

2011 Effective Tax Rate Worksheet

CITY OF TERRELL

See pages 13 to 16 for an explanation of the effective tax rate.

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| 1. | 2010 total taxable value. Enter the amount of 2010 taxable value on the 2010 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14). | \$945,430,711 |
| 2. | 2010 tax ceilings. Counties, Cities and Junior College Districts. Enter 2010 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" If your taxing units adopted the tax ceiling provision in 2010 or prior year for homeowners age 65 or older or disabled, use this step. | \$0 |
| 3. | Preliminary 2010 adjusted taxable value. Subtract line 2 from line 1. | \$945,430,711 |
| 4. | 2010 total adopted tax rate. | \$0.646100/\$100 |
| 5. | 2010 taxable value lost because court appeals of ARB decisions reduced 2010 appraised value. A. Original 2010 ARB values: \$0 B. 2010 values resulting from final court decisions: - \$0 C. 2010 value loss. Subtract B from A. | \$0 |
| 6. | 2010 taxable value, adjusted for court-ordered reductions. Add line 3 and line 5C. | \$945,430,711 |
| 7. | 2010 taxable value of property in territory the unit deannexed after January 1, 2010. Enter the 2010 value of property in deannexed territory. | \$0 |
| 8. | 2010 taxable value lost because property first qualified for an exemption in 2010. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport exemptions or tax abatements. A. Absolute exemptions. Use 2010 market value: \$164,900 B. Partial exemptions. 2011 exemption amount or 2011 percentage exemption times 2010 value: + \$1,129,459 C. Value loss. Add A and B. | \$1,294,359 |
| 9. | 2010 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2011. Use only those properties that first qualified in 2011; do not use properties that qualified in 2010. A. 2010 market value: \$0 B. 2011 productivity or special appraised value: - \$0 C. Value loss. Subtract B from A. | \$0 |
| 10. | Total adjustments for lost value. Add lines 7, 8C and 9C. | \$1,294,359 |

2011 Effective Tax Rate Worksheet (continued)
CITY OF TERRELL

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| 11. | 2010 adjusted taxable value. Subtract line 10 from line 6. | \$944,136,352 |
| 12. | Adjusted 2010 taxes. Multiply line 4 by line 11 and divide by \$100. | \$6,100,064 |
| 13. | Taxes refunded for years preceding tax year 2010. Enter the amount of taxes refunded during the last budget year for tax years preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010. | \$6,469 |
| 14. | Taxes in tax increment financing (TIF) for tax year 2010. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter "0." | \$20,929 |
| 15. | Adjusted 2010 taxes with refunds. Add lines 12 and 13, subtract line 14. | \$6,085,604 |
| 16. | <p>Total 2011 taxable value on the 2011 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 18). These homesteads includes homeowners age 65 or older or disabled.</p> <p>A. Certified values only: \$933,829,127</p> <p>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$0</p> <p>C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property (use this line based on attorney's advice): - \$0</p> <p>D. Tax increment financing: Deduct the 2011 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2011 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 21 below. - \$16,294,998</p> <p>E. Total 2011 value. Add A and B, then subtract C and D. \$917,534,129</p> | |
| 17. | <p>Total value of properties under protest or not included on certified appraisal roll.</p> <p>A. 2011 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. \$3,116,890</p> | |

2011 Effective Tax Rate Worksheet (continued)
CITY OF TERRELL

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| 17. (cont.) | <p>B. 2011 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.</p> <p>C. Total value under protest or not certified. Add A and B.</p> | <p align="right">+ \$0</p> <p align="right">\$3,116,890</p> |
| 18. | <p>2011 tax ceilings. Enter 2011 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0." If your taxing units adopted the tax ceiling provision in 2010 or prior year for homeowners age 65 or older or disabled, use this step.</p> | <p align="right">\$0</p> |
| 19. | <p>2011 total taxable value. Add lines 16E and 17C. Subtract line 18.</p> | <p align="right">\$920,651,019</p> |
| 20. | <p>Total 2011 taxable value of properties in territory annexed after January 1, 2008. Include both real and personal property. Enter the 2011 value of property in territory annexed.</p> | <p align="right">\$1,442,910</p> |
| 21. | <p>Total 2011 taxable value of new improvements and new personal property located in new improvements. "New" means the item was not on the appraisal roll in 2010. An improvement is a building, structure, fixture or fence erected on or affixed to land. A transportable structure erected on its owner's land is also included unless it is held for sale or is there only temporarily. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the unit after January 1, 2010 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2011. New improvements do not include mineral interests produced for the first time, omitted property that is back assessed and increased appraisals on existing property.</p> | <p align="right">\$5,066,737</p> |
| 22. | <p>Total adjustments to the 2011 taxable value. Add lines 20 and 21.</p> | <p align="right">\$6,509,647</p> |
| 23. | <p>2011 adjusted taxable value. Subtract line 22 from line 19.</p> | <p align="right">\$914,141,372</p> |
| 24. | <p>2011 effective tax rate. Divide line 15 by line 23 and multiply by \$100.</p> | <p align="right">\$0.665718/\$100</p> |

2011 Effective Tax Rate Worksheet (continued)
CITY OF TERRELL

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| 25. | COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2011 county effective tax rate. | \$/\$100 |
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A county, city or hospital district that adopted the additional sales tax in November 2010 or in May 2011 must adjust its effective tax rate. *The Additional Sales Tax Rate Worksheet* on page 39 sets out this adjustment. Do not forget to complete the *Additional Sales Tax Rate Worksheet* if the taxing unit adopted the additional sales tax on these dates.

2011 Rollback Tax Rate Worksheet

CITY OF TERRELL

See pages 17 to 21 for an explanation of the rollback tax rate.

| | | |
|-----|---|------------------|
| 26. | 2010 maintenance and operations (M&O) tax rate. | \$0.461600/\$100 |
| 27. | 2010 adjusted taxable value. Enter the amount from line 11. | \$944,136,352 |
| 28. | <p>2010 M&O taxes.</p> <p>A. Multiply line 26 by line 27 and divide by \$100. \$4,358,133</p> <p>B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2010. Enter amount from full year's sales tax revenue spent for M&O in 2010 fiscal year, if any. Other units, enter "0." Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent. + \$841,819</p> <p>C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units, enter "0." + \$0</p> <p>D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units, enter "0." +/- \$0</p> <p>E. Taxes refunded for years preceding tax year 2010: Enter the amount of M&O taxes refunded during the last budget year for tax years preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010. + \$6,469</p> <p>F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance. + \$0</p> | |

2011 Rollback Tax Rate Worksheet (continued)
CITY OF TERRELL

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| 28. (cont.) | <p>G. Taxes in tax increment financing (TIF): Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter "0." - \$20,929</p> <p>H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G. \$5,185,492</p> | |
| 29. | <p>2011 adjusted taxable value. Enter line 23 from the Effective Tax Rate Worksheet.</p> | \$914,141,372 |
| 30. | <p>2011 effective maintenance and operations rate. Divide line 28H by line 29 and multiply by \$100.</p> | \$0.567252/\$100 |
| 31. | <p>2011 rollback maintenance and operation rate. Multiply line 30 by 1.08. (See lines 49 to 52 for additional rate for pollution control expenses.</p> | \$0.612632/\$100 |
| 32. | <p>Total 2011 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the unit's budget as M&O expenses.</p> <p>Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue (or additional sales tax revenue). Do not include appraisal district budget payments. List the debt in "Schedule B: Debt Service." If using unencumbered funds, subtract unencumbered fund amount used from total debt and list remainder.</p> | \$1,649,999 |
| 33. | <p>Certified 2010 excess debt collections. Enter the amount certified by the collector.</p> | \$0 |
| 34. | <p>Adjusted 2011 debt. Subtract line 33 from line 32.</p> | \$1,649,999 |
| 35. | <p>Certified 2011 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.</p> | 100.000000% |
| 36. | <p>2011 debt adjusted for collections. Divide line 34 by line 35.</p> | \$1,649,999 |
| 37. | <p>2011 total taxable value. Enter the amount on line 19.</p> | \$920,651,019 |
| 38. | <p>2011 debt tax rate. Divide line 36 by line 37 and multiply by \$100.</p> | \$0.179220/\$100 |
| 39. | <p>2011 rollback tax rate. Add lines 31 and 38.</p> | \$0.791852/\$100 |

2011 Rollback Tax Rate Worksheet (continued)
CITY OF TERRELL

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|-----|---|----------|
| 40. | COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2011 county rollback tax rate. | \$/\$100 |
|-----|---|----------|

A taxing unit that adopted the additional sales tax must complete the lines for the *Additional Sales Tax Rate*. A taxing unit seeking additional rollback protection for pollution control expenses completes the *Additional Rollback Protection for Pollution Control*.

Additional Sales Tax Rate Worksheet
CITY OF TERRELL

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|-----|---|------------------|
| 41. | Units that adopted the sales tax in August or November 2010, or in January or May 2011. Enter the Comptroller's estimate of taxable sales for the previous four quarters. Units that adopted the sales tax before August 2010, skip this line. | \$0 |
| 42. | <p>Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2010, OR IN JANUARY OR MAY 2011. Multiply the amount on line 41 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2010. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p> | \$841,819 |
| 43. | 2011 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> . | \$920,651,019 |
| 44. | Sales tax adjustment rate. Divide line 42 by line 43 and multiply by \$100. | \$0.091437/\$100 |
| 45. | 2011 effective tax rate, unadjusted for sales tax. Enter the rate from line 24 or 25, as applicable, on the <i>Effective Tax Rate Worksheet</i> . | \$0.665718/\$100 |
| 46. | <p>2011 effective tax rate, adjusted for sales tax.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2010, OR IN JANUARY OR MAY 2011. Subtract line 45 from line 46.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2010. Enter line 46, do not subtract.</p> | \$0.665718/\$100 |
| 47. | 2011 rollback tax rate, unadjusted for sales tax. Enter the rate from line 39 or 40, as applicable, of the rollback tax rate worksheet. | \$0.791852/\$100 |
| 48. | 2011 rollback tax rate, adjusted for sales tax. Subtract line 44 from line 47. | \$0.700415/\$100 |

If the additional sales tax rate increased or decreased from last year, contact the Comptroller's office for special instructions on calculating the sales tax projection for the first year after the rate change.

**Additional Rollback Protection
for Pollution Control Worksheet
CITY OF TERRELL**

| | | |
|------------|--|------------------|
| 49. | Certified expenses from TCEQ. Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its assessor with a copy of the letter. See Part 3, the Rollback Rate, for more details. | \$0 |
| 50. | 2011 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> . | \$920,651,019 |
| 51. | Additional rate for pollution control. Divide line 49 by line 50 and multiply by 100. | \$0.000000/\$100 |
| 52. | 2011 rollback tax rate, adjusted for pollution control. Add line 51 to one of the following lines (as applicable): line 39, line 40 (counties) or line 48 (units with the additional sales tax). | \$0.700415/\$100 |

**2011 Notice of Effective Tax Rate
Worksheet for Calculation of Tax Increase/Decrease**

Entity Name: CITY OF TERRELL

Date: 07/29/2011

| | |
|---|---------------|
| 1.2010 taxable value, adjusted for court-ordered reductions. Enter line 6 of the Effective Tax Rate Worksheet. | \$945,430,711 |
| 2.2010 total tax rate. Enter line 4 of the Effective Tax Rate Worksheet. | 0.646100 |
| 3.Taxes refunded for years preceding tax year 2010. Enter line 13 of the Effective Tax Rate Worksheet. | \$6,469 |
| 4.Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3. | \$6,114,897 |
| 5.2011 total taxable value. Enter Line 19 of the Effective Tax Rate Worksheet. | \$920,651,019 |
| 6.2011 effective tax rate. Enter line 24 of the Effective Tax Rate Worksheet or Line 47 of the Additional Sales Tax Rate Worksheet. | 0.665718 |
| 7.2011 taxes if a tax rate equal to the effective tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100. | \$6,128,940 |
| 8.Last year's total levy. Sum of line 4 for all funds. | \$6,114,897 |
| 9.2011 total taxes if a tax rate equal to the effective tax rate is adopted. Sum of line 7 for all funds. | \$6,128,940 |
| 10.Tax Increase (Decrease). Subtract Line 8 from Line 9. | \$14,043 |

CITY OF TERRELL
Tax Rate Recap for 2011 Tax Rates

| Description of Rate | Tax Rate Per \$100 | Tax Levy This is calculated using the Total Adjusted Taxable Value (line 19) of the Effective Tax Rate Worksheet | Additional Tax Levy Compared to last year's tax levy of 6,108,428 | Additional Tax Levy Compared to effective tax rate levy of 6,128,940 |
|-------------------------|--------------------|---|---|---|
| Last Year's Tax Rate | 0.646100 | \$5,948,326 | \$-160,102 | \$-180,613 |
| Effective Tax Rate | 0.665718 | \$6,128,940 | \$20,512 | \$0 |
| Notice & Hearing Limit* | 0.665718 | \$6,128,940 | \$20,512 | \$0 |
| Rollback Tax Rate | 0.700415 | \$6,448,378 | \$339,950 | \$319,438 |
| Proposed Tax Rate | 0.000000 | \$0 | \$-6,108,428 | \$-6,128,940 |

Effective Tax Rate Increase in Cents per \$100

| | | | | |
|-------|----------|-----------|-----------|-----------|
| 0.00 | 0.665718 | 6,128,940 | 20,512 | 0 |
| 0.50 | 0.670718 | 6,174,972 | 66,544 | 46,033 |
| 1.00 | 0.675718 | 6,221,005 | 112,577 | 92,065 |
| 1.50 | 0.680718 | 6,267,037 | 158,609 | 138,098 |
| 2.00 | 0.685718 | 6,313,070 | 204,642 | 184,130 |
| 2.50 | 0.690718 | 6,359,102 | 250,674 | 230,163 |
| 3.00 | 0.695718 | 6,405,135 | 296,707 | 276,195 |
| 3.50 | 0.700718 | 6,451,167 | 342,740 | 322,228 |
| 4.00 | 0.705718 | 6,497,200 | 388,772 | 368,260 |
| 4.50 | 0.710718 | 6,543,233 | 434,805 | 414,293 |
| 5.00 | 0.715718 | 6,589,265 | 480,837 | 460,326 |
| 5.50 | 0.720718 | 6,635,298 | 526,870 | 506,358 |
| 6.00 | 0.725718 | 6,681,330 | 572,902 | 552,391 |
| 6.50 | 0.730718 | 6,727,363 | 618,935 | 598,423 |
| 7.00 | 0.735718 | 6,773,395 | 664,967 | 644,456 |
| 7.50 | 0.740718 | 6,819,428 | 711,000 | 690,488 |
| 8.00 | 0.745718 | 6,865,460 | 757,033 | 736,521 |
| 8.50 | 0.750718 | 6,911,493 | 803,065 | 782,553 |
| 9.00 | 0.755718 | 6,957,525 | 849,098 | 828,586 |
| 9.50 | 0.760718 | 7,003,558 | 895,130 | 874,618 |
| 10.00 | 0.765718 | 7,049,591 | 941,163 | 920,651 |
| 10.50 | 0.770718 | 7,095,623 | 987,195 | 966,684 |
| 11.00 | 0.775718 | 7,141,656 | 1,033,228 | 1,012,716 |
| 11.50 | 0.780718 | 7,187,688 | 1,079,260 | 1,058,749 |
| 12.00 | 0.785718 | 7,233,721 | 1,125,293 | 1,104,781 |
| 12.50 | 0.790718 | 7,279,753 | 1,171,326 | 1,150,814 |
| 13.00 | 0.795718 | 7,325,786 | 1,217,358 | 1,196,846 |
| 13.50 | 0.800718 | 7,371,818 | 1,263,391 | 1,242,879 |
| 14.00 | 0.805718 | 7,417,851 | 1,309,423 | 1,288,911 |
| 14.50 | 0.810718 | 7,463,884 | 1,355,456 | 1,334,944 |

- *Notice & Hearing Limit Rate: This is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the rollback tax rate or the effective tax rate.
- School Districts: The school tax rate limit is \$1.50 for M&O, plus \$0.50 for 'New' debt plus a rate for 'Old' debt. 'Old' debt is debt authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992. All other debt is 'New' debt.

Tax Levy: This is calculated by taking the adjusted taxable value (line 19 of Effective Tax Rate Worksheet), multiplying by the appropriate rate, such as the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 33 of the Rollback Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.

Additional Levy Last Year: This is calculated by taking Last Year's taxable value (line 3 of Effective Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of Effective Tax Rate Worksheet) and dividing by 100.

For School Districts: This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.

Additional Levy This Year: This is calculated by taking the current adjusted taxable value, multiplying by the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 33 of the Rollback Tax Rate Worksheet), multiplying by the Effective Tax Rate, dividing by 100 and adding This Year's tax ceiling.

COUNTIES ONLY: All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

2011 Property Tax Rates in CITY OF TERRELL

This notice concerns 2011 property tax rates for CITY OF TERRELL. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

| | |
|-----------------------------|----------------|
| Last year's operating taxes | \$4,358,133 |
| Last year's debt taxes | \$1,741,932 |
| Last year's total taxes | \$6,100,065 |
| Last year's tax base | \$944,136,352 |
| Last year's total tax rate | 0.646100/\$100 |

This year's effective tax rate:

| | |
|--|----------------|
| Last year's adjusted taxes (after subtracting taxes on lost property) | \$6,085,604 |
| + This year's adjusted tax base (after subtracting value of new property) | \$914,141,372 |
| = This year's effective tax rate | 0.665718/\$100 |

This year's rollback tax rate:

| | |
|---|----------------|
| Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures) | \$5,185,492 |
| + This year's adjusted tax base | \$914,141,372 |
| = This year's effective operating rate | 0.567252/\$100 |
| × 1.08 = this year's maximum operating rate | 0.612632/\$100 |
| + This year's debt rate | 0.179220/\$100 |
| = This year's rollback rate | 0.791852/\$100 |

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

| | |
|-----------------------------|----------------|
| - Sales tax adjustment rate | 0.091437/\$100 |
| = Rollback tax rate | 0.700415/\$100 |

Statement of Increase/Decrease

If CITY OF TERRELL adopts a 2011 tax rate equal to the effective tax rate of 0.665718 per \$100 of value, taxes would increase compared to 2010 taxes by \$ 14,043.

Schedule A: Unencumbered Fund Balances:

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

| Type of Property Tax Fund | Balance |
|---|---------|
| ESTIMATED BALANCE M & O FISCAL YEAR END | 878,333 |
| ESTIMATED BALANCE I & S FISCAL YEAR END | 425,261 |

Schedule B: 2011 Debt Service:

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

| Description of Debt | Principal or Contract Payment to be Paid from Property Taxes | Interest to be Paid from Property Taxes | Other Amounts to be Paid | Total Payment |
|---|--|---|--------------------------|---------------|
| 2002 CONTRACTUAL OBLIGATION | 94,544 | 58,908 | 0 | 153,452 |
| 2003 CONTRACTUAL OBLIGATION | 70,000 | 45,965 | 0 | 115,965 |
| 2004 GENERAL OBLIGATION | 400,000 | 31,194 | 0 | 431,194 |
| 2004 CONTRACTUAL OBLIGATION | 34,334 | 22,316 | 0 | 56,650 |
| 2006 CONTRACTUAL OBLIGATION | 4,546 | 3,663 | 0 | 8,209 |
| 2007A CONTRACTUAL OBLIGATION | 50,000 | 46,976 | 0 | 96,976 |
| 2007B CONTRACTUAL OBLIGATION | 195,000 | 76,522 | 0 | 271,522 |
| 2008 CONTRACTUAL OBLIGATION | 76,850 | 55,014 | 0 | 131,864 |
| 2009 GENERAL OBLIGATION | 95,700 | 24,710 | 0 | 120,410 |
| 2011A CONTRACTUAL OBLIGATION | 36,932 | 163,067 | 0 | 199,999 |
| 2011B CONTRACTUAL OBLIGATION | 19,144 | 44,614 | 0 | 63,758 |
| Total required for 2011 debt service | | | | \$1,649,999 |
| - Amount (if any) paid from funds listed in Schedule A | | | | \$0 |
| - Amount (if any) paid from other resources | | | | \$0 |
| - Excess collections last year | | | | \$0 |
| = Total to be paid from taxes in 2011 | | | | \$1,649,999 |
| + Amount added in anticipation that the unit will collect only 100.000000% of its taxes in 2011 | | | | \$0 |

= Total Debt Levy

\$1,649,999

Schedule C - Expected Revenue from Additional Sales Tax

(For hospital districts, cities and counties with additional sales tax to reduce property taxes)

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$ 841,819 in additional sales and use tax revenues.

For County: The county has excluded any amount that is or will be distributed for economic development grants from this amount of expected sales tax revenue.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 100 N WASHINGTON, KAUFMAN, TX 75142.

Name of person preparing this notice: DONNA SPRAGUE

Title: FORMER TAX ASSESSOR COLLECTOR

Date prepared: July 27, 2011