
General administration	779,763	890,602	1,181,056	1,120,582	1,261,375	1,278,855	1,508,540	1,660,709	2,003,653	1,761,732
Financial administration	286,082	296,006	905,931	313,356	322,401	346,194	365,266	376,001	401,788	413,859
Judicial	779,249	833,726	298,796	925,825	1,002,249	1,016,937	1,087,482	1,167,298	1,224,696	1,343,507
Public safety	2,402,196	2,632,818	2,546,776	2,507,259	4,490,992	4,305,993	4,152,415	4,422,495	5,225,402	5,355,639
Public facilities	985,699	924,422	1,067,253	1,416,134	485,646	391,741	669,557	372,502	407,591	1,418,701
Public transportation	2,089,058	2,518,396	2,716,372	1,940,697	2,258,447	2,851,918	2,561,118	3,647,309	2,877,580	3,104,217
Conservation	91,636	97,713	97,507	106,267	107,273	133,551	119,202	119,555	140,451	132,192
Health and Welfare	215,938	183,715	493,265	574,493	276,148	555,981	401,394	490,952	321,289	361,119
Capital outlay	295,263	3,500	244,034	--	--	--	--	249,035	2,674,091	944,365
Debt Service										
Principal	145,000	155,000	160,000	239,343	210,000	210,000	220,000	230,000	235,000	285,000
Interest	146,135	136,855	129,105	93,298	68,909	63,659	58,409	52,909	244,792	237,284
Bond issue costs	--	--	--	--	--	--	--	60,150	--	1,410
Total Expenditures	8,216,019	8,672,753	9,840,095	9,237,254	10,483,440	11,154,829	11,143,383	12,848,915	15,756,333	15,359,025
Excess of Revenues Over (Under) Expenditures	279,930	(104,556)	(1,165,939)	202,455	(38,665)	47,558	871,747	(814,742)	(1,929,285)	(52,628)
Other Financing Sources (Uses)										
Bonds Issued	--	--	--	--	--	--	--	5,000,000	--	--
Refunding Bonds Issued	--	--	--	2,440,000	--	--	--	--	--	--
Payments to Escrow Agent	--	--	--	(2,368,554)	--	--	--	--	--	--
Bond Premium	--	--	--	10,202	--	--	--	--	--	--
Bond Discount	--	--	--	(20,165)	--	--	--	--	--	--
Transfers In	333,546	341,250	348,000	523,975	12,000	365,000	20,000	313,371	221,479	310,526
Transfers Out	(333,546)	(341,250)	(348,000)	(523,975)	(12,000)	(365,000)	(20,000)	(313,371)	(221,479)	(310,526)
Total Other Financing Sources (Uses)	--	--	--	61,483	--	--	--	5,000,000	--	--
Net Change in Fund Balances	$ 279,930	$ (104,556)	$ (1,165,939)	$ 263,938	$ (38,665)	$ 47,558	$ 871,747	$ 4,185,258	$ (1,929,285)	$ (52,628)
Debt Service As A Percentage Of Noncapital Expenditures	3.7%	3.4%	3.0%	3.6%	2.7%	2.5%	2.5%	2.8%	4.0%	3.7%

2005, 2006, and 2007 have been restated.

COLORADO COUNTY, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Fiscal Year	Property Tax	Sales & Use Tax	Amusement Tax	Mixed Drink Tax	Total
2001	$ 3,391,382	$ 672,452	$ 371	$ 3,071	$ 4,067,276
2002	3,896,025	654,460	371	2,793	4,553,649
2003	4,098,167	635,749	428	4,993	4,739,337
2004	4,527,989	708,381	--	4,218	5,240,588
2005	4,945,913	835,341	257	5,764	5,787,275
2006	5,347,199	910,825	292	6,824	6,265,140
2007	6,037,131	1,100,663	356	10,385	7,148,535
2008	6,553,613	944,121	292	8,796	7,506,822
2009	7,608,212	1,138,476	313	16,047	8,763,048
2010	7,808,743	876,957	299	14,369	8,700,368
Percent Change 1999-2008	130.3%	30.4%	-19.4%	367.9%	113.9%

2005 has been restated.

COLORADO COUNTY, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Residential Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2001	$ 1,529,950,692	$ 208,823,298	$ 744,315,734	$ 994,458,256	$ 0.3930	$ 994,458,256	100.0%
2002	1,581,458,998	236,352,690	798,535,444	1,019,276,244	0.3970	1,019,276,244	100.0%
2003	1,567,578,001	377,898,770	906,915,097	1,038,561,674	0.4300	1,038,561,674	100.0%
2004	1,658,871,050	442,339,337	960,107,705	1,141,102,682	0.4280	1,141,102,682	100.0%
2005	1,851,380,687	498,360,591	1,098,288,252	1,251,453,026	0.4270	1,251,453,026	100.0%
2006	2,072,490,160	585,653,591	1,252,969,173	1,405,174,578	0.4189	1,405,174,578	100.0%
2007	2,464,948,080	621,753,636	1,554,483,426	1,532,218,290	0.4300	1,532,218,290	100.0%
2008	2,877,840,686	656,114,063	1,874,464,422	1,659,490,327	0.4490	1,659,490,327	100.0%
2009	2,935,171,180	620,446,966	1,912,826,055	1,642,792,091	0.4643	1,642,792,091	100.0%
2010	3,061,113,616	551,083,041	2,001,464,653	1,610,732,004	0.4821	1,610,732,004	100.0%

Source: Colorado County Central Appraisal District

COLORADO COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)

	County Direct Rates			Overlapping Rates				
				School Districts			Municipalities	
Fiscal Year	Operating Rate	General Obligation Debt Service	Total Direct Rate	Columbus ISD	Rice ISD	Weimar ISD	City of Columbus	City of Eagle Lake
2001	$ 0.3590	$ 0.0340	$ 0.3930	$ 1.4000	$ 1.4790	$ 1.4300	$ 0.1890	$ 0.6270
2002	0.3690	0.0280	0.3970	1.4200	1.5360	1.5200	0.1990	0.6080
2003	0.4020	0.0280	0.4300	1.4200	1.5800	1.5200	0.1960	0.6080
2004	0.4040	0.0240	0.4280	1.5800	1.4980	1.5700	0.1900	0.6210
2005	0.4500	0.0220	0.4720	1.6150	1.4980	1.5700	0.2330	0.6610
2006	0.3994	0.0195	0.4189	1.4975	1.3703	1.4574	0.2331	0.7549
2007	0.4117	0.0183	0.4300	1.1900	1.2980	1.2200	0.2331	0.7783
2008	0.4201	0.0289	0.4490	1.1900	1.2845	1.2200	0.2731	0.7759
2009	0.4325	0.0318	0.4643	1.1900	1.2845	1.2200	0.2731	0.8428
2010	0.4521	0.0300	0.4821	1.1900	1.2403	1.2200	0.2731	0.8248

Source: Colorado County Central Appraisal District

City of Weimar	Rice Hospital District	Glidden Water Supply District	Colorado County WCID #2	Falls Municipal Utility District	Colorado County Grnd Water District	Total
$ 0.2460	$ 0.1650	$ 0.1170	$ 0.3080	$ 0.2000	$ --	$ 6.5540
0.2540	0.1680	0.1170	0.3080	0.2000	--	6.7270
0.2550	0.1810	0.0960	0.2950	0.2000	--	6.7810
0.2570	0.1650	0.0880	0.2860	0.2000	--	6.8830
0.2570	0.1480	0.0820	0.3000	0.3000	--	7.1360
0.2535	0.1268	0.0789	0.2915	0.3000	--	6.7828
0.2535	0.1329	0.0726	0.3059	0.3000	--	6.2143
0.2617	0.1431	0.1699	0.2868	0.3000	0.0200	6.3741
0.2880	0.1630	0.2265	0.2934	0.3150	0.0200	6.5806
0.2905	0.1820	0.2446	0.2649	0.3150	0.0185	6.5458

COLORADO COUNTY, TEXAS

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
XTO Energy Inc.	$ 89,528,390	1	5.56%	$		
C & E Operating Inc.	25,286,640	2	1.57%			
Copano Field Services	22,614,680	3	1.40%			
Union Pacific Railroad	21,839,860	4	1.36%	10,590,841	8	1.06%
Exterran Energy Solutions LP	21,393,360	5	1.33%	12,859,065	5	1.29%
Central Power & Light Co	13,726,150	6	0.85%			
Jamex Inc.	13,514,880	7	0.84%	18,199,980	3	1.83%
Williams Brothers Construction Co	12,108,540	8	0.75%			
Great Southern Wood	11,501,340	9	0.71%			
Houston Pipeline Company	10,284,910	10	0.64%			
Hillcorp Energy Corp				61,798,430	1	6.21%
Tejas Gas Plants LP				21,569,720	2	2.17%
Southwestern Bell Telephone Co				16,367,170	4	1.65%
Mid-Texas Pipeline Corp				12,251,480	6	1.23%
Cabot Oil & Gas Corp				10,730,030	7	1.08%
Mitchell Energy Company				9,547,650	9	0.96%
Prize Operation Company				9,537,600	10	0.96%
	241,798,750		15.01%	183,451,966		18.45%
All other	1,368,933,254		84.99%	811,006,290		81.55%
Total	$ 1,610,732,004		100.00%	$ 994,458,256		100.00%

Source: Colorado County Central Appraisal District

COLORADO COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the 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
2001	$ 3,866,836	$ 1,341,608	$ 34.70%	$ 2,516,285	$ 3,857,893	99.77%
2002	4,039,817	1,395,151	34.54%	2,634,106	4,029,257	99.74%
2003	4,465,813	1,635,264	36.62%	2,807,579	4,442,843	99.49%
2004	4,883,922	1,991,244	40.77%	2,870,946	4,862,190	99.56%
2005	5,350,962	1,831,246	34.22%	3,496,289	5,327,535	99.56%
2006	5,886,284	2,662,999	45.24%	3,190,464	5,853,463	99.44%
2007	6,588,540	2,360,373	35.83%	4,181,869	6,542,242	99.30%
2008	7,571,356	2,498,221	33.00%	4,991,707	7,489,928	98.92%
2009	7,632,707	2,643,784	34.64%	4,899,894	7,543,678	98.83%
2010	7,764,704	3,015,522	38.84%	--	3,015,522	38.84%

Source: Colorado County Central Appraisal District

COLORADO COUNTY, TEXAS

TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(Unaudited)

	Calendar Year					
Category	2001	2002	2003	2004	2005	2006
Agriculture, Forestry, Fishing	$ 824,728	$ 639,448	$ 578,708	$ 495,671	$ 556,475	$ 638,860
Mining	57,954	679,263	788,769	346,592	243,425	350,814
Construction	5,857,449	5,998,509	10,437,998	5,268,883	4,405,212	3,490,766
Manufacturing	22,708,492	19,725,419	8,874,866	7,140,812	10,861,266	3,835,222
Transportation, Utilities & Communications	1,376,126	32,782	106,205	126,164	107,616	182,018
Wholesale Trade	4,556,803	2,580,784	2,746,396	2,483,168	2,485,273	4,059,671
Retail Trade	68,849,942	55,702,792	58,340,027	67,072,122	69,622,040	71,238,848
Finance, Insurance, Real Estate	9,973	2,678,791	2,888,480	3,087,221	4,326,523	8,392,851
Accomodations/ Food Services		14,784,579	15,077,123	16,104,351	17,305,972	17,994,287
Arts/Entertainment/ Recreation		1,298,888	1,300,596	1,270,138	1,371,726	1,982,640
Public Administration		883,128	948,415	1,130,999	1,155,313	1,253,606
Services	9,205,036	6,265,065	6,831,345	7,605,425	8,028,187	8,951,296
Other	--	1,405,930	152,934	16,285	944	--
Total	$ 113,446,503	$ 112,675,378	$ 109,071,862	$ 112,147,831	$ 120,469,972	$ 122,370,879
Direct Sales Tax Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Source: Texas State Comptroller

Notes:

(1) Texas State Comptroller collects and remits sales taxes collected to the County. The state does not disclose information on identities of sales tax remitters.

TABLE D-11

2007	2008	2009	2010
$ 695,806	$ 661,698	$ 614,552	$ 778,347
1,713,216	2,615,311	1,525,315	1,262,729
3,761,468	4,188,611	6,364,106	3,243,601
14,332,028	14,201,785	10,059,489	11,063,355
516,740	830,175	492,022	1,326,496
5,197,200	5,857,772	5,070,318	5,226,897
69,936,981	69,927,001	66,816,459	65,800,088
10,293,410	12,452,886	7,411,654	6,620,588
18,396,074	19,415,232	19,644,873	20,806,731
1,995,317	2,116,838	2,491,612	1,758,850
1,259,292	1,276,531	1,279,567	1,275,138
10,073,750	11,204,077	11,363,138	11,956,298
--	--	--	--
$ 138,171,282	$ 144,747,917	$ 133,133,105	$ 131,119,118
0.50%	0.50%	0.50%	0.50%

COLORADO COUNTY, TEXAS

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	County Direct Rate	City of Columbus	City of Eaglelake	City of Weimar	Rice Hospital District
2001	0.50%	1.50%	1.00%	1.50%	0.50%
2002	0.50%	1.50%	1.00%	1.50%	0.50%
2003	0.50%	1.50%	1.00%	1.50%	0.50%
2004	0.50%	1.50%	1.00%	1.50%	0.50%
2005	0.50%	1.50%	1.00%	1.50%	0.50%
2006	0.50%	1.50%	1.00%	1.50%	0.50%
2007	0.50%	1.50%	1.00%	1.50%	0.50%
2008	0.50%	1.50%	1.00%	1.50%	0.50%
2009	0.50%	1.50%	1.00%	1.50%	0.50%
2010	0.50%	1.50%	1.00%	1.50%	0.50%

Sources: Texas State Comptroller

COLORADO COUNTY, TEXAS

PRINCIPAL SALES TAX REMITTERS - By Category
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2010			2001		
Category (1)	Taxable Sales	Percentage of Total	# Remitters	Taxable Sales	Percentage of Total	# Remitters
Agriculture, Forestry, Fishing	$ 778,347	0.59%	25	$ 824,728	0.73%	33
Mining	1,262,729	0.96%	14	57,954	0.05%	6
Construction	3,243,601	2.47%	87	5,857,449	5.16%	71
Manufacturing	11,063,355	8.44%	83	22,708,492	20.02%	44
Transportation, Utilities & Communications	1,326,496	1.01%	20	1,376,126	1.21%	12
Wholesale Trade	5,226,897	3.99%	52	4,556,803	4.02%	48
Retail Trade	65,800,088	50.18%	364	68,849,942	60.69%	466
Finance, Insurance, Real Estate	6,620,588	5.05%	22	9,973	0.01%	4
Accomodation & Food Service	20,806,731	15.87%	86			
Arts, Entertainment, Recreation	1,758,850	1.34%	15			
Public Adminstration	1,275,138	0.97%	6			
Services	11,956,298	9.12%	205	9,205,036	8.11%	224
	$ 131,119,118	100.00%	979	$ 113,446,503	100.00%	908

Source: Texas State Comptroller

Notes:

(1) Texas State Comptroller collects and remits sales taxes collected to the County. The state does not disclose information on identities of sales tax remitters.

COLORADO COUNTY, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Contractual Obligations	Capital Lease Obligations	Total Primary Government	Percentage Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2001	$ 2,805,000	$ --	$ 291,854	$ 3,096,854	0.31%	0.64%	$ 153
2002	2,650,000	--	188,826	2,838,826	0.28%	0.58%	139
2003	2,490,000	--	830,034	3,320,034	0.32%	0.65%	160
2004	2,215,000	--	--	2,215,000	0.19%	0.42%	107
2005	2,215,000	403,750	--	2,618,750	0.21%	0.49%	126
2006	2,005,000	2,953,750	--	4,958,750	0.35%	0.93%	239
2007	1,785,000	2,953,750	--	4,738,750	0.31%	0.89%	226
2008	6,555,000	2,953,750	--	9,508,750	0.57%	1.79%	460
2009	6,320,000	2,953,750	--	9,273,750	0.56%	1.43%	447
2010	6,035,000	2,953,750	--	8,988,750	0.56%	1.24%	431

Notes:

(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed and Estimated Actual Values of Taxable Property on page for property value data.

(3) Population data can be found in the Schedule of Demographics and Economic Statistics on Table D-18.

COLORADO COUNTY, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Actual Taxable Value of Property	Per Capita
2001	$ 2,805,000	$ (251,822)	$ 2,553,178	0.15%	$ 125
2002	2,650,000	(272,827)	2,377,173	0.13%	116
2003	2,490,000	(282,396)	2,207,604	0.11%	107
2004	2,215,000	(379,100)	1,835,900	0.09%	89
2005	2,215,000	(335,640)	1,879,360	0.08%	91
2006	2,005,000	(364,412)	1,640,588	0.12%	64
2007	1,785,000	(395,552)	1,389,448	0.09%	66
2008	6,555,000	(406,890)	6,148,110	0.37%	297
2009	6,320,000	(417,573)	5,902,427	0.36%	285
2010	6,035,000	(429,394)	5,605,606	0.35%	269

Notes:

(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Assessed and Estimated Actual Values of Taxable Property on page for property value data.

(3) Population data can be found in the Schedule of Demographics and Economic Statistics on Table D-18.

COLORADO COUNTY, TEXAS

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Cities:			
Eagle Lake	$ 1,332,641	100.00%	$ 1,332,641
Columbus	1,149,521	100.00%	1,149,521
Weimar	170,409	100.00%	170,409
School Districts			
Columbus	15,178,372	97.80%	14,844,448
Rice Consolidated	15,197,808	100.00%	15,197,808
Weimar	4,823,875	95.58%	4,610,660
Special Districts			
Glidden Fresh Water Supply District #1	643,555	100.00%	643,555
Colorado County Water Control & Improvement District #2	89,248	100.00%	89,248
Subtotal, Overlapping Debt			38,038,290
County Direct Debt			6,035,000
Total Direct and Overlapping Debt			$ 44,073,290

Sources: Assessed value data used to estimate applicable percentages provided by the Colorado County Central Appraisal District. Debt outstanding data provided by each governmental unit.

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COLORADO COUNTY, TEXAS

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year				
	2001	2002	2003	2004	2005
Assessed Value of Property	$ 994,458,256	$ 1,019,276,244	$ 1,038,561,674	$ 1,141,102,682	$ 1,251,453,026
Debt Limit, 10% of total assessed value	99,445,826	101,927,624	103,856,167	114,110,268	125,145,303
Amount of Debt Applicable to limit					
General obligation bonds	2,805,000	2,650,000	2,490,000	2,215,000	2,215,000
Less resources restricted to repaying principal	251,822	272,827	282,396	379,100	335,640
Total net debt applicable to limit	2,553,178	2,377,173	2,207,604	1,835,900	1,879,360
Legal Debt Margin	$ 96,892,648	$ 99,550,451	$ 101,648,563	$ 112,274,368	$ 123,265,943
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.6%	2.3%	2.1%	1.6%	1.5%

2006	2007	2008	2009	2010
$ 1,405,174,578	$ 1,532,218,290	$ 1,659,490,327	$ 1,642,792,091	$ 1,610,732,004
140,517,458	153,221,829	165,949,033	164,279,209	161,073,200
2,005,000	1,785,000	6,555,000	6,320,000	6,035,000
364,412	395,552	406,890	417,573	429,394
1,640,588	1,389,448	6,148,110	5,902,427	5,605,606
$ 138,876,870	$ 151,832,381	$ 159,800,923	$ 158,376,782	$ 155,467,594
1.2%	0.9%	3.7%	3.6%	3.5%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	$ 1,610,732,004
Debt Limit (10% of Assessed Value)	161,073,200
Debt Applicable to Limit:	
General Obligation Bonds	6,035,000
Less: Amount Set Aside for Repayment of General Obligation Debt	429,394
Total Net Debt Applicable to Limit	5,605,606
Legal Debt Margin	$ 155,467,594

TABLE D-18

COLORADO COUNTY, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population (1)	20,282	20,462	20,701	20,721	20,736	20,736	20,960	20,666	20,734	20,874
Personal Income (000's), (1)	$ 486,180	$ 487,152	$ 507,341	$ 532,654	$ 532,654	$ 532,654	$ 532,654	$ 532,654	$ 648,774	$ 724,896
Per Capita Personal Income (1)	$ 23,971	$ 23,808	$ 24,508	$ 25,706	$ 25,706	$ 25,706	$ 25,413	$ 25,413	$ 31,660	$ 35,067
Median Age (2)	39	39	39	39	39	39	39	39	39	42
Education Level in Years of Schooling										
Less than high school graduate	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	32.4%	30.9%
High school graduate	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	40.0%	33.3%
Some college - no degree	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%	17.0%	16.9%
Associate's degree	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	6.0%	4.4%
Bachelor's degree	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	12.0%	10.0%
Graduate or professional degree	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	5.0%	4.4%
School Enrollment (3)	3,735	3,686	3,767	3,617	3,526	3,462	3,345	3,400	3,391	3,454
Unemployment (4)	3.2%	4.0%	5.4%	4.1%	4.0%	4.1%	3.4%	3.7%	6.4%	7.7%

(1) Source: Bureau of Economic Analysis

(2) Source: U.S. Census Bureau

(3) Source: Columbus ISD, Rice CISD, Weimar ISD

(4) Source: Texas Workforce Commission

COLORADO COUNTY, TEXAS

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2010			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percent of Total County Employment
Utex Industries	280	1	4.40%	256	1	4.28%
Columbus ISD	224	2	3.52%	215	4	3.59%
Rice Consolidated ISD	214	3	3.36%	214	2	3.58%
Columbus Community Hospital	206	4	3.14%	192	6	3.21%
Colorado-Fayette Medical Center	200	5	3.24%	165	5	2.76%
Exterran	190	6	2.99%	200	3	3.34%
Drymalla Construction	169	7	2.65%	157	7	2.62%
County of Colorado	143	8	2.24%	122	8	2.04%
River Oaks Convalescent	122	9	1.92%	118	9	1.97%
Weimar ISD	109	10	1.71%	102	10	1.71%
Total	1,857		29.17%	1,741		29.10%

Source: The Texas Workforce Development Board

COLORADO COUNTY, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Full-Time-Equivalent Employees as of Year End									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
General Government										
General administration	8	8	9	9	9	9	9	9	9	9
Financial administration	6	6	6	6	6	6	6	6	6	6
Judicial	16	16	16	16	16	16	17	17	17	17
Public Safety	55	56	65	69	67	64	69	67	66	65
Public Facilities	4	4	4	4	4	4	4	4	4	4
Public Transportation	29	30	30	30	31	29	29	29	30	30
Conservation	2	2	2	2	2	2	2	2	2	2
Health and welfare	1	1	1	1	--	1	1	1	1	1
Total	121	123	133	137	135	131	137	135	135	134

Source: The Workforce Development Board

COLORADO COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Marriage license issued	131	137	134	111	132	142	160	143	137	136
Birth certificates	258	253	280	230	263	278	312	200	318	169
Death certificates	287	253	260	219	206	200	225	200	188	187
Judicial										
County Court										
Probate cases filed	98	80	106	118	82	107	91	106	107	115
Mental Health cases filed	--	--	1	--	--	--	7	--	5	5
Civil cases filed	41	123	86	59	91	153	87	71	63	66
Criminal cases filed	845	616	620	622	660	818	651	675	557	506
District Court										
Civil cases filed	267	307	290	282	362	364	271	289	520	398
Criminal cases filed	230	185	172	200	230	247	225	272	252	191
Justice Court										
Cases filed	9,928	8,171	7,619	8,398	9,459	9,543	9,224	10,086	10,124	10,118
Public Safety										
Jail bookings	1,772	1,772	1,667	1,821	2,073	1,749	1,673	1,785	1,703	1,541
Jail average daily occupancy	68	68	82	77	61	79	56	67	70	62
Emergency responses	1,059	1,081	1,066	1,003	1,106	1,036	1,109	1,113	1,146	1,133
Emergency transfers	392	367	134	244	237	353	379	380	294	336
Health & Welfare										
Septic permits issued	130	148	145	151	156	144	128	124	95	98
Indigent health care active cases	21	22	25	32	27	26	27	26	30	30

Source: County records

COLORADO COUNTY, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Jails	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	18	18	23	24
EMS Stations	3	3	3	3	3	3	3	3	3	3
Ambulance Units	6	6	7	7	8	9	10	8	8	8
Public Facilities										
Courthouse	1	1	1	1	1	1	1	1	1	1
Public Transporation										
Asphalt Roads (miles)	417.3	417.3	417.3	419.6	421.3	426.0	428.3	435.5	438.3	440.4
Gravel Roads (miles)	318.6	318.6	318.6	317.3	315.6	311.1	311.1	303.8	301.0	299.5
Dirt Roads (miles)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Bridges	87	87	87	87	87	87	87	86	87	88

Sources: County records.