

REPORT ON
COUNTY OF COLEMAN
COLEMAN, TEXAS
YEAR ENDED SEPTEMBER 30, 2010

COUNTY OF COLEMAN
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YEAR ENDED SEPTEMBER 30, 2010

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INDEPENDENT AUDITOR'S REPORT

County Judge and Commissioner's Court
County of Coleman
Coleman, Texas 76834

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Coleman (the County) as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Coleman as of September 30, 2010 and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended.

Management's discussion and analysis on pages 2 through 7 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Coleman's basic financial statements. The supplemental information on pages 29 through 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation the basic financial statements taken as a whole.

Reed, McKee & Co., P.C.
Certified Public Accountants

February 24, 2011

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

This section of the County of Coleman's annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended September 30, 2010. Please read it in conjunction with the Independent Auditor's Report and the County's Basic Financial Statements.

FINANCIAL HIGHLIGHTS

The County's net assets as presented on the statement of assets, increased by \$76,062 as a result of this year's operations and a prior period adjustment which is explained in the corresponding footnotes. The County's net assets consists of unrestricted assets of \$879,193 which may be used to meet the County's ongoing obligations and net assets invested in capital assets net of related debt of \$792,114 which represent the County's depreciable assets net of notes payable. Total assets increased \$278,814 over the prior year, with the biggest increase being in Capital assets. This is due to new equipment in the road and bridge funds which were financed by notes payable. Details related to these amounts are in the following footnotes. Total liabilities increased primarily due to the notes payable for the new equipment just mentioned above.

As shown in the statement of activities the County has combined revenues of \$3,574,803 from charges for services, operating grants and general revenues. This represents an increase of \$242,156 over prior year amounts mainly due to increased revenues from property taxes for general operations as well as road and bridge. This increase is due to an increase in tax rates and an increase in assessed values. The County had \$3,420,194 of total expenses that were offset by \$833,585 of charges for services and \$231,431 of operating grants and contributions. This left net expenses of \$2,355,178 which were funded by general revenues of \$2,509,787. Expenses increased \$146,862 as compared to the prior year. The largest portion of this increase again was in the road and bridge funds. Details of the changes by function can be seen in Table II of this document that follows.

Comparing the balance sheet for the current year to the prior year, the following items were noted. Total assets for all funds are \$1,020,518, which is a slight decrease of \$9,970 compared to the prior year. Total cash and certificates of deposit decreased by \$38,841. This was offset by the increase in accounts receivable of \$11,995 for the amounts due from the appraisal district and NCRS flood work. The increase in liabilities is mainly due to amounts due to the state comptroller not being paid till after year end in the current year. Total fund balance decreased from \$813,303 to \$734,410 as a result of current operations as shown in the statement of revenues, expenditures, and changes in fund balance. The overall decrease of \$78,893 represents a combination of an overall increase in the general fund of \$64,823, a decrease in the road and bridge fund of \$107,441, and a decrease of \$36,275 in all the other funds combined. Loan proceeds of \$170,000 are shown for the capital outlay amounts spent in the road and bridge fund for 2 motor graders. A comparison of individual funds shows that general fund revenues were up \$176,942 and general fund expenses were up \$59,406. This had the result of increasing the net change in the general fund from a decrease of \$52,713 in the prior year to the increase of \$64,823 noted above. As mentioned earlier in this discussion, tax revenues represents the increase in revenues in the general fund due to an increase in rates as well as assessed values. Road and Bridge revenues were up \$75,389 again due to the increase in rates and assessed values for property tax purposes. Expenses in the Road and Bridge funds were up \$532,899 which included new motor graders for Precinct 1 and Precinct 3. In addition to this, there were additional capital purchases of approximately \$150,000 for loaders and a belly dump trailer.

The County's budget comparison for the general fund and road and bridge fund is included in the financial statements for further analysis. Actual revenues of the general fund were \$77,684 less than the final budgeted amounts. As can be seen from looking at the comparison there were small decreases in each category of revenues from taxes, fines, intergovernmental revenues, and miscellaneous. Total expenditures in the general fund were \$182,903 less than budgeted amounts. This again shows that the County is staying within budgeted amounts. The original budget for the general fund projected an increase in fund balance for the general fund of \$39,156. The amended budget projected a decrease in fund balance of \$40,396. The actual increase in fund balance was \$64,823 due to not spending the amounts projected in the budget.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

A comparison of the Road and Bridge budget to actual shows the following information. Actual revenues were \$38,775 less than budgeted and had slight decreases in each category of revenues. Actual expenses were \$84,677 less than anticipated in the final budget. The original budget showed an anticipated decrease in fund balance of \$138,801 and was subsequently amended to show a decrease of \$323,343 with the additional capital purchases. After the adjustment for the loan proceeds for the new motor graders, the actual decrease in fund balance was \$107,441.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the County as a whole and present a longer-term view of the County's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial report of a business enterprise.

Fund financial statements report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statement of fiduciary net assets provides financial information about activities for each of the County offices and represents funds that have not been remitted to the Treasurer as of year end.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The supplementary information includes information for further analysis.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the County's overall financial condition and operations begins with the statement of net assets and statement of activities. The primary purpose is to show whether the County is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the County's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the County's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The County's revenues are divided into those provided from charges for services such as fees and fines collected in each of the various county offices. Operating grants and contributions are separate grants for specific purposes. All the County's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED

These two statements report the County's net assets and changes in them. The County's net assets (the difference between assets and liabilities) provide one measure of the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the County, however, you should consider non financial factors as well, such as changes in the County's property tax base and the condition of the County's equipment and facilities.

In the Statement of Net Assets and the Statement of Activities, we present all the activities of the County as one governmental activity which is defined below.

Governmental activities—Most of the County's basic services are reported here, including the costs of running the individual offices of the County including the tax assessor-collector, district clerk, county clerk, county judge, county treasurer, sheriff's office and other general activities. Also included within the governmental activities would be the road and bridge activities as well as each of the precincts.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. Laws and contracts require the County to establish some funds, such as grants and other funds for specific fines mandated by the state. The fund financial statements reflect the general fund and separate columns for all major funds as defined by GASB 34 and all other funds combined in a column referred to as all other funds. All these funds are determined to be governmental funds as defined below.

Governmental funds—Most of the County's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the County's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for money raised by the individual offices in the courthouse and jail area until those funds are remitted to the Treasurer. At the time the monthly fees are remitted by the individual offices they are considered the revenues of the County in the various funds. All of the County's fiduciary activities are reported in the separate Statement of Fiduciary Net Assets. We exclude these resources from the County's other financial statements because the County cannot use these assets to finance its operations until received from these offices.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets of the County's governmental activities increased from \$1,963,010 to \$1,684,196. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – are \$879,193 at September 30, 2010.

Table I - NET ASSETS

	Governmental Activities 2010	Governmental Activities 2009	Increase (Decrease)
Current and other assets	\$ 1,020,518	\$ 1,038,488	\$ (17,970)
Capital assets, net	942,492	645,708	296,784
Total assets	1,963,010	1,684,196	278,814
Long-term liabilities	150,378	0	150,378
Other liabilities	141,325	88,951	52,374
Total liabilities	291,703	88,951	202,752
Net Assets:			
Invested in capital assets, net of related debt	792,114	645,708	146,406
Unrestricted	879,193	949,537	(70,344)
Total Net Assets	\$ 1,671,307	\$ 1,595,245	\$ 76,062

The increases and decreases in the individual categories have been discussed previously in the financial highlights section of this discussion and analysis. As can be seen the increase in total assets of \$278,814 was slightly more than the increase in liabilities of \$202,752. The 2009 amounts have not been restated for the prior period adjustment, but are presented as previously reported. The prior period adjustment reflected in the current financial statements of \$78,547 was a decrease in net assets invested in capital assets due to over reporting of assets in the prior year. This is more fully described in the footnotes to these financial statements.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

Table II - CHANGES IN NET ASSETS

	Governmental Activities 2010	Governmental Activities 2009	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$ 833,585	\$ 821,926	\$ 11,659
Operating grants and contributions	231,431	212,620	18,811
General Revenues:			
Property taxes –Maintenance and operations	1,698,722	1,572,844	125,878
Property taxes – Roads and Bridges	709,131	656,313	52,818
Investment earnings	13,802	16,904	(3,102)
Miscellaneous and intermediate revenue	88,132	52,040	36,092
Total Revenue	<u>3,574,803</u>	<u>3,332,647</u>	<u>242,156</u>
Expenses:			
General Government	1,168,169	1,165,129	3,040
Roads and Bridges	1,205,393	1,088,551	116,842
Justice System	293,022	280,712	12,310
Public Safety	576,845	534,088	42,757
Public Health and Welfare	176,765	204,852	(28,087)
Total Expenses	<u>3,420,194</u>	<u>3,273,332</u>	<u>146,862</u>
 Increase (Decrease) in net assets	 154,609	 59,315	 95,294
 Net assets – beginning	 1,595,245	 1,535,930	 59,315
Prior period adjustment	(78,547)	0	(78,547)
Net assets – Ending	<u>\$ 1,671,307</u>	<u>\$ 1,595,245</u>	<u>\$ 76,062</u>

This table is provided to show the increases and decreases as compared to the prior year. All significant changes have been previously discussed in the financial highlights section of the discussion and analysis.

**COUNTY OF COLEMAN
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
UNAUDITED**

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$1,671,307 compared to a balance of \$1,595,245 in the prior year. This represents a \$76,062 increase in the fund balance as shown in the table above.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the County had \$1,953,019 invested in a broad range of capital assets, including facilities and equipment for general operations of the County and road and bridge repair. Accumulated depreciation related to these assets was \$1,010,572. Total additions to capital assets included two used motor graders, improvements for the 911 system, loaders, trailers and a new pickup.

Debt

At the end of the current year, the County had total long term debt outstanding of \$150,378. This debt consisted of two notes payable to the bank for the motor graders purchased above. For more information refer to the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County has adopted a budget for 2011 with a 3 cent increase in tax rates for the general fund and a 2 cent increase in tax rates for the road and bridge funds.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. If there are questions concerning any of the information provided in this report or a request for additional financial information, please contact the County Treasurer at the County of Coleman, 100 W Liveoak Suite 102, Coleman, TX 76834.

BASIC FINANCIAL STATEMENTS

COUNTY OF COLEMAN
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Governmental Activities
ASSETS	
Cash	\$ 320,527
Certificates of Deposit	469,213
Due from Other Funds	30,260
Accounts Receivable	40,497
Delinquent Taxes Receivable, Net of Allowance	160,021
Capital Assets, Net of Accumulated Depreciation	942,492
Total Assets	1,963,010
LIABILITIES	
Accounts Payable	126,087
Compensated Absences Payable	15,238
Notes Payable	150,378
Total Liabilities	291,703
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	792,114
Unrestricted	879,193
Total Net Assets	\$ 1,671,307

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 1,168,169	\$ 267,731	\$ 50,778	\$ (849,660)
Roads and Bridges	1,205,393	468,516	31,418	(705,459)
Justice System	293,022	75,323	94,002	(123,697)
Public Safety	576,845	22,015	-	(554,830)
Public Health and Welfare	176,765	-	55,233	(121,532)
	<u>\$ 3,420,194</u>	<u>\$ 833,585</u>	<u>\$ 231,431</u>	<u>(2,355,178)</u>
Total Governmental Activities				
General Revenues:				
Property Taxes - Maintenance and Operations				1,698,722
Property Taxes - Roads and Bridges				709,131
Investment Earnings				13,802
Miscellaneous				88,132
				<u>2,509,787</u>
				Total General Revenues
				<u>154,609</u>
				Change in Net Assets
				1,595,245
				Net Assets - Beginning
				<u>(78,547)</u>
				Prior Period Adjustment
				<u>\$ 1,671,307</u>
				Net Assets - Ending

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
BALANCE SHEET
SEPTEMBER 30, 2010

	General	Road & Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 26,267	\$ 123,976	\$ 170,284	\$ 320,527
Certificates of Deposit	303,517	141,987	23,709	469,213
Due from Other Funds	26,209	-	4,051	30,260
Accounts Receivable	16,370	22,531	1,596	40,497
Delinquent Taxes Receivable	293,116	108,908	-	402,024
Allowance for Uncollectible Taxes	(175,701)	(66,302)	-	(242,003)
	<u>489,778</u>	<u>331,100</u>	<u>199,640</u>	<u>1,020,518</u>
Total Assets				
LIABILITIES				
Accounts Payable	67,856	18,378	39,853	126,087
Deferred Revenue	117,415	42,606	-	160,021
Total Liabilities	<u>185,271</u>	<u>60,984</u>	<u>39,853</u>	<u>286,108</u>
FUND BALANCES				
Unreserved, Reported in:				
General Fund	304,507	-	-	304,507
Special Revenue Funds	-	270,116	159,787	429,903
Total Fund Balances	<u>304,507</u>	<u>270,116</u>	<u>159,787</u>	<u>734,410</u>
Total Liabilities and Fund Balances	<u>\$ 489,778</u>	<u>\$ 331,100</u>	<u>\$ 199,640</u>	<u>\$ 1,020,518</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Total fund balances of governmental funds	\$ 734,410
Net capital assets used in governmental activities are not reported in the fund financial statements.	942,492
Net delinquent property taxes receivable are deferred in the fund financial statements.	160,021
Compensated absences payable are not reported in the fund financial statements.	(15,238)
Notes Payable are not reported in the fund financial statements.	<u>(150,378)</u>
Total net assets of governmental activities	<u><u>\$ 1,671,307</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General	Road & Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,693,672	\$ 707,019	\$ -	\$ 2,400,691
Fees	181,134	452,392	82,754	716,280
Fines	101,182	-	-	101,182
Intergovernmental	180,064	47,542	19,948	247,554
Interest	10,708	2,374	720	13,802
Miscellaneous	37,488	50,644	-	88,132
Total Revenues	2,204,248	1,259,971	103,422	3,567,641
EXPENDITURES				
General Government	1,084,877	-	70,167	1,155,044
Roads and Bridges	-	1,537,412	-	1,537,412
Justice System	260,708	-	69,530	330,238
Public Safety	591,621	-	-	591,621
Public Health and Welfare	202,219	-	-	202,219
Total Expenditures	2,139,425	1,537,412	139,697	3,816,534
Excess Revenues (Expenditures)	64,823	(277,441)	(36,275)	(248,893)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	170,000	-	170,000
Net Change in Fund Balances	64,823	(107,441)	(36,275)	(78,893)
Fund Balances - Beginning	239,684	377,557	196,062	813,303
Fund Balances - Ending	\$ 304,507	\$ 270,116	\$ 159,787	\$ 734,410

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2010

Total net change in fund balances of governmental funds	\$ (78,893)
Capital outlays are capitalized in the government-wide financial statements.	500,658
Depreciation of capital assets is recognized in the government-wide financial statements.	(125,327)
Net delinquent property taxes receivable are not deferred in the government-wide financial statements. The current year increase has been recognized in the Statement of Activities.	7,162
Compensated absences payable are reported in the government-wide financial statements. The current year decrease has been recognized in the Statement of Activities.	1,387
Proceeds from the issuance of notes payable are reported as a liability in the government-wide financial statements.	(170,000)
Repayments of principal on notes payable are reported as a decrease in liabilities in the government-wide financial statements.	<u>19,622</u>
Change in net assets of governmental activities	<u><u>\$ 154,609</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Ad Valorem Taxes-Current	\$ 1,622,280	\$ 1,622,280	\$ 1,592,873	\$ (29,407)
Ad Valorem Taxes-Delinquent	54,000	68,695	68,694	(1)
Penalty and Interest Taxes	28,000	32,105	32,105	-
Total Taxes	<u>1,704,280</u>	<u>1,723,080</u>	<u>1,693,672</u>	<u>(29,408)</u>
Fees				
Alcoholic Beverages	2,000	3,893	3,892	(1)
Law Library	5,000	5,060	5,059	(1)
Jury Fees	250	250	210	(40)
9-1-95 to 8-31-97 Fees	10	10	-	(10)
Defensive Driving Fees	1,000	1,130	1,130	-
9-1-97 to 8-30-99 Fees	50	50	-	(50)
Bail Bond Fee	300	356	356	-
D.P.S. Arrest Fees	2,100	2,536	2,536	-
T.P.W. Arrest Fees	300	300	152	(148)
8-31-99 to 8-31-01 Fees	50	50	8	(42)
9-1-01 to 12-31-03 Fees	50	50	27	(23)
Indigent Legal Services Fee	25	27	27	-
Judicial Support Fee	200	446	446	-
Time Payment Fee	500	550	550	-
Local Judicial Education	300	300	140	(160)
Child Safety	50	50	-	(50)
1-1-04 Forward Fees	4,000	4,000	3,278	(722)
Drug Court Program	-	-	62	62
Indigent Defense Fee	50	50	7	(43)
Jury Reimbursement Fee	300	674	674	-
Justice Court-Indigent	10	10	6	(4)
EMS Trauma Fund	200	200	90	(110)
Local Traffic Fee	1,200	1,398	1,398	-
Probate-Indigent	20	20	14	(6)
County Court-Civil-Indigent	10	11	11	-
D. Court-Divorce-Indigent	20	20	12	(8)
District Court-Other Indigent	50	58	58	-
J.P. Dismissal Fee	200	200	100	(100)
State Traffic Fees	500	691	691	-
Tax Assessor-Collector Fees	47,011	47,011	47,011	-
District Clerk Fees	19,000	19,000	15,565	(3,435)
County Clerk Fees	70,000	70,000	65,122	(4,878)
Sheriff's Fees	20,000	20,000	18,973	(1,027)
County Judge Fees	500	500	408	(92)
County Attorney Fees	500	500	175	(325)
Constable Fees	500	500	510	10
Dist.Clerk-Atty.General Fees	3,500	10,562	10,561	(1)
Prisoner Transport Reimb.	1,500	1,500	-	(1,500)
Septic System Permit Fees	-	1,875	1,875	-
Total Fees	<u>181,256</u>	<u>193,838</u>	<u>181,134</u>	<u>(12,704)</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Fines				
District Clerk-Fines	28,000	28,000	20,439	(7,561)
County Clerk-Fines	31,000	31,000	21,107	(9,893)
Justice of Peace Fines	53,000	57,104	57,104	-
Sheriff-Fines	5,000	5,000	2,532	(2,468)
Total Fines	117,000	121,104	101,182	(19,922)
Intergovernmental				
U.S. Treasury in Lieu of Taxes	8,000	10,294	10,294	-
State Salary Supplement	67,500	67,500	67,500	-
Tier Two Salary Supplement	5,000	5,000	5,000	-
Tier Three Salary Supplement	5,000	5,000	5,000	-
State Excess Contribution	1,000	1,000	482	(518)
State Juror Reimbursement	7,000	7,000	2,686	(4,314)
Indigent Defense Grant	9,500	9,500	8,867	(633)
Criminal Justice Dept Grant	-	25,003	25,002	(1)
Homeland Security Grant	30,000	55,234	55,233	(1)
Total Intergovernmental	133,000	185,531	180,064	(5,467)
Interest - Interest Earned	14,000	14,000	10,708	(3,292)
Miscellaneous				
Oil and Gas Royalties	300	300	179	(121)
Other Revenue	7,200	7,200	2,091	(5,109)
Tower Rental	8,900	8,900	7,240	(1,660)
Sale of Assets	-	18,525	18,525	-
Voting Equipment Rental	6,000	8,144	8,144	-
Other Revenue-Elections	5,000	1,310	1,309	(1)
Total Miscellaneous	27,400	44,379	37,488	(6,891)
Total Revenues	2,176,936	2,281,932	2,204,248	(77,684)

EXPENDITURES

General Government				
Non-Departmental	412,769	468,210	452,319	15,891
Tax Assessor-Collector	88,678	88,869	87,885	984
District Clerk	80,620	80,620	76,135	4,485
County Clerk	88,564	90,715	90,612	103
County Judge	66,709	71,694	69,895	1,799
Commissioners Court	18,500	19,804	15,148	4,656
County Treasurer	59,884	63,068	60,439	2,629
Veterans Service Officer	15,975	16,003	15,333	670
County Extension Office	91,840	92,955	90,894	2,061
Courthouse and Jail Buildings	99,111	103,839	91,122	12,717
Elections	22,000	25,855	24,921	934
Permanent Improvements	75,000	75,000	10,174	64,826
Total General Government	1,119,650	1,196,632	1,084,877	111,755

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Justice System				
County Attorney	90,569	91,008	89,793	1,215
District Attorney	2,400	2,662	2,662	-
Justice of Peace	60,034	60,034	55,269	4,765
Adult Probation	5,525	5,525	5,494	31
Juvenile Probation	6,500	6,500	6,369	131
District Court	93,158	117,368	99,922	17,446
Permanent Improvements	4,000	4,000	1,199	2,801
Total Justice System	<u>262,186</u>	<u>287,097</u>	<u>260,708</u>	<u>26,389</u>
Public Safety				
Sheriff	519,785	575,860	558,592	17,268
Constable	13,409	13,409	13,009	400
Permanent Improvements	30,000	30,000	20,020	9,980
Total Public Safety	<u>563,194</u>	<u>619,269</u>	<u>591,621</u>	<u>27,648</u>
Public Health and Welfare				
Donations	154,550	155,286	139,476	15,810
Welfare	8,200	8,200	6,900	1,300
Permanent Improvements	30,000	55,844	55,843	1
Total Public Health and Welfare	<u>192,750</u>	<u>219,330</u>	<u>202,219</u>	<u>17,111</u>
Total Expenditures	<u>2,137,780</u>	<u>2,322,328</u>	<u>2,139,425</u>	<u>182,903</u>
Net Change in Fund Balance	39,156	(40,396)	64,823	105,219
Fund Balance - Beginning	<u>239,684</u>	<u>239,684</u>	<u>239,684</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 278,840</u>	<u>\$ 199,288</u>	<u>\$ 304,507</u>	<u>\$ 105,219</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

	<u>General</u>
<u>ASSETS</u>	
Cash	\$ 205,603
Certificates of Deposit	<u>81,928</u>
Total Assets	<u><u>287,531</u></u>
<u>LIABILITIES</u>	
Due to Other Funds	30,260
Due to Others	<u>257,271</u>
Total Liabilities	<u><u>\$ 287,531</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF COLEMAN
Notes to the Financial Statements
September 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Coleman County (“the County”) is a political subdivision of the State of Texas and is governed by the Commissioner’s Court, a five member group consisting of an elected County Judge and four County Commissioners elected from individual precincts. Services provided by the County include public transportation through roads and bridges, justice system, public safety, public health and welfare, as well as general administrative and support services. There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements – The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, grants, and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services – payments from parties that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment of the County and (2) grants and contributions – payments from organizations outside the County that are restricted to meeting the operational or capital requirements of a particular function or segment of the County. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

All interfund transactions between governmental funds are eliminated in the government-wide financial statements. Interfund activities between governmental funds and fiduciary funds remain as interfund receivables and payables on the government-wide statement of net assets.

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

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The government-wide financial statements are presented using the economic resources, measurement focus, as well as the fiduciary fund financial statements. The fund financial statements are reported using the current financial resources measurement focus.

COUNTY OF COLEMAN
Notes to the Financial Statements - Continued
September 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

Governmental funds utilize a current financial resources measurement focus. Current financial assets and liabilities are generally the only items included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balance is used to measure available spendable financial resources at the end of the period.

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax revenues are recognized under the “susceptible to accrual” concept, that is, when they are both measurable and available. The County considers them “available” if they will be collected within 60 days of the end of the year. Other revenues are recorded when collected by the various County officials.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting.

The government reports the following major governmental funds:

General Fund – This Fund is the general operating fund of the County. It is used to account for all revenues except those required to be accounted for in other funds.

Road and Bridge Fund – This fund is a special revenue fund and is used to account for revenues for the road and bridge precincts.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting – Continued

Additionally, the government reports the following fund type;

Fiduciary Funds – These funds are used to account for resources which are collected by the County in a trustee capacity or as an agent for individual, private organizations, other governments, or other County funds.

Interfund Receivables and Payables – Activity between individual funds may result in amounts owed between funds which are classified as due to and from other funds. Other than amounts due to or from fiduciary funds these balances are eliminated in the statement of net assets.

Capital Assets - In the government-wide financial statements, capital assets arising from modified accrual transactions are reported in the statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. These capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-20
Machinery and Equipment	5-10

In the fund financial statements, capital assets arising from modified accrual transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences – County employees are entitled to vacation and sick leave based upon their length of employment. Sick leave is earned at a rate of 10 days per year and can be accumulated up to 45 days but must be used and is not payable at termination. Vacation pay is earned after one year of employment at various levels depending upon the length of employment. This pay is payable upon termination and has been reflected in the government-wide financial statements.

Fund Equity - Fund equity is presented in the fund financial statements as follows:

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Property Tax Revenues – Property taxes are assessed on January 1 of each year at which time a tax lien attaches to the property to secure the payment of taxes. Property taxes are levied on October 1 of each year. The taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the following year at which time they become subject to penalties and interest. Property taxes are recognized as revenues when they are collected.

Interfund Transfers – Permanent relocations of resources between funds of the reporting entity are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget – The County prepares and adopts a budget for governmental funds prior to the beginning of each fiscal year. The County holds public meetings for the purpose of obtaining comments from citizens prior to adopting the budget. Once a budget is approved, it can be amended only by approval of a majority of the members of the Commissioners' Court. The budget was amended during the year.

Budgets for the General Fund and Special Revenue Funds are adopted on a modified accrual basis and cover a one-year period. Appropriations lapse at year end.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 3 – DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

Deposits and Investments – The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy addresses the following risks:

Custodial Credit Risk – Deposits and Investments: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits and investments in certificates of deposit may not be returned to it. The County's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state and local governments by pledging securities in excess of the highest cash balance of the government. The County is not exposed to custodial credit risk for its deposits and investments in certificates of deposit, since they are covered by depository insurance and pledged securities held by a third party in the County's name.

Concentration of Credit Risk: The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent of more of the total entity investments represent a concentration risk. At September 30, 2009, all of the County's investments are in certificates of deposit with its depository bank. The certificates of deposit are completely covered by pledged securities as described in the preceding paragraph.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 3 – DETAIL NOTES ON ALL ACTIVIES AND FUNDS – Continued

Deposits and Investments – Continued

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. At September 30, 2010, was not significantly exposed to credit risk.

Interest Rate Risk: The County’s investment policy limits its investment portfolio to maturities of one year or less as a means of limiting its exposure to fair value losses arising from fluctuating interest rates.

Foreign Currency Risk: Not applicable.

The carrying amount of the County’s cash and temporary investments at September 30, 2010, approximates fair value and consisted of the following:

Cash in Bank	\$ 523,473
Certificates of Deposit	<u>551,140</u>
Total Cash and Temporary Investments	<u>\$ 1,074,613</u>

Interfund Receivables and Payables – The following is a summary of amounts due from and due to other funds:

	<u>Due From</u>	<u>Due To</u>	<u>Purpose</u>
General Fund			
Fiduciary Funds	<u>\$ 26,209</u>	<u>\$ 0</u>	Unremitted Fees
Nonmajor Governmental Funds			
Fiduciary Funds	<u>\$ 4,051</u>	<u>\$ 0</u>	Unremitted Fees
Fiduciary Funds			
General Fund	\$ 0	\$ 26,209	Unremitted Fees
Nonmajor Governmental Funds	<u>0</u>	<u>4,051</u>	Unremitted Fees
Totals	<u>\$ 30,260</u>	<u>\$ 30,260</u>	

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

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 3 – DETAIL NOTES ON ALL ACTIVITIES AND FUNDS – Continued

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets				
Buildings and Improvements	\$ 84,299	\$ 0	\$ 0	\$ 84,299
Machinery and Equipment	<u>1,600,709</u>	<u>500,658</u>	<u>(232,647)</u>	<u>1,868,720</u>
Total Capital Assets	<u>\$ 1,685,008</u>	<u>\$ 500,658</u>	<u>\$ (232,647)</u>	<u>\$ 1,953,019</u>
Less Accumulated Depreciation				
Buildings and Improvements	\$ (51,691)	\$ (5,906)	\$ 0	\$ (57,597)
Machinery and Equipment	<u>(987,609)</u>	<u>(119,421)</u>	<u>154,100</u>	<u>(952,930)</u>
Total Acc Depreciation	<u>\$ (1,039,300)</u>	<u>\$ (125,327)</u>	<u>\$ 154,100</u>	<u>(1,010,527)</u>
Capital Assets, Net	<u>\$ 645,708</u>	<u>\$ 375,331</u>	<u>\$ (78,547)</u>	<u>\$ 942,492</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 12,487
Road and Bridges	81,189
Justice System	1,000
Public Safety	26,377
Public Health & Welfare	<u>4,274</u>
Total	<u>\$ 125,327</u>

Compensated Absences Payable – Compensated absences payable consists of an accrual of earned vacation leave that has not been taken as of September 30, 2010 and is payable to employees at that date. Below is a summary of the activity for the year.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated Absences	<u>\$ 16,625</u>	<u>\$ 0</u>	<u>\$ 1,387</u>	<u>\$ 15,238</u>

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Notes Payable – Notes payable as of September 30, 2010 consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
6% Note payable to a bank, with monthly payments of \$1,356, secured by equipment, maturing January 15, 2015	\$ 0	\$ 70,000	\$ 8,080	\$ 61,920
6% Note payable to a bank, with monthly payments of \$1,937, secured by equipment, maturing January 15, 2015	<u>0</u>	<u>100,000</u>	<u>11,542</u>	<u>88,458</u>
Total	<u>\$ 0</u>	<u>\$ 170,000</u>	<u>\$ 19,622</u>	<u>\$150,378</u>

Combined debt service requirements on these notes payable is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 31,429	\$ 8,079	\$ 39,508
2012	33,198	6,310	39,508
2013	35,272	4,236	39,508
2014	37,474	2,034	39,508
2015	<u>13,004</u>	<u>165</u>	<u>13,169</u>
Total	<u>\$ 150,378</u>	<u>\$ 20,824</u>	<u>\$ 171,302</u>

Note 4 – OTHER INFORMATION

Retirement Plan

Plan Description – The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 4 – OTHER INFORMATION – Continued

Retirement Plan – Continued

The plan provisions are adopted by the governing body of the employer within the option available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal deposits in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy – The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 4.97% for the months those months ending December 31, 2009 and a rate of 6.50% was used for the months ending September 30, 2010.

The deposit rate payable by the employee members for fiscal year 2009 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost – The required contribution was determined as part of the December 31, 2009 actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market valued of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 20 years. For the employer's accounting year ended September 30, 2010, the pension cost for the TCDRS plan for its employees was \$189,088, and the actual contribution was \$189,088.

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 4 – OTHER INFORMATION – Continued

Retirement Plan - Continued

The December 31, 2009 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12-31-07	12-31-08	12-31-09
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percentage Of Payroll, Open	Level Percentage Of Payroll, Closed	Level Percentage Of Payroll, Closed
Amortization Period in Years	30	20	20
Asset Valuation Method	SAF: 10-Year Smoothed Value ESF: Fund Value	SAF: 10-Year Smoothed Value ESF: Fund Value	SAF: 10-Year Smoothed Value ESF: Fund Value
Actuarial Assumptions:			
Investment Return	8.0%	8.0%	8.0%
Projected Salary Increases	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%

Trend Information

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
09-30-09	\$ 169,482	100%	\$ 0
09-30-10	\$ 189,088	100%	\$ 0

COUNTY OF COLEMAN
Notes to the Financial Statements – Continued
September 30, 2010

Note 4- OTHER INFORMATION – Continued

Retirement Plan - Continued

**Schedule of Funding Progress for the Retirement Plan
for the Employees of Coleman County**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll (Actuarial)	UAAL as a Percentage Of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12-31-07	\$3,014,785	\$3,007,457	\$ (7,328)	100.24%	\$1,238,769	(0.59)%
12-31-08	\$2,962,370	\$3,158,184	\$ 195,814	93.80%	\$1,343,292	14.58%
12-31-09	\$3,331,889	\$3,469,986	\$ 138,097	96.02%	\$1,440,013	9.59%

Prior Period Adjustment

Depreciation schedules from the prior year included a duplication of assets that were removed in the current year. The effect on the Statement of Activities was \$78,547. This represents the total cost and accumulated depreciation of those duplicated assets.