

**REPORT OF
CITY OF BULLARD
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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Independent Auditor's Report

To The City Council
City of Bullard, Texas

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

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bullard, Texas, as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows 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 July 11, 2011, on our consideration of the City of Bullard, Texas, internal control over financial reporting on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 28, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bullard, Texas' basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Hugh L. Goodpasture, P.C.", with a stylized flourish at the end.

Hugh L. Goodpasture, P.C.
Jacksonville, TX
July 11, 2011

**CITY OF BULLARD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$4,385,023 (net assets). This amount may be used to meet the government's ongoing obligations to citizens and creditors.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the city's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, health and welfare, public works, parks and recreation. The business-type activities of the City include the utility operations.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City adopts an annual appropriated budget for its general fund. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The City maintains one proprietary fund. Proprietary funds are used to report the same functions presented as business-type funds to account for its utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Bullard, Texas, assets exceeded liabilities by \$4,385,023 at the close of the most recent fiscal year.

One of the largest portions of the City's net assets reflects its investment in capital assets (e.g., land, building, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table I
CITY OF BULLARD
CONDENSED STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 1,597,990	\$ 985,446	\$ 1,900,647	\$ 1,605,483	\$ 3,498,637	\$ 2,590,929
Capital assets	338,645	1,045,128	5,651,309	5,015,869	5,989,954	6,060,997
Total assets	<u>1,936,635</u>	<u>2,030,574</u>	<u>7,551,956</u>	<u>6,621,352</u>	<u>9,488,591</u>	<u>8,651,926</u>
Long-term debt outstanding	32,591	34,376	3,407,721	3,707,691	3,440,312	3,742,067
Other liabilities	461,119	294,633	1,202,137	743,673	1,663,256	1,038,306
Total liabilities	<u>493,710</u>	<u>329,009</u>	<u>4,609,858</u>	<u>4,451,364</u>	<u>5,103,568</u>	<u>4,780,373</u>
Net assets:						
Invested in capital assets, net of debt	306,054	1,010,752	2,243,588	1,001,611	2,549,642	2,012,363
Restricted	45,004	29,639	-	-	45,004	29,639
Restricted	38,954	29,639	-	-	38,954	29,639
Restricted Matching	63,589	423,070			63,589	
Unrestricted (deficit)	989,324	238,103	698,510	1,168,378	1,687,834	1,406,481
Total net assets	<u>\$ 1,442,925</u>	<u>\$ 1,731,204</u>	<u>\$ 2,942,098</u>	<u>\$ 2,169,989</u>	<u>4,385,023</u>	<u>\$ 3,478,122</u>

Table II
CITY OF BULLARD
CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 495,149	\$ 460,047	\$ 1,099,382	\$ 1,046,251	\$ 1,594,531	\$ 1,506,298
Grants & Match Funds	79,589	675,070	-	-	79,589	675,070
Investment income	1,086	1,152	2,273	6,642	3,359	7,794
General revenues:						
Property taxes	776,572	637,282	-	-	776,572	637,282
Sales and use tax	157,358	151,521	-	-	157,358	151,521
Franchise tax	232,718	89,359	-	-	232,718	89,359
Total revenues	1,742,472	2,014,431	1,101,655	1,052,893	2,844,127	3,067,324
Program expenses						
General government	351,671	459,690	-	-	351,671	459,690
Street maintenance	16,265	10,128	-	-	16,265	10,128
Public safety	736,874	592,713	-	-	736,874	592,713
Services and supplies	-	16,395	-	-	-	16,395
Interest expense	164,639	168,242	4,527	6,355	169,166	174,597
Utilities	-	-	1,061,678	969,156	1,061,678	969,156
Total expenses	1,269,449	1,247,168	1,066,205	975,511	2,335,654	2,222,679
Excess (deficiency) before transfers	473,022	767,263	35,450	77,382	508,472	844,645
Extraordinary Loss	-	-	-	-	-	-
Transfers	(14,151)	(12,872)	-	-	(14,151)	(12,872)
Increase (decrease) in net assets	\$ 458,871	\$ 754,391	\$ 35,450	\$ 77,382	\$ 494,321	\$ 831,773

As in prior years the City of Bullard has enjoyed a continuation of growth. New houses are being built and new business is investing in our city. In all the permits and related fees are down some 18% from the prior year, however property taxes have increased by 6%.

Within the budget at years end the City ended its year with over 400,000 of surplus monies that is a good number when the overall economy of surrounding cities have experiences a significant loss in sales tax as well as property tax.

The City of Bullard continues to closely monitor its expenditures. We as staff are constantly making adjustments to reduce costs and increase efficiency while making certain the citizens do not loose services.

Governmental activities. Governmental activities increased the City's net assets by \$ 458,871.

Business-type activities. Business-type activities increased the City's net assets by \$ 35,450.

MAJOR FUND BUDGETARY HIGHLIGHTS

During the year, general fund revenues exceeded budgetary estimates. General fund expenditures exceeded budgetary estimates but increase in revenues, resulted in an actual increase in fund balance. This year the City of Bullard ended with a budgetary surplus. This is a direct result of management of programs and funds from the bottom up. The City has done a superb job of operating its day to day operations. The total budgetary surplus for this year was \$ 486,781. This included funds from BEDCO and grants which were not budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2010, amounted to \$5,989,951 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles and infrastructure assets.

Debt Administration. At the end of the current fiscal year, the City had total debt outstanding of \$3,765,601.

LOOKING AHEAD

The City of Bullard continues to be one of the brightest stars in this area of East Texas. Our Sales tax has continued to be in the black this entire year and our property tax is as well. We are the place where families want to locate and purchase a home.

In the next year, I forecast a similar bright future for our City. Specifically, I anticipate annexing via what is termed "window pane or doughnut hole" condition. Using that provision, we would annex ten properties. That annexation would result in quite a windfall in sales tax and property tax within the Budget years of 2011-2012.

In addition, there are several pieces of prime property that are now sitting fallow. I believe this property as well as others has the potential to sell, resulting in new retail and commercial establishments.

CONTACTING THE CITY'S MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Manager, Larry Morgan, at P.O. Box 107 Bullard, Texas 75757.

CITY OF BULLARD
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	\$ 832,260	\$ 532,115	\$ 1,364,375
Investments	-	644,676	644,676
Accounts Receivable	13,063	113,714	126,777
Due from ORCA Grant	2,183	-	2,183
Inventory	-	42,375	42,375
Due from Other Funds	750,484	376,127	1,126,611
Prepaid Expenses	-	-	-
Total Current Assets	1,597,990	1,709,007	3,306,997
Fixed Assets:			
Land	23,842	18,028	41,870
Buildings	313,469	5,109	318,578
Construction in Progress	-	2,204,156	2,204,156
Equipment	257,595	245,068	502,663
Infrastructure	20,412,500	5,057,692	25,470,192
Less Accumulated Depreciation	(20,668,761)	(1,878,744)	(22,547,505)
Total Fixed Assets	338,645	5,651,309	5,989,954
Other Assets:			
Bond Costs	-	191,640	191,640
Total Other Assets	-	191,640	191,640
TOTAL ASSETS	1,936,635	7,551,956	9,488,591
LIABILITIES			
Accounts Payable	79,396	63,438	142,834
Accrued Liabilities	11,377	4,212	15,589
Refundable Meter Deposits	-	77,216	77,216
Interfund Loan/Due to Other Funds	351,844	750,484	1,102,328
Notes Payable - Due Within One Year	18,502	306,787	325,289
Notes Payable - Due In More Than One Year	32,591	3,407,721	3,440,312
TOTAL LIABILITIES	493,710	4,609,858	5,103,568
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	306,054	2,243,588	2,549,642
Restricted for Debt Service	45,004	-	45,004
Restricted Matching Funds	63,589	-	63,589
Unrestricted	989,324	698,510	1,687,834
Unrestricted, reported in nonmajor: Special Revenues	38,954	-	38,954
TOTAL NET ASSETS	\$ 1,442,925	\$ 2,942,098	\$ 4,385,023

The accompanying notes are an integral part of these financial statements.

CITY OF BULLARD
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2010

<u>Activities</u>	<u>Expenses</u>	<u>Revenues Charges for Services</u>	<u>Net (Expense)/ Revenue</u>
Governmental:			
General Government	351,671	79,589	(272,082)
Street Maintenance	16,265		(16,265)
Public Safety	736,874	495,149	(241,725)
Services and Supplies	-		-
Interest Expense	164,639		(164,639)
Total governmental activities	<u>1,269,450</u>	<u>574,738</u>	<u>(694,712)</u>
Business-type:			
Utility	1,066,205	1,099,382	33,177
Total business-type activities	<u>1,066,205</u>	<u>1,099,382</u>	<u>33,177</u>
Change in Net Assets:			
	Governmental Activities	Business-Type Activities	Total
Net (Expense) / Revenue	\$ (694,712)	\$ 33,177	\$ (661,535)
General Revenues:			
Sale of Assets	-	-	-
Taxes:			
Property Tax	776,572	-	776,572
Sales and Use Tax	157,358	-	157,358
Franchise Tax	232,718	-	232,718
Investment Income	1,086	2,273	3,359
Transfers - Internal Activities	(14,151)	-	(14,151)
Total General Revenues and Transfers	<u>1,153,583</u>	<u>2,273</u>	<u>1,155,856</u>
Change in Net Assets	458,871	35,450	494,321
Net Assets - Beginning	1,716,930	2,169,989	3,886,919
Prior Period Adjustment	3,783		3,783
Adjustment-Construction	(736,659)	736,659	-
Net Assets - Ending	<u>\$ 1,442,925</u>	<u>\$ 2,942,098</u>	<u>\$ 4,385,023</u>

The accompanying notes are an integral part of these financial statements.

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 732,937	\$ 38,954	\$ 45,004	\$ 816,895
Receivables:				
Sales Tax	10,941	-	-	10,941
Other Receivables	1,750	-	-	1,750
Prepaid Expenses	200			200
Prepaid Interest	172	-	-	172
Due From ORCA Grant	2,183			2,183
Due From Other Funds	502	-	-	502
Total Assets	<u>\$ 748,684</u>	<u>\$ 38,954</u>	<u>\$ 45,004</u>	<u>\$ 832,642</u>
LIABILITIES				
Accounts Payable	\$ 79,396	\$ -	\$ -	\$ 79,396
Accrued Liabilities	11,377	-	-	11,377
Due to Bedco		-	-	-
Interfund Loan	20,499	-	-	20,499
Total Liabilities	<u>111,272</u>	<u>-</u>	<u>-</u>	<u>111,272</u>
FUND BALANCES				
Reserved for debt service	-	-	45,004	45,004
Unreserved	637,412	-	-	637,412
Unreserved, reported in nonmajor:				
Special Revenue Funds	-	38,954	-	38,954
Total Fund Balances	<u>637,412</u>	<u>38,954</u>	<u>45,004</u>	<u>721,370</u>
Total Liabilities and Fund Balances	<u>\$ 748,684</u>	<u>\$ 38,954</u>	<u>\$ 45,004</u>	<u>\$ 832,642</u>

The accompanying notes are an integral part of these financial statements

CITY OF BULLARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Total Fund Balance - Total Governmental Funds	\$	721,370
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital Assets are not current financial resources and, therefore, are not reported in the governmental funds balance sheet		338,645
Capital Outlay		292,683
Depreciation		74,031
Debt Service		45,004
Prior Period Adjustment		3,783
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds balance sheet		<u>(32,591)</u>
Net Assets of Governmental Activities	\$	<u><u>1,442,925</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BULLARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Fund	Revenue Funds	Service Fund	Governmental Funds
REVENUES				
Property Taxes	\$ 335,876	\$ -	\$ 440,696	\$ 776,572
Sales Tax Collected	157,358	-	-	157,358
Franchise Tax	232,717	-	-	232,717
Matching Funds	63,589	-	-	63,589
Miscellaneous	3,383	-	-	3,383
Building Permits & Fees	31,152	-	-	31,152
Salary Reimbursement	42,108	-	-	42,108
Grant Income	16,000	4,141	-	20,141
Interest Income	1,022	64	273	1,359
Donations	1,625	425	-	2,050
Fines	412,313	-	-	412,313
TOTAL REVENUES	1,297,144	4,630	440,969	1,742,742
EXPENDITURES				
General Government	278,079	-	-	278,079
Street Maintenance	16,265	-	-	16,265
Public Safety	730,151	-	-	730,151
Services and Supplies	-	11,564	2,135	13,699
Capital Outlay	-	3,353	-	3,353
Debt Service:				
Principal	19,709	-	262,252	281,960
Interest	3,822	-	160,817	164,639
TOTAL EXPENDITURES	1,048,024	14,917	425,204	1,488,146
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	249,119	(10,287)	15,765	254,597
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	218,063	14,068	-	232,131
Operating Transfer Out	(14,151)	-	-	(14,151)
TOTAL OTHER FINANCING SOURCES (USES)	203,912	14,068	-	217,980
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	453,031	3,781	15,765	472,577
FUND BALANCE, BEGINNING OF YEAR	1,083,900	35,173	29,639	1,148,712
FUND BALANCE, END OF YEAR	\$ 1,536,931	\$ 38,954	\$ 45,404	\$ 1,621,289

The accompanying notes are an integral part of these financial statements.

**CITY OF BULLARD
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Net Change in Fund Balances - Total Governmental Funds (General Fund and Special Revenues, see statement in supplementary information)	\$	472,577
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		40,617
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.</p>		(74,031)
<p>Governmental funds report repayment of debt principal as expenditures. However, in the government-wide statements this repayment reduces long-term liabilities.</p>		<u>19,708</u>
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>458,871</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BULLARD
STATEMENT OF NET ASSETS – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Utility Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 532,115
Investments	644,676
Accounts Receivable	113,714
Due From Other Funds	376,127
Inventory	42,375
Prepaid Expenses	-
Total Current Assets	<u>1,709,007</u>
Fixed Assets:	
Land	18,028
Buildings	5,109
Construction in Progress	2,204,156
Equipment	245,068
Infrastructure	5,057,692
Less Accumulated Depreciation	<u>(1,878,744)</u>
Total Fixed Assets	<u>5,651,309</u>
Other Assets:	
Bond Costs	<u>191,640</u>
Total Other Assets	<u>191,640</u>
TOTAL ASSETS	<u>7,551,956</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	63,438
Accrued Expenses	4,212
Due To Other Funds	750,484
Refundable Meter Deposits	77,216
Current Portion of Long-Term Debt	<u>306,787</u>
Total Current Liabilities	<u>1,202,137</u>
Long-term Liabilities:	
Long-Term Portion of Debt	<u>3,407,721</u>
Total Long-term Liabilities	<u>3,407,721</u>
TOTAL LIABILITIES	4,609,858
NET ASSETS	
Invested in Fixed Assets, Net of Related Debt	2,243,588
Unrestricted	<u>698,510</u>
TOTAL NET ASSETS	<u>\$ 2,942,098</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BULLARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>OPERATING REVENUES</u>	<u>Utility Fund</u>
Water Revenue	\$ 609,604
Garbage Revenue	198,590
Sewer Revenue	204,400
Miscellaneous	8,634
Reconnections	26,102
Meter Fees	22,700
Impact Fees	16,500
Service Charges	4,003
Sewer Activation/Tap Fees	8,850
	\$ 1,099,382
<u>OPERATING EXPENDITURES</u>	
Accounting	19,559
Advertising	1,600
Contract Services	170,845
Computer Services	3,987
Water Line Supplies	27,048
Engineering Services	39,257
Bank Charges	2,818
Contract Labor	18,158
Salaries	198,049
Dues/Subscriptions/Permits	4,254
Insurance	12,824
Infrastructure Expenditures	16,827
Depreciation	138,178
Miscellaneous	1,726
Office Supplies	4,088
Retirement Contribution	17,498
Postage	5,794
Payroll Taxes	16,432
Legal & Professional	24,039
Telephone	8,221
Utilities	142,820
Repairs & Maintenance	151,467
Medical Insurance	31,240
Training & Education	4,947
	\$ 1,061,678
TOTAL EXPENDITURES	\$ 1,061,678

The accompanying notes are an integral part of these financial statements.

(Continued)

CITY OF BULLARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

OPERATING INCOME (LOSS)	37,704
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Income	2,273
Interest Expense	(4,527)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,254)
INCOME (LOSS) BEFORE TRANSFERS	35,450
TRANSFERS IN	
TRANSFERS OUT	
NET PROFIT (LOSS)	35,450
ADJUSTMENT TRANSFER CONSTRUCTION	736,659
NET ASSETS, BEGINNING OF YEAR	2,169,989
NET ASSETS, END OF YEAR	\$ 2,942,098

The accompanying notes are an integral part of these financial statements.

**CITY OF BULLARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2010</u>
Receipts from Customers	1,117,311
Payments to Suppliers	(395,962)
Payments to Employees	(214,481)
	506,868
Cash Flows from Financing Activities:	
Purchase of PP&E	(773,619)
Principal Payments on N/P	(299,971)
	(566,722)
Net Increase(Decrease) in Cash Equivalents	(566,722)
Cash- Beginning	352,144
Transfer In/Int Income	746,693
Cash Balances Ending	532,115
Reconciliation of operating income to net cash	
Net Income (Less Extraordinary Loss)	35,450
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	138,178
Change in Assets and Liabilities:	
<Increase> Decrease in:	
Investments	68,621
Accounts Receivable	(17,929)
Due from Other Funds	(167,722)
Prepaid Expenses	1,837
Increase <Decrease> in:	
Accounts Payable	15,695
Due to Other Funds	443,289
Refundable Meter Deposits	(7,405)
Other Accrued Payables	(3,146)
	(3,146)
Net Cash Provided by Operating Activities	506,868

The accompanying notes are an integral part of these financial statements.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE A: SUMMARY OF ACCOUNTING POLICIES:

1) GENERAL STATEMENT

The City of Bullard, Texas, (the "City") operates under a Council - Mayor Form of government and provides the following services: recreation, utilities, general administrative services, public safety (police), streets, public improvements and planning and zoning.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), The American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principals Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. The more significant accounting policies of the City are described below.

2) FINANCIAL REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Bullard has no component units.

3) BASIS OF PRESENTATION

The government-wide financial statements (the statements of net assets and the statement of changes in net assets) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE A: SUMMARY OF ACCOUNTING POLICIES: Continued

3) BASIS OF PRESENTATION - (continued)

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

The city segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental fund.

General Fund

General Fund is the main operating fund of the City. This fund is used to account for the financial resources not accounted for in the other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4) MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured: basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE A: SUMMARY OF ACCOUNTING POLICIES: Continued

4) MEASUREMENT FOCUS/BASIS OF ACCOUNTING - (continued)

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets, and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are franchise fees, licenses, charges for service and interest income. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

5) BUDGETARY CONTROL

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The City Secretary submits a budget of estimated expenditures and revenues to the City Council by the Council meeting date in August.

Revisions that alter the total expenditures of any fund must be approved by City Council.

The Budgetary Comparison Schedule - General Fund presented in the required Supplementary Information, presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

The City's special revenue funds, though governmental, are not budgeted. The City has no control of revenues and their specified purposes do not lend themselves to budgetary accountability.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE A: SUMMARY OF ACCOUNTING POLICIES: Continued

6) CASH, CASH EQUIVALENTS, AND TEMPORARY INVESTMENTS

State Statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year-end, the carrying amount and market value of the City's deposits was \$1,319,371. Throughout the current fiscal year, all deposits were entirely insured by federal depository insurance or by collateral held by the pledging financial institution in the City's name.

For purposes of the statement of cash flows, the Proprietary Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's temporary investments were deposited in TexPool, a state depository. The balance at 9/30/10 was \$ 644,576.

7) INVENTORY

Inventory consists of utility line pipe purchased near year-end and is stated at cost. These parts are not inventory as defined by generally accepted accounting principles (ARB 43, ch 4, par2), therefore audit procedures which are normally applied to inventory, were not performed.

8) TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operation of both Governmental and Proprietary funds.

The City allocated to the Utility Fund an indirect cost percentage of salaries and wages of personnel who perform administrative services for those funds but are paid through the General Fund. There is a state mandate that a portion of certain fees collected through the court are to be transferred to a Technology Fund and to a Security Fund. These funds are to be used for the special functions designated.

9) CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest had not been capitalized during the construction period on property, plant and equipment.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE A: SUMMARY OF ACCOUNTING POLICIES: Continued

9) CAPITAL ASSETS - (continued)

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over five years of useful life. Infrastructure assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Water and Sewer System	30-50 years
Infrastructure	20-35 years
Machinery and Equipment	5-10 years

10) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

11) NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the city or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12) PROPERTY TAXES

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed. On January 1, each year, a tax lien attached to property to secure 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, including those expected to be collected during a 60-day period after the close to the City's fiscal year.

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE B: EMPLOYEE PENSION PLAN:

1) PLAN DESCRIPTION

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the city are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit Rate:	5%
City's Rate:	8.65%
Matching Ration (City to Employee):	2 to 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City (expressed as years of service/age) are:

5 yrs/age 60; 25 yrs/any age

2) CONTRIBUTIONS

Under the state law governing TMRS, the contribution rate for city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consist of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (over funded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits such as Updated Service Credits and Annuity Increases.

**CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010**

NOTE B: EMPLOYEE PENSION PLAN: (Continued)

2) CONTRIBUTIONS - (Continued)

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

3) SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

Actuarial Valuation Date	12/31/09
Actuarial Value of Assets	\$382,160
Actuarial Accrued Liability (AAL)	\$651,713
Unfunded (Over-funded) Actuarial Accrued Liability (UAAL)	\$269,553
Funded Ratio	58.6%
Annual Covered Payroll	\$605,096
UAAL as a Percentage of Covered Payroll	44.5 %

ACTUARIAL ASSUMPTIONS

Actuarial Cost Method -	Unit Credit
Amortization Method -	Level Percent of Payroll
Remaining Amortization Period -	25 Years - Open Period
Asset Valuation Method -	Amortized Cost
	(To accurately reflect the requirements of GASB stat., No. 25, paragraphs 36e and 138)

3) SCHEDULE OF ACTUARIAL LIABILITIES AND FUNDING PROGRESS

ACTUARIAL ASSUMPTIONS

Investment Rate of Return -	7.5%
Projected Salary Increases -	None
Includes Inflation at -	3.00%
Cost-of-Living Adjustments -	None

CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010

NOTE C: CAPITAL ASSETS:

GASB No. 34 requires the City to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, and in ground pipe, traffic signals, etc...

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

Land	\$ 23,842	\$ -	\$ -	\$ 23,842
Construction in Progress	\$ 673,070	\$ 63,589	\$ 736,659	\$ -
Depreciable Capital Assets:				
Buildings	313,469	-	-	313,469
Equipment	216,978	40,617	-	257,595
Infrastructure	20,412,500	-	-	20,412,500
Total Depreciable	<u>20,942,947</u>	<u>40,617</u>	<u>-</u>	<u>20,983,564</u>
Accumulated Depreciation	<u>(20,594,731)</u>	<u>(74,031)</u>	<u>-</u>	<u>(20,668,762)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 372,058</u>	<u>\$ (33,414)</u>	<u>\$ -</u>	<u>\$ 338,644</u>

Capital asset activity for business-type activities for the year ended September 30, 2009 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Land	\$ 18,028	\$ -	\$ -	\$ 18,028
Construction in Progress	2,200,372	3,784	-	2,204,156
Depreciable Capital Assets:				
Buildings	5,109	-	-	5,109
Equipment	237,867	7,200	-	245,067
Infrastructure	4,295,058	762,634	-	5,057,692
Total Depreciable	<u>4,538,034</u>	<u>773,618</u>	<u>-</u>	<u>7,512,023</u>
Accumulated Depreciation	<u>(1,740,565)</u>	<u>(138,179)</u>	<u>-</u>	<u>(1,878,744)</u>
Business Type Activities				
Capital Assets, Net	<u>\$ 5,015,869</u>	<u>\$ 635,439</u>	<u>\$ -</u>	<u>\$ 5,651,307</u>

**CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010**

NOTE D: LONG TERM DEBT:

Government-Type Activities

In October of 2009. The City borrowed from Bancorp South for the purchase of Tahoe Police vehicles the amount was \$24,617.26 with interest rate of 3.59%. Payment due Oct 25, 2010 and yearly for 3years.

In October of 2008, the City borrowed from Southside Bank for the purchase of a police car. The loan amount was \$31,181 and bear interest at the rate of 4.25%. Payments are due in 8 semi-annual payments of \$4,279.

In December of 2007 the City borrowed from Southside Bank for the purchase of a police car. The loan amount was \$ 29,419, 4.9% interest, and due in 8 payments of \$ 4,086.

In February of 2006, the City borrowed \$22,774.07 from Austin Bank for the purchase of a police car. The interest rate is 6.5%, with final principal payment due of \$2,612.39.

Principal and interest payments projected for the following five years:

	Principal	Interest
2011	29,580	\$2,023
2012	21,513	\$ 802
2013	-0-	
2014	-0-	
2015	-0-	

Business-Type Activities

The City of Bullard, Texas, Combination Tax and Revenue Certificate of Obligation, Series 1999, were issued February 1, 1999, in the amount of \$275,000, and bear interest at the rate of 4.896%. Payments are due monthly in the amount of \$2,159.81.

The City of Bullard, Texas, Combination Tax and Revenue Certificate of Obligation, Series 2003, were issued November 1, 2003, in the amount of \$933,000. Payments are due annually.

The City of Bullard, Texas, Combination Tax and Revenue Certificate of Obligation, Series 2006, were issued August 31, 2006, in the amount of \$3,200,000. Payments are due annually.

In April of 2007, the City of borrowed \$53,957 from Caterpillar Financial Services. The interest rate is 5.5%; sixty payments of \$1,030.63 are due monthly.

In July of 2007, the City borrowed \$19,700 from Austin Bank. The interest rate is 5.25%, 10 payments of \$2,390.08 are due semi-annually.

In September of 2008, the City borrowed \$21,843.53 from Austin Bank. The interest rate is 5%, 10 payments of \$2,453.91 are due semi-annually.

In September of 2008, the City borrowed \$19,725 from Austin Bank. The interest rate is 5%, 10 payments of \$2,257.69 are due semi-annually.

**CITY OF BULLARD
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2010**

NOTE D: LONG TERM DEBT Continued:

Principal and interest payments projected for the following five years:

	Principal	Interest
2011	306,788	91,817
2012	311,482	83,116
2013	312,225	73,621
2014	309,014	61,866
2015	165,000	52,885
BALANCE	2,309,999	374,194

NOTE E: FEDERAL AND STATE GRANT REVENUE:

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

NOTE F: COMPENSATED ABSENCES:

City employees earn ten days of vacation pay and twelve days of sick leave per year. Sick leave may be accumulated to a maximum of 10 days. Vacation pay must be taken in the anniversary year in which it becomes due. No accrual for compensated absences is reflected in the accompanying general-purpose financial statements because the amount would be insignificant.

NOTE G: DEBT SERVICE FUND

According to generally accepted accounting principles, when taxes are assessed to service the interest and principle payments of a debt obligation, a debt service fund should be established and used for this purpose. A separate bank account is to be established for the deposit of revenues and disbursement of debt service funds. The current year's financial statements reflect the Debt Service Fund and the accounting of appropriate activities through it. Because of this some balances do not tie to the beginning balances individually, but do tie collectively.

NOTE H: PRIOR PERIOD ADJUSTMENT

In this fiscal year an entry was made changing an account payable to an expense in the preceding fiscal year. Therefore, this reflected a change to the '09 ending fund balance, a prior period adjustment of \$3,783 was made to correct the beginning fund.

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Jacksonville, Texas 75766

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

City of Bullard
Bullard, Texas

I have audited the financial statements of the City of Bullard, as of and for the year ended September 30, 2010, and have issued my report thereon dated July 11, 2011. I conducted my audit in accordance with generally accepted auditing standards and the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

My consideration of 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness, as defined above.

Compliance

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

This report is intended for the information of the audit committee, the management, federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specific parties.



Jacksonville, Texas
July 11, 2011

**CITY OF BULLARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
SEPTEMBER 30, 2010**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<u>REVENUES</u>				
Property Tax	\$ 321,313	\$ 321,313	\$ 335,876	\$ 14,563
Sales Tax	160,000	160,000	157,358	(2,642)
Franchise Tax	85,000	85,000	232,718	147,718
Matching Funds -BEDCO			63,589	63,589
Miscellaneous	1,800	1,800	7,524	5,724
Building Permit & Fees	36,000	36,000	20,457	(15,543)
Salary Reimbursement	42,516	42,516	42,108	(408)
Interest Income	1,000	1,000	1,086	86
Inspections Only	12,000	12,000	10,696	(1,304)
Donations	600	600	2,050	1,450
Cash Reserves	126,657	126,657		(126,657)
Grant Revenue	-	-	16,000	16,000
Fines	236,000	300,000	412,313	112,313
Total Revenues	<u>1,022,885</u>	<u>1,086,885</u>	<u>1,301,775</u>	<u>214,890</u>
<u>EXPENDITURES</u>				
General Government	272,432	272,432	278,901	(6,469)
Street Maintenance	363,267	363,267	16,265	347,002
Public Safety & Court	432,792	432,233	736,874	(304,641)
Capital Outlay	-	-	40,617	(40,617)
Total Expenditures	<u>1,068,491</u>	<u>1,067,932</u>	<u>1,072,657</u>	<u>(4,725)</u>
Excess revenues over (under)				
expenditures	(45,606)	18,953	229,118	210,165
Transfers In	-	-	-	-
Transfers Out	-	-	(14,151)	(14,151)
Fund Balance at beginning of year	272,331	266,531	271,814	5,283
	<u>\$ 226,725</u>	<u>\$ 285,484</u>	<u>\$ 486,781</u>	<u>\$ 201,297</u>

CITY OF BULLARD
SPECIAL REVENUES FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	PARK FUND	SECURITY FUND	TECHNOLOGY FUND	TOTAL
REVENUE				
Grant Income	4,141	-	-	4,141
Donations	425	-	-	425
Interest Income	64	-	-	64
Miscellaneous Income	-	-	-	-
TOTAL REVENUES	4,630	-	-	4,630
EXPENSES				
Capital Outlay	-	-	3,352	3,352
Services and Supplies	3,613	3,030	4,922	11,564
TOTAL	3,613	3,030	8,274	14,917
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,017	(3,030)	(8,274)	(10,287)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	6,031	8,037	14,068
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	6,031	8,037	14,068
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	1,017	3,001	(237)	3,781
Fund Balances - Beginning	16,532	10,256	8,384	35,173
Fund Balances - Ending	\$ 17,549	\$ 13,258	\$ 8,147	\$ 38,954