

HAYS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2010**

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

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Financial Section

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HOLTMAN, WAGNER & COMPANY, L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
County Commissioners
Hays County, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hays County as of and for the year ended September 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Hays County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hays County as of September 30, 2010, and the respective changes in its financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2011 on our consideration of Hays County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of this 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7 through 13 and the budgetary information on pages 48 and 49 identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hays County's financial statements as a whole. The introductory section, the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organization* and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements, the combining component units financial statements, and the schedule of expenditures of federal and state awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hottman Wagner & Company LLP

New Braunfels, Texas
January 12, 2011

HAYS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Section of the Hays County's annual financial report presents an overview of the County's financial activities for the fiscal year ended September 30, 2010. The Management's Discussion and Analysis should be considered in conjunction with the accompanying financial statements and accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The County's total combined net assets were \$64.5 million at September 30, 2010. Of this amount, \$26.5 is unrestricted.
- The total cost of the County's programs was \$91.7 million while program revenues generated \$17.1 million at September 30, 2010.
- The general fund reported an unreserved fund balance this year of \$29.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which consist of three components:

- government-wide financial statements
- fund financial statements and
- notes to the financial statements

This report also contains other supplementary information in addition to the basic 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 private sector business. The government-wide financial statements consist of two financial statements, the *Statement of Net Assets* and *Statement of Activities*.

- The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Eventually, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the county is improving or deteriorating.
- The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year using full accrual basis of accounting. 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 result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of their costs through user fees and charges. The governmental activities of the County include general administration, judicial, law enforcement/corrections, community/public service, health and human services, general maintenance, streets and highways.

FUND FINANCIAL STATEMENTS

The fund financial statements are designed to report information by grouping related accounts that are 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 the following three categories: governmental, proprietary and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's functions.

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 in the government-wide statements. In addition to the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance, separate statements are provided that reconcile between the government-wide and fund level statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund (a type of proprietary fund) is used to report activities that provide supplies and services for other programs and activities-such as the County's Medical and Dental Insurance fund. Because this service predominantly benefits government rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets-Fiduciary Funds. 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 basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Net Assets:

The County's combined net assets were \$64,499,270 at September 30, 2010 as detailed below:

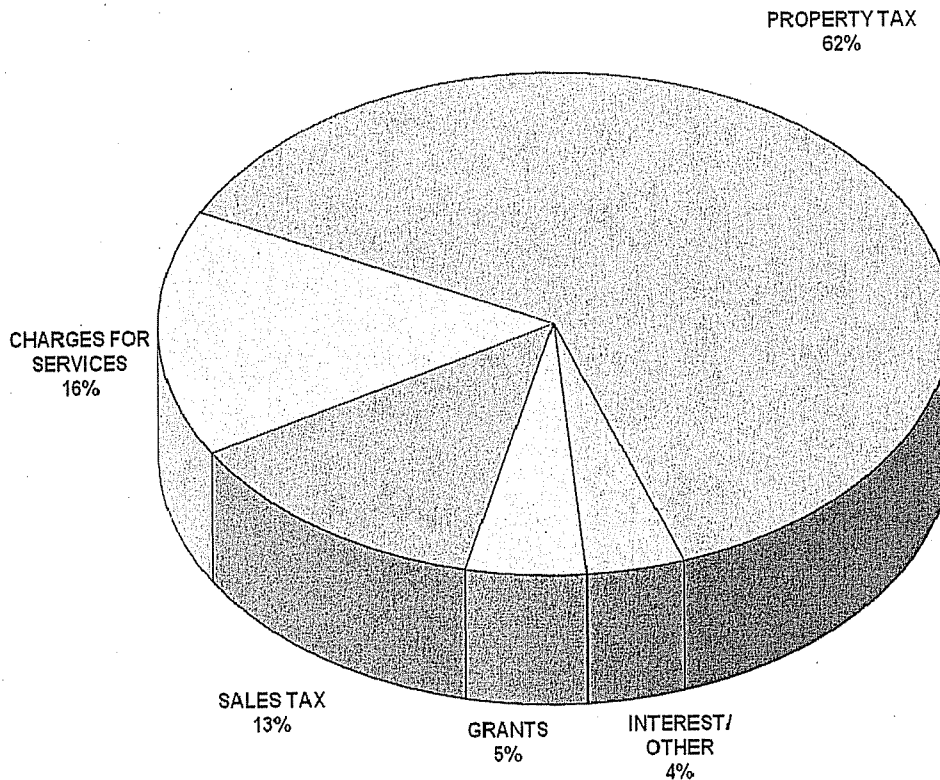
	2009 Governmental Activities	2010 Governmental Activities	Total Percent Change 2010-2009
ASSETS:			
Cash and cash equivalents	\$ 104,712,847	\$ 146,586,676	39.99%
Receivables (net of allowances for uncollectibles):			
Taxes	2,810,519	1,631,059	-41.97%
Accounts	1,530,220	3,262,410	113.20%
Due from fiduciary funds	585,371	567,968	-2.97%
Inventories	515,614	461,513	-10.49%
Prepaid expenditures	643,464	564,632	-12.25%
Capital Assets (net of accumulated depreciation):			
Land	1,345,901	6,563,701	387.68%
Buildings and improvements	17,739,278	17,903,020	0.92%
Land Improvements	-	3,625,323	100.00%
Furniture, fixtures and equipment	5,619,305	5,597,638	-0.39%
Infrastructure	71,064,112	73,123,731	2.90%
Construction in progress	23,205,328	33,474,987	44.26%
Other non-current assets	1,646,429	1,962,437	19.19%
Total Assets	231,418,388	295,325,095	27.62%
LIABILITIES:			
Liabilities:			
Accounts payable	7,854,708	9,303,879	18.45%
Due to other governments	515,234	379,168	-26.41%
Accrued interest payable	666,453	3,267,199	390.24%
Noncurrent liabilities -			
Due within one year	4,655,739	5,000,132	7.40%
Due in more than one year	143,701,902	212,767,389	48.06%
Deferred Revenues		108,058	100.00%
Total Liabilities	157,394,036	230,825,825	46.65%
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	43,666,358	34,054,685	-22.01%
Restricted For:			
Debt Service	3,270,297	3,976,456	21.59%
Unrestricted	27,087,697	26,468,129	-2.29%
Total Net Assets	\$ 74,024,352	\$ 64,499,270	-12.87%

Changes in Net Assets:

A significant portion, 75% of the County's revenue comes from taxes. Of this total, \$10.7 million was from sales taxes and the remaining \$51.2 million is ad valorem taxes. Charges for services include court fines and fees (\$4.1 million), law enforcement and correction facilities (\$4.8 million), health department fees (\$.91 million), and other (\$3.1 million).

- The County's total cost of governance was \$91.7 million.
- However the amount our taxpayers paid for these activities through taxes was \$61.8 million.
- Those who directly benefited from the programs paid \$13.0 million.
- Interest, grants, contributions, and miscellaneous revenues share of the cost was \$7.36 million.

REVENUES FY2010



The change in net assets for the year is summarized as follows:

	2009	2010	Total Percent Change 2010-2009
Taxes	\$ 57,259,027	\$ 61,846,456	8.01%
Program revenues:			
Charges for Services	14,873,339	13,015,735	-12.49%
Operating grants and contributions	2,966,390	3,838,375	29.40%
Capital grants and contributions	1,256,057	229,436	-81.73%
Investment earnings	436,637	271,954	-37.72%
Miscellaneous and other	1,031,557	3,015,337	192.31%
	<u>77,823,007</u>	<u>82,217,293</u>	<u>5.65%</u>
Expenses			
General administration	11,053,270	10,640,933	-3.73%
Judicial	7,609,687	8,973,486	17.92%
Law enforcement/corrections	28,987,133	26,844,795	-7.39%
Community/public service	1,951,797	7,473,385	282.90%
Health and human services	5,939,660	4,849,367	-18.36%
General maintenance	1,043,352	1,121,942	7.53%
Streets and highways	13,602,101	22,817,457	67.75%
Debt service/Bond Interest	3,564,700	9,021,010	153.07%
Total expenditures	<u>73,751,700</u>	<u>91,742,375</u>	<u>24.39%</u>
Increase (decrease) in net assets	<u>\$ 4,071,307</u>	<u>\$ (9,525,082)</u>	<u>-333.96%</u>

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The County reports the following types of governmental funds: the General Fund; Special Revenue; Debt Service; and Capital Project Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances that are available for spending. Such information is useful in assessing the County's annual financing and budgeting 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 2010 fiscal year, the County's governmental funds reported combined ending fund balance of \$140.2 million. Approximately 35.6 million of the fund balance represents unreserved fund balance while the remaining fund balance is reserved for inventories (\$.46 million), prepaid expenses (\$.56 million), capital projects (\$99.2 million), and debt service (\$4.0 million). The General Fund is the primary operating fund of the County. At the end of the 2010 fiscal year, unreserved fund balance of the General Fund was \$29.7 million.

GENERAL FUND BUDGETARY HIGHLIGHTS :

The fiscal year 2010 budget was adopted on September 16, 2009. The FY2010 budget increase (3%) over FY2009 was primarily due to employee salary increases (\$ 334,000), creation of an emergency dispatch service (\$381,000) as well as capital improvements (\$1,000,000). Additional increases were the result of inflation and additional expenses related to the population growth of the County.

Over the course of the year, the County revised its budget on several occasions for line item transfers within existing line items, with no increase in the overall budget. Any noted increases in the overall budget was due

to additional grants with off setting revenue that were received but were not anticipated during the budget process.

Actual expenditures were less than budgeted expenditures by \$5,077,360, primarily due to the incompleteness of capital improvement projects as well as grant funded projects. Actual revenues collected were less than budgeted by \$275,766. The revenue decrease was primarily the result of a decrease in revenues from reduced collections of Court related fees and fines attributed to the slow-down in the economy. Additionally some grant funded projects were not completed by year-end, therefore the grant revenues were not realized.

CAPITAL ASSETS

The capital assets of the County are those assets (land, buildings, improvements, infrastructure, and furniture, and equipment), which are used in the performance of the County's functions. At September 30, 2010, net capital assets of the governmental activities totaled \$140.3 million. Annual depreciation for buildings, improvements and furniture and equipment totaled \$6.6 million.

	2009	2010	Total Percent Change 2010-2009
Capital assets not being depreciated:			
Land	\$ 1,345,901	\$ 6,563,701	387.68%
Construction in progress - infrastructure	17,608,232	16,400,113	-6.86%
Construction in progress	5,597,096	17,074,874	205.07%
Total capital assets not being depreciated	24,551,229	40,038,688	63.08%
Capital assets being depreciated:			
Infrastructure	101,175,216	107,329,423	6.08%
Buildings and improvements	33,618,618	34,500,997	2.62%
Park improvements		3,625,323	
Equipment	15,655,725	16,067,035	2.63%
Equipment under capital lease	1,269,669	1,870,895	47.35%
Total capital assets being depreciated	151,719,228	163,393,673	7.69%
Less accumulated depreciation for:			
Infrastructure	(30,111,104)	(34,205,692)	13.60%
Buildings and improvements	(15,879,340)	(16,597,977)	4.53%
Equipment	(10,657,695)	(11,464,353)	7.57%
Equipment under capital Lease	(648,394)	(875,939)	35.09%
Total accumulated depreciation	(57,296,533)	(63,143,961)	10.21%
Total capital assets being depreciated, net	94,422,695	100,249,712	6.17%
Governmental activities capital assets, net	\$ 118,973,924	\$ 140,288,400	17.92%

DEBT ADMINISTRATION

At the end of the 2010 fiscal year, the County reported \$217.8 million in outstanding debt. Of this amount, \$124.8 million is general obligation debt; \$79.8 million is certificates of obligation, and \$.57 million is capital leases. In addition, the County reported \$1.8 million in vested vacation benefits and \$4.9 million in post employment benefits. Premiums being amortized over the life of the bond were \$5.8 million at year-end. The general obligation debt is the result of a voter approved bond issue for roads (\$206 million) and parks (\$30 million). The County has entered into an agreement regarding the road construction projects relating to State roads in which the State of Texas will reimburse Hays County over an approximate 20 year period the sum of \$133,000,000.

An additional \$67.3 million of certificates of obligation was issued for the construction of a new Hays County Government Center.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES:

The County has experienced a major growth in population since the 2000 census; however, in the past year Hays County has also been affected by the economic times. Appraised property values used for the FY2011 budget preparation will decrease by \$79 million, or .7% from FY2010. The decrease in FY2011 property values was primarily the result of a reduction in overall home values due to the economy. The average home value in FY2011 was \$162,314 as compared to the average home value in FY2010 of \$165,345. That equates to a loss of approximately \$1,525,182 in tax revenue. That decrease was offset by an increase of \$1,638,588 in taxes attributable to new property improvements. These indicators were taken into account when adopting the FY2011 General Fund budget. Amounts available for appropriation in the FY2011 General Fund budget are \$49.2 million, compared to the final FY2010 budget of \$53.6 million. The tax decrease in General Fund was primarily the result of a shift in the tax rate from General Fund to the Debt Fund to finance the new Government Center.

Total expenditures for all operating funds, including General Fund, for FY2011 are budgeted at \$76 million which is the same level as the previous year.

If these estimates are realized, the County's budgetary General Fund balance is anticipated to drop by \$5.8 million. The decrease in fund balance is the result of the use of reserves to fund one-time expenditures for capital improvements, including the construction of an environmental health building as well as renovation work on the County jail.

The County determined in FY2006 that it needed to plan for the financial resources that would be required in the near future to provide new office space in the County seat as well as the satellite offices throughout the County. The new office complex would consolidate many offices into one government complex that would provide for future growth as well as increase efficiency in government operations. In FY2006, the County implemented a plan to appropriate into the property tax rate and into the budget, on an annual basis, an amount of funds that would be required to construct new offices in the near future. In FY2010 the County had sufficient funding appropriated into the tax rate to pay for the debt requirements necessary for a \$72 million Government Center without any future tax rate impact.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, 111 E. San Antonio St., Suite 100, San Marcos, Texas 78666 or 512-393-2283.

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Basic Financial Statements

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HAYS COUNTY, TEXAS
STATEMENT OF NET ASSETS
September 30, 2010

	Primary Government Governmental Activities	Component Units
Assets		
Cash:		
Cash and cash equivalents	\$ 146,586,676	\$ 4,743,487
Receivables:		
Delinquent ad valorem taxes	769,135	738,697
Sales and use tax	861,924	-
Due from other governments	964,223	-
Miscellaneous	2,298,187	270,026
Due from fiduciary funds	567,968	-
Materials & supplies inventory, at cost	461,513	-
Prepaid expenses	564,632	-
Capital assets (net of accumulated depreciation):		
Land	6,563,701	178,488
Buildings	17,903,020	7,060,359
Land Improvements	3,625,323	-
Furniture, fixtures and equipment	5,597,638	5,154,293
Infrastructure	73,123,731	-
Construction in progress	33,474,987	23,402
Deferred charges-bond issuance costs	1,651,437	-
Deposits	311,000	-
Total Assets:	<u>295,325,095</u>	<u>18,168,752</u>
Liabilities		
Accounts payable	9,303,879	349,528
Accrued interest payable	3,267,199	-
Due to other governments	379,168	-
Noncurrent liabilities:		
Due within one year	5,000,132	681,340
Due in more than one year	212,767,389	6,937,893
Deferred revenues	108,058	356,509
Total Liabilities:	<u>230,825,825</u>	<u>8,325,270</u>
Net Assets		
Invested in capital assets, net of related debt	34,054,685	4,797,309
Restricted for:		
Debt service	3,976,456	-
Unrestricted	26,468,129	5,046,173
Total Net Assets:	<u>\$ 64,499,270</u>	<u>\$ 9,843,482</u>

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Administration	\$ 10,640,933	\$ 676,338	\$ 165,959	\$ -
Judicial	8,973,486	4,123,666	344,188	-
Law enforcement and corrections	26,844,795	4,844,134	1,782,904	123,679
Community and public services	7,473,385	267,067	290,564	16,353
Health and human services	4,849,367	908,731	1,181,108	35,998
General maintenance	1,121,942	-	-	-
Highways and streets	22,817,457	2,195,799	73,652	53,406
Interest and fees	9,021,010	-	-	-
Total governmental activities	91,742,375	13,015,735	3,838,375	229,436
Total primary government	\$ 91,742,375	\$ 13,015,735	\$ 3,838,375	\$ 229,436
Component Units				
Emergency Service Districts public safety				

Ad valorem taxes
Sales and use tax
Interest on deposits
Miscellaneous revenues
Total general revenues

Change in net assets

Net assets - beginning
Prior period adjustment

Net assets - ending

**Net (Expense) Revenue and Changes in Net
Assets**

<u>Primary Government</u>	<u>Component Units</u>
<u>Governmental Activities</u>	<u>ESD's</u>
(9,798,636)	\$ -
(4,505,632)	-
(20,094,078)	-
(6,899,401)	-
(2,723,530)	-
(1,121,942)	-
(20,494,600)	-
(9,021,010)	-
(74,658,829)	-
<u>\$ (74,658,829)</u>	<u>-</u>
	(9,929,946)
51,166,330	8,748,328
10,680,126	829,344
271,954	58,988
<u>3,015,337</u>	<u>952,725</u>
<u>65,133,747</u>	<u>10,589,385</u>
(9,525,082)	659,439
71,528,307	9,184,043
2,496,045	-
<u>\$ 64,499,270</u>	<u>\$ 9,843,482</u>

HAYS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	General	Govt Ctr Construction 2010 Fund	Road and Bridge Fund	Pass Thru Road Bond 2009 Fund	Dacy Lane Road Improv 2009 Fund
Assets					
Cash and cash equivalents	\$ 30,962,005	\$ 58,077,031	\$ 3,962,465	\$ 29,382,561	\$ 6,371,166
Receivables:					
Ad valorem taxes	499,572	-	93,580	-	-
Sales and use taxes	861,924	-	-	-	-
Miscellaneous	847,423	6,199	168,624	-	-
Due from other funds	973,063	-	33,473	-	15,939
Due from fiduciary funds	486,039	-	47,231	-	-
Prepaid expenses	564,632	-	-	-	-
Inventory, at cost	8,741	-	452,772	-	-
Total Assets:	<u>\$ 35,203,399</u>	<u>\$ 58,083,230</u>	<u>\$ 4,758,145</u>	<u>\$ 29,382,561</u>	<u>\$ 6,387,105</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable - trade	\$ 1,798,143	\$ 3,498,386	\$ 876,357	\$ 508,948	\$ 17,814
Deferred revenues	587,605	-	93,580	-	-
Due to other agencies	374,610	-	4,558	-	-
Due to other funds	2,206,344	-	13,964	-	-
Total Liabilities:	<u>4,966,702</u>	<u>3,498,386</u>	<u>988,459</u>	<u>508,948</u>	<u>17,814</u>
Fund Balances:					
Reserved for:					
Prepaid expenses	564,632	-	-	-	-
Inventory	8,741	-	452,772	-	-
Debt service	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	54,584,844	-	28,873,613	6,369,291
Unreserved, reported in:					
General fund	29,663,324	-	-	-	-
Special revenue funds	-	-	3,316,914	-	-
Capital projects	-	-	-	-	-
Total Fund Balances:	<u>30,236,697</u>	<u>54,584,844</u>	<u>3,769,686</u>	<u>28,873,613</u>	<u>6,369,291</u>
Total Liabilities and Fund Balances:	<u>\$ 35,203,399</u>	<u>\$ 58,083,230</u>	<u>\$ 4,758,145</u>	<u>\$ 29,382,561</u>	<u>\$ 6,387,105</u>

The accompanying notes are an integral part of this statement.

Co Priority Road Bond 2009 Fund	Park Bond 2008 Fund	Other Governmental Funds	Total Governmental Funds
\$ 4,872,002	\$ 4,048,727	\$ 8,147,885	\$ 145,823,842
-	-	175,983	769,135
-	-	-	861,924
-	903,399	1,305,608	3,231,253
-	-	80,358	1,102,833
-	-	34,698	567,968
-	-	-	564,632
-	-	-	461,513
<u>\$ 4,872,002</u>	<u>\$ 4,952,126</u>	<u>\$ 9,744,532</u>	<u>\$ 153,383,100</u>

\$ 809,021	\$ 711,238	\$ 717,940	\$ 8,937,847
-	-	196,008	877,193
-	-	-	379,168
15,939	705,626	78,590	3,020,463
<u>824,960</u>	<u>1,416,864</u>	<u>992,538</u>	<u>13,214,671</u>

-	-	-	564,632
-	-	-	461,513
-	-	3,976,457	3,976,457
-	-	-	-
4,047,042	3,535,262	1,818,540	99,228,592
-	-	-	29,663,324
-	-	2,543,083	5,859,997
-	-	413,914	413,914
<u>4,047,042</u>	<u>3,535,262</u>	<u>8,751,994</u>	<u>140,168,429</u>
<u>\$ 4,872,002</u>	<u>\$ 4,952,126</u>	<u>\$ 9,744,532</u>	<u>\$ 153,383,100</u>

HAYS COUNTY, TEXAS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
September 30, 2010

Total fund balances - governmental funds	\$ 140,168,429
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are expensed in the funds	140,288,400
Payables for bond principal, premiums, and capital leases which are not due in the current period are not reported in the funds	(210,985,262)
Bond issue costs are expensed in the funds	1,651,437
Payables for bond interest which are not due in the current period are not reported in the funds	(3,267,199)
Compensated absences which are not due in the current period are not reported in the funds	(1,834,745)
Internal service funds assets and liabilities are included in the governmental activities in the statement of net assets	2,656,589
Property tax receivable unavailable to pay current year expenditures is deferred in the funds	769,135
Post employment benefit obligation is not reported in the funds	(4,947,514)
	<hr/>
Net assets of governmental activities - statement of net assets	<u>\$ 64,499,270</u>

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HAYS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	<u>General</u>	<u>Govt Ctr Construction 2010 Fund</u>	<u>Road and Bridge General Fund</u>	<u>Pass Thru Road Bond 2009 Fund</u>	<u>Dacy Lane Road Improv 2009 Fund</u>
Revenues					
Taxes:					
Ad valorem	\$ 36,597,658	\$ -	\$ 5,526,310	\$ -	\$ -
Sales and use	9,977,266	-	702,860	-	-
Fines	1,949,223	-	528,595	-	-
Charges for services	6,879,280	-	1,717,367	-	-
Interest on deposits	71,307	60,543	10,594	59,681	14,509
Operating grants and contributions	2,380,926	-	66,758	-	-
Other revenue	1,378,471	-	101,684	-	-
Asset forfeitures	-	-	-	-	-
Total revenues	<u>59,234,131</u>	<u>60,543</u>	<u>8,654,168</u>	<u>59,681</u>	<u>14,509</u>
Expenditures					
Current:					
Administration	9,500,912	-	-	-	-
Judicial	7,980,459	-	-	-	-
Law enforcement and corrections	27,527,351	-	-	-	-
Community and public services	1,499,181	-	-	-	-
Health and human services	1,928,593	-	-	-	-
General maintenance	1,114,185	-	-	-	-
Highways and streets	-	-	7,886,339	8,024,965	1,279,817
Debt service:					
Administrative charges	8,000	-	-	-	-
Interest	9,192	-	-	-	-
Principal retirement	551,439	-	-	-	-
Capital outlay:					
Capital outlay	<u>5,133,172</u>	<u>13,291,996</u>	<u>489,769</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>55,252,484</u>	<u>13,291,996</u>	<u>8,376,108</u>	<u>8,024,965</u>	<u>1,279,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,981,647</u>	<u>(13,231,453)</u>	<u>278,060</u>	<u>(7,965,284)</u>	<u>(1,265,308)</u>
Other financing sources (uses)					
Transfers to other funds	(2,045,484)	-	-	-	-
Transfers from other funds	-	-	-	-	-
Issuance of debt	<u>3,484,929</u>	<u>67,816,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>1,439,445</u>	<u>67,816,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>5,421,092</u>	<u>54,584,844</u>	<u>278,060</u>	<u>(7,965,284)</u>	<u>(1,265,308)</u>
Fund balances - beginning	<u>24,815,605</u>	<u>-</u>	<u>3,491,626</u>	<u>36,838,897</u>	<u>7,634,599</u>
Fund balances - ending	<u>\$ 30,236,697</u>	<u>\$ 54,584,844</u>	<u>\$ 3,769,686</u>	<u>\$ 28,873,613</u>	<u>\$ 6,369,291</u>

The accompanying notes are an integral part of this statement.

Co Priority Road Bond 2009 Fund	Park Bond 2008 Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,920,010	\$ 51,043,978
-	-	-	10,680,126
-	-	-	2,477,818
-	-	1,498,219	10,094,866
15,606	11,511	27,264	271,015
-	-	1,719,527	4,167,211
-	-	1,850,497	3,330,652
-	-	108,836	108,836
<u>15,606</u>	<u>11,511</u>	<u>14,124,353</u>	<u>82,174,502</u>
-	-	-	9,500,912
-	-	674,037	8,654,496
-	-	210,886	27,738,237
-	2,049,796	4,180,610	7,729,587
-	-	3,440,260	5,368,853
-	-	-	1,114,185
4,148,644	-	763,173	22,102,938
-	3,100	92,275	103,375
-	-	6,711,544	6,720,736
-	-	16,665,153	17,216,592
<u>653,987</u>	<u>1,220,736</u>	<u>250,076</u>	<u>21,039,736</u>
<u>4,802,631</u>	<u>3,273,632</u>	<u>32,988,014</u>	<u>127,289,647</u>
<u>(4,787,025)</u>	<u>(3,262,121)</u>	<u>(18,863,661)</u>	<u>(45,115,145)</u>
-	(702,622)	-	(2,748,106)
-	-	2,748,106	2,748,106
-	-	13,236,860	84,538,086
-	(702,622)	15,984,966	84,538,086
(4,787,025)	(3,964,743)	(2,878,695)	39,422,941
8,834,067	7,500,005	11,630,689	100,745,488
<u>\$ 4,047,042</u>	<u>\$ 3,535,262</u>	<u>\$ 8,751,994</u>	<u>\$ 140,168,429</u>

HAYS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Net change in fund balances -- total governmental funds	\$ 39,422,941
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are not reported as expenses in the statement of activities	28,363,838
Sales of capital assets are not reported in the funds	(423,092)
Depreciation of capital assets is not recorded in the funds	(6,626,272)
Repayment of bond principle is an expenditure in the funds but a reduction of the liability in the statement of net assets	16,650,000
Bond issues are recorded as a current resource in the funds, but as a liability in the statement of net assets	(80,566,288)
Bond issue costs are capitalized and amortized in the statement of net assets	210,010
Bond premiums are capitalized and amortized in the statement of net assets	(3,176,734)
Repayment of capital lease principal is an expenditure in the funds but a reduction of the liability in the statement of net assets	566,591
Capital lease issues are recorded as a current resource in the funds, but as a liability in the statement of net assets	(601,226)
Decrease in non-current portion of compensated absences is not an expenditure in the funds, but is recorded as a liability in the statement of net assets	191,533
Property taxes unearned in the funds are recognized as revenue in the statement of activities	122,352
Increase in accrued interest payable from beginning of the period to the end of the period	(2,600,745)
Net expenditure in the internal service funds are reported in the governmental activities	1,415,767
Post employment benefit expense is not reported in the funds	(2,473,757)
Change in net assets of governmental activities - statement of activities	<u>\$ (9,525,082)</u>

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	<u>Internal Service Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 762,833
Accounts receivable	31,157
Due from other funds	<u>1,917,630</u>
Total current assets:	2,711,620
Non-current asset:	
Deposits held by paying agent	<u>311,000</u>
Total assets	<u>3,022,620</u>
LIABILITIES AND FUND BALANCES	
Current liabilities:	
Accounts payable - trade	<u>366,032</u>
Total current liabilities:	<u>366,032</u>
Total liabilities	<u>366,032</u>
NET ASSETS	
Restricted for future claims	<u>2,656,588</u>
Total net assets	<u><u>\$ 2,656,588</u></u>

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Internal Service Fund
OPERATING REVENUES:	
Charges for services	\$ 8,268,673
Total operating revenue	<u>8,268,673</u>
OPERATING EXPENSES:	
Medical claims	<u>6,853,861</u>
Total operating expenses	<u>6,853,861</u>
Operating income (loss)	<u>1,414,812</u>
NONOPERATING REVENUES:	
Interest on deposits	<u>954</u>
Total nonoperating revenue	<u>954</u>
Change in net assets	1,415,766
Total net assets -- beginning	<u>1,240,822</u>
Total net assets -- ending	<u><u>\$ 2,656,588</u></u>

HAYS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2010

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from interfund services provided and used	\$ 7,773,447
Payments for claims	<u>(7,040,677)</u>
Net cash provided by operating activities	732,770
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Increase in deposit held by paying agent	<u>(106,000)</u>
Net cash (used) by noncapital financing	(106,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>954</u>
Net cash provided by investing activities	<u>954</u>
Net Increase (decrease) in cash and cash equivalents	627,724
Balances - beginning of year	135,109
Balances - end of the year	<u><u>\$ 762,833</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income	\$ 1,414,812
Changes in assets and liabilities:	
Interfund receivables	(359,069)
Accounts receivable	(30,157)
Accounts payable - other	<u>(292,816)</u>
Net cash provided by operating activities	<u><u>\$ 732,770</u></u>

HAYS COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 5,989,963</u>
Total assets	<u><u>\$ 5,989,963</u></u>
 LIABILITIES	
Due to county	\$ 567,969
Due to participants	3,180,720
Due to other agencies	<u>2,241,274</u>
Total liabilities	<u><u>\$ 5,989,963</u></u>

The accompanying notes are an integral part of this statement.

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

The combined financial statements of the County of Hays, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its components units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

The County is not a component unit of any other reporting entity as defined by the GASB Statement. Based on these criteria, the County's eight Emergency Service District's are component units.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Special Revenue Fund: This fund is used to account for resources restricted to, or designated for, road and bridge maintenance and operations.

Capital Projects Funds: These funds are used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

In addition, the County reports the following fund types:

Special Revenue Funds: These funds are used to separately account for funds related to grants and contracts.

Debt Service Fund: This fund is used to account for the resources accumulated for the repayment of principal and interest on long-term debt of the County.

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Agency Funds: These funds are used to report other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary Funds: These funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of the accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General, Road & Bridge Special Revenue Fund and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the county is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The allowance for doubtful accounts in the General, Road & Bridge Special Revenue Fund and Debt Service Funds was \$802,040, \$173,390, and \$137,990 respectively.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donations. The cost of the normal

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	25-50
Buildings	50
Equipment and Vehicles	5-10

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the year end.

f. Compensated Absences

On retirement or death of certain employees, the County pays any accrued vacation leave in a lump sum payment to such employee or his/her estate. The maximum amount an employee will be paid on termination is 240 hours.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of government-wide statement of net assets.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2010, the carrying amount of the County's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$7,597,286 and the bank balance was \$6,581,117.

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

The County's cash deposits at September 30, 2010, and during the year ended September 30, 2010, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

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

<u>Investment or Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total Portfolio</u>	<u>Weighted Average Maturity in Days</u>	<u>Rating S&P</u>
United States Treasury Notes	\$ 1,050,000	0.72%	45	N/A
TexPool Investment Pool	88,749,273	61.22%	n/a	AAAm
DWS Government Cash Inst. Shares	22,267,064	15.36%	n/a	AAAm
Logic Investment Pool	17,225,099	11.88%	n/a	AAA
MBIA Class Investment Pool	15,632,963	10.78%	n/a	AAA
Sage Capital Bank CD's	54,954	0.04%	n/a	N/A
Total investments held by the County	144,979,353			
Plus cash in banks	7,597,286			
Total investments and cash held by County	152,576,639			
Less cash held in agency funds	(5,989,963)			
Total cash and cash equivalents reported on statement of net assets	\$ 146,586,676			

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end, and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. State law dictates that in order to maintain eligibility to receive funds and invest funds on behalf

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

of the County, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized statistical rating organization (NRSRO). State law authorizes investments in obligations guaranteed by the U.S. government and does not require that these investments be rated. The County's policy is to comply with state law. At year end, all of the County's investments meet the State's requirements.

At September 30, 2010, the County's investments are rated as to credit quality as shown in the above table.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law requires settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis. The County's Investment Policy requires that securities be registered in the name of the County. All safekeeping receipts for investment instruments are held in accounts in the County's name, and all securities are registered in the name of the County.

The County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

State law and the County's policy place no limit on the amount the County may invest in any one issuer. The County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages its investment time horizons by averaging investment maturities and chooses to present its exposure to interest rate changes using the weighted average maturity method. In accordance with its investment policy and state law, the County manages its interest rate risk by limiting the weighted average maturity of any investment owned by the County to the maximum of two years. The investment strategy for operating funds requires a dollar weighed average maturity of 365 days or less. Debt service funds cannot be invested in securities that have a stated final maturity date that exceeds the debt service payment date. Investment of debt service reserve funds and special project funds require high quality securities with short-term maturities. Eligible investment pools must have a weighted average maturity of no greater than 90 days. The County's exposure to interest rate risk at September 30, 2010 is summarized in the above table as the weighted average days to maturity.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

C. Capital Assets

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balances	Reclasses and Increases	Reclasses and Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,345,901	\$ 5,217,800	\$ -	\$ 6,563,701
Construction in progress - infrastructure	17,608,232	1,588,324	(2,796,443)	16,400,113
Construction in progress	5,597,096	15,357,203	(3,879,425)	17,074,874
Total capital assets not being depreciated	<u>24,551,229</u>	<u>22,163,327</u>	<u>(6,675,868)</u>	<u>40,038,688</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	101,175,216	6,553,275	(399,068)	107,329,423
Buildings and improvements	33,618,618	882,379	-	34,500,997
Park improvements	-	3,625,323	-	3,625,323
Equipment	15,655,725	1,146,027	(734,717)	16,067,035
Equipment under capital lease	1,269,669	601,226	-	1,870,895
Total capital assets being depreciated	<u>151,719,228</u>	<u>12,808,230</u>	<u>(1,133,785)</u>	<u>163,393,673</u>
Less accumulated depreciation for:				
Infrastructure	(30,111,104)	(4,225,999)	131,411	(34,205,692)
Buildings and improvements	(15,879,340)	(718,637)	-	(16,597,977)
Park improvements	-	-	-	-
Equipment	(10,657,695)	(1,454,091)	647,433	(11,464,353)
Equipment under capital lease	(648,394)	(227,545)	-	(875,939)
Total accumulated depreciation	<u>(57,296,533)</u>	<u>(6,626,272)</u>	<u>778,844</u>	<u>(63,143,961)</u>
Total capital assets being depreciated, net	<u>94,422,695</u>	<u>6,181,958</u>	<u>(354,941)</u>	<u>100,249,712</u>
Governmental activities capital assets, net	<u>\$ 118,973,924</u>	<u>\$ 28,345,285</u>	<u>\$ (7,030,809)</u>	<u>\$ 140,288,400</u>

Depreciation was charged to functions as follows:

General administration	\$ 336,826
Judicial	191,657
Law enforcement/corrections	1,024,418
Community/public service	66,602
Health and welfare	186,307
General maintenance	17,805
Streets and highways	4,802,657
	<u>\$ 6,626,272</u>

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

D. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2010, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects	\$ 705,080	Short-term loans
General Fund	Agency Funds	486,039	Short-term loans
General Fund	Special Revenue	74,741	Short-term loans
General Fund	Non-major capital projects	45,497	Short-term loans
General Fund	Internal Service Fund	147,745	Short-term loans
	Total General Fund	<u>1,459,102</u>	
Capital Project Fund	General fund	<u>15,939</u>	Short-term loans
Road and Bridge	General fund	33,473	Short-term loans
Road and Bridge	Agency Funds	47,231	Short-term loans
	Total Road and Bridge	<u>80,704</u>	
Nonmajor Special Revenue Funds	General Fund	24,026	Short-term loans
Nonmajor Special Revenue Funds	Agency Funds	29,832	Short-term loans
	Total Nonmajor Special Revenue Funds	<u>53,858</u>	
Nonmajor Capital Projects Funds	Major Capital Projects	546	Short-term loans
Nonmajor Capital Projects Funds	Other Nonmajor Capital projects	55,786	Short-term loans
Nonmajor Capital Projects Funds	Agency Funds	3,270	Short-term loans
	Total Nonmajor Capital Projects Funds	<u>59,602</u>	
Nonmajor Debt Service Fund	Agency Funds	<u>1,596</u>	Short-term loans
Internal Service Fund	General Fund	1,887,905	Short-term loans
Internal Service Fund	Road & Bridge Fund	29,725	Short-term loans
	Total Internal Service Fund	<u>1,917,630</u>	
	Total	\$ <u>3,588,431</u>	
Total Governmental Funds due from other funds		\$ 1,102,833	
Total Governmental Funds due from other funds		567,968	
Total Governmental Funds due to other funds		(3,020,463)	
Total Internal Service Fund		1,917,630	
Total Agency Funds		<u>(567,968)</u>	
		\$ <u>-</u>	

All amounts due are scheduled to be repaid within one year.

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2010, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Other Governmental Funds	\$ 1,786,845	Supplement health service costs
General fund	Other Governmental Funds	138,067	Supplement courthouse costs
General fund	Other Governmental Funds	120,572	Supplement parks costs
Park Bond Fund 2008	Non-major Capital Project Fund	702,622	Supplement parks costs
	Total Transfers \$	<u>2,748,106</u>	

E. Due to Other Governments

Due to other governments are summarized below:

<u>Fund</u>	<u>Amount</u>
General Fund	
Court fines due to State	\$ 296,592
Unclaimed funds due to State	59,629
Other amounts due to state and others	18,389
	<u>374,610</u>
Other Special Revenue Funds	
Fuel tax due to State	4,558
Total due to other governments	\$ <u>379,168</u>

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2010, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 140,695,000	\$ 80,566,288	\$ (16,650,000)	\$ 204,611,288	\$ 4,865,000
Capital leases	530,739	601,226	(566,591)	565,374	135,132
Compensated absences *	2,026,278	1,724,950	(1,916,483)	1,834,745	-
Post employment benefits	2,473,757	2,473,757	-	4,947,514	-
	145,725,774	85,366,221	(19,133,074)	211,958,921	5,000,132
Bond premiums	2,631,867	3,375,000	(198,267)	5,808,600	-
Total governmental activities	\$ 148,357,641	\$ 88,741,221	\$ (19,331,341)	\$ 217,767,521	\$ 5,000,132

* Primarily the General Fund and the Road and Bridge Fund have liquidated this liability in the past.

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2010, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 4,865,000	\$ 11,051,669	\$ 15,916,669
2012	5,086,288	9,860,218	14,946,506
2013	6,860,000	8,778,765	15,638,765
2014	7,035,000	8,566,096	15,601,096
2015	7,130,000	7,161,165	14,291,165
2016-2020	42,725,000	35,837,860	78,562,860
2021-2025	50,935,000	25,855,432	76,790,432
2026-2030	52,080,000	13,209,863	65,289,863
2031-2035	27,895,000	3,103,650	30,998,650
	\$ 204,611,288	\$ 123,424,718	\$ 328,036,006

Interest rates on long-term debt ranges from 2% to 5.125%

In November 2008 Hays County voters approved a \$207,000,000 bond issue for road projects. Of that total, \$133,000,000 will be reimbursed by TxDOT over a 10 year period. Bonds will be issued as projects commence.

In April 2010 the County issued Unlimited Tax Refunding bonds to retire \$12,345,000 of the \$14,220,000 balance of the Series 2001 Unlimited Tax Bond issue. The cash flow required to service the old debt was reduced by

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

\$675,655 as a result of this refunding. The economic gain (the difference between the present value of the old debt service and the present value of the new debt service requirements) was \$524,453.

3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2010, as follows:

<u>Year Ending September 30:</u>	
2011	\$ 135,132
2012	135,132
2013	135,132
2014	135,132
2015	90,088
Total Minimum Rentals	<u>630,616</u>
Less Amount Representing Interest	<u>(65,242)</u>
Net Present Value	<u>\$ 565,374</u>

The effective interest rate on capital leases ranges from 3.5% to 4.69%.

The total assets acquired under capital leases cost \$1,870,895 and have accumulated depreciation of \$875,939 at September 30, 2010.

4. Continuing Disclosure

The County has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the County.

G. Accumulated Unpaid Compensated Absences

On retirement or death of certain employees, the County pays any annual leave and compensating time in a lump sum payment to such employee or his/her estate. A summary of changes in the accumulated leave liability follows:

	Compensated Absences
Balance, September 30, 2009	\$ 2,026,278
Additions - new entrants and salary increments	1,724,950
Payments	<u>(1,916,483)</u>
Balance, September 30, 2010	<u>\$ 1,834,745</u>

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

H. Fund Balance Deficits

The following funds have a deficit fund balance. These deficits will be liquidated in FY 2011 by a general fund transfer.

Law Library Fund	\$	1,402
Family Health Services	\$	20,740
ORCA Cedar Oaks Mesa Fund	\$	4,588

I. Prior Period Adjustment

The County has been developing the Five Mile Dam Park project as a joint venture with the City of San Marcos. The City is obligated to maintain the park, but ownership rests with the County. The County incurred construction costs in prior years but these costs were not capitalized by the County. In 2010 ownership of the Five Mile Dam Park was clarified by both parties, and those construction costs incurred should be capitalized as an asset of the County.

In addition, certain roads were identified as County assets that were not capitalized.

These prior period adjustments restate the beginning net assets of the County as follows:

		September 30,
Net assets as previously stated at 9-30-09	\$	<u>71,528,307</u>
Prior period adjustment for Five Mile Dam Park		2,354,278
Prior period adjustment for roads		141,767
Net assets as restated at 9-30-09		<u>74,024,352</u>
Current change in net assets		(9,525,082)
Net assets at 9-30-10	\$	<u><u>64,499,270</u></u>

J. Pension Plan

1. Plan Description

The County as an employer provides retirement, disability, and death benefits for all its full-time employees through a nontraditional defined-benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The plan is a statewide, multi-employer, public employee retirement system consisting of over 600 participants.

The plan provisions for the County are adopted by the County Commissioners within the options available in the Texas state statutes governing TCDRS. Members can retire at ages of 60 and above with 8 years of service; with 30 years of service regardless of age; or when the sum of their ages and years of service equals 75 or more. Members are vested after 8 years of service but their accumulated deposits and allocated interest must remain in the plan to receive any employer financed benefit. Members who withdraw their

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

personal account balance in a lump sum prior to retirement are not entitled to any amounts contributed by the County.

2. Funding Policy

Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate; the current rate is 9.94% of annual covered payroll. The County's contributions to the TCDRS for the years ending September 30, 2010, 2009, and 2008 were \$3,489,565, \$3,182,965, and \$2,813,548 respectively, and were equal to the required contributions for each year.

3. Benefit Amounts

Benefits are determined by the sum of the employee's deposits to the plan, with interest, and County-financed monetary credits. The level of those monetary credits is adopted by the Commissioners Court within the constraints imposed by the TCDRS Act.

4. Annual Pension Cost

The County's annual pension cost of \$3,489,565 for the Plan was equal to the County's required and actual contributions.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2008	2,813,548	100%	-
September 30, 2009	3,182,965	100%	-
September 30, 2010	3,489,565	100%	-

Since the TCDRS does not value the assets of individual counties, the actuarial assumptions used to set the required contribution rate of the County are based on TCDRS as a whole. The December 2009 valuation date is the most recent.

5. Trend Information for the Plan

Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
Actuarial method	Entry Age	Entry Age	Entry Age
Amortization method	Level	Level	Level
	percentage of payroll, closed	percentage of payroll, closed	percentage of payroll, closed
Amortization period	15 years	20 years	20 years
Asset valuation method	10-year smoothed value	10-year smoothed value	10-year smoothed value
Actuarial assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.30%	5.30%	5.40%
Inflation	3.50%	3.50%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

HAYS COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Funding information:

Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
Actuarial value of assets	\$66,510,030	\$68,282,568	\$76,567,070
Actuarial accrued liability	\$72,368,833	\$80,633,307	\$88,986,247
Unfunded actuarial accrued liability	\$5,858,803	\$12,350,739	\$12,419,177
Funded ratio	91.90%	84.68%	86.04%
Annual covered payroll	\$28,923,056	\$31,884,048	\$34,656,171
Unfunded actuarial liability as a percent of payroll	20.26%	38.74%	35.84%

K. Post Employment Health Care Coverage

Plan Description: Eligible Hays County retirees may remain on the standard medical plan, an in-network medical plan, a dental PPO plan, a dental HMO plan and a vision plan. Subsidized coverage is available to the retiree but not the retiree's spouse. If the retiree meets the eligibility requirements under the rule of 75 and has worked full-time for Hays County for 15-19 continuous years prior to the retirement date the retiree pays 25% of the monthly premium. If the full-time retiree has 20 or more continuous years of service the retiree pays 15% of the monthly premium. Part-time employees with 15-19 years of service pay 50% of the monthly premium, those with 20 or more years pay 25% of the monthly premium. Hays County subsidizes the remaining premium cost.

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* requires governmental organizations to recognize an actuarially calculated accrued liability for the OPEB even though it may not have a legally enforceable obligation to pay OPEB benefits.

Annual Other Post Employment Benefit (OPEB) Cost: For 2010 the County's annual OPEB cost was \$2,473,757 which consisted entirely of the actuarially defined annual required contribution.

Annual required contribution	\$	2,473,757
OPEB obligation at the beginning of the year		2,473,757
OPEB obligation at the end of the year	\$	<u>4,947,514</u>

Schedule of Funding:

Actuarial accrued liability	\$	4,947,514
Actuarial value of plan assets		-
Unfunded actuarial accrued liability	\$	<u>4,947,514</u>

Funded ratio 0.00%

Actuarial Valuation Information:

Actuarial valuation date	October 1, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percentage
Amortization period in years	Thirty
Asset valuation method	No plan assets

Actuarial assumptions:

Discount rate	4.50%
Payroll	3.00%

HAYS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

L. Health Care Coverage

During the year ended September 30, 2010, employees of the County were covered by a health insurance plan (the Plan). The County contributed \$713 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator acting on behalf of the self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the County and the third party administrator is renewable January 1, 2011, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Humana, Inc., a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$165,000 and for aggregate loss of \$7,806,322.

Following is a reconciliation of changes in the aggregate liabilities for health claims for the current fiscal year:

Claims payable, October 1, 2009	\$	394,283
Claims incurred		5,318,641
Claims paid		(5,512,418)
Claims payable, September 30, 2010	\$	<u>200,506</u>

Latest financial statements for the self insurance fund are available for the year ended September 30, 2010, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

M. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

N. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2010, the County obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

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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.

HAYS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 36,349,703	\$ 36,349,703	\$ 36,597,658	\$ 247,955
Sales and use	9,630,000	9,630,000	9,977,266	347,266
Fines	2,026,000	2,026,000	1,949,223	(76,777)
Charges for services	8,131,000	8,131,000	6,879,280	(1,251,720)
Interest on deposits	221,250	221,250	71,307	(149,943)
Operating grants and contributions	2,417,532	2,823,747	2,380,926	(442,821)
Other revenue	264,000	328,197	1,378,471	1,050,274
Total Revenues:	<u>59,039,485</u>	<u>59,509,897</u>	<u>59,234,131</u>	<u>(275,766)</u>
Expenditures				
Current:				
Administration	10,720,668	10,159,624	9,500,912	658,712
Judicial	8,126,072	8,170,897	7,980,459	190,438
Law Enforcement and Corrections	28,244,338	28,824,068	27,527,351	1,296,717
Community and Public Services	1,891,858	1,945,907	1,499,181	446,726
Health and Human Services	1,927,021	2,061,665	1,928,593	133,072
General Maintenance	1,176,442	1,156,306	1,114,185	42,121
Debt service:				
Administrative charges	5,000	8,000	8,000	-
Interest	-	-	9,192	(9,192)
Principal retirement	348,000	348,000	551,439	(203,439)
Capital outlay:				
Capital outlay	<u>7,497,569</u>	<u>7,655,377</u>	<u>5,133,172</u>	<u>2,522,205</u>
Total Expenditures:	<u>59,936,968</u>	<u>60,329,844</u>	<u>55,252,484</u>	<u>5,077,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(897,483)</u>	<u>(819,947)</u>	<u>3,981,647</u>	<u>4,801,594</u>
Other financing sources (uses):				
Transfers to other funds	<u>(1,949,843)</u>	<u>(2,310,491)</u>	<u>(2,045,484)</u>	<u>265,007</u>
Total Transfers to other funds:	<u>(1,949,843)</u>	<u>(2,310,491)</u>	<u>(2,045,484)</u>	<u>265,007</u>
Transfers from other funds	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers from other funds:	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>3,484,929</u>	<u>3,484,929</u>
Total Issuance of debt:	<u>-</u>	<u>-</u>	<u>3,484,929</u>	<u>3,484,929</u>
Net other financing sources (uses)	<u>(1,934,843)</u>	<u>(2,310,491)</u>	<u>1,439,445</u>	<u>3,749,936</u>
Net Change in Fund Balances:	<u>(2,832,326)</u>	<u>(3,130,438)</u>	<u>5,421,092</u>	<u>8,551,530</u>
Fund Balances - Beginning	<u>24,815,605</u>	<u>24,815,605</u>	<u>24,815,605</u>	<u>-</u>
Fund Balances - Ending:	<u>\$ 21,983,279</u>	<u>\$ 21,685,167</u>	<u>\$ 30,236,697</u>	<u>\$ 8,551,530</u>

HAYS COUNTY, TEXAS
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
For the Year Ended September 30, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Taxes:				
Ad valorem	\$ 5,518,288	\$ 5,518,288	\$ 5,526,310	\$ 8,022
Sales and use	850,000	850,000	702,860	(147,140)
Fines	675,000	675,000	528,595	(146,405)
Charges for services	1,551,000	1,551,000	1,717,367	166,367
Interest on deposits	50,000	50,000	10,594	(39,406)
Operating grants and contributions	700,000	700,000	66,758	(633,242)
Other revenue	-	9,284	101,684	92,400
Total Revenues:	<u>9,344,288</u>	<u>9,353,572</u>	<u>8,654,168</u>	<u>(699,404)</u>
Expenditures				
Current:				
Highways and Streets	10,778,245	10,507,585	7,886,339	2,621,246
Capital outlay:				
Capital outlay	<u>457,172</u>	<u>737,116</u>	<u>489,769</u>	<u>247,347</u>
Total Expenditures	<u>11,235,417</u>	<u>11,244,701</u>	<u>8,376,108</u>	<u>2,868,593</u>
Net Change in Fund Balances:	(1,891,129)	(1,891,129)	278,060	2,169,189
Fund Balances - Beginning	<u>3,491,626</u>	<u>3,491,626</u>	<u>3,491,626</u>	-
Fund Balances - Ending:	<u>\$ 1,600,497</u>	<u>\$ 1,600,497</u>	<u>\$ 3,769,686</u>	<u>\$ 2,169,189</u>

The accompanying note is an integral part of this schedule.

HAYS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2010

A. The County Commissioners adopt an "appropriated budget" on a basis consistent with GAAP. At a minimum, the County is required to present the original and the final amended budgets for revenues and expenditures as compared to actual.

Combining Statements as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	<u>Sheriff Abandoned Vehicle Fund</u>	<u>Sheriff Bail Bond Fund</u>	<u>Sheriff Special Projects Fund</u>	<u>Sheriff Drug Forfeiture Fund</u>
Assets				
Cash and cash equivalents	\$ 29,946	\$ 47,079	\$ 15,149	\$ 64,901
Receivables:				
Ad valorem taxes	-	-	-	-
Miscellaneous	-	-	-	-
Due from other funds	-	-	-	-
Due from fiduciary funds	-	-	-	12,145
Total Assets	<u>\$ 29,946</u>	<u>\$ 47,079</u>	<u>\$ 15,149</u>	<u>\$ 77,046</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ -	\$ 4,112	\$ 10	\$ 278
Deferred revenues	-	-	-	-
Due to other funds	-	-	30	764
Total Liabilities	<u>-</u>	<u>4,112</u>	<u>40</u>	<u>1,042</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	29,946	42,967	15,109	76,004
Capital projects	-	-	-	-
Total Fund Balances:	<u>29,946</u>	<u>42,967</u>	<u>15,109</u>	<u>76,004</u>
Total Liabilities and Fund Balances	<u>\$ 29,946</u>	<u>\$ 47,079</u>	<u>\$ 15,149</u>	<u>\$ 77,046</u>

<u>Sheriff LEOSE Fund</u>	<u>Sheriff Fed Discretionary Fund</u>	<u>Sheriff Commissary Fund</u>	<u>DA State Apportionment Fund</u>
\$ 17,222	\$ 43,994	\$ 61,167	\$ 8,182
-	-	-	-
-	-	-	-
-	-	-	177
-	-	-	-
<u>\$ 17,222</u>	<u>\$ 43,994</u>	<u>\$ 61,167</u>	<u>\$ 8,359</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
2,245	-	-	-
<u>2,245</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
14,977	43,994	61,167	8,359
-	-	-	-
<u>14,977</u>	<u>43,994</u>	<u>61,167</u>	<u>8,359</u>
<u>\$ 17,222</u>	<u>\$ 43,994</u>	<u>\$ 61,167</u>	<u>\$ 8,359</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	<u>DA Hot Check Fee Fund</u>	<u>DA Drug Forfeiture Fund</u>	<u>Law Library Fund</u>	<u>County and District Court Tech</u>
Assets				
Cash and cash equivalents	\$ 15,920	\$ 47,138	\$ -	\$ 1,410
Receivables:				
Ad valorem taxes	-	-	-	-
Miscellaneous	-	-	-	-
Due from other funds	-	349	3,910	201
Due from fiduciary funds	2,604	-	-	-
Total Assets	<u>\$ 18,524</u>	<u>\$ 47,487</u>	<u>\$ 3,910</u>	<u>\$ 1,611</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ 440	\$ 770	\$ 5,207	\$ -
Deferred revenues	-	-	-	-
Due to other funds	740	260	105	-
Total Liabilities	<u>1,180</u>	<u>1,030</u>	<u>5,312</u>	<u>-</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	17,344	46,457	(1,402)	1,611
Capital projects	-	-	-	-
Total Fund Balances:	<u>17,344</u>	<u>46,457</u>	<u>(1,402)</u>	<u>1,611</u>
Total Liabilities and Fund Balances	<u>\$ 18,524</u>	<u>\$ 47,487</u>	<u>\$ 3,910</u>	<u>\$ 1,611</u>

<u>Records Mgmt and Archive Fund</u>	<u>Guardianship Fee Fund</u>	<u>Court Records Preservation</u>	<u>County Records Preservation Fund</u>
\$ 506,754	\$ 15,877	\$ 5,533	\$ 196,427
-	-	-	-
12	-	-	-
228	380	740	6,016
-	-	-	-
<u>\$ 506,994</u>	<u>\$ 16,257</u>	<u>\$ 6,273</u>	<u>\$ 202,443</u>
\$ 10,888	\$ -	\$ -	\$ -
-	-	-	-
24,805	-	-	-
<u>35,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
471,301	16,257	6,273	202,443
-	-	-	-
<u>471,301</u>	<u>16,257</u>	<u>6,273</u>	<u>202,443</u>
<u>\$ 506,994</u>	<u>\$ 16,257</u>	<u>\$ 6,273</u>	<u>\$ 202,443</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	<u>Courthouse Security Fund</u>	<u>Dist Court Records Technology</u>	<u>Justice Court Bldg Security Fund</u>	<u>Court Reporters Service Fund</u>
Assets				
Cash and cash equivalents	\$ 77,061	\$ 7,935	\$ 66,266	\$ 27,961
Receivables:				
Ad valorem taxes	-	-	-	-
Miscellaneous	-	-	-	-
Due from other funds	1,453	758	-	2,933
Due from fiduciary funds	5,455	-	1,761	-
Total Assets	<u>\$ 83,969</u>	<u>\$ 8,693</u>	<u>\$ 68,027</u>	<u>\$ 30,894</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ -	\$ -	\$ -	\$ 500
Deferred revenues	-	-	-	-
Due to other funds	12	-	-	700
Total Liabilities	<u>12</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	83,957	8,693	68,027	29,694
Capital projects	-	-	-	-
Total Fund Balances:	<u>83,957</u>	<u>8,693</u>	<u>68,027</u>	<u>29,694</u>
Total Liabilities and Fund Balances	<u>\$ 83,969</u>	<u>\$ 8,693</u>	<u>\$ 68,027</u>	<u>\$ 30,894</u>

<u>Justice Court Technology Fund</u>	<u>Dispute Resolution Fund</u>	<u>Family Health Services Fund</u>	<u>Tobacco Settlement Fund</u>
\$ 214,166	\$ -	\$ 19,321	\$ 674,420
-	-	-	-
-	-	158,328	-
114	2,918	117	-
7,197	670	-	-
<u>\$ 221,477</u>	<u>\$ 3,588</u>	<u>\$ 177,766</u>	<u>\$ 674,420</u>
\$ 1,640	\$ 3,585	\$ 191,549	\$ -
-	-	3,525	-
-	-	3,432	-
<u>1,640</u>	<u>3,585</u>	<u>198,506</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
219,837	3	(20,740)	674,420
-	-	-	-
<u>219,837</u>	<u>3</u>	<u>(20,740)</u>	<u>674,420</u>
<u>\$ 221,477</u>	<u>\$ 3,588</u>	<u>\$ 177,766</u>	<u>\$ 674,420</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	<u>Historical Commission Trust Fund</u>	<u>LCRA Service Fee Fund</u>	<u>Total Non-Major Special Revenue Funds</u>	<u>Debt Service Fund</u>
Assets				
Cash and cash equivalents	\$ 24,641	\$ 331,678	\$ 2,520,148	\$ 3,328,805
Receivables:				
Ad valorem taxes	-	-	-	175,983
Miscellaneous	55	83,400	241,795	975,591
Due from other funds	-	3,732	24,026	-
Due from fiduciary funds	-	-	29,832	1,596
Total Assets	<u>\$ 24,696</u>	<u>\$ 418,810</u>	<u>2,815,801</u>	<u>\$ 4,481,975</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ -	\$ 13,121	\$ 232,100	\$ 329,535
Deferred revenues	-	4,000	7,525	175,983
Due to other funds	-	-	33,093	-
Total Liabilities	<u>-</u>	<u>17,121</u>	<u>272,718</u>	<u>505,518</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	3,976,457
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	24,696	401,689	2,543,083	-
Capital projects	-	-	-	-
Total Fund Balances:	<u>24,696</u>	<u>401,689</u>	<u>2,543,083</u>	<u>3,976,457</u>
Total Liabilities and Fund Balances	<u>\$ 24,696</u>	<u>\$ 418,810</u>	<u>\$ 2,815,801</u>	<u>\$ 4,481,975</u>

<u>Total Debt Service Fund</u>	<u>Road Bond 2006 Construction Fund</u>	<u>Civil Courts Building Fund</u>	<u>Parks Fund</u>
\$ 3,328,805	\$ 1,882,611	\$ 133,803	\$ 53,744
175,983	-	-	-
975,591	-	-	-
-	-	3,098	-
1,596	-	3,270	-
<u>\$ 4,481,975</u>	<u>\$ 1,882,611</u>	<u>\$ 140,171</u>	<u>\$ 53,744</u>
\$ 329,535	\$ 64,068	\$ -	\$ 4,130
175,983	-	-	-
-	3	-	56
<u>505,518</u>	<u>64,071</u>	<u>-</u>	<u>4,186</u>
3,976,457	-	-	-
-	-	-	-
-	-	-	-
-	1,818,540	140,171	49,558
3,976,457	1,818,540	140,171	49,558
<u>\$ 4,481,975</u>	<u>\$ 1,882,611</u>	<u>\$ 140,171</u>	<u>\$ 53,744</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2010

	<u>Park Bond 2007 Fund</u>	<u>ORCA Cedar Oaks Mesa Fund</u>	<u>Infrastructure Imp Fee Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
Assets				
Cash and cash equivalents	\$ -	\$ 1	\$ 228,773	\$ 2,298,932
Receivables:				
Ad valorem taxes	-	-	-	-
Miscellaneous	-	88,222	-	88,222
Due from other funds	546	52,688	-	56,332
Due from fiduciary funds	-	-	-	3,270
Total Assets	<u>\$ 546</u>	<u>\$ 140,911</u>	<u>\$ 228,773</u>	<u>\$ 2,446,756</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ 546	\$ 87,561	\$ -	\$ 156,305
Deferred revenues	-	12,500	-	12,500
Due to other funds	-	45,438	-	45,497
Total Liabilities	<u>546</u>	<u>145,499</u>	<u>-</u>	<u>214,302</u>
Fund Balances:				
Reserved for:				
Debt service	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects	-	(4,588)	228,773	2,232,454
Total Fund Balances:	<u>-</u>	<u>(4,588)</u>	<u>228,773</u>	<u>2,232,454</u>
Total Liabilities and Fund Balances	<u>\$ 546</u>	<u>\$ 140,911</u>	<u>\$ 228,773</u>	<u>\$ 2,446,756</u>

**Total Nonmajor
Governmental
Funds**

\$ 8,147,885

175,983

1,305,608

80,358

34,698

\$ 9,744,532

\$ 717,940

196,008

78,590

992,538

3,976,457

-

2,543,083

2,232,454

8,751,994

\$ 9,744,532

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	<u>Sheriff Abandoned Vehicle Fund</u>	<u>Sheriff Bail Bond Fund</u>	<u>Sheriff Special Projects Fund</u>
Revenues			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Charges for services	-	8,000	-
Interest on deposits	51	88	27
Operating grants and contributions	-	-	-
Other revenue	-	-	2,725
Asset forfeitures	-	-	-
Total Revenues:	<u>51</u>	<u>8,088</u>	<u>2,752</u>
Expenditures			
Current:			
Judicial	-	-	-
Law Enforcement and Corrections	-	3,070	2,676
Community and Public Services	-	-	-
Health and Human Services	-	-	-
Highways and Streets	-	-	-
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Capital outlay	-	-	-
Total Expenditures:	<u>-</u>	<u>3,070</u>	<u>2,676</u>
(Under) Expenditures:	<u>51</u>	<u>5,018</u>	<u>76</u>
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers from other funds:	<u>-</u>	<u>-</u>	<u>-</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total :	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	51	5,018	76
Fund Balances - Beginning	29,895	37,949	15,033
Fund Balances - Ending	<u>\$ 29,946</u>	<u>\$ 42,967</u>	<u>\$ 15,109</u>

<u>Sheriff Drug Forfeiture Fund</u>	<u>Sheriff LEOSE Fund</u>	<u>Sheriff Fed Discretionary Fund</u>	<u>Sheriff Commissary Fund</u>	<u>DA State Apportionment Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
123	40	44	-	-
-	15,424	-	-	34,303
-	-	-	167,803	-
18,864	-	38,385	-	-
<u>18,987</u>	<u>15,464</u>	<u>38,429</u>	<u>167,803</u>	<u>34,303</u>
-	-	-	-	39,123
8,302	12,711	30,764	153,363	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,302	12,711	30,764	153,363	39,123
10,685	2,753	7,665	14,440	(4,820)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,685	2,753	7,665	14,440	(4,820)
65,319	12,224	36,329	46,727	13,179
<u>\$ 76,004</u>	<u>\$ 14,977</u>	<u>\$ 43,994</u>	<u>\$ 61,167</u>	<u>\$ 8,359</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	<u>DA Hot Check Fee Fund</u>	<u>DA Drug Forfeiture Fund</u>	<u>Law Library Fund</u>
Revenues			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Charges for services	18,337	-	46,531
Interest on deposits	-	13	18
Operating grants and contributions	-	-	-
Other revenue	11	-	-
Asset forfeitures	-	51,587	-
Total Revenues:	<u>18,348</u>	<u>51,600</u>	<u>46,549</u>
Expenditures			
Current:			
Judicial	7,401	8,554	70,646
Law Enforcement and Corrections	-	-	-
Community and Public Services	-	-	-
Health and Human Services	-	-	-
Highways and Streets	-	-	-
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Capital outlay	-	-	-
Total Expenditures:	<u>7,401</u>	<u>8,554</u>	<u>70,646</u>
(Under) Expenditures:	<u>10,947</u>	<u>43,046</u>	<u>(24,097)</u>
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers from other funds:	<u>-</u>	<u>-</u>	<u>-</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total :	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	10,947	43,046	(24,097)
Fund Balances - Beginning	6,397	3,411	22,695
Fund Balances - Ending	<u>\$ 17,344</u>	<u>\$ 46,457</u>	<u>\$ (1,402)</u>

<u>County and District Court Techn</u>	<u>Records Mgmt and Archive Fund</u>	<u>Guardianship Fee Fund</u>	<u>Court Records Preservation</u>	<u>County Records Preservation Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,610	361,536	5,780	6,270	71,408
1	646	22	3	272
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,611	362,182	5,802	6,273	71,680
-	270,649	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	678	-	-	-
-	271,327	-	-	-
1,611	90,855	5,802	6,273	71,680
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,611	90,855	5,802	6,273	71,680
-	380,446	10,455	-	130,763
\$ 1,611	\$ 471,301	\$ 16,257	\$ 6,273	\$ 202,443

(continued)

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	<u>Courthouse Security Fund</u>	<u>Dist Court Records Technology</u>	<u>Justice Court Bldg Security Fund</u>
Revenues			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Charges for services	88,685	8,687	11,199
Interest on deposits	75	6	105
Operating grants and contributions	-	-	-
Other revenue	-	-	-
Asset forfeitures	-	-	-
Total Revenues:	<u>88,760</u>	<u>8,693</u>	<u>11,304</u>
Expenditures			
Current:			
Judicial	195,083	-	-
Law Enforcement and Corrections	-	-	-
Community and Public Services	-	-	-
Health and Human Services	-	-	-
Highways and Streets	-	-	-
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Capital outlay	-	-	-
Total Expenditures:	<u>195,083</u>	<u>-</u>	<u>-</u>
(Under) Expenditures:	<u>(106,323)</u>	<u>8,693</u>	<u>11,304</u>
Transfers from other funds	<u>138,067</u>	<u>-</u>	<u>-</u>
Total Transfers from other funds:	<u>138,067</u>	<u>-</u>	<u>-</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total :	<u>138,067</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	31,744	8,693	11,304
Fund Balances - Beginning	52,213	-	56,723
Fund Balances - Ending	<u>\$ 83,957</u>	<u>\$ 8,693</u>	<u>\$ 68,027</u>

<u>Court Reporters Service Fund</u>	<u>Justice Court Technology Fund</u>	<u>Dispute Resolution Fund</u>	<u>Family Health Services Fund</u>	<u>Tobacco Settlement Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
34,899	46,193	36,856	491,086	-
60	399	4	149	1,229
-	-	-	1,043,667	72,950
-	-	-	-	-
-	-	-	-	-
<u>34,959</u>	<u>46,592</u>	<u>36,860</u>	<u>1,534,902</u>	<u>74,179</u>
42,671	1,576	38,334	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,440,260	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	48,785	-	30,977	-
<u>42,671</u>	<u>50,361</u>	<u>38,334</u>	<u>3,471,237</u>	<u>-</u>
<u>(7,712)</u>	<u>(3,769)</u>	<u>(1,474)</u>	<u>(1,936,335)</u>	<u>74,179</u>
-	-	-	1,786,845	-
-	-	-	1,786,845	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,786,845	-
(7,712)	(3,769)	(1,474)	(149,490)	74,179
37,406	223,606	1,477	128,750	600,241
<u>\$ 29,694</u>	<u>\$ 219,837</u>	<u>\$ 3</u>	<u>\$ (20,740)</u>	<u>\$ 674,420</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	Historical Commission Trust Fund	LCRA Service Fee Fund	Total Non-Major Special Revenue Funds
Revenues			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Charges for services	-	203,253	1,440,330
Interest on deposits	44	557	3,976
Operating grants and contributions	-	34,400	1,200,744
Other revenue	7,449	19,866	197,854
Asset foreitures	-	-	108,836
Total Revenues:	<u>7,493</u>	<u>258,076</u>	<u>2,951,740</u>
Expenditures			
Current:			
Judicial	-	-	674,037
Law Enforcement and Corrections	-	-	210,886
Community and Public Services	2,000	204,307	206,307
Health and Human Services	-	-	3,440,260
Highways and Streets	-	-	-
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Capital outlay	-	-	80,440
Total Expenditures:	<u>2,000</u>	<u>204,307</u>	<u>4,611,930</u>
(Under) Expenditures:	<u>5,493</u>	<u>53,769</u>	<u>(1,660,190)</u>
Transfers from other funds	<u>-</u>	<u>-</u>	<u>1,924,912</u>
Total Transfers from other funds:	<u>-</u>	<u>-</u>	<u>1,924,912</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total :	<u>-</u>	<u>-</u>	<u>1,924,912</u>
Net Change in Fund Balances:	5,493	53,769	264,722
Fund Balances - Beginning	19,203	347,920	2,278,361
Fund Balances - Ending	<u>\$ 24,696</u>	<u>\$ 401,689</u>	<u>\$ 2,543,083</u>

<u>Debt Service Fund</u>	<u>Total Debt Service Fund</u>	<u>Road Bond 2006 Construction Fund</u>	<u>Civil Courts Building Fund</u>	<u>Parks Fund</u>
\$ 8,920,010	\$ 8,920,010	\$ -	\$ -	\$ -
-	-	-	57,889	-
16,068	16,068	4,053	175	70
348,000	348,000	8,874	-	-
1,652,643	1,652,643	-	-	-
-	-	-	-	-
<u>10,936,721</u>	<u>10,936,721</u>	<u>12,927</u>	<u>58,064</u>	<u>70</u>
-	-	-	-	-
-	-	-	-	119,292
-	-	-	-	-
-	-	763,171	-	-
90,725	90,725	1,550	-	-
6,711,544	6,711,544	-	-	-
16,665,153	16,665,153	-	-	-
-	-	169,636	-	-
<u>23,467,422</u>	<u>23,467,422</u>	<u>934,357</u>	<u>-</u>	<u>119,292</u>
<u>(12,530,701)</u>	<u>(12,530,701)</u>	<u>(921,430)</u>	<u>58,064</u>	<u>(119,222)</u>
-	-	-	-	120,572
-	-	-	-	120,572
13,236,860	13,236,860	-	-	-
13,236,860	13,236,860	-	-	-
13,236,860	13,236,860	-	-	120,572
706,159	706,159	(921,430)	58,064	1,350
3,270,298	3,270,298	2,739,970	82,107	48,208
<u>\$ 3,976,457</u>	<u>\$ 3,976,457</u>	<u>\$ 1,818,540</u>	<u>\$ 140,171</u>	<u>\$ 49,558</u>

(continued)

HAYS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	Park Bond 2007 Fund	ORCA Cedar Oaks Mesa Fund	Infrastructure Imp Fee Fund
Revenues			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Charges for services	-	-	-
Interest on deposits	2,527	-	395
Operating grants and contributions	-	161,909	-
Other revenue	-	-	-
Asset foreitures	-	-	-
Total Revenues:	<u>2,527</u>	<u>161,909</u>	<u>395</u>
Expenditures			
Current:			
Judicial	-	-	-
Law Enforcement and Corrections	-	-	-
Community and Public Services	3,697,361	157,650	-
Health and Human Services	-	-	-
Highways and Streets	-	-	-
Debt service:			
Administrative charges	-	-	-
Interest	-	-	-
Principal retirement	-	-	-
Capital outlay:			
Capital outlay	-	-	-
Total Expenditures:	<u>3,697,361</u>	<u>157,650</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(3,694,834)</u>	<u>4,259</u>	<u>395</u>
Transfers from other funds	<u>702,622</u>	<u>-</u>	<u>-</u>
Total Transfers from other funds:	<u>702,622</u>	<u>-</u>	<u>-</u>
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>
Total :	<u>702,622</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	(2,992,212)	4,259	395
Fund Balances - Beginning	2,992,212	(8,847)	228,378
Fund Balances - Ending	<u>\$ -</u>	<u>\$ (4,588)</u>	<u>\$ 228,773</u>

<u>Cert of Obligation 2005 Fund</u>	<u>Total Non-Major Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 8,920,010
-	-	1,440,330
-	6,975	27,019
-	170,783	1,685,224
-	-	1,682,694
-	-	108,836
-	177,758	13,864,113
-	-	634,914
-	-	57,523
-	3,855,011	4,061,318
-	-	3,440,260
2	763,173	763,173
-	1,550	92,275
-	-	6,711,544
-	-	16,665,153
-	169,636	250,076
2	4,789,370	32,676,236
(2)	(4,611,612)	(18,812,123)
-	702,622	2,627,534
-	702,622	2,627,534
-	-	13,236,860
-	-	13,236,860
-	702,622	15,864,394
(2)	(3,908,990)	(2,947,729)
2	5,951,713	11,440,466
\$ -	\$ 2,042,723	\$ 8,492,737

HAYS COUNTY, TEXAS
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2010

	<u>Tax Collector Agency Fund</u>	<u>Sheriff Inmate Trust Fund</u>	<u>Constable's LEOSE Fund</u>	<u>DA Forfeiture Trust Fund</u>	<u>DA Agency Fund</u>	<u>District Clerk Trust Fund</u>
ASSETS:						
Cash:						
Cash and cash equivalents	<u>2,318,822</u>	<u>\$ 10,746</u>	<u>\$ 6,816</u>	<u>\$ 196,093</u>	<u>\$ 15,777</u>	<u>\$ 669,945</u>
Total assets	<u><u>\$ 2,318,822</u></u>	<u><u>\$ 10,746</u></u>	<u><u>\$ 6,816</u></u>	<u><u>\$ 196,093</u></u>	<u><u>\$ 15,777</u></u>	<u><u>\$ 669,945</u></u>
LIABILITIES:						
Due to County	\$ 77,548	\$ 4,069	\$ -	\$ 12,145	\$ 2,673	\$ -
Due to participants	-	6,677	6,816	183,948	13,104	669,945
Due to other agencies	<u>2,241,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>\$ 2,318,822</u></u>	<u><u>\$ 10,746</u></u>	<u><u>\$ 6,816</u></u>	<u><u>\$ 196,093</u></u>	<u><u>\$ 15,777</u></u>	<u><u>\$ 669,945</u></u>

<u>District Clerk Agency Fund</u>	<u>County Clerk Trust Fund</u>	<u>County Clerk Agency Fund</u>	<u>Justice of the Peace Agency Fund</u>	<u>Transfer Station Agency Fund</u>	<u>Total</u>
\$ 1,533,696	\$ 580,291	\$ 230,903	\$ 412,636	\$ 14,238	\$ 5,989,963
<u>\$ 1,533,696</u>	<u>\$ 580,291</u>	<u>\$ 230,903</u>	<u>\$ 412,636</u>	<u>\$ 14,238</u>	<u>\$ 5,989,963</u>
\$ 15,186	\$ -	\$ 29,474	\$ 412,636	\$ 14,238	\$ 567,969
1,518,510	580,291	201,429	-	-	3,180,720
-	-	-	-	-	2,241,274
<u>\$ 1,533,696</u>	<u>\$ 580,291</u>	<u>\$ 230,903</u>	<u>\$ 412,636</u>	<u>\$ 14,238</u>	<u>\$ 5,989,963</u>

HAYS COUNTY, TEXAS
COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
September 30, 2010

	Emergency Services District #1	Emergency Services District #2	Emergency Services District #3	Emergency Services District #4	Emergency Services District #5	Emergency Services District #6
ASSETS						
Cash:						
Cash and cash equivalents	\$ 752,433	\$ 697,828	\$ 221,584	\$ 315,326	\$ 164,407	\$ 1,426,230
Receivables (net):						
Delinquent ad valorem taxes	-	-	655,952	15,689	-	33,065
Other receivables	-	-	136,636	-	-	78,436
Capital assets (net of accumulated depreciation)						
Land	-	-	70,235	25,057	-	66,696
Buildings	-	-	1,005,176	407,341	-	1,755,543
Furniture, fixtures and equipment	248,485	192,094	1,029,124	613,166	-	873,498
Construction in process	-	-	-	-	-	-
Total assets	<u>1,000,918</u>	<u>889,922</u>	<u>3,118,707</u>	<u>1,376,579</u>	<u>164,407</u>	<u>4,233,468</u>
LIABILITIES						
Miscellaneous payables	1,205	-	61,963	869	-	124,855
Deferred revenue	-	-	325,841	-	-	-
Noncurrent liabilities:						
Due within one year	-	-	111,503	155,864	-	232,072
Due in more than one year	-	-	360,745	-	-	1,561,575
Total Liabilities	<u>1,205</u>	<u>-</u>	<u>860,052</u>	<u>156,733</u>	<u>-</u>	<u>1,918,502</u>
NET ASSETS						
Invested in capital assets,						
net of related debt	248,485	192,094	1,632,287	889,700	-	902,090
Unrestricted	<u>751,228</u>	<u>697,828</u>	<u>626,368</u>	<u>330,146</u>	<u>164,407</u>	<u>1,412,876</u>
Total net assets	<u>\$ 999,713</u>	<u>\$ 889,922</u>	<u>\$ 2,258,655</u>	<u>\$ 1,219,846</u>	<u>\$ 164,407</u>	<u>\$ 2,314,966</u>

Emergency Services District #7	Emergency Services District #8	Total
\$ 679,243	\$ 486,436	\$ 4,743,487
-	33,991	738,697
-	54,954	270,026
-	16,500	178,488
-	3,892,299	7,060,359
-	2,197,926	5,154,293
-	23,402	23,402
<u>679,243</u>	<u>6,705,508</u>	<u>18,168,752</u>
-	160,636	349,528
-	30,668	356,509
-	181,901	681,340
-	<u>5,015,573</u>	<u>6,937,893</u>
-	<u>5,388,778</u>	<u>8,325,270</u>
-	932,653	4,797,309
<u>679,243</u>	<u>384,077</u>	<u>5,046,173</u>
<u>\$ 679,243</u>	<u>\$ 1,316,730</u>	<u>\$ 9,843,482</u>

HAYS COUNTY, TEXAS
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2010

	Emergency Services District #1	Emergency Services District #2	Emergency Services District #3	Emergency Services District #4	Emergency Services District #5	Emergency Services District #6
EXPENSES						
Public safety	\$ (528,127)	\$ (552,593)	\$ (857,470)	\$ (415,545)	\$ (1,809,141)	\$ (2,125,629)
Total component unit expenses	<u>(528,127)</u>	<u>(552,593)</u>	<u>(857,470)</u>	<u>(415,545)</u>	<u>(1,809,141)</u>	<u>(2,125,629)</u>
GENERAL REVENUE						
Ad valorem taxes	691,167	494,213	698,455	555,230	1,682,098	1,973,324
Sales and use tax	-	-	464,997	-	-	-
Interest on deposits	6,064	6,528	2,359	2,213	1,302	2,613
Miscellaneous revenues	8,372	-	31,419	-	-	490,541
Total general revenues	<u>705,603</u>	<u>500,741</u>	<u>1,197,230</u>	<u>557,443</u>	<u>1,683,400</u>	<u>2,466,478</u>
Change in net assets	177,476	(51,852)	339,760	141,898	(125,741)	340,849
Net assets - beginning	822,237	941,774	1,918,895	1,077,948	290,148	1,974,117
Net assets - ending	<u>\$ 999,713</u>	<u>\$ 889,922</u>	<u>\$ 2,258,655</u>	<u>\$ 1,219,846</u>	<u>\$ 164,407</u>	<u>\$ 2,314,966</u>

Emergency Services District #7	Emergency Services District #8	TOTALS
\$ (841,656)	\$ (2,799,785)	\$ (9,929,946)
<u>(841,656)</u>	<u>(2,799,785)</u>	<u>(9,929,946)</u>
932,719	1,721,122	8,748,328
6,596	357,751	829,344
-	37,909	58,988
-	422,393	952,725
<u>939,315</u>	<u>2,539,175</u>	<u>10,589,385</u>
97,659	(260,610)	659,439
581,584	1,577,340	9,184,043
<u>\$ 679,243</u>	<u>\$ 1,316,730</u>	<u>\$ 9,843,482</u>

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Compliance Section

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

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HOLTMAN, WAGNER & COMPANY, L.L.P.

Certified Public Accountants

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New Braunfels, TX 78130
830-625-1182
Fax 830-625-1498

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

To the Honorable County Judge and
County Commissioners
Hays County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Hays County as of and for the year ended September 30, 2010 which collectively comprise Hays County's basic financial statements and have issued our report thereon dated January 12, 2011. 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.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hays County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct

and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Holtman Wagner & Company LLP

New Braunfels, Texas

January 12, 2011

HOLTMAN, WAGNER & COMPANY, L.L.P.

Certified Public Accountants

876 Loop 337, Building 501
New Braunfels, TX 78130
830-625-1182
Fax 830-625-1498

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable County Judge and
County Commissioners
Hays County, Texas

Compliance

We have audited Hays County, Texas' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. Hays County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Hays County, Texas' management. Our responsibility is to express an opinion on Hays County, Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hays County, Texas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Hays County, Texas' compliance with those requirements.

In our opinion, Hays County, Texas complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

The management of Hays County, Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Hays County, Texas' internal control over compliance with the requirements that could have a direct and material effect on a major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hays County, Texas' internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a

deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses as defined above.

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

Respectfully submitted,

Holtman Wagner & Company LLP

New Braunfels, Texas
January 12, 2011

HAYS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2010

A. Summary of Auditor's Results:

1 Financial statements:

Type of report on financial statements Unqualified

Internal Control over financial reporting:

One or more material weaknesses identified? None

One or more significant deficiencies identified that are not considered to be material weaknesses? None

Noncompliance material to the financial statements noted? None

2 Federal awards:

Internal control over major programs:

One or more material weaknesses identified? None

One or more significant deficiencies identified that are not considered to be material weaknesses? None

Type of report on compliance with Major Programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? None

Major Federal program Immunization Grant CFDA # 93.268
Pass through entity Texas Department of State Health Services

Community Development Programs CFDA #14.228
Community Development Programs CFDA #14.255 (ARRA)
Pass through entity Office of Rural and Community Affairs

Dollar threshold considered between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? Yes

B. Financial Statement Findings None

C. Federal Award Findings and Questioned Costs None

HAYS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2010

PROGRAM / ITEM NUMBER	PLAN
Not applicable	

HAYS COUNTY, TEXAS
SUMMARY OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

PROGRAM / ITEM NUMBER	PLAN
None	

HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Bullet Proof Vest Program	16.607	n/a	\$ 4,596
Edward Byrne Memorial Grant *	16.738	n/a	332
State Criminal Alien Assistance Program	16.606	n/a	63,176
Total Department of Justice direct programs			68,104
U. S. DEPARTMENT OF JUSTICE			
Passed through Texas State University			
Advance law Enforcement Rapid Response Training	16.753	8000001190.2	16,869
Passed through the City of San Marcos			
Edward Byrne Memorial Grant-ARRA	16.804	2009-SB-B9B3387	60,185
Edward Byrne Memorial Grant-ARRA	16.804	2009-DJ-BX-0857	14,484
Total for CFDA 16.804			74,669
Passed through the Office of the Governor			
Safe and Drug Free Schools *	16.710	1772005	9,098
Edward Byrne Memorial Grant-ARRA	16.803	SU-09-A10-22091-01	20,557
Total Department of Justice pass-through programs			121,193
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Department of State Health Services:			
Immunization Grant	93.268	2009-023727	527,259
Immunization Grant	93.268	2010-032020	172,292
Immunization Grant	93.268	2011-035467	13,075
Total for CFDA 93.268			712,626
Investigations and Technical Assistance	93.069	2009-031944	98,388
Investigations and Technical Assistance	93.069	2010-035679	19,607
Public Health Emergency Response	93.069	2010-033279	120,461
Total for CFDA 93.069			238,456
Maternal and Child Health Block Grant	93.994	2010-031728	14,410
Maternal and Child Health Block Grant	93.994	2011-036659	1,002
Total for CFDA 93.994			15,412
Preventative Health Block Grant	93.991	2010-032963	56,888
Preventative Health Block Grant	93.991	2011-035506	7,016
Total for CFDA 93.991			63,904
Passed through Texas Juvenile Probation Commission			
Foster Care Title IV-E	93.658	TJPC-E-2009-105	29,449
Foster Care Title IV-E	93.658	TJPC-E-2010-105	705
Total for CFDA 93.658			30,154
Total Department of Health and Human Services			1,060,552

continued

HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY			
Passed through the Governor's Division of Emergency Management			
Citizen Corps	97.053	2008-GE-T8-0034CCP	7,410
Citizen Corps	97.053	2007-GE-T7-0024CCP	246
Total for CFDA 93.053			<u>7,656</u>
State Homeland Security Program	97.074	2007-GE-T7-0024LETPP	11,004
Passed through the Texas Department of Public Safety Emergency Management Performance Grant	97.042	10-TX-EMPG-1349	22,000
Total Department of Homeland Security			<u>40,660</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through the Texas Department of Transportation Capital Assistance Program for the Elderly	20.513	51814-F7142	182
Highway Planning and Construction	20.205	CSJ-0914-33-924	66,758
Total Department of Transportation			<u>66,940</u>
U. S. DEPARTMENT OF THE INTERIOR			
Passed through the Texas Parks and Wildlife Cooperative Endangered Species Conservation	15.615	157923	10,869
Conservation Fund Agreement	15.616	none	5,305
Conservation Fund Agreement	15.616	none	34,932
Total for CFDA 15.616			<u>40,237</u>
Total Department of the Interior			<u>51,106</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Office of Rural and Community Affairs			
Community Development Programs *	14.228	728190	79,864
Community Development Programs *	14.255	R729240	82,046
Total Department of Housing and Urban Development			<u>161,910</u>
U. S. DEPARTMENT OF AGRICULTURE			
National School Breakfast Program *	10.553	1052003	60,877
National School Lunch Program *	10.555	1052003	119,377
Commodity Supplement Food Program *	10.565	1052003	10,115
Total Department of Agriculture			<u>190,369</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1,760,834</u>

* Indicates a cluster under OMB Circular A-133 Compliance Supplement

The accompanying note is an integral part of this schedule.

HAYS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hays County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

HAYS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Grantor/ Program Title</u>	<u>Entity Identifying Number</u>	<u>State Expenditures</u>
<u>TEXAS WATER DEVELOPMENT BOARD</u>		
Wastewater Facility Study	804830842	\$ 34,400
<u>TRAVIS COUNTY</u>		
Auto Theft Task Force	SA-T01-10069-10	56,781
Auto Theft Task Force	SA-T01-10069-11	<u>5,162</u>
Total Travis County		<u>61,943</u>
<u>OFFICE OF THE ATTORNEY GENERAL</u>		
VINE Program	1012301	30,108
<u>CAPCOG</u>		
9-1-1 Maintenance	Interlocal	104,100
Supplies	Interlocal	<u>1,250</u>
Total CAPCOG		<u>105,350</u>
<u>DEPARTMENT OF STATE HEALTH SERVICES</u>		
T.B.Prevention	2010-034500	17,324
<u>TEXAS HISTORICAL COMMISSION</u>		
Old Jail Restoration	04-0070-0	16,353
<u>STATE OF TEXAS OFFICE OF THE GOVERNOR</u>		
Texas State Alert	8000001154.2	32,000
Texas State Alert	8000001194.1	<u>44,195</u>
Total State of Texas Office of the Governor		<u>76,195</u>
<u>TEXAS JUVENILE PROBATION COMMISSION</u>		
Salaries State Aid	TJPC-A-200X-105	151,980
Commitment Reduction	TJPC-C-200X-105	55,358
Progressive Sanctions	TJPC-F-200X-105	71,925
Diversiory Placement	TJPC-H-200X-105	75,872
Reallocation	TJPC-I-200X-105	32,893
Special Probation Officer	TJPC-M-200X-105	48,966
Progressive Sanctions IS	TJPC-O-200X-105	26,501
Juvenile Justice Alternative Education	TJPC-P-200X-105	118,106
ICBP Regional	TJPC-X-200X-105	52,280
Community Corrections	TJPC-Y-200X-105	193,560
Salary Adjustment Fund	TJPC-Z-200X-105	<u>25,649</u>
Total Texas Juvenile Probation Commission		<u>853,090</u>
<u>TEXAS OFFICE OF COURT ADMINISTRATION</u>		
Court Appointed Attorneys	212-10-105	78,009
TOTAL EXPENDITURES OF STATE AWARDS		\$ <u>1,223,415</u>