

DENTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Prepared By the
DENTON COUNTY AUDITOR'S OFFICE
James A. Wells, CPA, County Auditor



**DENTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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DENTON COUNTY AUDITOR

January 15, 2003

JAMES A. WELLS, C.P.A.

THE HONORABLE DISTRICT JUDGES AND

THE HONORABLE COMMISSIONERS' COURT

Ladies and Gentlemen:

In compliance with the statutory duties of the County Auditor as prescribed by Section 114.025 of the Local Government Code of the State of Texas, the Comprehensive Annual Financial Report of Denton County, Texas, for the fiscal year ended September 30, 2002 is submitted herewith. The report was prepared by the County Auditor's Office.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the government. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the county's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The county is required to undergo an annual grant single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including schedules of federal and state financial assistance, findings and recommendations, and independent auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in the single audit section of this report.

This report includes all of the funds and account groups of the County, including all activities considered to meet the entity definition criteria of Governmental Accounting Standards Board Statement 14. Additional information relative to the inclusion or exclusion of certain entities is provided as a part of the notes to the financial statements in the financial section of this report.

The County provides a full range of services authorized by statute. Such services include general governmental functions such as recording and licensing, maintaining the county and district court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation, and maintaining county roads and bridges.

ECONOMIC CONDITION AND OUTLOOK

Denton County is located in the north central part of Texas. With over 475,000 citizens, it is the eighth most populous county in the state. Major cities in the County include Denton, the county seat, Lewisville and Carrollton. Denton County's many advantages include climate; access to transportation centers; a young, skilled workforce and its educational facilities.

While population growth has slowed somewhat from the extreme levels of the late 1980's, Denton County continues to experience strong growth in population and in its economic base. The population has grown by almost 10% since the 2000 census and by almost 75% since the 1990 census. During the same period, the County's tax base increased from \$10.3 billion in 1990 to over \$26 billion in 2002.

Job additions have continued in the last year in both manufacturing and service industries. Our September 2002, unemployment rate of 4.90% compared favorably with the 6.3% statewide rate, and with the 5.7% national rate. During the 2002 year, the County had over \$1.8 billion in new property added to the tax rolls. This is the highest amount of new construction in the County ever in one year. In 2002, nearly 6,000 new housing starts were recorded in the County. This represents a 5.2% growth in single family residences in one year.

The economic outlook for Denton County continues to remain very positive for the near future. Alliance Airport, which is the largest industrial airport in the world, continues to attract new transportation, distribution, and manufacturing tenants. A major Wal-Mart distribution center in Sanger is now in operation and adding to the growth of the northern portion of the County. Texas World Speedway, located near the airport, was opened during 1997. Its major events continue to attract large crowds from all parts of the state and the nation. Robson Development is constructing one of the nation's largest new communities for retired citizens in the southern portion of the County. Other large housing developments in the county include Lantana and Rayzor Ranch. Firestone and Columbia Medical Center announced major expansion projects in the County during the last year.

Denton's two universities continue to turn out a large number of skilled graduates each year, and enrollment at both universities increased significantly this year. This labor supply, combined with air, rail and highway transportation centers, adds assurance to the County's continued economic growth.

MAJOR INITIATIVES

For the year.

As in past years, the County emphasized three primary areas in its efforts to provide the services and facilities that its citizens demand. Efforts in these areas included providing adequate facilities for County business; improving the working environment for its workforce; and improving the transportation system in the County.

County Facilities. The growing population in the County demands an ever-increasing amount of services from the County. To assure that services are readily available to all citizens, the upgrade and expansion of facilities has been a priority in the recent past. In 2001, work has continued throughout the year on a \$19 million expansion of our Detention Facility. In order to add more structure to the process of expanding our facilities, the County commissioned a space study and a facilities master plan during 2001. The plan, which was completed in mid-2002, gives the County a blueprint to follow in providing adequate, well-located facilities for county business. Implementation of the first phase of the facilities master plan should begin in fiscal 2003.

Working Environment. In 2002, the working environment for County employees was improved by the implementation of significant pay raises for all classes of employees and by the modifying the terms of the County retirement system. These improvements resulted in the lowest turnover rate for employees in the last several years. Also, the County invested heavily in new technology, such as computer systems and communications systems, to improve the efficiency of its workforce. In early 2002, the County entered into a software licensing agreement with Microsoft to ensure that all County computers will be supplied with the most current versions of their office management software.

Transportation. In 2002 the County continued to utilize the proceeds of several bond issues to improve and safeguard the transportation system in the County. Numerous county, city and state road improvement projects were funded during the 2002 fiscal year. The County's goal in these transactions is to leverage voluntary participation by the County to accelerate the construction of vital city, state and federal roadways. Also, the County initiated a \$140 project to enhance State Highway 121 by using the proceeds of a \$10 million transaction with the State Infrastructure Bank to acquire the necessary engineering services for road design. This financing includes agreements with cities

affected by SH 121 to provide funds to repay the County's debt on the \$10 million, and the County will also seek federal reimbursement on funds expended. This financing is the first of its kind by a county government in the state.

For the Future.

Functional efficiency in County operations will be emphasized in the near future. The facilities master plan that was commissioned in 2001 will begin to be implemented in 2003. The County will continue to upgrade computer, radio and telecommunications systems for County offices also.

Other areas that will receive special emphasis in the near future include the transportation system with a confirming vote for the Denton County Transportation Authority scheduled in November, 2002. The County will continue its efforts to enhance transportation through the use of funds approved by the voters in a 1999 election.

Departmental Focus.

Each year Denton County focuses attention on the efforts and accomplishments of a selected department. This year, the Budget Office has been selected for this purpose.

The Budget Office is one of the departments in the County whose focus is on improving the efficiency and effectiveness of the organization as a whole, rather than directly serving the public. By developing budgetary policies and procedures that are clearly defined and easy to follow, the Budget Office eases the administrative burden of budget development for all other County departments.

The Denton County Budget Office is responsible for establishing the budget process for the County; setting the budget calendar; soliciting budget requests from departments; compiling and recommending a preliminary budget to the Commissioners Court; and conducting budget workshops and public hearings. The Office has repeatedly distinguished itself by using technology to refine the entire budget process. The fact that Denton County's tax rate is among the lowest in the state for counties of a similar size is a tribute to the dedication and hard work of the Director and her staff.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal and state financial assistance, the county also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the County.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the county's single audit for the fiscal year ended September 30, 2002 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls. In addition, the County maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioners Court. Activities of the general fund, special revenue funds and debt service fund are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the expenditure object level. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at yearend. However, outstanding encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues meeting its responsibility for sound financial management.

General Governmental Functions. The following schedule presents a summary of General Fund, Special Revenue and Debt Service fund revenues for the fiscal year ended September 30, 2002 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$66,983,004	64.97%	\$12,832,390	23.70%
Licenses and Permits	6,522,983	6.33%	385,042	6.27%
Intergovernmental	13,916,492	13.50%	98,297	0.71%
Fees of Office	9,626,238	9.34%	900,212	10.32%
Fines	3,204,592	3.11%	(43,744)	-1.35%
Interest	893,843	0.87%	(826,252)	-48.04%
Miscellaneous	<u>1,936,672</u>	<u>1.88%</u>	<u>160,502</u>	<u>9.04%</u>
	<u>\$103,083,824</u>	<u>100.00%</u>	<u>\$13,506,447</u>	<u>15.08%</u>

The largest percentage increases in governmental revenue were in intergovernmental revenues, taxes and fees of office. Increases in prisoner housing fees, state grants and federal grants accounted for the increase in intergovernmental revenues. Although the County increased its tax rate by approximately 6% over its effective tax rate, more revenue was received due to growth in the County's tax base that totaled over \$1.8 billion, and due to a high percentage of taxes collected. Fees increased due to a growing demand for county services by its growing citizenry.

The only revenue type to decline significantly was interest revenue. This decline was primarily due to lower interest rates on deposits and investments as a result of the weakening national economy.

The following schedule presents a summary of General Fund, Special Revenue, and Debt Service fund expenditures for the fiscal year ended September 30, 2002, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$13,017,619	12.22%	\$2,260,807	21.02%
Judicial	11,035,550	10.36%	1,127,310	11.38%
Legal	8,179,614	7.68%	1,574,130	23.83%
Financial	3,793,665	3.56%	530,942	16.27%

Public Facilities	4,593,304	4.31%	(900,541)	-16.39%
Public Safety	36,959,688	34.69%	6,752,243	22.35%
Health and Welfare	6,062,458	5.69%	1,434,965	31.01%
Conservation	343,215	0.32%	34,775	11.27%
Contract Services	1,505,530	1.41%	(952,048)	-38.74%
Roads	7,140,327	6.70%	950,216	15.35%
Debt Service	<u>13,922,587</u>	<u>13.06%</u>	<u>4,571,240</u>	<u>48.88%</u>
	<u>\$106,553,557</u>	<u>100.00%</u>	<u>\$17,384,039</u>	<u>19.50%</u>

Spending increases continue to correlate strongly with increased demands for County services. Salary increases averaging 14% were granted to County employees for 2002. Salary increases, benefits increases, and to a lesser degree, additional personnel budgeted accounted for the bulk of the increased expenditures in all areas of the County. The large dollar increase in spending for Judicial was due to the addition of one county civil court and to increased spending for court appointed attorneys due to the implementation of the terms of Senate Bill 7.

Fund Balances. The County was able to maintain year-end fund balances at adequate levels for efficient County operations. The General Fund balance decreased by \$56,177 to \$5,037,472. Special Revenue Fund balances decreased \$853,885 to \$8,337,495 and Debt Service Fund balance decreased by \$961,158 to \$1,943,755.

Debt Administration. At September 30, 2002 Denton County had fifteen debt issues outstanding. The outstanding balance of the issues totaled \$119,717,570 in general obligation bonds and \$17,205,000 in tax notes. The County's bond rating was upgraded in 1998 to AA by Standard and Poors, and it was upgraded in 1996 by Moody's to a bond rating of Aa2. According to the Constitution of the State of Texas, Denton County's outstanding bonded debt is limited to an amount not exceeding 25% of the assessed taxable value of real property in the County. As of the current fiscal year-end, the County was well below the legal limit of approximately \$5 billion.

During the 2002 fiscal year, the County completed one new debt issue. This was \$3.68 million of tax notes to fund the renovation of several county buildings and to provide for the acquisition of major technological improvements. At year-end, the County had \$5.145 million of authorized but unissued general obligation bonds from a 1991 road bond election and \$36.8 million of authorized but unissued general obligation bonds from its 1999 road bond election.

Cash Management. Cash temporarily idle in the various funds of the County is invested in bank certificates of deposit or is invested in a money market account operated by the State Treasurer. Interest rates on bank deposits are governed by the County's depository contract, which is awarded for four-year periods to the best bidder. The interest rate on the current contract is equal to the yield of Treasury Bills of comparable maturity. Total interest earned on deposits and investments of County funds was \$1,885,944 for fiscal 2002.

The primary objectives of the County's investment policy are the safety of principal followed by liquidity and yield. Accordingly, deposits were either insured by federal depository insurance or collateralized with securities pledged to the County and held by an independent third-party financial institution.

Risk Management. Denton County provides for the management of risks through a combination of self-insurance and traditional insurance. In addition, the County has instituted a number of risk and loss control techniques such as the hiring of a risk manager, safety training, accident investigation and mandatory defensive training for employees who operate County vehicles. The County currently has traditional insurance for property damage, automobile liability, some professional liability and general liability. Other risks are either self-insured or uncovered.

OTHER INFORMATION

Independent Audit. While state statutes do not require an annual audit by independent certified public accountants, Denton County has followed the policy of having an annual independent audit of its financial records. This policy has been continued for fiscal year 2002, with the engagement of the firm of Pattillo, Brown and Hill. The audit was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section.

Awards. The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denton County for its comprehensive annual financial report for the fiscal year ended September 30, 2001. This is the fourteenth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, Denton County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2001. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

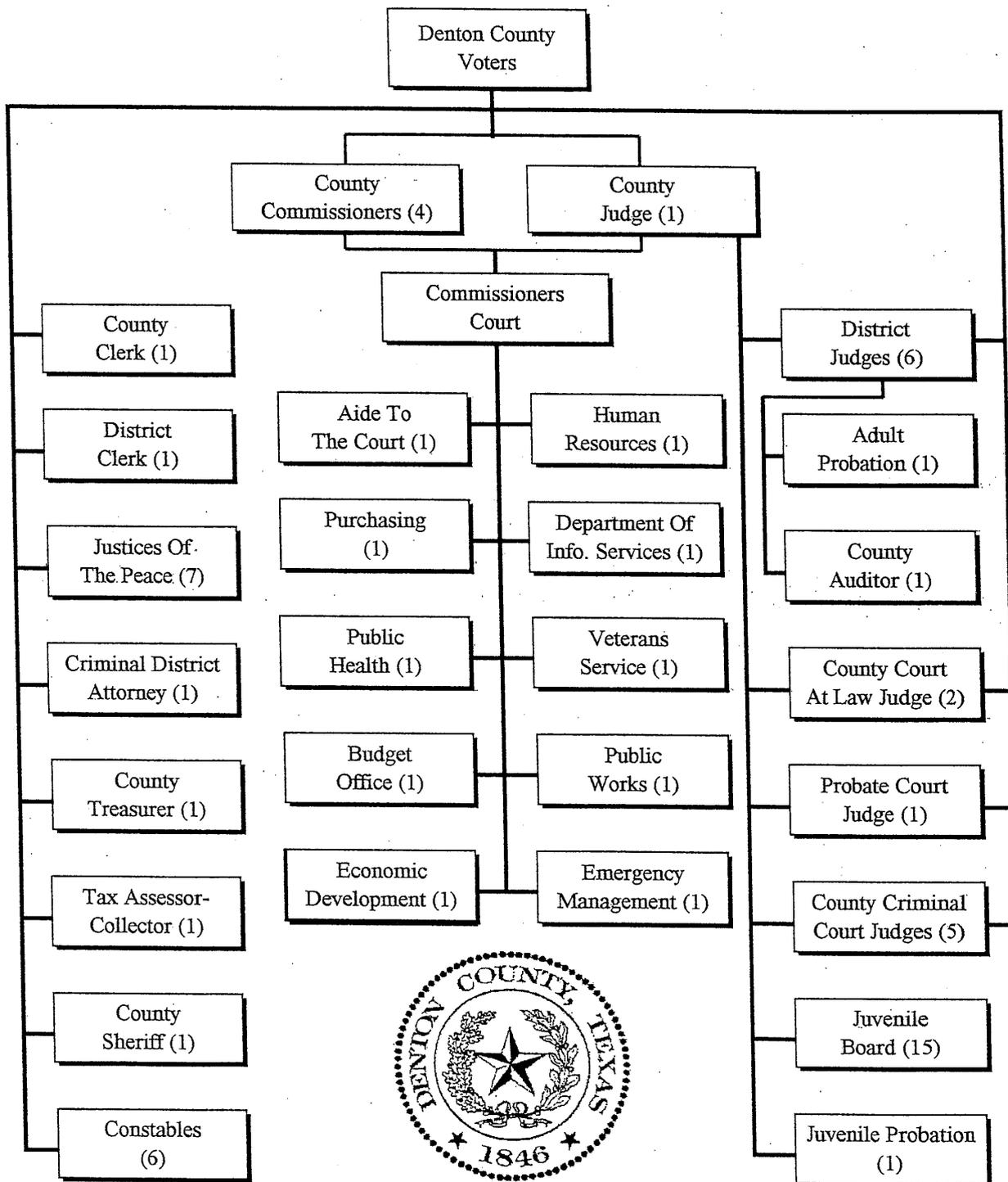
Acknowledgments. The publication of this comprehensive annual financial report is tangible evidence of the talent and dedication of the entire staff of the Denton County Auditor's office. The other areas of their work reflect the same striving for excellence. We would like to extend our thanks to the Budget, Human Resources, Purchasing and Treasurer's departments for their assistance with this report as well as for their assistance and cooperation throughout the year.

Sincerely,

A handwritten signature in cursive script that reads "James A. Wells". The signature is written in black ink and is positioned above the printed name and title.

James A. Wells, CPA
Denton County Auditor

DENTON COUNTY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Denton County,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2001

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



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2002

Commissioners Court

Mary Horn	County Judge
Cynthia White	Commissioner, Pct. 1
Sandy Jacobs	Commissioner, Pct. 2
Bobbie J. Mitchell	Commissioner, Pct. 3
Jim Carter	Commissioner, Pct. 4

Judicial

John Narsutis	Judge, 16th District Court
Phillip Vick	Judge, 158th District Court
L. Dee Shipman	Judge, 211th District Court
Bruce McFarling	Judge, 362nd District Court
Lee Gabriel	Judge, 367th District Court
Vicki Isaacks	Judge, 393rd District Court
Darlene Whitten	Judge, County Court-at-Law 1
Margaret Barnes	Judge, County Court-at-Law 2
Jim Crouch	Judge, County Criminal Court 1
Virgil Vahlenkamp	Judge, County Criminal Court 2
David Garcia	Judge, County Criminal Court 3
Joe Bridges	Judge, County Criminal Court 4
Richard Podgorski	Judge, County Criminal Court 5
Don Windle	Judge, Probate Court

Law Enforcement

Weldon Lucas	County Sheriff
Bruce Isaacks	Criminal District Attorney
Mitch Liles *	Community Supervision Director
Peggy Fox *	Juvenile Probation Director

Financial Administration

James Wells *	County Auditor
Cindy Brown	County Treasurer
Steve Mossman	Tax Assessor-Collector
Beth Fleming *	Director of Purchasing
Donna Stewart *	Budget Officer

Recording Officials

Sherri Adelstein	District Clerk
Cynthia Mitchell	County Clerk

* Designates appointed officials. All others listed are elected officials.



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners' Court
Denton County, Texas

We have audited the accompanying general purpose financial statements of Denton County, Texas, as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of Denton County, Texas' management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Denton County, Texas as of September 30, 2002, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust funds 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 a report dated December 18, 2002, on our consideration of Denton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund and account group financial statements and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Denton County, Texas. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Denton County, Texas. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Pattillo, Brown & Hill L.L.P.

December 18, 2002

Denton County, Texas
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2002

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash	\$ 2,398,767	\$ 4,021,829	\$ 24,814	\$ 6,205,695
Investments	3,198,805	5,579,480	1,823,131	24,354,834
Receivables:				
Taxes	1,895,056	204,097	345,133	-
Accrued Interest	1,172	54,708	-	81,371
Other Receivables	514,666	29,228	-	-
Due from Other Funds	1,827,471	220,481	144,585	501,755
Due from Other Governments	416,009	568,462	-	-
Inventories	23,288	-	-	-
Fixed Assets	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Liabilities	-	-	-	-
TOTAL ASSETS	\$ 10,275,234	\$ 10,678,285	\$ 2,337,663	\$ 31,143,655
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 1,659,467	\$ 1,126,842	\$ -	\$ 1,874,606
Wages Payable	1,044,821	262,651	-	-
Interest Payable	-	-	12,450	-
Due to Other Funds	49	576,775	36,325	610,015
Due to Other Governments	537,418	31,059	-	-
Other Payables	-	-	-	-
Due to Beneficiaries	-	-	-	-
Deferred Revenues	1,996,007	343,463	345,133	-
Compensated Absences	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
TOTAL LIABILITIES	5,237,762	2,340,790	393,908	2,484,621
EQUITY AND OTHER CREDITS				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balances:				
Reserved for Inventories	23,288	-	-	-
Reserved for Debt Service	-	-	1,943,755	-
Reserved for Capital Expenditures	-	-	-	28,659,034
Unreserved, Undesignated	5,014,184	8,337,495	-	-
TOTAL FUND EQUITY AND OTHER CREDITS	5,037,472	8,337,495	1,943,755	28,659,034
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 10,275,234	\$ 10,678,285	\$ 2,337,663	\$ 31,143,655

See the notes to the financial statements.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
		General Fixed Assets	General Long-Term Liabilities	September 30, 2002	September 30, 2001
Internal Service	Agency				
\$ 412,204	\$ 7,274,661	\$ -	\$ -	\$20,337,970	\$20,510,848
-	9,672,663	-	-	44,628,913	65,417,215
-	-	-	-	2,444,286	1,986,999
-	2,723	-	-	139,974	532,686
104,008	-	-	-	647,902	69,076
-	674	-	-	2,694,966	4,259,098
-	-	-	-	984,471	1,802,023
-	-	-	-	23,288	41,256
-	-	115,291,748	-	115,291,748	113,641,910
-	-	-	1,943,755	1,943,755	2,904,913
-	-	-	140,937,589	140,937,589	140,836,057
<u>\$ 516,212</u>	<u>\$ 16,950,721</u>	<u>\$ 115,291,748</u>	<u>\$ 142,881,344</u>	<u>\$ 330,074,862</u>	<u>\$ 352,002,081</u>
\$ 1,169,817	\$ 31,912	\$ -	\$ -	\$ 5,862,644	\$ 6,581,955
-	78,690	-	-	1,386,162	948,539
-	-	-	-	12,450	164,157
1,471,177	625	-	-	2,694,966	4,259,098
-	9,177,090	-	-	9,745,567	10,144,528
-	-	-	2,524,899	2,524,899	1,500,518
-	7,662,404	-	-	7,662,404	7,092,639
-	-	-	-	2,684,603	2,219,805
-	-	-	3,433,875	3,433,875	2,827,882
-	-	-	136,922,570	136,922,570	139,412,570
<u>2,640,994</u>	<u>16,950,721</u>	<u>-</u>	<u>142,881,344</u>	<u>172,930,140</u>	<u>175,151,691</u>
-	-	115,291,748	-	115,291,748	113,641,910
(2,124,782)	-	-	-	(2,124,782)	(1,171,983)
-	-	-	-	23,288	41,256
-	-	-	-	1,943,755	2,904,913
-	-	-	-	28,659,034	47,190,521
-	-	-	-	13,351,679	14,243,773
<u>(2,124,782)</u>	<u>-</u>	<u>115,291,748</u>	<u>-</u>	<u>157,144,722</u>	<u>176,850,390</u>
<u>\$ 516,212</u>	<u>\$ 16,950,721</u>	<u>\$ 115,291,748</u>	<u>\$ 142,881,344</u>	<u>\$ 330,074,862</u>	<u>\$ 352,002,081</u>

Denton County, Texas
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
ALL GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2002

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue	Debt Service
REVENUES			
Taxes	\$ 51,840,701	\$ 5,624,609	\$ 9,517,694
Licenses and Permits	-	6,522,983	-
Intergovernmental	5,915,648	6,074,177	1,926,667
Fees of Office	7,356,392	2,269,846	-
Fines	3,204,592	-	-
Interest	525,162	280,143	88,538
Miscellaneous	1,688,430	248,242	-
TOTAL REVENUES	<u>70,530,925</u>	<u>21,020,000</u>	<u>11,532,899</u>
EXPENDITURES			
Current:			
General Government	11,750,257	1,267,362	-
Judicial	10,423,687	611,863	-
Legal	7,832,351	347,263	-
Financial	3,738,862	54,803	-
Public Facilities	4,593,304	-	-
Public Safety	29,292,334	7,667,354	-
Health & Welfare	125,533	5,936,925	-
Conservation	343,215	-	-
Contract Services	1,505,530	-	-
Roads	-	7,140,327	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	6,170,000
Interest & Service Charges	-	-	7,752,587
TOTAL EXPENDITURES	<u>69,605,073</u>	<u>23,025,897</u>	<u>13,922,587</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>925,852</u>	<u>(2,005,897)</u>	<u>(2,389,688)</u>
Other Financing Sources (Uses):			
Bond Proceeds	-	-	-
Capital Lease Financing	791,700	666,348	-
Operating Transfers In	68,314	1,147,761	1,428,530
Operating Transfers Out	(1,842,043)	(662,097)	-
Total Other Financing Sources (Uses)	<u>(982,029)</u>	<u>1,152,012</u>	<u>1,428,530</u>
Excess of Revenues and Other Sources			
Over Expenditures and Other Uses	<u>(56,177)</u>	<u>(853,885)</u>	<u>(961,158)</u>
FUND BALANCE AT			
BEGINNING OF YEAR	<u>5,093,649</u>	<u>9,191,380</u>	<u>2,904,913</u>
FUND BALANCE AT			
END OF YEAR	<u>\$ 5,037,472</u>	<u>\$ 8,337,495</u>	<u>\$ 1,943,755</u>

See the notes to the financial statements.

TOTALS
(Memorandum Only)

Capital Projects	September 30, 2002	September 30, 2001
\$ -	\$ 66,983,004	\$ 54,150,614
-	6,522,983	6,137,941
524,523	14,441,015	15,080,457
-	9,626,238	8,726,026
-	3,204,592	3,248,336
992,101	1,885,944	4,500,705
-	1,936,672	1,776,170
<u>1,516,624</u>	<u>104,600,448</u>	<u>93,620,249</u>
-	13,017,619	10,756,812
-	11,035,550	9,908,240
-	8,179,614	6,605,484
-	3,793,665	3,262,723
-	4,593,304	5,493,845
-	36,959,688	30,207,445
-	6,062,458	4,627,493
-	343,215	308,440
-	1,505,530	2,457,578
-	7,140,327	6,190,111
22,312,823	22,312,823	29,235,303
-	6,170,000	3,615,000
-	7,752,587	5,736,347
<u>22,312,823</u>	<u>128,866,380</u>	<u>118,404,821</u>
<u>(20,796,199)</u>	<u>(24,265,932)</u>	<u>(24,784,572)</u>
3,680,000	3,680,000	35,850,000
-	1,458,048	967,937
13,242	2,657,847	1,867,170
(1,428,530)	(3,932,670)	(3,017,170)
<u>2,264,712</u>	<u>3,863,225</u>	<u>35,667,937</u>
<u>(18,531,487)</u>	<u>(20,402,707)</u>	<u>10,883,365</u>
<u>47,190,521</u>	<u>64,380,463</u>	<u>53,497,098</u>
<u>\$ 28,659,034</u>	<u>\$ 43,977,756</u>	<u>\$ 64,380,463</u>

Denton County, Texas
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
ALL BUDGETED GOVERNMENTAL FUND TYPES
For the Fiscal Year Ended September 30, 2002**

	<u>GENERAL FUND</u>		
	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 51,186,012	\$ 51,840,701	\$ 654,689
Licenses and Permits	-	-	-
Intergovernmental	5,953,720	5,915,648	(38,072)
Fees of Office	7,053,923	7,356,392	302,469
Fines	3,635,000	3,204,592	(430,408)
Interest	1,335,000	525,162	(809,838)
Miscellaneous	1,869,192	1,688,430	(180,762)
TOTAL REVENUES	71,032,847	70,530,925	(501,922)
<u>EXPENDITURES</u>			
Current:			
General Government	12,206,019	11,424,705	781,314
Judicial	10,684,324	10,423,687	260,637
Legal	7,931,190	7,832,351	98,839
Financial	3,896,311	3,738,862	157,449
Public Facilities	5,199,789	4,593,304	606,485
Public Safety	29,372,352	28,826,186	546,166
Health and Welfare	156,115	125,533	30,582
Conservation	363,689	343,215	20,474
Contract Services	1,533,056	1,505,530	27,526
Roads	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest & Service Charges	-	-	-
TOTAL EXPENDITURES	71,342,845	68,813,373	2,529,472
Excess (Deficiency) of Revenues Over Expenditures	<u>(309,998)</u>	<u>1,717,552</u>	<u>2,027,550</u>
Other Financing Sources (Uses):			
Operating Transfers In	68,314	68,314	-
Operating Transfers Out	(2,160,043)	(1,842,043)	318,000
Proceeds of Refunding Bonds	-	-	-
Payments to Escrow Agent	-	-	-
Total Other Financing Sources	<u>(2,091,729)</u>	<u>(1,773,729)</u>	<u>318,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(2,401,727)</u>	<u>(56,177)</u>	<u>2,345,550</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>5,093,649</u>	<u>5,093,649</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,691,922</u>	<u>\$ 5,037,472</u>	<u>\$ 2,345,550</u>

See the notes to the financial statements.

SPECIAL REVENUE FUNDS**DEBT SERVICE FUND**

Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
\$ 5,436,235	\$ 5,624,609	\$ 188,374	\$ 9,198,092	\$ 9,517,694	\$ 319,602
6,150,000	6,522,983	372,983	-	-	-
3,146,448	3,125,906	(20,542)	1,926,665	1,926,667	2
2,061,000	2,034,365	(26,635)	-	-	-
-	-	-	-	-	-
492,000	243,207	(248,793)	200,000	88,538	(111,462)
99,148	202,636	103,488	-	-	-
<u>17,384,831</u>	<u>17,753,706</u>	<u>368,875</u>	<u>11,324,757</u>	<u>11,532,899</u>	<u>208,142</u>
1,284,304	1,267,362	16,942	-	-	-
726,449	611,863	114,586	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,752,119	5,815,884	(63,765)	-	-	-
5,141,119	4,761,338	379,781	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,027,458	6,473,979	1,553,479	-	-	-
-	-	-	6,170,000	6,170,000	-
-	-	-	7,752,776	7,752,587	189
<u>20,931,449</u>	<u>18,930,426</u>	<u>2,001,023</u>	<u>13,922,776</u>	<u>13,922,587</u>	<u>189</u>
<u>(3,546,618)</u>	<u>(1,176,720)</u>	<u>2,369,898</u>	<u>(2,598,019)</u>	<u>(2,389,688)</u>	<u>208,331</u>
1,060,053	1,136,916	76,863	350,000	1,428,530	1,078,530
(563,530)	(620,579)	(57,049)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>496,523</u>	<u>516,337</u>	<u>19,814</u>	<u>350,000</u>	<u>1,428,530</u>	<u>1,078,530</u>
<u>(3,050,095)</u>	<u>(660,383)</u>	<u>2,389,712</u>	<u>(2,248,019)</u>	<u>(961,158)</u>	<u>1,286,861</u>
<u>8,513,426</u>	<u>8,513,426</u>	<u>-</u>	<u>2,904,913</u>	<u>2,904,913</u>	<u>-</u>
<u>\$ 5,463,331</u>	<u>\$ 7,853,043</u>	<u>\$ 2,389,712</u>	<u>\$ 656,894</u>	<u>\$ 1,943,755</u>	<u>\$ 1,286,861</u>

Denton County, Texas
**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
MEDICAL INSURANCE INTERNAL SERVICE FUND**
For the Fiscal Year Ended September 30, 2002

	<u>2002</u>	<u>2001</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 5,716,222	\$ 4,513,571
Other Revenue	<u>428,706</u>	<u>433,362</u>
TOTAL OPERATING REVENUES	<u>6,144,928</u>	<u>4,946,933</u>
<u>OPERATING EXPENSES</u>		
Incurred Claims	6,503,849	5,448,609
Estimated Claims	1,169,817	611,155
Administrative Expenses	285,176	183,185
Reinsurance Premiums	<u>414,027</u>	<u>379,385</u>
TOTAL EXPENSES	<u>8,372,869</u>	<u>6,622,334</u>
OPERATING INCOME (LOSS)	<u>(2,227,941)</u>	<u>(1,675,401)</u>
<u>NONOPERATING REVENUES(EXPENSES)</u>		
Interest Revenue	<u>319</u>	<u>1,217</u>
INCOME BEFORE OPERATING TRANSFERS	<u>(2,227,622)</u>	<u>(1,674,184)</u>
Transfers From Other Funds	<u>1,274,823</u>	<u>1,150,000</u>
NET INCOME (LOSS)	<u>(952,799)</u>	<u>(524,184)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>(1,171,983)</u>	<u>(647,799)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ (2,124,782)</u>	<u>\$ (1,171,983)</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF CASH FLOWS
MEDICAL INSURANCE INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2002

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Operating Income	\$ (2,227,941)	\$ (1,675,401)
Reconciliation of Net Operating Income (Loss) to Cash Provided (Used) by Operations		
(Increase) Decrease in Investments	-	3,056
(Increase) Decrease in Other Assets	(34,932)	412,645
(Increase) Decrease in Due from Other Funds	-	104,000
Increase (Decrease) in Accounts Payable	558,662	148,631
Increase (Decrease) in Due to Other Funds	<u>260,177</u>	<u>420,000</u>
Total Adjustments	<u>783,907</u>	<u>1,088,332</u>
Net Cash Provided (Used) by Operations	<u>(1,444,034)</u>	<u>(587,069)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from Other Funds	<u>1,274,823</u>	<u>1,150,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Revenue	<u>319</u>	<u>1,217</u>
Net Cash Provided by Investing Activities	<u>319</u>	<u>1,217</u>
Net Increase (Decrease) in Cash	<u>(168,892)</u>	<u>564,148</u>
Cash at Beginning of the Year	<u>581,096</u>	<u>16,948</u>
Cash at End of the Year	<u>\$ 412,204</u>	<u>\$ 581,096</u>

See the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS
DENTON COUNTY, TEXAS
September 30, 2002

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

Denton County was formed in 1846 and is a political subdivision of the State of Texas. The County is governed by the Commissioners' Court, which is composed of four County Commissioners and the County Judge. All members of the governing body are elected officials.

The County provides a variety of services as required by law. These include public safety, administration of the courts system, health services, maintenance and construction of roads and bridges and general administration.

Denton County's Comprehensive Annual Financial Report presents the financial position, results of operations and cash flows of the applicable fund types and account groups governed by the Commissioners' Court. Generally accepted accounting principles require all funds and account groups that are controlled by or are dependent on the Commissioners' Court to be included in the County's Comprehensive Annual Financial Report. Control or dependence was determined on the basis of selection of governing authority, ability to influence operations and accountability over fiscal matters. This financial report includes only Denton County as no other governmental entities meet the criteria for inclusion.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

Denton County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets or liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

In the County's accounting system, funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities. Governmental funds include the following fund types:

The general fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not major capital projects).

The debt service fund accounts for the servicing of general long-term debt not being financed by other funds.

The capital projects funds account for the acquisition of fixed assets or the construction of major capital projects that are being financed by proceeds from long term debt issues.

Proprietary funds are used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration. The county employs the following type of proprietary fund:

An internal service fund is used to account for the financing of services provided by one department or agency of the county to other county departments or agencies on a cost reimbursement basis.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 1 - Summary of Significant Accounting Policies (Continued)

used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "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. Property taxes are considered available when collected and thus delinquent taxes paid 30 days subsequent to yearend are accrued and recognized as revenue at yearend.

Those revenues susceptible to accrual are property taxes, intergovernmental revenues, fees for services and interest revenue. Fines levied by courts are not susceptible to accrual because generally they are not available until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exceptions to the general rule are principal and interest on general long-term debt which are recognized when due.

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The proprietary fund is accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is used, recognizing revenues in the accounting period in which they are earned and recognizing expenses in the accounting period in which they are incurred. The

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 1 - Summary of Significant Accounting Policies (Continued)

County applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 to the proprietary fund unless those FASB pronouncements conflict with GASB statements.

D. Budgets

With the exception of the accounting treatment for capital leases, budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service funds. All annual appropriations lapse at fiscal yearend. Project-length financial plans are adopted for all capital projects funds.

Encumbrance accounting, under which funds are reserved for purchase orders, contracts, and other commitments, is employed in the General, Special Revenue and Capital Projects funds. As of September 30, 2002, encumbrances of approximately \$800,000 lapsed and were subject to re-appropriation in the budget of the subsequent year.

E. Cash and Investments

Cash includes only amounts in demand deposit accounts as well as short-term investments.

State statutes authorize the County to invest in bank certificates of deposit, obligations of the United States or its agencies, obligations of the State of Texas, obligations of other political subdivisions having at least an "A" credit rating, commercial paper, repurchase agreements, and local government investment pools.

Investments are stated at fair value including the investments in the Texas Local Government Investment Pool and the Lone Star Investment Pool.

F. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Inventories

Inventories are valued at cost using the first-in, first-out method. Inventories in the General Fund consist of expendable office supplies, fuels and vehicle parts held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

H. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at their estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Assets in the general fixed assets account group are not depreciated.

I. Accumulated Compensated Absences

County employees earn vacation leave in varying amounts and earn sick leave at the rate of one day per month. Unused vacation leave may be accumulated up to 20 days and is paid upon termination of employment. Sick leave accrued prior to October 1987, is also paid upon termination. Accruals of sick leave subsequent to that date are not paid according to a policy of the Commissioners' Court. Also, in accordance with the Fair Labor Standards Act as it applies to local governments, non-exempt county employees are granted compensatory time for hours worked beyond their regular working hours. Accumulated compensatory time is also paid upon termination of employment.

The County has recognized a liability for accumulated vacation leave where the employees' rights to receive benefits are attributable to services already rendered, and it is probable that the County will compensate the employees through either paid time off or cash payments at termination. The County has recognized a liability for that portion of accumulated sick leave that

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 1 - Summary of Significant Accounting Policies (Continued)

will be compensated with cash payments at termination. The estimated cost of accumulated compensated absences is recorded in the accompanying financial statements in the general long-term liabilities account group. The amount expected to be paid from current resources is not significant.

J. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. All interfund transfers are reported as operating transfers.

L. Total Columns on Combined Statements

The total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 2 – Legal Compliance – Budget

Denton County adheres to the following schedule and procedures in the preparation and adoption of its annual budget:

- * Department heads submit departmental annual budget requests to the County Budget Officer by the first week in May.
- * The County Auditor prepares an estimate of available resources for the upcoming fiscal year by the first week in May.
- * The County Budget Officer then compiles the initial budget requests, holds preliminary hearings with elected officials and department heads concerning their requests and prepares a proposed budget within the financial parameters established by the Commissioners' Court.
- * The proposed budget is presented to the Commissioners' Court for their review in an open meeting.
- * The Commissioners' Court then conducts work sessions to finalize the budget.
- * Public hearings are conducted as required when the proposed budget is finalized.
- * The Commissioners' Court must adopt the annual budget by a majority vote by October 1. The budget must contain adequate available resources to support annual appropriations.
- * During the fiscal year, the Commissioners Court may adopt a supplemental budget for the purposes of appropriating and expending grant money, intergovernmental revenues and debt proceeds for their intended purposes.

Governmental funds for which annual operating budgets are legally adopted are the General Fund, the Debt Service Fund and Special Revenue Funds, except the Voter Registration Fund, the Sheriff's Training Fund, the Vehicle Inventory Tax Interest Fund, the District Attorney Check Fee Fund, the Criminal Investigation Fund, the Public Health Grant Fund, the Texas Juvenile Probation Commission Fund, the Juvenile Community Corrections Fund, the Texas Narcotics Control Program Grant Fund, the Women's, Infants and Children's Fund. For each budgeted fund, budgetary control is maintained at the expenditure object level. This is the level at which expenditures may not legally exceed appropriations. The County Auditor is required to monitor the expenditures of the various funds. County management may approve budget transfers between line items within a department's budget provided that the aggregate impact on any line item is \$2,000 or less. All amendments which alter the total budgeted amounts of a fund or which affect more than one department must be approved by the Commissioners Court. It is the amended budget that is presented in the budget versus actual financial statement disclosure. All annual appropriations lapse at yearend.

Denton County issues a separate report which details annual budgetary compliance.

NOTES TO FINANCIAL STATEMENTS - Continued
 DENTON COUNTY, TEXAS

Note 2 - Legal Compliance - Budget (Continued)

During the 2002 fiscal year, additional appropriations totaling \$777,289 were made to the General and Special Revenue Funds. This amount includes the re-appropriation of prior year encumbrances.

To provide for a more meaningful budgetary comparison, the County's financial schedules of revenues and expenditures-budget versus actual recognize only the actual lease payments made on new capital leases, rather than recognizing the full acquisition price of the capital lease as both an expenditure and an other source of financing.

The following summary reconciles operations for the year from the GAAP basis to the budgetary basis of reporting:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
<u>Revenues</u>		
GAAP Basis	\$70,530,925	\$21,020,000
Unbudgeted Fund Revenues	-	(\$3,266,294)
Revenues on Budgetary Basis	<u>\$70,530,925</u>	<u>\$17,753,706</u>
<u>Expenditures</u>		
GAAP Basis	\$69,605,073	\$23,025,897
Unbudgeted Fund Expenditures	-	(3,429,123)
Capital Lease Acquisitions	(791,700)	(666,348)
Expenditures on Budgetary Basis	<u>\$68,813,373</u>	<u>\$18,930,426</u>

Note 3 - Deposits and Investments

Deposits. Deposits include amounts in demand accounts and bank certificates of deposit. At year end the carrying amount of the County's deposits was \$21,168,562 and the bank balance was \$22,138,771. Of the bank balance, \$225,500 was covered by federal depository insurance and the entire remainder was covered by collateral pledged to the County by the County's depository bank and held by an independent third party bank as the County's agent in the County's name.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 3 - Deposits and Investments – (Continued)

Investments. Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

At yearend, the County's investments consisted of funds totaling \$9,708,771 invested in repurchase agreements with a fair value of \$9,708,771. These are all category 1 investments.

Additional investments at yearend not subject to categorization were amounts invested in the Texas Local Government Investment Pool, the Lone Star Investment Pool or the MBIA Investment Pool. At yearend the value of pool shares and the fair value of the investments in the Texas Local Government Investment Pool was \$27,885,071. At yearend the value of pool shares and the fair value of the investments in the Lone Star Investment Pool was \$3,106,260, and the value of pool shares and the fair value of County investments in the MBI Investment Pool was \$3,113,504. Regulatory oversight for the operations of these external investment pools is found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits and the establishment of oversight boards.

It is the policy of the County to report all investments with a maturity at time of purchase of less than one year at amortized cost.

Note 4 - Property Taxes

Property taxes attach as liens on property as of January 1. Taxes are levied on October 1 and become delinquent on February 1. County property tax revenues are recognized when levied to the extent that they result in available spendable resources. Property taxes for the County are limited by statute to 80 cents per \$100 of assessed value for general government services. An unlimited amount may be levied for payment of interest and principal on long-term debt; however, the County's indebtedness is limited by statute to 25% of assessed value of real property. For 2002, the County's tax rate for general governmental services was 21.634 cents per \$100 of assessed value.

Delinquent taxes receivable as disclosed in the financial statement represent all uncollected property taxes for the last twenty years. Property taxes that are more than 20 years delinquent and are not subject to an existing lawsuit for collection must be removed from the delinquent tax roll. Based on the County's collection history, no allowance for uncollectables has been included in the financial statements.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 5 - Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance <u>10/1/2001</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>9/30/2002</u>
Land and Buildings	\$66,771,806	18,534,489	37,777	\$ 85,268,518
Machinery and Equipment	\$30,847,217	7,235,553	8,059,540	\$ 30,023,230
Construction in Progress	<u>\$ 16,022,887</u>	<u>2,511,602</u>	<u>18,534,489</u>	<u>\$ -</u>
	<u>\$113,641,910</u>	<u>28,281,644</u>	<u>26,631,806</u>	<u>\$115,291,748</u>

Sources of investments in fixed assets are as follows:

Balance October 1, 1984	\$ 9,672,545
From Bond Proceeds	78,537,515
From Current Revenues	<u>27,081,688</u>
Balance September 30, 2001	<u>\$115,291,748</u>

The County has entered into contracts for the construction of facilities and infrastructure as follows:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Further Financing Required</u>
1992 Road Projects	\$ 20,375,000	\$ 15,636,748	\$	- None
1994 Road Projects	\$ 4,700,000	\$ 2,296,157	\$	- None
1996 Road Projects	\$ 4,200,000	\$ 4,020,317	\$	- None
1999 Road Projects	\$ 24,922,064	\$ 23,914,196	\$	- None
Jail Expansion	\$ 19,023,941	\$ 15,669,218	\$ 3,354,723	None
1999 Tax Note Fund	\$ 2,141,294	\$ 1,825,617	\$	- None
2000 Road Projects	\$ 24,000,000	\$ 4,788,978	\$	- None
2000 Tax Note Fund	\$ 1,850,000	\$ 1,544,914	\$	- None
2001 Tax Note Fund	\$ 10,000,000	\$ 10,000,000	\$	- None

NOTES TO FINANCIAL STATEMENTS - Continued
 DENTON COUNTY, TEXAS

Note 6 - Risk Management

Denton County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers compensation. The county carries commercial insurance in order to manage the above listed risks. Amounts of coverage for the above types of risk have not been subject to a significant reduction in the past year.

The County has established a limited risk management program for employees' and their dependents' medical and dental insurance coverage. Employees' premiums are paid by the General, Special Revenue and some Agency funds into the Insurance Internal Service fund. These premiums are recorded as expenditures in the paying funds and are available to pay claims, excess coverage insurance and administrative costs of the program. During fiscal 2002 a total of \$7,288,381 was paid in benefits, excess coverage premiums and administrative costs. The excess coverage insurance covers the plan against individual claims in excess of \$100,000 per employee per year. Estimated claims payable, based upon claims filed and estimated unfiled claims at year end, were \$1,169,817 of September 30, 2002. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2002</u>	<u>2001</u>
Unpaid Claims, beginning of fiscal year	\$ 611,155	\$ 462,524
Incurred Claims (including incurred but not reported)	\$ 7,673,666	\$ 5,597,240
Claim payments	\$(7,115,004)	\$ (5,448,609)
Unpaid Claims, end of fiscal year	<u>\$ 1,169,817</u>	<u>\$ 611,155</u>

For the past three fiscal years, no settlements have exceeded insurance coverage.

Note 7 - Operating Leases

During the fiscal year, Denton County was committed under various leases for office space. These leases were considered for accounting purposes to be operating leases. Lease expenditures for the year ended September 30, 2002 totaled \$340,500. By their contract terms, each of these leases may terminate at the fiscal yearend. Expenditures totaling approximately \$360,000 are expected in the coming year for operating leases.

Note 8 - Capital Lease Commitments

The County has entered into capital lease agreements for certain computer and road construction equipment. These assets, with a recorded value of approximately \$2,950,000 are included as equipment in the General Fixed Asset Account Group. The lease agreements are classified as capital leases because title passes to the County at the end of the lease terms, and they are included as other payables in the General Long Term Liabilities account group.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 8 – Capital Lease Commitments – (Continued)

The present value of future minimum capital lease payments at September 30, 2002 is as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2003	\$1,095,441
2004	1,010,007
2005 & thereafter	<u>627,327</u>
Total minimum lease payments	\$2,732,775
Less: Amount representing interest	<u>(207,875)</u>
Present value of net future minimum lease payments	<u>\$2,524,899</u>

Note 9 - Long-Term Debt

General Long-Term Debt consists of various issues of General Obligation Bonds, certificates of Obligation and Tax Notes; the County's accrued liability for compensated absences; and other payables such as capital leases and judgments payable. General Obligation Bonds, Certificates of Obligation and Tax Notes are direct obligations of the County with the County's full faith and credit pledged towards payment of those obligations. General Obligation Bonds are issued after approval by the public at open elections. Certificates of Obligation and Tax Notes are issued by the vote of the Commissioners' Court as allowed under the state laws governing debt issuance. Principal and interest payments on the County's bonded debt are secured solely by ad valorem taxes levied on all taxable property within the County.

General Obligation Bond and Certificate of Obligation indentures require the County to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity or at least 2% of the principal as a sinking fund, whichever is greater.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 9 – Long-Term Debt – (Continued)

A summary of long-term debt of the County is as follows:

<u>Description</u>	<u>Balance at 10/01/01</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 09/30/02</u>
\$25,375,000 1992 Permanent Improvement Bonds due in varying amounts through 2012 at an average interest rate of 0.0647	\$ 1,440,000	\$ -	\$ 1,440,000	\$ -
\$1,500,000 1993 Certificates of Obligation due in varying amounts through 2003 at an average interest rate of 3.96%.	395,000	-	195,000	200,000
\$28,260,000 1994 General Obligation and Refunding Bonds due in varying amounts through 2014 at an average interest rate of 5.11%	25,500,000	-	415,000	25,085,000
\$22,800,000 1996 Permanent Improvement Bonds, due in varying amounts through 2016 at an average interest rate of 5.33%	19,400,000	-	600,000	18,800,000
\$1,480,000 1997 Permanent Improvement Bonds, due in varying amounts through 2017 at an average interest rate of 5.336%	1,340,000	-	55,000	1,285,000
\$6,260,000 1997 Tax Notes, due in varying amounts through 2003 at an average interest rate of 4.47%	2,280,000	-	1,115,000	1,165,000

NOTES TO FINANCIAL STATEMENTS - Continued
 DENTON COUNTY, TEXAS

Note 9 – Long-Term Debt – (Continued)

\$3,800,000 1999 Certificates of Obligation, due in varying amounts through 2014 at an average interest rate of 4.37%	3,600,000	-	210,000	3,390,000
\$8,020,000 1999 Permanent Improvement Bonds, due in varying amounts through 2019 at an average interest rate of 4.68%	7,745,000	-	285,000	7,460,000
\$26,567,570 1999 Permanent Improvement & Refunding Bonds, due in varying amounts through 2019 at an average interest rate of 5.12%	26,567,570	-	-	26,567,570
\$13,255,000 1999A Certificates of Obligation, due in varying amounts through 2020 at an average interest rate of 5.60%	13,255,000	-	325,000	12,930,000
\$2,040,000 1999 Tax Notes due in varying amounts through 2007 at an average interest rate of 4.70%	2,040,000	-	-	2,040,000
\$24,000,000 2000 Permanent Improvement Bonds due in varying varying amounts through 2026 at an average interest rate of 5.45%	24,000,000	-	-	24,000,000
\$1,850,000 2000 Tax Notes due in varying amounts through 2007 at an average interest rate of 4.65%	1,850,000	-	-	1,850,000

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 9 – Long-Term Debt – (Continued)

\$10,000,000 2001 Tax Notes
due in varying amounts through
2007 at an interest
rate of 4.50%

10,000,000	-	1,530,000	8,470,000
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\$3,680,000 2002 Tax Notes
due in varying amounts through
2008 at an average interest
rate of 3.449%

-	3,680,000	-	3,680,000
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Total General Obligation

Bonds Payable	139,412,570	3,680,000	6,170,000	136,922,570
Compensated Absences	2,827,882	932,224	326,231	3,433,875
Other Payables	<u>1,500,518</u>	<u>1,458,048</u>	<u>433,667</u>	<u>2,524,899</u>
TOTAL	<u>\$ 143,740,970</u>	<u>\$ 6,070,272</u>	<u>\$ 6,929,898</u>	<u>\$ 142,881,344</u>

The debt service requirements on the aforementioned bonded debt are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2003	\$ 7,430,000	\$ 6,805,644	\$ 14,235,644
2004	7,475,000	6,451,329	13,926,329
2005	7,820,000	6,082,615	13,902,615
2006	8,185,000	5,629,021	13,814,021
2007	8,872,831	5,451,467	14,324,298
Thereafter	<u>97,139,739</u>	<u>46,590,788</u>	<u>143,730,527</u>
Total	<u>\$ 136,922,570</u>	<u>\$ 77,010,864</u>	<u>\$ 213,933,434</u>

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 9 – Long-Term Debt – (Continued)

In March 1994, Denton County advance refunded a portion of its 1992 Permanent Improvement Bond series with a general obligation refunding bond issue that also included an issue of new permanent improvement bonds. The County issued \$4,700,000 of permanent improvement bonds and \$23,460,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$674,975 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$489,171. At the end of the current fiscal year, none of the defeased bonds remained outstanding.

In March 1999, Denton County advance refunded a portion of its 1996 permanent improvement bonds as part of a \$26,567,571 permanent improvement and refunding bond issue. The County issued \$1,967,571 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to extend the maturity dates on the bonds in order to provide cash flow savings of \$1,757,625 over the next three years. The refunding caused a net increase in the County's total cash flow requirements for debt service of \$1,244,437, and an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$350,151. At the end of the current fiscal year, \$1,575,000 in defeased bonds remained outstanding.

At September 30, 2002, the County also had \$5,125,000 in permanent improvement bonds that were authorized but unissued. The bonds are part of a total of \$34 million of bonds that were approved in November, 1991, to be used for Road & Bridge improvements. At year-end there was no definite timetable for issuance of the remainder of these authorized but unissued bonds.

Also, as of September 30, 2002, the County had a total of \$36,720,000 in unissued permanent improvement bonds that were authorized in a January 1999 bond election. The total amount authorized in the election was \$85,320,000 for road improvements. \$24,600,000 in bonds were issued in March, 1999 in connection with the partial refunding discussed above. An additional \$24,000,000 of the bonds were issued in December 2000. The County plans to issue the remaining bonds in equal amounts over the next four years.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 10 - Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the Combined Statements - Overview, of certain information concerning individual funds including the following:

A. Individual fund interfund receivable and payable balances at September 30, 2002 were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$1,827,471	\$49
Special Revenue Funds:		
Road and Bridge Fund		
Juvenile Probation Fund	72,910	136,547
Indigent Care Fund		41,482
Public Health Fund		11,024
Public Health Grant Fund	11,004	28,762
TJPC Fund	78,529	75,322
Juvenile Community Corr. Fund	58,018	57,089
TNCP Grant Fund		55,243
Women, Infants and Children Fund	20	140,199
Health Care Relief Fund		2,075
Bioterrorism Grant Fund		29,032
Debt Service Fund	144,585	36,325
Internal Service Fund:		
Medical Insurance Fund		1,471,177
Capital Project Funds:		
1992 Road Projects Fund		34,858
1996 Road Projects Fund	71,183	
Carroll Building Renovation Fund		5,795
2000 Road Projects Fund		430,572
2001 Tax Note Fund	430,572	138,790
Agency Funds:		
Texas Adult Probation Fund	625	
Community Corrections Fund		625
Treatment Alt. to Incarceration Fund	49	
TOTAL	\$2,694,966	\$2,694,966

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 10 – Other Required Individual Fund Disclosures – (Continued)

B. Expenditures in excess of budget and deficits in fund balances and retained earnings as of September 30, 2002. The Jury Fund Special Revenue Fund had expenditures in excess of appropriations of \$2,601, and the County Clerk Records Fund had expenditures of \$5,300 in excess of appropriations. The Juvenile Probation Fund had expenditures in excess of budget of \$63,765 due to grant funded expenditures that were not included in the original budget. The County Clerk Records fund ended the year with a negative fund balance of \$2,460 due to contractual expenditures in excess of budget as stated above. The Texas Narcotics Control Program Grant Fund ended the year with a negative fund balance of \$31,651. The Medical Insurance Internal Service Fund had a \$2,124,782 deficit in retained earnings at year end.

Note 11 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management the resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 12 - Employee Retirement System

A. Plan Description

Denton County provides pension, 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 517 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 12 - Employee Retirement System – (Continued)

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County 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.

B. Funding Policy

Denton County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TDCRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed using the actuarially determined rate of 7.14% for the months of the accounting year in 2001, and 8.53% for the months of the accounting year in 2002.

The deposit rate payable by the employee members of the plan for calendar year 2002 is the rate of 7% as adopted by the governing body of the County. For previous years, the employee deposit rate was 6%. The employee deposit rate and the employer contribution rate may be changed by the Commissioners Court of the County within the options available in the TCDRS Act.

C. Annual Pension Cost

For Denton County's accounting year ending September 30, 2002, the annual pension cost for the TCDRS plan for its employees was \$4,295,597 and the actual contributions were \$4,295,597.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 1999 and December 31, 2000, the basis for determining the contribution rates for calendar years 2001 and 2002. The December 31, 2001 actuarial valuation is the most recent valuation.

NOTES TO FINANCIAL STATEMENTS - Continued
DENTON COUNTY, TEXAS

Note 12 - Employee Retirement System – (Continued)

D. Actuarial Valuation Information

	12/31/1999	12/31/2000	12/31/2001
Actuarial valuation date	12/31/1999	12/31/2000	12/31/2001
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percent- age of payroll, Open	Level percent- age of payroll, Open	Level percent- age of payroll, Open
Amortization period in years	20	20	20
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases(1)	5.90%	5.90%	5.50%
Inflation	4.00%	4.00%	3.50%
Cost of living adjustments	0.00%	0.00%	0.00%

(1) includes inflation at the stated rate

E. Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage Of ABC Contributed	Net Pension Obligation
September 30, 2000	\$2,812,906	100%	\$ 0
September 30, 2001	\$3,108,124	100%	\$ 0
September 30, 2002	\$4,295,597	100%	\$ 0

F. Transition Disclosure

It was determined in accordance with GASB Statement No. 27 that the pension liability was zero at the transition to that statement effective at the beginning of this accounting year, because all actuarially required contributions for the accounting years beginning in 1987 up to the beginning of this accounting year have been paid. There was no previously reported pension liability before the transition. Therefore, the difference between the pension liability at transition and the previously reported pension liability is zero.

NOTES TO FINANCIAL STATEMENTS - Continued
 DENTON COUNTY, TEXAS

Note 12 - Employee Retirement System – (Continued)

G. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1999	\$43,355,724	\$50,220,040	\$6,864,316	86.33%	\$35,060,285	19.58%
12/31/2000	\$49,494,392	\$58,668,007	\$9,173,615	84.36%	\$38,733,225	23.68%
12/31/2001	\$57,869,790	\$68,992,619	\$11,122,829	83.88%	\$45,447,931	24.47%

(1) The annual covered payroll is based on the employee contributions received by TDCRS for the year ending with the valuation date.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Denton County, Texas
COMPARATIVE BALANCE SHEET
GENERAL FUND
September 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash	\$ 2,398,767	\$ 2,872,281
Investments	3,198,805	1,600,000
Receivables:		
Taxes	1,895,056	1,531,136
Accrued Interest	1,172	21,630
Other Receivables	514,666	-
Due from Other Funds	1,827,471	2,340,939
Due from Other Govts	416,009	1,139,215
Inventories	<u>23,288</u>	<u>41,256</u>
TOTAL ASSETS	<u>\$ 10,275,234</u>	<u>\$ 9,546,457</u>
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts Payable	\$ 1,659,467	\$ 1,663,906
Wages Payable	1,044,821	711,952
Due to Other Funds	49	50,657
Due to Other Governments	537,418	442,179
Other Payables	-	-
Deferred Revenues	<u>1,996,007</u>	<u>1,584,114</u>
TOTAL LIABILITIES	<u>5,237,762</u>	<u>4,452,808</u>
FUND BALANCE		
Reserved for Inventories	23,288	41,256
Unreserved:		
Undesignated	<u>5,014,184</u>	<u>5,052,393</u>
TOTAL FUND BALANCE	<u>5,037,472</u>	<u>5,093,649</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 10,275,234</u>	<u>\$ 9,546,457</u>

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
COMMISSIONERS COURT:			
Personal Services	\$ 115,255	\$ 115,260	\$ (5)
Supplies	10,722	7,555	3,167
Other Services & Charges	22,565	19,720	2,845
Capital Outlay	2,003	2,003	-
Total Commissioners Court	150,545	144,538	6,007
COMMISSIONER PRECINCT #1:			
Personal Services	150,381	150,789	(408)
Supplies	7,793	7,391	402
Other Services & Charges	2,358	308	2,050
Capital Outlay	-	-	-
Total Commissioner Prct 1	160,532	158,488	2,044
COMMISSIONER PRECINCT #2:			
Personal Services	195,638	193,712	1,926
Supplies	6,896	6,605	291
Other Services & Charges	6,116	5,837	279
Capital Outlay	-	-	-
Total Commissioner Prct 2	208,650	206,154	2,496
COMMISSIONER PRECINCT #3:			
Personal Services	150,959	150,954	5
Supplies	9,141	8,066	1,075
Other Services & Charges	2,532	2,531	1
Capital Outlay	-	-	-
Total Commissioner Prct 3	162,632	161,551	1,081
COMMISSIONER PRECINCT #4:			
Personal Services	150,033	150,629	(596)
Supplies	6,975	6,387	588
Other Services & Charges	4,220	2,315	1,905
Capital Outlay	-	-	-
Total Commissioner Prct 4	161,228	159,331	1,897

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
COUNTY JUDGE:			
Personal Services	310,810	310,854	(44)
Supplies	15,972	12,766	3,206
Other Services & Charges	38,616	37,643	973
Capital Outlay	-	-	-
Total County Judge	365,398	361,263	4,135
BAIL BOND BOARD:			
Supplies	187	97	90
Other Services & Charges	1,100	673	427
Total Bail Bond Board	1,287	770	517
ECONOMIC DEVELOPMENT:			
Personal Services	39,145	37,356	1,789
Supplies	1,258	1,141	117
Other Services & Charges	3,122	2,496	626
Capital Outlay	-	-	-
Total Economic Development	43,525	40,993	2,532
COUNTY CLERK:			
Personal Services	2,157,672	2,088,988	68,684
Supplies	177,176	187,894	(10,718)
Other Services & Charges	58,124	54,592	3,532
Capital Outlay	44,263	44,262	1
Total County Clerk	2,437,235	2,375,736	61,499
HUMAN RESOURCES:			
Personal Services	458,744	458,905	(161)
Supplies	28,421	25,086	3,335
Other Services & Charges	27,072	21,667	5,405
Capital Outlay	-	-	-
Total Human Resources	514,237	505,658	8,579

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
PURCHASING:			
Personal Services	539,576	529,188	10,388
Supplies	21,533	17,966	3,567
Other Services & Charges	13,725	12,427	1,298
Capital Outlay	-	-	-
Total Purchasing	574,834	559,581	15,253
VEHICLE MAINTENANCE DEPT:			
Personal Services	250,134	250,359	(225)
Supplies	39,408	34,214	5,194
Other Services & Charges	19,526	11,778	7,748
Capital Outlay	1,062	1,062	-
Total Vehicle Maintenance Dept.	310,130	297,413	12,717
NON DEPARTMENTAL:			
Personal Services	59,403	26,122	33,281
Supplies	58,550	56,983	1,567
Other Services & Charges	1,666,788	1,350,592	316,196
Capital Outlay	-	-	-
Total Non Departmental	1,784,741	1,433,697	351,044
FIN. INFORMATION SYSTEMS:			
Supplies	5,708	5,951	(243)
Other Services & Charges	58,540	51,645	6,895
Capital Outlay	39,887	39,770	117
Total Fin. Information Sys.	104,135	97,366	6,769
INFORMATION SERVICES DEPT:			
Personal Services	1,192,703	1,190,363	2,340
Supplies	50,045	48,845	1,200
Other Services & Charges	37,826	37,184	642
Capital Outlay	15,300	15,300	-
Total Info. Services Dept	1,295,874	1,291,692	4,182

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
PRINTING AND POSTAGE:			
Personal Services	149,406	149,418	(12)
Supplies	81,205	78,125	3,080
Other Services & Charges	51,301	37,187	14,114
Capital Outlay	26,411	26,411	-
Total Printing & Postage	308,323	291,141	17,182
PLANNING DEPARTMENT:			
Personal Services	541,961	492,107	49,854
Supplies	49,134	43,145	5,989
Other Services & Charges	23,000	21,347	1,653
Capital Outlay	-	-	-
Total Planning Dept.	614,095	556,599	57,496
CHOS MUSEUM TOURISM GRANT:			
Personal Services	14,070	12,538	1,532
Supplies	7,935	5,079	2,856
Other Services & Charges	3,715	1,358	2,357
Capital Outlay	4,170	3,280	890
Total CHOS Museum Tourism Grant	29,890	22,255	7,635
COURTHOUSE MUSEUM:			
Personal Services	208,322	181,838	26,484
Supplies	5,573	4,360	1,213
Other Services & Charges	3,309	3,070	239
Capital Outlay	-	-	-
Total Courthouse Museum	217,204	189,268	27,936

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
HISTORICAL COMMISSION:			
Personal Services	38,959	38,873	86
Supplies	5,559	4,532	1,027
Other Services & Charges	12,150	8,404	3,746
Capital Outlay	-	-	-
Total Historical Comm.	56,668	51,809	4,859
RECORDS MANAGEMENT:			
Personal Services	213,460	211,443	2,017
Supplies	42,264	40,686	1,578
Other Services & Charges	83,948	83,602	346
Capital Outlay	33,059	8,367	24,692
Total Records Management	372,731	344,098	28,633
CHOS MUSEUM TOURISM GRANT 2002:			
Personal Services	29,644	30,555	(911)
Supplies	15,820	5,785	10,035
Other Services & Charges	17,785	9,310	8,475
Capital Outlay	8,175	-	8,175
Total CHOS Museum Tourism 2002	71,424	45,650	25,774
VETERANS' SERVICE OFFICER:			
Personal Services	182,992	183,596	(604)
Supplies	10,323	9,745	578
Other Services & Charges	9,519	8,865	654
Capital Outlay	-	-	-
Total Veteran's Service	202,834	202,206	628
ELECTIONS ADMINISTRATION DEPT:			
Personal Services	478,254	475,367	2,887
Supplies	118,003	102,046	15,957
Other Services & Charges	263,384	210,026	53,358
Capital Outlay	67,330	57,032	10,298
Total Elections Administration Dept.	926,971	844,471	82,500

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
CIVIL SERVICE GRIEVANCE BOARD:			
Supplies	-	-	-
Other Services & Charges	2,631	2,070	561
Capital Outlay	-	-	-
Total Civil Service Board	2,631	2,070	561
HISTORICAL PARK MUSEUM:			
Personal Services	7,186	7,514	(328)
Supplies	-	-	-
Other Services & Charges	2,000	-	2,000
Capital Outlay	-	-	-
Total Historical Park Museum	9,186	7,514	1,672
COUNTY-WIDE TECHNOLOGY:			
Personal Services	-	-	-
Supplies	474,411	469,828	4,583
Other Services & Charges	504,902	471,147	33,755
Capital Outlay	119,191	115,830	3,361
Total County-wide Technology	1,098,504	1,056,805	41,699
HISTORICAL PARK MUSEUM GRANT 2002			
Personal Services	14,250	14,589	(339)
Supplies	6,325	1,999	4,326
Other Services & Charges	-	-	-
Capital Outlay	-	-	-
Total Historical Pk Museum Grt 2002	20,575	16,588	3,987
TOTAL GENERAL GOVERNMENT	\$ 12,206,019	\$ 11,424,705	\$ 781,314
<u>JUDICIAL</u>			
JUDICIARY AND COURT SUPPORT:			
Supplies	\$ 12,030	\$ 1,847	\$ 10,183
Other Services & Charges	217,051	250,182	(33,131)
Capital Outlay	7,000	6,090	910
Total Judic and Ct Supp	236,081	258,119	(22,038)

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
16TH DISTRICT COURT:			
Personal Services	160,149	144,930	15,219
Supplies	4,050	1,311	2,739
Other Services & Charges	168,250	153,253	14,997
Capital Outlay	-	-	-
Total 16th District Court	332,449	299,494	32,955
158TH DISTRICT COURT:			
Personal Services	159,434	159,944	(510)
Supplies	4,050	2,736	1,314
Other Services & Charges	183,250	193,653	(10,403)
Capital Outlay	-	-	-
Total 158 th District Court	346,734	356,333	(9,599)
211TH DISTRICT COURT:			
Personal Services	156,289	156,606	(317)
Supplies	5,157	4,032	1,125
Other Services & Charges	200,954	187,733	13,221
Capital Outlay	-	-	-
Total 211th District Court	362,400	348,371	14,029
362ND DISTRICT COURT:			
Personal Services	156,318	156,610	(292)
Supplies	3,952	3,734	218
Other Services & Charges	264,452	269,984	(5,532)
Capital Outlay	1,062	1,062	-
Total 362nd District Court	425,784	431,390	(5,606)
367TH DISTRICT COURT:			
Personal Services	161,220	161,709	(489)
Supplies	4,050	3,435	615
Other Services & Charges	253,351	262,930	(9,579)
Capital Outlay	-	-	-
Total 367th District Court	418,621	428,074	(9,453)

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
393RD DISTRICT COURT:			
Personal Services	157,447	160,551	(3,104)
Supplies	4,200	2,518	1,682
Other Services & Charges	38,750	39,947	(1,197)
Capital Outlay	-	-	-
Total 393rd District Court	200,397	203,016	(2,619)
COUNTY COURT AT LAW NO. 1:			
Personal Services	280,585	281,231	(646)
Supplies	10,475	4,389	6,086
Other Services & Charges	183,668	180,942	2,726
Capital Outlay	1,755	-	1,755
Total Co. Court at Law 1	476,483	466,562	9,921
COUNTY CRIMINAL COURT NO.2 :			
Personal Services	284,566	285,465	(899)
Supplies	5,928	4,064	1,864
Other Services & Charges	160,646	159,373	1,273
Capital Outlay	-	-	-
Total Co. Crim. Court 2	451,140	448,902	2,238
COUNTY COURT AT LAW NO. 2:			
Personal Services	124,494	121,663	2,831
Supplies	30,615	15,128	15,487
Other Services & Charges	13,400	3,421	9,979
Capital Outlay	17,246	12,684	4,562
Total Co. Court at Law 2	185,755	152,896	32,859
PROBATE COURT:			
Personal Services	603,804	594,833	8,971
Supplies	10,726	7,920	2,806
Other Services & Charges	201,887	202,265	(378)
Capital Outlay	1,505	1,469	36
Total Probate Court	817,922	806,487	11,435

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
COUNTY CRIMINAL COURT NO. 1:			
Personal Services	279,578	276,234	3,344
Supplies	4,574	3,963	611
Other Services & Charges	156,970	165,583	(8,613)
Capital Outlay	1,469	1,469	-
Total Co. Crim. Court 1	442,591	447,249	(4,658)
COUNTY CRIMINAL COURT NO. 3:			
Personal Services	281,902	282,930	(1,028)
Supplies	9,323	6,277	3,046
Other Services & Charges	168,182	164,378	3,804
Capital Outlay	-	-	-
Total Co. Crim. Court 3	459,407	453,585	5,822
COUNTY CRIMINAL COURT NO.4:			
Personal Services	279,345	280,430	(1,085)
Supplies	7,962	4,887	3,075
Other Services & Charges	261,350	261,428	(78)
Capital Outlay	-	-	-
Total Co. Crim. Court 4	548,657	546,745	1,912
COUNTY CRIMINAL COURT NO.5:			
Personal Services	269,809	271,856	(2,047)
Supplies	15,784	9,905	5,879
Other Services & Charges	135,600	106,165	29,435
Capital Outlay	2,500	2,395	105
Total Co. Crim. Court 5	423,693	390,321	33,372
DISTRICT CLERK:			
Personal Services	873,739	860,817	12,922
Supplies	101,072	81,820	19,252
Other Services & Charges	13,540	12,591	949
Capital Outlay	13,151	13,150	1
Total District Clerk	1,001,502	968,378	33,124

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
COUNTY COURT ADMINISTRATOR:			
Personal Services	61,194	61,349	(155)
Supplies	1,950	1,681	269
Other Services & Charges	1,000	998	2
Capital Outlay	-	-	-
Total County Court Administrator	64,144	64,028	116
JUSTICE OF THE PEACE NO.1:			
Personal Services	343,084	342,294	790
Supplies	16,333	11,814	4,519
Other Services & Charges	6,365	4,117	2,248
Capital Outlay	-	-	-
Total Justice of the Peace 1	365,782	358,225	7,557
JUSTICE OF THE PEACE NO.2:			
Personal Services	272,213	253,542	18,671
Supplies	13,272	12,166	1,106
Other Services & Charges	7,148	3,984	3,164
Capital Outlay	3,057	3,020	37
Total Justice of the Peace 2	295,690	272,712	22,978
JUSTICE OF THE PEACE NO.3:			
Personal Services	255,831	253,444	2,387
Supplies	11,445	10,459	986
Other Services & Charges	1,524	1,342	182
Capital Outlay	1,505	1,469	36
Total Justice of the Peace 3	270,305	266,714	3,591
JUSTICE OF THE PEACE NO.4:			
Personal Services	299,184	293,559	5,625
Supplies	17,243	16,246	997
Other Services & Charges	2,468	2,249	219
Capital Outlay	1,645	-	1,645
Total Justice of the Peace 4	320,540	312,054	8,486

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
JUSTICE OF THE PEACE NO.5:			
Personal Services	275,044	268,864	6,180
Supplies	13,928	13,355	573
Other Services & Charges	3,092	2,408	684
Capital Outlay	-	-	-
Total Justice of the Peace 5	292,064	284,627	7,437
JUSTICE OF THE PEACE NO.6:			
Personal Services	198,335	195,768	2,567
Supplies	7,062	6,697	365
Other Services & Charges	3,100	1,568	1,532
Capital Outlay	-	-	-
Total Justice of the Peace 6	208,497	204,033	4,464
JUSTICE OF THE PEACE NO.7:			
Personal Services	37,512	37,516	(4)
Supplies	739	-	739
Other Services & Charges	1,000	-	1,000
Capital Outlay	-	-	-
Total Justice of the Peace 7	39,251	37,516	1,735
DISTRICT COURT ADMINISTRATOR:			
Personal Services	139,798	140,269	(471)
Supplies	3,150	2,855	295
Other Services & Charges	100	68	32
Capital Outlay	1,275	1,275	-
Total Dist Ct Administrator	144,323	144,467	(144)
JURY AND GRAND JURY:			
Personal Services	77,041	77,318	(277)
Supplies	100,658	42,776	57,882
Other Services & Charges	12,601	12,400	201
Capital Outlay	5,341	5,341	-
Total Jury and Grand Jury	195,641	137,835	57,806

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
JUSTICE INFORMATION SYSTEM:			
Personal Services	71,814	75,664	(3,850)
Supplies	85,026	69,137	15,889
Other Services & Charges	653,234	641,630	11,604
Capital Outlay	10,590	10,590	-
Total Justice Information System	820,664	797,021	23,643
MEDICAL INVESTIGATIONS DEPT:			
Personal Services	245,979	248,233	(2,254)
Supplies	8,468	7,042	1,426
Other Services & Charges	283,360	283,258	102
Capital Outlay	-	-	-
Total Medical Investigation	537,807	538,533	(726)
TOTAL JUDICIAL	\$ 10,684,324	\$ 10,423,687	\$ 260,637
LEGAL			
CRIMINAL DISTRICT ATTORNEY:			
Personal Services	\$ 5,606,733	\$ 5,581,031	\$ 25,702
Supplies	221,834	223,164	(1,330)
Other Services & Charges	98,667	137,166	(38,499)
Capital Outlay	16,629	16,628	1
Total Criminal Dist. Atty.	5,943,863	5,957,989	(14,126)
METRO ALIEN TASK FORCE GRANT:			
Personal Services	-	-	-
Supplies	2,200	786	1,414
Other Services & Charges	8,988	5,645	3,343
Capital Outlay	-	-	-
Total Intake Screening Atty.	11,188	6,431	4,757
DA CIVIL DOMESTIC VIOLENCE GRANT:			
Personal Services	20,141	19,355	786
Supplies	1,200	943	257
Other Services & Charges	-	-	-
Capital Outlay	-	-	-
Total DA Civil Domestic Violence Grant	21,341	20,298	1,043

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
CHILD ABUSE PROSECUTION GRANT:			
Personal Services	268,965	252,575	16,390
Supplies	7,282	1,330	5,952
Other Services & Charges	2,074	83	1,991
Capital Outlay	-	-	-
Total Child Abuse Prosecution Grant	278,321	253,988	24,333
PROSECUTION ENHANCEMENT GRANT:			
Personal Services	143,691	143,258	433
Supplies	2,217	1,653	564
Other Services & Charges	3,875	1,583	2,292
Capital Outlay	-	-	-
Total Prosecution Enhancement Grant	149,783	146,494	3,289
CRIMINAL DA - CIVIL DIVISION:			
Personal Services	826,665	808,541	18,124
Supplies	16,735	15,258	1,477
Other Services & Charges	72,016	47,600	24,416
Capital Outlay	2,622	2,622	-
Total Criminal DA - Civil Division	918,038	874,021	44,017
DA-FV VICTIM INTERV GRANT:			
Personal Services	65,734	63,235	2,499
Supplies	3,818	3,743	75
Other Services & Charges	2,418	2,394	24
Capital Outlay	-	-	-
Total DA-FV Victim Interv Grant	71,970	69,372	2,598
DA SERIOUS/HABITUAL JV PROS GRT:			
Personal Services	97,627	94,535	3,092
Supplies	2,010	1,514	496
Other Services & Charges	1,688	1,356	332
Capital Outlay	-	-	-
Total DA-Serious/Habitual JV Pros Grt	101,325	97,405	3,920

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
FAMILY VIOLENCE EXPANSION GRT:			
Personal Services	157,433	146,212	11,221
Supplies	4,256	2,240	2,016
Other Services & Charges	1,532	-	1,532
Capital Outlay	-	-	-
Total Family Violence Expansion Grt	163,221	148,452	14,769
CHILD VICTIM INTERVENTION SPECIALIST:			
Personal Services	72,335	69,696	2,639
Supplies	4,934	4,326	608
Other Services & Charges	2,113	1,859	254
Capital Outlay	-	-	-
Total Victim Intervention Specialist	79,382	75,881	3,501
DWI PROSECUTION GRANT:			
Personal Services	181,635	178,689	2,946
Supplies	3,758	1,850	1,908
Other Services & Charges	7,365	1,481	5,884
Capital Outlay	-	-	-
Total DWI Prosecution Grant	192,758	182,020	10,738
TOTAL LEGAL	\$ 7,931,190	\$ 7,832,351	\$ 98,839
<u>FINANCIAL</u>			
COUNTY AUDITOR:			
Personal Services	\$ 801,125	\$ 763,409	\$ 37,716
Supplies	18,397	16,758	1,639
Other Services & Charges	7,722	6,599	1,123
Capital Outlay	3,745	3,737	8
Total County Auditor	830,989	790,503	40,486
COUNTY TREASURER:			
Personal Services	330,740	317,177	13,563
Supplies	41,548	40,975	573
Other Services & Charges	4,306	4,402	(96)
Capital Outlay	10,188	10,049	139
Total County Treasurer	386,782	372,603	14,179

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
TAX COLLECTOR:			
Personal Services	1,969,905	1,912,338	57,567
Supplies	151,481	128,385	23,096
Other Services & Charges	205,181	184,210	20,971
Capital Outlay	2,342	2,342	-
Total Tax Collector	2,328,909	2,227,275	101,634
BUDGET OFFICER:			
Personal Services	330,322	330,631	(309)
Supplies	16,951	17,757	(806)
Other Services & Charges	2,358	93	2,265
Capital Outlay	-	-	-
Total Budget Officer	349,631	348,481	1,150
TOTAL FINANCIAL	\$ 3,896,311	\$ 3,738,862	\$ 157,449
<u>PUBLIC FACILITIES</u>			
CARROLL COURTS BUILDING:			
Other Services & Charges	\$ 180,537	\$ 152,484	\$ 28,053
Capital Outlay	-	-	-
Total Carroll Cts Bldg	180,537	152,484	28,053
DENTON COUNTY COURTS BLDG:			
Other Services & Charges	478,131	432,707	45,424
Capital Outlay	-	-	-
Total Denton County Courts Bldg	478,131	432,707	45,424
COURTHOUSE ON THE SQUARE:			
Supplies	4,850	3,368	1,482
Other Services & Charges	144,645	116,947	27,698
Capital Outlay	-	-	-
Total Courthouse/Square	149,495	120,315	29,180
HISTORICAL PARK FACILITY:			
Other Services & Charges	9,600	5,399	4,201
Capital Outlay	-	-	-
Total Historical Park Facility	9,600	5,399	4,201

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
COURTHOUSE ANNEX:			
Other Services & Charges	35,410	31,336	4,074
Capital Outlay	-	-	-
Total Courthouse Annex	35,410	31,336	4,074
FOOD LION BUILDING:			
Other Services & Charges	41,600	11,168	30,432
Capital Outlay	-	-	-
Total Food Lion Building	41,600	11,168	30,432
LEE WALKER GOVERNMENT CENTER:			
Other Services & Charges	49,653	21,943	27,710
Capital Outlay	-	-	-
Total Lewisville Annex	49,653	21,943	27,710
JONES STREET BLDG.-LEWISVILLE:			
Other Services & Charges	45,007	436	44,571
Capital Outlay	-	-	-
Total Jones Street Bldg.-Lewisville	45,007	436	44,571
CHILD PROT. SERVICES-LEWISVILLE:			
Other Services & Charges	20,184	10,736	9,448
Capital Outlay	-	-	-
Total CPS - Lewisville	20,184	10,736	9,448
TAX OFFICE:			
Other Services & Charges	20,704	19,833	871
Capital Outlay	-	-	-
Total Tax Office	20,704	19,833	871
SANDY JACOBS GOVERNMENT CENTER			
Other Services & Charges	36,580	42,734	(6,154)
Capital Outlay	-	-	-
Total Sandy Jacobs Govt Center	36,580	42,734	(6,154)
COLONY ANNEX:			
Other Services & Charges	32,804	29,416	3,388
Capital Outlay	-	-	-
Total Colony Annex	32,804	29,416	3,388

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
SANGER ANNEX:			
Personal Services	14,074	13,768	306
Other Services & Charges	14,061	12,343	1,718
Capital Outlay	-	-	-
Total Sanger Annex	28,135	26,111	2,024
DENTON CO. GOVERNMENT CENTER:			
Other Services & Charges	115,948	102,848	13,100
Capital Outlay	-	-	-
Total Denton Co. Govt. Center	115,948	102,848	13,100
CHARLIE COLE BUILDING:			
Other Services & Charges	213,288	182,507	30,781
Total Charlie Cole Building	213,288	182,507	30,781
LAW ENFORCEMENT FACILITY:			
Personal Services	360,059	353,273	6,786
Supplies	99,873	81,629	18,244
Other Services & Charges	830,703	802,713	27,990
Capital Outlay	-	-	-
Total Law Enf. Facility	1,290,635	1,237,615	53,020
EAST OAK FACILITIES:			
Other Services & Charges	12,490	7,102	5,388
Total East Oak Facilities	12,490	7,102	5,388
OPERATIONS:			
Personal Services	1,025,838	1,016,431	9,407
Supplies	262,559	178,382	84,177
Other Services & Charges	472,620	318,192	154,428
Capital Outlay	53,758	52,806	952
Total Operations Department	1,814,775	1,565,811	248,964
COUNTY LEASED BUILDINGS:			
Supplies	200	225	(25)
Other Services & Charges	56,500	50,777	5,723
Capital Outlay	-	-	-
Total County Leased Buildings	56,700	51,002	5,698

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
VEHICLE MAINTENANCE FACILITY:			
Other Services & Charges	18,400	15,094	3,306
Capital Outlay	-	-	-
Total Vehicle Maint.Facility	18,400	15,094	3,306
RECYCLING DEPARTMENT:			
Personal Services	40,228	39,908	320
Supplies	7,500	5,961	1,539
Other Services & Charges	1,896	1,153	743
Capital Outlay	-	-	-
Total Recycling Dept.	49,624	47,022	2,602
PRE-TRIAL FACILITY:			
Other Services & Charges	-	1,170	(1,170)
Capital Outlay	-	-	-
Total Pre-Trial Facility	-	1,170	(1,170)
TELEPHONE DEPARTMENT:			
Other Services & Charges	500,089	478,515	21,574
Capital Outlay	-	-	-
Total Telephone Dept.	500,089	478,515	21,574
TOTAL PUBLIC FACILITIES	\$ 5,199,789	\$ 4,593,304	\$ 606,485
<u>PUBLIC SAFETY</u>			
COUNTY JAIL:			
Personal Services	\$ 11,232,045	\$ 11,174,220	\$ 57,825
Supplies	1,215,498	1,193,356	22,142
Other Services & Charges	89,022	76,357	12,665
Capital Outlay	8,103	8,100	3
Total County Jail	12,544,668	12,452,033	92,635
JAIL HEALTH:			
Personal Services	1,095,789	1,078,504	17,285
Supplies	465,941	487,281	(21,340)
Other Services & Charges	24,217	22,778	1,439
Capital Outlay	1,547	1,547	-
Total Jail Health	1,587,494	1,590,110	(2,616)

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
SHERIFF'S COMMUNICATIONS:			
Personal Services	1,226,195	1,229,000	(2,805)
Supplies	83,055	55,750	27,305
Other Services & Charges	7,223	5,937	1,286
Capital Outlay	75,418	61,704	13,714
Total Sheriff's Communications	1,391,891	1,352,391	39,500
COUNTY SHERIFF:			
Personal Services	6,500,362	6,496,010	4,352
Supplies	469,004	426,284	42,720
Other Services & Charges	345,184	289,691	55,493
Capital Outlay	264,765	243,133	21,632
Total County Sheriff	7,579,315	7,455,118	124,197
SHERIFF'S MENTAL HEALTH UNIT:			
Personal Services	412,691	412,661	30
Supplies	26,719	24,138	2,581
Other Services & Charges	25,996	21,296	4,700
Capital Outlay	7,800	7,799	1
Total Mental Health Unit	473,206	465,894	7,312
WARRANT RESEARCH SUPPORT GRANT:			
Personal Services	79,444	80,473	(1,029)
Supplies	500	618	(118)
Other Services & Charges	-	-	-
Capital Outlay	-	-	-
Total Warrant Research Support Grant	79,944	81,091	(1,147)
SHERIFF'S RESERVE UNIT:			
Supplies	19,129	14,883	4,246
Other Services & Charges	5,350	2,889	2,461
Capital Outlay	23,395	23,130	265
Total Sheriff's Reserve Unit	47,874	40,902	6,972
GREENBELT PUBLIC SAFETY GRANT:			
Personal Services	145,109	144,947	162
Supplies	7,592	8,223	(631)
Other Services & Charges	2,073	2,061	12
Capital Outlay	4,349	4,349	-
Total Greenbelt Pub. Safety Grant	159,123	159,580	(457)

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
SCHOOL RESOURCE OFFICER:			
Personal Services	58,671	57,470	1,201
Supplies	2,025	400	1,625
Other Services & Charges	625	385	240
Capital Outlay	-	-	-
Total School Resource Officer	61,321	58,255	3,066
UNDERAGE DRINKING GRANT:			
Personal Services	71,443	73,217	(1,774)
Supplies	9,705	3,577	6,128
Other Services & Charges	11,616	10,331	1,285
Capital Outlay	-	-	-
Total Underage Drinking Grant	92,764	87,125	5,639
CSCD (GENERAL FUND):			
Personal Services	-	-	-
Supplies	20,530	3,838	16,692
Other Services & Charges	161,500	156,129	5,371
Capital Outlay	18,300	7,302	10,998
Total CSCD (General Fund)	200,330	167,269	33,061
PRE-TRIAL RELEASE PROGRAM:			
Personal Services	-	-	-
Supplies	6,490	-	6,490
Other Services & Charges	-	-	-
Capital Outlay	-	-	-
Total Pre-Trial Release	6,490	-	6,490
JUVENILE ACCOUNTABILITY GRANT:			
Personal Services	54,681	54,628	53
Supplies	2,425	817	1,608
Other Services & Charges	2,286	810	1,476
Capital Outlay	-	-	-
Total Juvenile Accountability Grant	59,392	56,255	3,137
DISABLED PARKING ENFORCEMENT:			
Personal Services	49,788	49,919	(131)
Supplies	4,267	693	3,574
Other Services & Charges	671	-	671
Capital Outlay	-	-	-
Total Disable Parking Enforcement	54,726	50,612	4,114

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
SHADY SHORES LAW ENFORCEMENT:			
Personal Services	52,524	57,081	(4,557)
Supplies	6,675	300	6,375
Other Services & Charges	10,012	9,058	954
Capital Outlay	-	-	-
Total Shady Shores Law Enf.	69,211	66,439	2,772
CONSTABLE PRECINCT #1:			
Personal Services	417,642	404,573	13,069
Supplies	19,793	15,654	4,139
Other Services & Charges	20,033	9,572	10,461
Capital Outlay	25,100	23,655	1,445
Total Constable 1	482,568	453,454	29,114
CONSTABLE PRECINCT #2:			
Personal Services	333,788	333,384	404
Supplies	29,819	26,734	3,085
Other Services & Charges	17,853	14,935	2,918
Capital Outlay	28,504	26,786	1,718
Total Constable 2	409,964	401,839	8,125
CONSTABLE PRECINCT #3:			
Personal Services	411,617	410,625	992
Supplies	17,894	14,924	2,970
Other Services & Charges	21,935	10,108	11,827
Capital Outlay	51,762	51,752	10
Total Constable 3	503,208	487,409	15,799
CONSTABLE PRECINCT #4:			
Personal Services	361,452	359,380	2,072
Supplies	17,193	17,309	(116)
Other Services & Charges	18,158	17,478	680
Capital Outlay	10,000	9,536	464
Total Constable 4	406,803	403,703	3,100

Denton County, Texas
SCHEDULE OF GENERAL FUND EXPENDITURES
COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
CONSTABLE PRECINCT #5:			
Personal Services	365,218	365,529	(311)
Supplies	12,896	9,503	3,393
Other Services & Charges	17,503	10,074	7,429
Capital Outlay	30,383	30,371	12
Total Constable 5	<u>426,000</u>	<u>415,477</u>	<u>10,523</u>
CONSTABLE PRECINCT #6:			
Personal Services	304,106	295,144	8,962
Supplies	27,362	23,679	3,683
Other Services & Charges	24,377	9,248	15,129
Capital Outlay	22,706	22,472	234
Total Constable 6	<u>378,551</u>	<u>350,543</u>	<u>28,008</u>
LICENSE AND WEIGHTS:			
Personal Services	318,235	328,950	(10,715)
Supplies	36,423	30,274	6,149
Other Services & Charges	28,522	28,735	(213)
Capital Outlay	16,925	16,877	48
Total License and Weights	<u>400,105</u>	<u>404,836</u>	<u>(4,731)</u>
EMERGENCY SERVICES DEPARTMENT			
Supplies	-	-	-
Other Services & Charges	1,448,501	1,335,330	113,171
Capital Outlay	-	-	-
Total Volunteer Fire Depts.	<u>1,448,501</u>	<u>1,335,330</u>	<u>113,171</u>
DEPT OF PUBLIC SAFETY:			
Personal Services	118,013	117,633	380
Supplies	6,433	5,643	790
Other Services & Charges	11,446	11,242	204
Capital Outlay	25,532	20,656	4,876
Total Dept.of Public Safety	<u>161,424</u>	<u>155,174</u>	<u>6,250</u>
ALCOHOLIC BEVERAGE COMMISSION:			
Personal Services	-	-	-
Supplies	1,277	1,271	6
Other Services & Charges	404	139	265
Capital Outlay	1,505	1,469	36
Total Alcoholic Bev. Comm.	<u>3,186</u>	<u>2,879</u>	<u>307</u>

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
GAME WARDENS:			
Personal Services	-	-	-
Supplies	3,460	2,669	791
Other Services & Charges	3,384	3,305	79
Capital Outlay	5,000	4,925	75
Total Game Wardens	11,844	10,899	945
EMERGENCY MANAGEMENT:			
Personal Services	279,016	277,855	1,161
Supplies	24,915	19,383	5,532
Other Services & Charges	19,156	14,969	4,187
Capital Outlay	9,362	9,362	-
Total Emergency Management	332,449	321,569	10,880
TOTAL PUBLIC SAFETY	\$ 29,372,352	\$ 28,826,186	\$ 546,166
<u>HEALTH AND WELFARE</u>			
CHILD PROTECTIVE SERVICES:			
Personal Services	\$ -	\$ -	\$ -
Supplies	20,793	18,360	2,433
Other Services & Charges	135,322	107,173	28,149
Capital Outlay	-	-	-
Total Child Protective Services	156,115	125,533	30,582
TOTAL HEALTH AND WELFARE	\$ 156,115	\$ 125,533	\$ 30,582
<u>CONSERVATION</u>			
COUNTY EXTENSION AGENTS:			
Personal Services	\$ 302,922	\$ 291,129	\$ 11,793
Supplies	42,002	35,100	6,902
Other Services & Charges	12,900	11,484	1,416
Capital Outlay	5,865	5,502	363
Total County Ext Agents	363,689	343,215	20,474
TOTAL CONSERVATION	\$ 363,689	\$ 343,215	\$ 20,474

Denton County, Texas
 SCHEDULE OF GENERAL FUND EXPENDITURES
 COMPARED TO BUDGET (NON-GAAP BASIS) - (Continued)
 For the Fiscal Year Ended September 30, 2002

	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
<u>CONTRACT SERVICES</u>			
APPROPRIATIONS			
Other Services & Charges	\$ 1,533,056	\$ 1,505,530	\$ 27,526
Capital Outlay	-	-	-
Total Appropriations	1,533,056	1,505,530	27,526
TOTAL CONTRACT SERVICES	\$ 1,533,056	\$ 1,505,530	\$ 27,526
<u>OPERATING TRANSFERS:</u>			
Transfer to DCEA Ins. Fund	\$ 1,058,648	\$ 1,058,648	
Transfer to Road & Bridge	506,110	506,110	-
Transfer to Co. Clk. Records Fund	70,000	70,000	
Transfer to Juvenile Prob. Fund	263,787	160,113	103,674
Transfer to TJPC Grant	189,347	-	189,347
Transfer to JP Technology Fund	25,000	25,000	-
Transfer to Juvenile Comm Corr	24,979	-	24,979
Transfer to Public Health Fund	8,050	8,050	-
Transfer to Rcds. Mgmt. Fund	880	880	-
Transfer to 2002 Tax Note Project	13,242	13,242	-
Total Operating Transfers	\$ 2,160,043	\$ 1,842,043	\$318,000
TOTAL GENERAL FUND	\$73,502,888	\$70,655,416	\$2,847,472

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are restricted to expenditure for particular purposes.

Road and Bridge Fund:

To account for the operation, repair and maintenance of roads and bridges. Financing is provided by vehicle registration fees, court fines and other similar revenues.

Jury Fund:

To account for the costs of providing jury services for the county's court system. Funding is primarily from the annual property tax levy.

Juvenile Probation Fund:

To account for the costs of administering the county's juvenile probation and detention departments. Funding is from tax revenues, intergovernmental revenues and fees.

Voter Registration Fund:

To account for funds received from the state as reimbursements for the costs of adding to and updating the roll of registered voters.

Right of Way Fund:

To account for the county's costs for right of way acquisition for highway improvements in the county. Funding is primarily from property tax revenues.

Indigent Care Fund:

To account for the county's costs for providing medical care to indigent county residents. Funding is primarily from property taxes levied for this purpose.

Public Health Fund:

To account for the county's costs of administering the county health department to provide medical services to the citizens of the county. Funding is provided from tax revenues, intergovernmental grants, and fees for services.

Law Library Fund:

To account for the receipt of library fees of office collected by the County and District Clerks. Receipts are restricted to payment of the cost of maintaining the law library.

County Clerk Records Fund:

To account for the receipt and expenditure of records preservation fees assessed by the county clerk. Expenditure of funds received is restricted by law to records preservation, records management and records automation projects.

Courthouse Security Fund:

To account for the receipt and expenditure of courthouse security fees as required by state law. Such fees are assessed upon conviction in justice, county or district court and may be spent only for security services or devices for courthouses.

Sheriff's Training Fund:

To account for the receipt and expenditure of state funding for the professional training of sheriff's officers. All funding is from state payments.

Sheriff's Forfeiture Fund:

To account for the use in criminal investigations of seized funds awarded by court order to the County Sheriff's office.

Vehicle Inventory Tax Interest Fund:

To account for the receipt and expenditure of interest revenues earned by the tax assessor-collector on vehicle inventory tax receipts collected throughout the fiscal year. By state law, such interest revenues may only be spent to defray the costs of the collection program.

Records Management Fund:

To account for the receipt and expenditure of fees assessed on civil filings in the county, district and probate courts as required by state law. Such fees may only be spent on records management or preservation projects.

District Attorney Check Fee Fund:

To account for fees collected by the District Attorney under the "Hot Check" statute. Expenditures from this fund shall be at the sole discretion of the District Attorney and may be used only to defray the salaries and expenses of his office.

District Attorney's Forfeiture Fund:

To account for the use in criminal investigations of seized funds awarded by court order to the Criminal District Attorney's office.

Health Grants Fund:

To account for the receipt and expenditure of federal, state and local health grant funds awarded to the County by other governments.

Texas Juvenile Probation Commission Fund:

To account for the receipt and expenditure of grant funds awarded to the County for juvenile justice initiatives by the TJPC.

Juvenile Community Corrections Fund:

To account for the receipt and expenditure of grant funds awarded to the County for juvenile community corrections initiatives by the TJPC.

Texas Narcotics Control Program Grant Fund:

To account for the receipt and expenditure of grant funds awarded to the County for narcotics crimes task force by the Governors Office of the State of Texas.

Women, Infants and Children Fund:

To account for the receipt and expenditure of grant funds awarded to the County for women and children's health care initiatives by the Tex. Dept. of Health.

Health Care Relief Fund:

To account for the receipt and expenditure of funds paid to the County from the State of Texas tobacco lawsuit settlement.

Probate Court Contribution Fund:

To account for the receipt and expenditure of funds paid by the State that are limited by statute to use for court-related purposes for the support of the statutory probate court.

JP Court Technology Fund:

To account for the receipt and expenditure of JP Court Technology fees that are that have the limited use of financing technological improvements in the justice of the peace courts.

Bioterrorism Grant Fund:

To account for the receipt and expenditure of state grant funds to be used specifically for the County's anti-bioterrorism initiatives.

Denton County, Texas
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2002

	<u>Road & Bridge Fund</u>	<u>Jury Fund</u>	<u>Juvenile Probation Fund</u>	<u>Voter Registration Fund</u>
ASSETS				
Cash	\$ 2,377,857	\$ 23,402	\$ 256,530	\$ 35,654
Investments	400,000	75,951	315,240	-
Receivables:				
Taxes	-	3,666	125,636	-
Accrued Interest	2,053	-	-	-
Other Receivables	-	-	371	-
Due from Other Funds	-	-	72,910	-
Due from Other Governments	-	-	194,648	1,816
TOTAL ASSETS	<u><u>\$ 2,779,910</u></u>	<u><u>\$ 103,019</u></u>	<u><u>\$ 965,335</u></u>	<u><u>\$ 37,470</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 521,817	\$ 5,638	\$ 105,032	
Wages Payable	68,786	-	104,008	-
Due to Other Funds	-	-	136,547	-
Due to Other Governments	-	-	29,029	-
Deferred Revenues	-	3,666	125,636	-
TOTAL LIABILITIES	<u>590,603</u>	<u>9,304</u>	<u>500,252</u>	<u>-</u>
FUND BALANCES				
Unreserved, Undesignated	<u>2,189,307</u>	<u>93,715</u>	<u>465,083</u>	<u>37,470</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,779,910</u></u>	<u><u>\$ 103,019</u></u>	<u><u>\$ 965,335</u></u>	<u><u>\$ 37,470</u></u>

<u>Right Of Way Fund</u>	<u>Indigent Care Fund</u>	<u>Public Health Fund</u>	<u>Law Library Fund</u>	<u>County Clerk Records Fund</u>	<u>Courthouse Security Fund</u>
\$ -	\$ -	\$234,927	\$ 106,747	\$ 69,026	\$ 209,553
-	559,860	200,000	50,000	-	-
-	48,397	26,398	-	-	-
-	-	159	224	-	-
-	-	28,857	-	-	-
-	-	-	-	-	-
-	-	32,849	-	-	-
<u>\$ -</u>	<u>\$608,257</u>	<u>\$523,190</u>	<u>\$ 156,971</u>	<u>\$ 69,026</u>	<u>\$ 209,553</u>
\$ -	\$158,932	\$ 45,328	\$ 23,658	\$ 71,486	\$ 16,390
-	3,094	37,634	1,761	-	-
-	41,482	11,024	-	-	-
-	-	2,030	-	-	-
-	48,397	26,398	-	-	-
<u>-</u>	<u>251,905</u>	<u>122,414</u>	<u>25,419</u>	<u>71,486</u>	<u>16,390</u>
<u>-</u>	<u>356,352</u>	<u>400,776</u>	<u>131,552</u>	<u>(2,460)</u>	<u>193,163</u>
<u>\$ -</u>	<u>\$608,257</u>	<u>\$523,190</u>	<u>\$ 156,971</u>	<u>\$ 69,026</u>	<u>\$ 209,553</u>

Denton County, Texas
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - (Continued)
September 30, 2002

	<u>Sheriff's Training Fund</u>	<u>Sheriff's Forfeiture Fund</u>	<u>Vehicle Inventory Tax Interest Fund</u>	<u>Records Management Fund</u>
<u>ASSETS</u>				
Cash	\$ 43,342	\$105,923	\$ 87,528	\$ 57,327
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	<u>\$ 43,342</u>	<u>\$105,923</u>	<u>\$ 87,528</u>	<u>\$ 57,327</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	\$ 5,717	\$ 4,156	\$ 41,849	\$ 1,355
Wages Payable	-	-	-	2,281
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenues	-	19,284	-	-
TOTAL LIABILITIES	<u>5,717</u>	<u>23,440</u>	<u>41,849</u>	<u>3,636</u>
FUND BALANCES				
Unreserved, Undesignated	<u>37,625</u>	<u>82,483</u>	<u>45,679</u>	<u>53,691</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,342</u>	<u>\$105,923</u>	<u>\$ 87,528</u>	<u>\$ 57,327</u>

<u>District Attorney Check Fee Fund</u>	<u>District Attorney Forfeiture Fund</u>	<u>Health Grants Fund</u>	<u>Texas Juvenile Probation Commission Fund</u>	<u>Juvenile Community Corrections Fund</u>	<u>TNCP Grant Fund</u>
\$ 98,227	\$ 162,239	\$ -	\$ -	\$ -	\$ -
125,000	-	-	-	-	-
-	-	-	-	-	-
2,299	-	-	-	-	-
-	-	-	-	-	-
-	-	11,004	78,529	58,018	-
-	-	26,918	-	-	95,996
<u>\$ 225,526</u>	<u>\$ 162,239</u>	<u>\$ 37,922</u>	<u>\$ 78,529</u>	<u>\$ 58,018</u>	<u>\$ 95,996</u>
\$ 1,151	\$ 424	\$ 1,532	\$ 3,207	\$ 929	\$ 11,153
5,738	-	7,628	-	-	9,812
-	-	28,762	75,322	57,089	55,243
-	-	-	-	-	-
-	68,643	-	-	-	51,439
<u>6,889</u>	<u>69,067</u>	<u>37,922</u>	<u>78,529</u>	<u>58,018</u>	<u>127,647</u>
<u>218,637</u>	<u>93,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,651)</u>
<u>\$ 225,526</u>	<u>\$ 162,239</u>	<u>\$ 37,922</u>	<u>\$ 78,529</u>	<u>\$ 58,018</u>	<u>\$ 95,996</u>

Denton County, Texas
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - (Continued)
September 30, 2002

	Women, Infants, and Children Fund	Health Care Relief Fund	Probate Court Contribution Fund	JP Court Technology Fund
<u>ASSETS</u>				
Cash	\$ -	\$ -	\$ 60,169	\$ 93,378
Investments	-	3,853,429	-	-
Receivables:				
Taxes	-	-	-	-
Accrued Interest	-	49,973	-	-
Other Receivables	-	-	-	-
Due from Other Funds	20	-	-	-
Due from Other Governments	160,589	-	-	-
TOTAL ASSETS	<u>\$ 160,609</u>	<u>\$3,903,402</u>	<u>\$ 60,169</u>	<u>\$ 93,378</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	\$ 4,485	\$ 82,045	\$ -	\$ -
Wages Payable	14,888	-	965	-
Due to Other Funds	140,199	2,075	-	-
Due to Other Governments	-	-	-	-
Deferred Revenues	-	-	-	-
TOTAL LIABILITIES	<u>159,572</u>	<u>84,120</u>	<u>965</u>	<u>-</u>
FUND BALANCES				
Unreserved, Undesignated	<u>1,037</u>	<u>3,819,282</u>	<u>59,204</u>	<u>93,378</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 160,609</u>	<u>\$3,903,402</u>	<u>\$ 60,169</u>	<u>\$ 93,378</u>

Bioterrorism Grant Fund	TOTAL September 30, 2002	TOTAL September 30, 2001
\$ -	\$ 4,021,829	\$ 3,718,536
-	5,579,480	7,071,675
-	204,097	143,673
-	54,708	69,818
-	29,228	-
-	220,481	361,222
55,646	568,462	384,849
\$ 55,646	\$10,678,285	\$ 11,749,773
\$ 20,558	\$ 1,126,842	\$ 1,066,975
6,056	262,651	176,174
29,032	576,775	882,427
	31,059	109,316
-	343,463	323,501
55,646	2,340,790	2,558,393
-	8,337,495	9,191,380
\$ 55,646	\$10,678,285	\$ 11,749,773

Denton County, Texas
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2002

	<u>Road & Bridge Fund</u>	<u>Jury Fund</u>	<u>Juvenile Probation Fund</u>	<u>Voter Registration Fund</u>
REVENUES				
Taxes	\$ -	\$ 99,021	\$3,460,484	\$ -
Licenses and Permits	6,522,983	-	-	-
Intergovernmental	140,926	-	1,982,634	16,104
Fees of Office	54,695	25,393	38,688	-
Fines	-	-	-	-
Interest	40,671	3,188	27,640	481
Miscellaneous	185,193	-	7,492	-
TOTAL REVENUES	<u>6,944,468</u>	<u>127,602</u>	<u>5,516,938</u>	<u>16,585</u>
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	203,601	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Safety	-	-	5,815,884	-
Health and Welfare	-	-	-	-
Roads	7,140,327	-	-	-
TOTAL EXPENDITURES	<u>7,140,327</u>	<u>203,601</u>	<u>5,815,884</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(195,859)</u>	<u>(75,999)</u>	<u>(298,946)</u>	<u>16,585</u>
Other Financing Sources (Uses):				
Capital Lease Financing	666,348	-	-	-
Operating Transfers In	552,314	-	190,772	-
Operating Transfers Out	(156,808)	(35,000)	(56,525)	-
Insurance Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,061,854</u>	<u>(35,000)</u>	<u>134,247</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>865,995</u>	<u>(110,999)</u>	<u>(164,699)</u>	<u>16,585</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,323,312</u>	<u>204,714</u>	<u>629,782</u>	<u>20,885</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,189,307</u>	<u>\$ 93,715</u>	<u>\$ 465,083</u>	<u>\$ 37,470</u>

Right Of Way Fund	Indigent Care Fund	Public Health Fund	Law Library Fund	County Clerk Records Fund	Courthouse Security Fund	Sheriff's Training Fund
\$ -	\$ 1,334,737	\$ 730,367	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	768,876	-	-	-	29,940
-	-	406,409	183,271	833,247	291,082	-
-	-	-	-	-	-	-
336	16,329	13,163	2,867	2,049	3,402	940
350	-	-	9,601	-	-	-
<u>686</u>	<u>1,351,066</u>	<u>1,918,815</u>	<u>195,739</u>	<u>835,296</u>	<u>294,484</u>	<u>30,880</u>
-	-	-	190,062	1,077,300	-	-
-	-	-	-	-	240,451	-
-	-	-	-	-	-	-
-	-	-	-	-	-	47,912
-	1,605,408	2,263,154	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>1,605,408</u>	<u>2,263,154</u>	<u>190,062</u>	<u>1,077,300</u>	<u>240,451</u>	<u>47,912</u>
<u>686</u>	<u>(254,342)</u>	<u>(344,339)</u>	<u>5,677</u>	<u>(242,004)</u>	<u>54,033</u>	<u>(17,032)</u>
-	-	-	-	-	-	-
-	200,000	97,950	-	70,000	-	-
(46,204)	(89,900)	(29,147)	-	-	-	-
-	-	-	-	-	-	-
<u>(46,204)</u>	<u>110,100</u>	<u>68,803</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
<u>(45,518)</u>	<u>(144,242)</u>	<u>(275,536)</u>	<u>5,677</u>	<u>(172,004)</u>	<u>54,033</u>	<u>(17,032)</u>
<u>45,518</u>	<u>500,594</u>	<u>676,312</u>	<u>125,875</u>	<u>169,544</u>	<u>139,130</u>	<u>54,657</u>
<u>\$ -</u>	<u>\$ 356,352</u>	<u>\$ 400,776</u>	<u>\$ 131,552</u>	<u>\$ (2,460)</u>	<u>\$ 193,163</u>	<u>\$ 37,625</u>

Denton County, Texas
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
SPECIAL REVENUE FUNDS - (Continued)
For the Fiscal Year Ended September 30, 2002

	<u>Sheriff's Forfeiture Fund</u>	<u>Vehicle Inventory Tax Interest Fund</u>	<u>Records Management Fund</u>	<u>District Attorney Check Fee Fund</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	45,933
Fees of Office	-	-	133,838	235,481
Fines	-	-	-	-
Interest	1,874	21,695	1,232	7,090
Miscellaneous	9,558	-	-	-
TOTAL REVENUES	<u>11,432</u>	<u>21,695</u>	<u>135,070</u>	<u>288,504</u>
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Judicial	-	-	137,481	-
Legal	-	-	-	327,731
Financial	-	54,803	-	-
Public Safety	28,306	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
TOTAL EXPENDITURES	<u>28,306</u>	<u>54,803</u>	<u>137,481</u>	<u>327,731</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,874)</u>	<u>(33,108)</u>	<u>(2,411)</u>	<u>(39,227)</u>
Other Financing Sources (Uses):				
Capital Lease Financing	-	-	-	-
Operating Transfers In	-	-	880	-
Operating Transfers Out	-	-	(5,675)	(8,000)
Insurance Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(4,795)</u>	<u>(8,000)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(16,874)</u>	<u>(33,108)</u>	<u>(7,206)</u>	<u>(47,227)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>99,357</u>	<u>78,787</u>	<u>60,897</u>	<u>265,864</u>
FUND BALANCES AT END OF YEAR	<u>\$ 82,483</u>	<u>\$ 45,679</u>	<u>\$ 53,691</u>	<u>\$ 218,637</u>

District Attorney Forfeiture Fund	Health Grant Fund	Texas Juvenile Probation Commission Fund	Juvenile Community Corrections Fund	TNCP Grant Fund	Women, Infants, and Children Fund	Health Care Relief Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	389,963	473,651	454,557	793,329	744,794	87,691
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,720	59	1,190	1,887	-	-	131,003
35,038	-	-	-	1,010	-	-
<u>36,758</u>	<u>390,022</u>	<u>474,841</u>	<u>456,444</u>	<u>794,339</u>	<u>744,794</u>	<u>218,694</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,532	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	465,624	452,616	857,012	-	-
-	430,813	-	-	-	744,774	837,130
-	-	-	-	-	-	-
<u>19,532</u>	<u>430,813</u>	<u>465,624</u>	<u>452,616</u>	<u>857,012</u>	<u>744,774</u>	<u>837,130</u>
-	-	-	-	-	-	-
17,226	(40,791)	9,217	3,828	(62,673)	20	(618,436)
-	-	-	-	-	-	-
-	10,845	-	-	-	-	-
(2,859)	-	(7,218)	(23,441)	-	-	(200,000)
-	-	-	-	-	-	-
<u>(2,859)</u>	<u>10,845</u>	<u>(7,218)</u>	<u>(23,441)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
-	-	-	-	-	-	-
14,367	(29,946)	1,999	(19,613)	(62,673)	20	(818,436)
-	-	-	-	-	-	-
78,805	29,946	(1,999)	19,613	31,022	1,017	4,637,718
<u>\$ 93,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,651)</u>	<u>\$ 1,037</u>	<u>\$ 3,819,282</u>

Denton County, Texas
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	Probate Court Contribution Fund	JP Court Technology Fund	Bioterrorism Grant Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	90,133	-	55,646
Fees of Office	-	67,742	-
Fines	-	-	-
Interest	691	636	-
Miscellaneous	-	-	-
TOTAL REVENUES	<u>90,824</u>	<u>68,378</u>	<u>55,646</u>
EXPENDITURES			
General Government	-	-	-
Judicial	30,330	-	-
Legal	-	-	-
Financial	-	-	-
Public Safety	-	-	-
Health and Welfare	-	-	55,646
Roads	-	-	-
TOTAL EXPENDITURES	<u>30,330</u>	<u>-</u>	<u>55,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>60,494</u>	<u>68,378</u>	<u>-</u>
Other Financing Sources (Uses):			
Capital Lease Financing	-	-	-
Operating Transfers In	-	25,000	-
Operating Transfers Out	(1,320)	-	-
Insurance Proceeds	-	-	-
Total Other Financing Sources (Uses)	<u>(1,320)</u>	<u>25,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>59,174</u>	<u>93,378</u>	<u>-</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>30</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 59,204</u>	<u>\$ 93,378</u>	<u>\$ -</u>

TOTAL Year Ended September 30, 2002	TOTAL Year Ended September 30, 2001
\$ 5,624,609	\$ 3,924,017
6,522,983	6,137,941
6,074,177	5,902,788
2,269,846	1,923,310
-	-
280,143	632,443
248,242	91,742
<u>21,020,000</u>	<u>18,612,241</u>
1,267,362	948,373
611,863	545,954
347,263	284,150
54,803	26,547
7,667,354	6,293,190
5,936,925	4,522,742
<u>7,140,327</u>	<u>6,190,111</u>
<u>23,025,897</u>	<u>18,811,067</u>
<u>(2,005,897)</u>	<u>(198,826)</u>
666,348	-
1,147,761	718,741
(662,097)	(1,134,892)
<u>-</u>	<u>-</u>
<u>1,152,012</u>	<u>(416,151)</u>
<u>(853,885)</u>	<u>(614,977)</u>
<u>9,191,380</u>	<u>9,806,357</u>
<u>\$ 8,337,495</u>	<u>\$ 9,191,380</u>

Denton County, Texas
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS**
For the Fiscal Year Ended September 30, 2002

	<u>ROAD AND BRIDGE FUND</u>			<u>JURY FUND</u>		Variance Favorable (Unfavorable)
	Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 96,689	\$ 99,021	\$ 2,332
Licenses and Permits	6,150,000	6,522,983	372,983	-	-	-
Intergovernmental	105,000	140,926	35,926	-	-	-
Fees of Office	43,500	54,695	11,195	26,000	25,393	(607)
Fines	-	-	-	-	-	-
Interest	75,000	40,671	(34,329)	8,000	3,188	(4,812)
Miscellaneous	91,648	185,193	93,545	-	-	-
TOTAL REVENUES	6,465,148	6,944,468	479,320	130,689	127,602	(3,087)
EXPENDITURES						
General Government:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Judicial:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	201,000	203,601	(2,601)
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Public Safety:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Health and Welfare:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Roads:						
Personal Services	3,370,791	3,278,861	91,930	-	-	-
Supplies	3,146,144	2,401,666	744,478	-	-	-
Other Services and Charges	1,125,707	494,849	630,858	-	-	-
Capital Outlay	384,816	298,603	86,213	-	-	-
TOTAL EXPENDITURES	8,027,458	6,473,979	1,553,479	201,000	203,601	(2,601)
Excess (Deficiency) of Revenues Over Expenditures	(1,562,310)	470,489	2,032,799	(70,311)	(75,999)	(5,688)
Other Financing Sources (Uses):						
Operating Transfers In	506,110	552,314	46,204	-	-	-
Operating Transfers Out	(156,808)	(156,808)	-	(35,000)	(35,000)	-
Total Other Financing Sources	349,302	395,506	46,204	(35,000)	(35,000)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,213,008)	865,995	2,079,003	(105,311)	(110,999)	(5,688)
FUND BALANCES AT BEGINNING OF YEAR	1,323,312	1,323,312	-	204,714	204,714	-
FUND BALANCES AT END OF YEAR	\$ 110,304	\$ 2,189,307	\$ 2,079,003	\$ 99,403	\$ 93,715	\$ (5,688)

<u>JUVENILE PROBATION FUND</u>			<u>RIGHT OF WAY FUND</u>			<u>INDIGENT CARE FUND</u>		
Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
\$ 3,344,532	\$ 3,460,484	\$ 115,952	\$ -	\$ -	\$ -	\$ 1,288,465	\$ 1,334,737	\$ 46,272
-	-	-	-	-	-	-	-	-
1,975,125	1,982,634	7,509	-	-	-	-	-	-
60,000	38,688	(21,312)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
60,000	27,640	(32,360)	-	336	336	30,000	16,329	(13,671)
-	7,492	7,492	-	350	350	-	-	-
<u>5,439,657</u>	<u>5,516,938</u>	<u>77,281</u>	<u>-</u>	<u>686</u>	<u>686</u>	<u>1,318,465</u>	<u>1,351,066</u>	<u>32,601</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,450,615	4,706,172	(255,557)	-	-	-	-	-	-
219,278	191,716	27,562	-	-	-	-	-	-
1,068,676	906,543	162,133	-	-	-	-	-	-
13,550	11,453	2,097	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	168,080	165,438	2,642
-	-	-	-	-	-	14,268	12,355	1,913
-	-	-	-	-	-	1,558,680	1,427,615	131,065
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,752,119</u>	<u>5,815,884</u>	<u>(63,765)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,741,028</u>	<u>1,605,408</u>	<u>135,620</u>
<u>(312,462)</u>	<u>(298,946)</u>	<u>13,516</u>	<u>-</u>	<u>686</u>	<u>686</u>	<u>(422,563)</u>	<u>(254,342)</u>	<u>168,221</u>
160,113	190,772	30,659	-	-	-	200,000	200,000	-
(56,525)	(56,525)	-	-	(46,204)	(46,204)	(89,900)	(89,900)	-
<u>103,588</u>	<u>134,247</u>	<u>30,659</u>	<u>-</u>	<u>(46,204)</u>	<u>(46,204)</u>	<u>110,100</u>	<u>110,100</u>	<u>-</u>
<u>(208,874)</u>	<u>(164,699)</u>	<u>44,175</u>	<u>-</u>	<u>(45,518)</u>	<u>(45,518)</u>	<u>(312,463)</u>	<u>(144,242)</u>	<u>168,221</u>
<u>629,782</u>	<u>629,782</u>	<u>-</u>	<u>45,518</u>	<u>45,518</u>	<u>-</u>	<u>500,594</u>	<u>500,594</u>	<u>-</u>
<u>\$ 420,908</u>	<u>\$ 465,083</u>	<u>\$ 44,175</u>	<u>\$ 45,518</u>	<u>\$ -</u>	<u>\$ (45,518)</u>	<u>\$ 188,131</u>	<u>\$ 356,352</u>	<u>\$ 168,221</u>

Denton County, Texas
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	<u>PUBLIC HEALTH FUND</u>			<u>LAW LIBRARY FUND</u>		
	Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>						
Taxes	\$ 706,549	\$ 730,367	\$ 23,818	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	694,307	768,876	74,569	-	-	-
Fees of Office	465,000	406,409	(58,591)	160,000	183,271	23,271
Fines	-	-	-	-	-	-
Interest	40,000	13,163	(26,837)	7,500	2,867	(4,633)
Miscellaneous	-	-	-	7,500	9,601	2,101
TOTAL REVENUES	1,905,856	1,918,815	12,959	175,000	195,739	20,739
<u>EXPENDITURES</u>						
General Government:						
Personal Services	-	-	-	98,999	83,696	15,303
Supplies	-	-	-	92,921	96,563	(3,642)
Other Services	-	-	-	14,684	9,803	4,881
Capital Outlay	-	-	-	5,700	-	5,700
Judicial:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Public Safety:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Health and Welfare:						
Personal Services	1,759,002	1,753,537	5,465	-	-	-
Supplies	438,918	383,758	55,160	-	-	-
Other Services and Charges	179,733	110,101	69,632	-	-	-
Capital Outlay	31,948	15,758	16,190	-	-	-
Roads:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	2,409,601	2,263,154	146,447	212,304	190,062	22,242
Excess (Deficiency) of Revenues Over Expenditures	<u>(503,745)</u>	<u>(344,339)</u>	<u>159,406</u>	<u>(37,304)</u>	<u>5,677</u>	<u>42,981</u>
Other Financing Sources (Uses):						
Operating Transfers In	97,950	97,950	-	-	-	-
Operating Transfers Out	(18,302)	(29,147)	(10,845)	-	-	-
Total Other Financing Sources	79,648	68,803	(10,845)	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(424,097)</u>	<u>(275,536)</u>	<u>148,561</u>	<u>(37,304)</u>	<u>5,677</u>	<u>42,981</u>
FUND BALANCES AT BEGINNING OF YEAR	676,312	676,312	-	125,875	125,875	-
FUND BALANCES AT END OF YEAR	\$ 252,215	\$ 400,776	\$ 148,561	\$ 88,571	\$ 131,552	\$ 42,981

Denton County, Texas
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	<u>HEALTH CARE RELIEF FUND</u>			<u>PROBATE COURT CONTRIB. FUND</u>		
	Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	200,000	87,691	(112,309)	37,326	90,133	52,807
Fees of Office	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Interest	250,000	131,003	(118,997)	-	691	691
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	450,000	218,694	(231,306)	37,326	90,824	53,498
EXPENDITURES						
General Government:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Judicial:						
Personal Services	-	-	-	33,432	28,675	4,757
Supplies	-	-	-	350	-	350
Other Services and Charges	-	-	-	1,000	386	614
Capital Outlay	-	-	-	1,274	1,269	5
Public Safety:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Health and Welfare:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	855,800	837,130	18,670	-	-	-
Capital Outlay	-	-	-	-	-	-
Roads:						
Personal Services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	855,800	837,130	18,670	36,056	30,330	5,726
Excess (Deficiency) of Revenues Over Expenditures	<u>(405,800)</u>	<u>(618,436)</u>	<u>(212,636)</u>	<u>1,270</u>	<u>60,494</u>	<u>59,224</u>
Other Financing Sources (Uses):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	(200,000)	(200,000)	-	(1,320)	(1,320)	-
Total Other Financing Sources	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(1,320)</u>	<u>(1,320)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(605,800)</u>	<u>(818,436)</u>	<u>(212,636)</u>	<u>(50)</u>	<u>59,174</u>	<u>59,224</u>
FUND BALANCES AT BEGINNING OF YEAR	4,637,718	4,637,718	-	30	30	-
FUND BALANCES AT END OF YEAR	\$ 4,031,918	\$ 3,819,282	\$ (212,636)	\$ (20)	\$ 59,204	\$ 59,224

JP COURT TECHNOLOGY FUND			BIOTERRORISM GRANT FUND			TOTALS		
Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)	Budget (Revised)	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,436,235	\$ 5,624,609	\$ 188,374
-	-	-	-	-	-	6,150,000	6,522,983	372,983
-	-	-	134,690	55,646	(79,044)	3,146,448	3,125,906	(20,542)
80,000	67,742	(12,258)	-	-	-	2,061,000	2,034,365	(26,635)
-	-	-	-	-	-	-	-	-
-	636	636	-	-	-	492,000	243,207	(248,793)
-	-	-	-	-	-	99,148	202,636	103,488
80,000	68,378	(11,622)	134,690	55,646	(79,044)	17,384,831	17,753,706	368,875
-	-	-	-	-	-	98,999	83,696	15,303
-	-	-	-	-	-	92,921	96,563	(3,642)
-	-	-	-	-	-	1,086,684	1,087,103	(419)
-	-	-	-	-	-	5,700	-	5,700
-	-	-	-	-	-	33,432	28,675	4,757
-	-	-	-	-	-	323,964	322,590	1,374
-	-	-	-	-	-	239,969	236,663	3,306
105,000	-	105,000	-	-	-	129,084	23,935	105,149
-	-	-	-	-	-	4,450,615	4,706,172	(255,557)
-	-	-	-	-	-	219,278	191,716	27,562
-	-	-	-	-	-	1,068,676	906,543	162,133
-	-	-	-	-	-	13,550	11,453	2,097
-	-	-	71,839	31,585	40,254	1,998,921	1,950,560	48,361
-	-	-	17,393	4,857	12,536	470,579	400,970	69,609
-	-	-	15,775	1,121	14,654	2,609,988	2,375,967	234,021
-	-	-	29,683	18,083	11,600	61,631	33,841	27,790
-	-	-	-	-	-	3,370,791	3,278,861	91,930
-	-	-	-	-	-	3,146,144	2,401,666	744,478
-	-	-	-	-	-	1,125,707	494,849	630,858
-	-	-	-	-	-	384,816	298,603	86,213
105,000	-	105,000	134,690	55,646	79,044	20,931,449	18,930,426	2,001,023
(25,000)	68,378	93,378	-	-	-	(3,546,618)	(1,176,720)	2,369,898
25,000	25,000	-	-	-	-	1,060,053	1,136,916	76,863
-	-	-	-	-	-	(563,530)	(620,579)	(57,049)
25,000	25,000	-	-	-	-	496,523	516,337	19,814
-	93,378	93,378	-	-	-	(3,050,095)	(660,383)	2,389,712
-	-	-	-	-	-	8,513,426	8,513,426	-
\$ -	\$ 93,378	\$ 93,378	\$ -	\$ -	\$ -	\$ 5,463,331	\$ 7,853,043	\$ 2,389,712



DEBT SERVICE FUND

The purpose of this fund is to accumulate monies for payment of debt service on general obligation bonds, certificates of deposit and tax notes which are due in annual installments. The primary source of funding is property taxes.

Denton County, Texas
COMPARATIVE BALANCE SHEET
DEBT SERVICE FUND
September 30, 2002

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Cash	\$ 24,814	\$ -
Investments	1,823,131	2,124,416
Receivables:		
Taxes	345,133	312,190
Accrued Interest	-	-
Due from Other Funds	144,585	1,494,654
Due from Other Governments	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 2,337,663</u>	<u>\$ 3,931,260</u>

LIABILITIES AND FUND BALANCES

LIABILITIES		
Interest Payable	\$ 12,450	\$ 164,157
Due to Other Funds	36,325	550,000
Deferred Revenues	345,133	312,190
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>393,908</u>	<u>1,026,347</u>
 FUND BALANCES		
Reserved for debt service expenditures	<u>1,943,755</u>	<u>2,904,913</u>
	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>1,943,755</u>	<u>2,904,913</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,337,663</u>	<u>\$ 3,931,260</u>

Denton County, Texas
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2002

	<u>2002</u>	<u>2001</u>
<u>REVENUES</u>		
Taxes	\$ 9,517,694	\$ 8,525,883
Intergovernmental	1,926,667	1,526,667
Interest	88,538	267,546
	<u>11,532,899</u>	<u>10,320,096</u>
<u>EXPENDITURES</u>		
Debt Service:		
Principal Retirement	6,170,000	3,615,000
Interest	7,747,773	5,731,158
Bank Charges	4,814	5,189
	<u>13,922,587</u>	<u>9,351,347</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,389,688)</u>	<u>968,749</u>
Other Financing Sources (Uses):		
Operating Transfers In	1,428,530	858,519
Operating Transfers Out	-	-
Proceeds of Refunding Bonds	-	-
Payments to Escrow Agent	-	-
	<u>1,428,530</u>	<u>858,519</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(961,158)</u>	<u>1,827,268</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>2,904,913</u>	<u>1,077,645</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,943,755</u>	<u>\$ 2,904,913</u>

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

Road and Bridge Construction Fund:

To account for the costs of road and bridge construction and rehabilitation projects funded by bond proceeds arising from the 1991 bond election.

1994 Road Project Construction Fund:

To account for the costs of road and bridge construction projects funded by bond proceeds from a 1994 issuance of bonds approved by the voters in 1991.

Juvenile Detention Construction Fund:

To account for the costs of a detention center expansion project funded by the proceeds of a 1996 bond issue.

1996 Road Project Construction Fund:

To account for the costs of road and bridge construction projects funded by bond proceeds from a 1996 issuance of bonds approved by the voters in 1991.

1999 Road Project Construction Fund:

To account for the costs of road and bridge construction projects funded by bond proceeds from a 1999 issuance of bonds approved by the voters in 1999.

Carroll Building Renovation Fund:

To account for the costs of renovating and converting an existing county building into offices for several county departments. Funding is provided by the issuance of certificates of obligation.

1999 Tax Note Project Fund:

To account for the costs of improving the County's radio system and for the purchase of road construction Equipment. Funded by the issuance of tax notes.

1999 Certificates of Obligation Fund:

To account for the costs of construction of further expansion of the County's law enforcement center and of improvements to the Courts Building. Funding is provided by the issuance of certificates of obligation.

2000 Road Project Construction Fund:

To account for the costs of road and bridge construction projects funded by bond proceeds from a 2000 issuance of bonds approved by the voters in 1999.

2000 Tax Note Project Fund:

To account for the receipt and expenditure of Tax Note funds issued for to fund the acquisition of additional County buildings and other capital improvements.

2001 Tax Note SIB Loan Fund:

To account for the receipt and expenditure of Tax Note funds issued for to fund improvements to State Highway 121.

2002 Tax Note Project Fund:

To account for the receipt and expenditure of Tax Note funds issued for to fund the acquisition of additional County buildings and other capital improvements.

Denton County, Texas
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2002

	Road and Bridge Construction <u>Fund</u>	1994 Road Project Construction <u>Fund</u>	Juvenile Detention Construction <u>Fund</u>
<u>ASSETS</u>			
Cash	\$ 934,654	\$ 297,263	\$ 5,910
Investments	-	700,000	-
Receivables:			
Accrued Interest	-	3,313	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ 934,654</u>	<u>\$ 1,000,576</u>	<u>\$ 5,910</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	\$ 23,316	\$ -	\$ 2,339
Due to Other Funds	34,858	-	-
Other Payables	-	-	-
TOTAL LIABILITIES	<u>58,174</u>	<u>-</u>	<u>2,339</u>
FUND BALANCES			
Reserved for capital expenditures	<u>876,480</u>	<u>1,000,576</u>	<u>3,571</u>
TOTAL FUND BALANCES	<u>876,480</u>	<u>1,000,576</u>	<u>3,571</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 934,654</u>	<u>\$ 1,000,576</u>	<u>\$ 5,910</u>

1996 Road Project Construction Fund	1999 Road Project Construction Fund	Carroll Building Renovation Fund	1999 Tax Note Project Fund	1999 Certificates of Obligation Fund
\$ 11,353	\$ -	\$ 16,045	\$ 264,979	\$ -
-	4,013,273	-	-	739,629
-	54,137	-	-	-
71,183	-	-	-	-
-	-	-	-	-
<u>\$ 82,536</u>	<u>\$ 4,067,410</u>	<u>\$ 16,045</u>	<u>\$ 264,979</u>	<u>\$ 739,629</u>
\$ 23,739	\$ 333,646	\$ 10,250	\$ -	\$ -
-	-	5,795	-	-
-	-	-	-	-
<u>23,739</u>	<u>333,646</u>	<u>16,045</u>	<u>-</u>	<u>-</u>
<u>58,797</u>	<u>3,733,764</u>	<u>-</u>	<u>264,979</u>	<u>739,629</u>
<u>58,797</u>	<u>3,733,764</u>	<u>-</u>	<u>264,979</u>	<u>739,629</u>
<u>\$ 82,536</u>	<u>\$ 4,067,410</u>	<u>\$ 16,045</u>	<u>\$ 264,979</u>	<u>\$ 739,629</u>

Denton County, Texas
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS - (Continued)
September 30, 2002

	2000 RoadProject Construction Fund	2000 Tax Note Project Fund	2001 Tax Note SIB Loan Fund
<u>ASSETS</u>			
Cash	\$ 1,910,327	\$ 303,587	\$ 822,050
Investments	18,901,932	-	-
Receivables:			
Accrued Interest	-	-	23,921
Due from Other Funds	-	-	430,572
Due from Other Governments	-	-	-
TOTAL ASSETS	<u>\$ 20,812,259</u>	<u>\$ 303,587</u>	<u>\$ 1,276,543</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	\$ 229,781	\$ -	\$ 1,137,753
Due to Other Funds	430,572	-	138,790
Other Payables	-	-	-
TOTAL LIABILITIES	<u>660,353</u>	<u>-</u>	<u>1,276,543</u>
FUND BALANCES			
Reserved for capital expenditures	<u>20,151,906</u>	<u>303,587</u>	<u>-</u>
TOTAL FUND BALANCES	<u>20,151,906</u>	<u>303,587</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,812,259</u>	<u>\$ 303,587</u>	<u>\$ 1,276,543</u>

2002 Tax Note Project Fund	TOTAL September 30, <u>2002</u>	TOTAL September 30, <u>2001</u>
\$ 1,639,527	\$ 6,205,695	\$ 1,533,257
-	24,354,834	49,682,108
-	81,371	387,786
-	501,755	59,045
-	-	277,959
<u>\$ 1,639,527</u>	<u>\$ 31,143,655</u>	<u>\$ 51,940,155</u>
\$ 113,782	\$ 1,874,606	\$ 3,195,935
-	610,015	1,553,699
	-	-
<u>113,782</u>	<u>2,484,621</u>	<u>4,749,634</u>
<u>1,525,745</u>	<u>28,659,034</u>	<u>47,190,521</u>
<u>1,525,745</u>	<u>28,659,034</u>	<u>47,190,521</u>
<u>\$ 1,639,527</u>	<u>\$ 31,143,655</u>	<u>\$ 51,940,155</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2002**

	Road and Bridge Construction Fund	1994 Road Project Construction Fund	Juvenile Detention Construction Fund
<u>REVENUES</u>			
Intergovernmental	\$ -	\$ -	\$ -
Interest	37,512	29,652	396
Miscellaneous Revenue	-	-	-
TOTAL REVENUES	37,512	29,652	396
<u>EXPENDITURES</u>			
Capital Outlay	582,746	272,547	20,943
TOTAL EXPENDITURES	582,746	272,547	20,943
Excess (Deficiency) of Revenues Over Expenditures	(545,234)	(242,895)	(20,547)
Other Financing Sources (Uses):			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	(662,937)	(257,534)	-
Total Other Financing Sources (Uses)	(662,937)	(257,534)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,208,171)	(500,429)	(20,547)
FUND BALANCE AT BEGINNING OF YEAR	2,084,651	1,501,005	24,118
FUND BALANCE AT END OF YEAR	\$ 876,480	\$ 1,000,576	\$ 3,571

1996 Road Project Construction Fund	1999 Road Project Construction Fund	Carroll Building Renovation Fund	1999 Tax Note Project Fund	1999 Certificates of Obligation Fund
\$ -	\$ 274,523	\$ -	\$ -	\$ -
5,676	275,172	762	6,551	45,124
-	-	-	-	-
<u>5,676</u>	<u>549,695</u>	<u>762</u>	<u>6,551</u>	<u>45,124</u>
116,163	9,325,233	56,072	-	2,043,345
<u>116,163</u>	<u>9,325,233</u>	<u>56,072</u>	<u>-</u>	<u>2,043,345</u>
(110,487)	(8,775,538)	(55,310)	6,551	(1,998,221)
-	-	-	-	-
(196,945)	-	(5,795)	-	-
<u>(196,945)</u>	<u>-</u>	<u>(5,795)</u>	<u>-</u>	<u>-</u>
(307,432)	(8,775,538)	(61,105)	6,551	(1,998,221)
<u>366,229</u>	<u>12,509,302</u>	<u>61,105</u>	<u>258,428</u>	<u>2,737,850</u>
<u>\$ 58,797</u>	<u>\$ 3,733,764</u>	<u>\$ -</u>	<u>\$ 264,979</u>	<u>\$ 739,629</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS - (Continued)
For the Fiscal Year Ended September 30, 2002**

	2000 RoadProject Construction Fund	2000 Tax Note Project Fund	2001 Tax Note SIB Loan Fund
<u>REVENUES</u>			
Intergovernmental	\$ 250,000	\$ -	\$ -
Interest	440,884	6,064	138,789
Miscellaneous Revenue	-	-	-
TOTAL REVENUES	690,884	6,064	138,789
<u>EXPENDITURES</u>			
Capital Outlay	1,863,888	-	5,858,870
TOTAL EXPENDITURES	1,863,888	-	5,858,870
Excess (Deficiency) of Revenues Over Expenditures	(1,173,004)	6,064	(5,720,081)
Other Financing Sources (Uses):			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	(305,319)
Total Other Financing Sources (Uses)	-	-	(305,319)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,173,004)	6,064	(6,025,400)
FUND BALANCE AT BEGINNING OF YEAR	21,324,910	297,523	6,025,400
FUND BALANCE AT END OF YEAR	\$ 20,151,906	\$ 303,587	\$ -

2002 Tax Note Project Fund	TOTAL Year Ended September 30,2002	TOTAL Year Ended September 30,2001
\$ -	\$ 524,523	\$ 1,262,262
5,519	992,101	2,780,610
-	-	-
5,519	\$ 1,516,624	4,042,872
2,173,016	22,312,823	29,235,303
2,173,016	22,312,823	29,235,303
(2,167,497)	(20,796,199)	(25,192,431)
3,680,000	3,680,000	35,850,000
13,242	13,242	58,260
-	(1,428,530)	(811,648)
3,693,242	2,264,712	35,096,612
1,525,745	(18,531,487)	9,904,181
-	47,190,521	37,286,340
\$ 1,525,745	\$ 28,659,034	\$ 47,190,521



AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Pretrial Services; Texas Adult Probation; County Clerk; District Clerk; Tax Collector; Justices of the Peace; Sheriff; Treatment Alternatives to Incarceration; Other Agency; Community Corrections Grant; Electronic Supervision, and Denton County Housing Authority Agency Funds.

Denton County, Texas
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2002

	Pretrial Services Fund	Texas Adult Probation Fund	County Clerk Agency Fund
<u>ASSETS</u>			
Cash	\$ 31,826	\$ 626,773	\$ 464,801
Investments	-	2,057,444	4,704,197
Accrued Interest	-	2,723	-
Other Assets	-	-	-
Due from Other Funds	-	625	-
Due from Other Govts	-	-	-
TOTAL ASSETS	<u>\$ 31,826</u>	<u>\$2,687,565</u>	<u>\$5,168,998</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	\$ 475	\$ 8,960	\$ -
Wages Payable	2,669	76,021	-
Due to Other Funds	-	-	-
Due to Other Governments	28,682	2,422,346	-
Due to Beneficiaries	-	180,238	5,168,998
TOTAL LIABILITIES	<u>31,826</u>	<u>2,687,565</u>	<u>5,168,998</u>
TOTAL LIABILITIES	<u>\$ 31,826</u>	<u>\$2,687,565</u>	<u>\$5,168,998</u>

<u>District Clerk Agency Fund</u>	<u>Tax Collector Agency Fund</u>	<u>Justices of the Peace Agency Fund</u>	<u>Sheriff Agency Fund</u>	<u>Treatment Alternatives to Incarc. Fund</u>	<u>Other Agency Funds</u>
\$1,710,966	\$3,046,891	\$ 430,935	\$138,148	\$ 60,395	\$ 23,619
9,500	2,751,522	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	49	-
<u>\$1,720,466</u>	<u>\$5,798,413</u>	<u>\$ 430,935</u>	<u>\$138,148</u>	<u>\$ 60,444</u>	<u>\$ 23,619</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,500	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	5,798,413	-	-	53,944	-
<u>1,720,466</u>	<u>-</u>	<u>430,935</u>	<u>138,148</u>	<u>-</u>	<u>23,619</u>
<u>1,720,466</u>	<u>5,798,413</u>	<u>430,935</u>	<u>138,148</u>	<u>60,444</u>	<u>23,619</u>
<u>\$1,720,466</u>	<u>\$5,798,413</u>	<u>\$ 430,935</u>	<u>\$138,148</u>	<u>\$ 60,444</u>	<u>\$ 23,619</u>

Denton County, Texas
COMBINING BALANCE SHEET
AGENCY FUNDS - (Continued)
September 30, 2002

	<u>Community Corrections Grant Fund</u>	<u>Electronic Supervision Fund</u>	<u>Housing Finance Authority</u>
<u>ASSETS</u>			
Cash	\$ 265,899	\$ 9,879	\$ 464,529
Investments	150,000	-	-
Accrued Interest	-	-	-
Other Assets	-	-	-
Due from Other Funds	-	-	-
Due from Other Govts	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 415,899</u>	<u>\$ 9,879</u>	<u>\$ 464,529</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts Payable	\$ 14,687	\$ 1,290	\$ -
Wages Payable	-	-	-
Due to Other Funds	625	-	-
Due to Other Governments	400,587	8,589	464,529
Due to Beneficiaries	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>415,899</u>	<u>9,879</u>	<u>464,529</u>
TOTAL LIABILITIES	<u>\$ 415,899</u>	<u>\$ 9,879</u>	<u>\$ 464,529</u>

TOTAL September 30, 2002	TOTAL September 30, 2001
\$ 7,274,661	\$ 11,805,678
9,672,663	4,939,016
2,723	53,452
-	-
674	3,238
-	-
<u>\$ 16,950,721</u>	<u>\$ 16,801,384</u>

\$ 31,912	\$ 43,984
78,690	60,413
625	11,315
9,177,090	9,593,033
7,662,404	7,092,639
<u>16,950,721</u>	<u>16,801,384</u>
<u>\$ 16,950,721</u>	<u>\$ 16,801,384</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS**
For the Fiscal Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>PRETRIAL SERVICES FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 110,592	\$ 133,632	\$ 212,398	\$ 31,826
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	168	-	168	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 110,760</u>	<u>\$ 133,632</u>	<u>\$ 212,566</u>	<u>\$ 31,826</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,023	\$ 3,144	\$ 3,023	\$ 3,144
Due to Other Funds	275	-	275	-
Due to Other Govts	107,462	28,682	107,462	28,682
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 110,760</u>	<u>\$ 31,826</u>	<u>\$ 110,760</u>	<u>\$ 31,826</u>
<u>TEXAS ADULT PROBATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 2,862,219	\$ 3,636,303	\$ 3,814,305	\$ 2,684,217
Accrued Interest	50,768	2,723	50,768	2,723
Other Receivables	-	-	-	-
Due from Other Funds	2,795	625	2,795	625
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 2,915,782</u>	<u>\$ 3,639,651</u>	<u>\$ 3,867,868</u>	<u>\$ 2,687,565</u>
<u>Liabilities</u>				
Accounts Payable	\$ 63,611	\$ 84,981	\$ 63,611	\$ 84,981
Due to Other Funds	8,245	-	8,245	-
Due to Other Govts	2,679,483	2,422,346	2,679,483	2,422,346
Due to Beneficiaries	164,443	180,238	164,443	180,238
Total Liabilities	<u>\$ 2,915,782</u>	<u>\$ 2,687,565</u>	<u>\$ 2,915,782</u>	<u>\$ 2,687,565</u>

Denton County, Texas
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)
For the Fiscal Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>COUNTY CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,282,968	\$ 258,088,836	\$ 258,202,806	\$ 5,168,998
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 5,282,968</u>	<u>\$ 258,088,836</u>	<u>\$ 258,202,806</u>	<u>\$ 5,168,998</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	5,282,968	5,168,998	5,282,968	5,168,998
Total Liabilities	<u>\$ 5,282,968</u>	<u>\$ 5,168,998</u>	<u>\$ 5,282,968</u>	<u>\$ 5,168,998</u>
<u>DISTRICT CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 1,110,113	\$ 6,264,671	\$ 5,654,318	\$ 1,720,466
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 1,110,113</u>	<u>\$ 6,264,671</u>	<u>\$ 5,654,318</u>	<u>\$ 1,720,466</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	1,110,113	1,720,466	1,110,113	1,720,466
Total Liabilities	<u>\$ 1,110,113</u>	<u>\$ 1,720,466</u>	<u>\$ 1,110,113</u>	<u>\$ 1,720,466</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>TAX COLLECTOR AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,649,840	\$ 5,267,066	\$ 5,118,493	\$ 5,798,413
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>\$ 5,649,840</u>	<u>\$ 5,267,066</u>	<u>\$ 5,118,493</u>	<u>\$ 5,798,413</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	5,649,840	5,798,413	5,649,840	5,798,413
Due to Beneficiaries	-	-	-	-
	<u>\$ 5,649,840</u>	<u>\$ 5,798,413</u>	<u>\$ 5,649,840</u>	<u>\$ 5,798,413</u>
<u>JUSTICES OF THE PEACE AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 371,580	\$ 714,051	\$ 654,696	\$ 430,935
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>\$ 371,580</u>	<u>\$ 714,051</u>	<u>\$ 654,696</u>	<u>\$ 430,935</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	371,580	430,935	371,580	430,935
	<u>\$ 371,580</u>	<u>\$ 430,935</u>	<u>\$ 371,580</u>	<u>\$ 430,935</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>SHERIFF AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 131,237	\$ 2,615,537	\$ 2,608,626	\$ 138,148
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 131,237</u>	<u>\$ 2,615,537</u>	<u>\$ 2,608,626</u>	<u>\$ 138,148</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	131,237	138,148	131,237	138,148
Total Liabilities	<u>\$ 131,237</u>	<u>\$ 138,148</u>	<u>\$ 131,237</u>	<u>\$ 138,148</u>
<u>TREATMENT ALTERNATIVES TO INCARCERATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 58,462	\$ 175,247	\$ 173,314	\$ 60,395
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	49.00	-	49.00
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 58,462</u>	<u>\$ 175,296</u>	<u>\$ 173,314</u>	<u>\$ 60,444</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,984	\$ 6,500	\$ 1,984	\$ 6,500
Due to Other Funds	-	-	-	-
Due to Other Govts	56,478	53,944	56,478	53,944
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 58,462</u>	<u>\$ 60,444</u>	<u>\$ 58,462</u>	<u>\$ 60,444</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 32,298	\$ 2,884	\$ 11,563	\$ 23,619
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 32,298</u>	<u>\$ 2,884</u>	<u>\$ 11,563</u>	<u>\$ 23,619</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	32,298	23,619	32,298	23,619
Total Liabilities	<u>\$ 32,298</u>	<u>\$ 23,619</u>	<u>\$ 32,298</u>	<u>\$ 23,619</u>
<u>COMMUNITY CORRECTIONS GRANT FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 665,745	\$ 689,778	\$ 939,624	\$ 415,899
Accrued Interest	2,684	-	2,684	-
Other Receivables	-	-	-	-
Due from Other Funds	275	-	275	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 668,704</u>	<u>\$ 689,778</u>	<u>\$ 942,583</u>	<u>\$ 415,899</u>
<u>Liabilities</u>				
Accounts Payable	\$ 35,779	\$ 14,687	\$ 35,779	\$ 14,687
Due to Other Funds	2,684	625	2,684	625
Due to Other Govts	630,241	400,587	630,241	400,587
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 668,704</u>	<u>\$ 415,899</u>	<u>\$ 668,704</u>	<u>\$ 415,899</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>ELECTRONIC SUPERVISION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 14,574	\$ 17,326	\$ 22,021	\$ 9,879
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 14,574</u>	<u>\$ 17,326</u>	<u>\$ 22,021</u>	<u>\$ 9,879</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ 1,290	\$ -	\$ 1,290
Due to Other Funds	111	-	111	-
Due to Other Govts	14,463	8,589	14,463	8,589
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 14,574</u>	<u>\$ 9,879</u>	<u>\$ 14,574</u>	<u>\$ 9,879</u>
<u>DENTON CO. HOUSING FINANCE AUTHORITY</u>				
<u>Assets</u>				
Cash and Investments	\$ 455,066	\$ 464,529	\$ 455,066	\$ 464,529
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 455,066</u>	<u>\$ 464,529</u>	<u>\$ 455,066</u>	<u>\$ 464,529</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	455,066	464,529	455,066	464,529
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 455,066</u>	<u>\$ 464,529</u>	<u>\$ 455,066</u>	<u>\$ 464,529</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - ALL AGENCY FUNDS - (Continued)**
For the Fiscal Year Ended September 30, 2002

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 16,744,694	\$ 278,069,860	\$ 277,867,230	\$ 16,947,324
Accrued Interest	53,452	2,723	53,452	2,723
Other Receivables	-	-	-	-
Due from Other Funds	3,238	674	3,238	674
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 16,801,384</u>	<u>\$ 278,073,257</u>	<u>\$ 277,923,920</u>	<u>\$ 16,950,721</u>
<u>Liabilities</u>				
Accounts Payable	\$ 104,397	\$ 110,602	\$ 104,397	\$ 110,602
Due from Other Funds	11,315	625	11,315	625
Due to Other Govts	9,593,033	9,177,090	9,593,033	9,177,090
Due to Beneficiaries	7,092,639	7,662,404	7,092,639	7,662,404
Total Liabilities	<u>\$ 16,801,384</u>	<u>\$ 16,950,721</u>	<u>\$ 16,801,384</u>	<u>\$ 16,950,721</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for fixed assets not used in Proprietary fund operations.

DENTON COUNTY, TEXAS
 SCHEDULE OF GENERAL FIXED ASSETS-
 BY FUNCTION AND ACTIVITY
 As of September 30, 2002

<u>Function and Activity</u>	<u>Total</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>
General Government	\$6,556,399	-	\$6,556,399
Judicial	895,264	-	895,264
Legal	356,452	-	356,452
Financial	166,210	-	166,210
General Public Facilities	44,584,336	41,949,099	2,635,237
Public Safety	54,166,272	43,283,922	10,882,350
Health and Welfare	384,651	-	384,651
Conservation	12,373	-	12,373
Roads	8,169,791	35,497	8,134,294
Total General Fixed Assets Allocated to Functions	\$115,291,748	<u>\$85,268,518</u>	<u>\$30,023,230</u>
Construction in Progress	-		
Total General Fixed Assets	<u>\$115,291,748</u>		

DENTON COUNTY, TEXAS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS-
BY FUNCTION AND ACTIVITY
Year Ended September 30, 2002

Function and Activity	General Fixed Assets 10/1/2001	Additions	Deductions	General Fixed Assets 9/30/2002
General Government	\$ 3,505,917	\$ 3,763,832	\$ 713,350	\$ 6,556,399
Judicial	5,001,626	61,282.00	4,167,644.00	895,264
Legal	470,786	20,602.00	134,936.00	356,452
Financial	604,052	16,128.00	453,970.00	166,210
General Public Facilities	44,075,925	1,322,621.00	814,210.00	44,584,336
Public Safety	35,083,363	19,580,677.00	497,768.00	54,166,272
Health and Welfare	361,649	33,841.00	10,839.00	384,651
Conservation	11,771	5,502.00	4,900.00	12,373
Roads	8,503,934	965,557.00	1,299,700.00	8,169,791
Construction in Progress	16,022,887	2,511,602.00	18,534,489.00	-
Total General Fixed Assets	\$ 113,641,910	\$ 28,281,644	\$ 26,631,806	\$ 115,291,748



DENTON COUNTY
GENERAL REVENUES BY SOURCE ¹

Last Ten Fiscal Years

Fiscal Year	Taxes	Fees and Licenses	Fines	Inter-governmental	Interest Earnings	Misc.	Total
1993	\$ 30,018,131	\$ 7,592,333	\$ 1,733,671	\$ 2,851,846	\$ 714,000	\$ 669,591	\$43,579,572
1994	31,296,897	8,333,006	1,587,297	5,576,065	860,257	610,307	48,263,829
1995	33,130,482	8,493,965	1,819,713	5,056,541	1,591,085	874,819	50,966,605
1996	34,606,170	9,527,238	2,038,956	4,824,458	1,331,053	986,454	53,314,329
1997	36,450,218	10,522,088	2,282,344	5,448,895	1,391,398	1,315,791	57,410,734
1998	38,940,270	11,701,389	2,298,599	8,198,900	1,680,693	1,400,218	64,220,069
1999	42,536,317	12,650,759	2,743,386	13,107,806	1,611,129	1,757,300	74,406,697
2000	46,001,318	13,598,730	3,223,175	8,946,504	1,931,191	1,768,829	75,469,747
2001	54,150,614	14,863,967	3,248,336	13,818,195	1,720,095	1,776,170	89,577,377
2002	66,983,004	16,149,221	3,204,592	13,916,492	893,843	1,936,672	103,083,824

Notes: ¹ Includes General, Special Revenue and Debt Service Funds

DENTON COUNTY, TEXAS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ¹

Last Ten Fiscal Years

Fiscal Year	General Government	Legal and Judicial	Financial	Public Facilities	Public Safety	Health and Welfare
1993	\$ 5,672,302	\$6,908,355	\$1,859,775	\$2,522,454	\$13,363,170	\$1,986,897
1994	5,620,878	9,687,176	2,164,189	2,700,432	15,689,422	2,489,784
1995	5,444,619	8,407,116	2,037,512	4,655,537	16,268,829	2,572,381
1996	8,448,499	9,333,748	2,181,693	4,524,056	17,825,255	2,645,216
1997	7,726,964	10,723,810	2,352,460	3,756,999	22,308,217	2,858,397
1998	7,372,985	10,948,754	2,348,836	3,676,150	21,049,935	3,781,609
1999	8,818,502	13,402,017	2,601,432	4,227,886	23,428,937	3,867,828
2000	8,825,012	14,699,567	2,900,942	4,657,275	25,992,842	4,426,416
2001	10,756,812	16,513,724	3,262,723	5,493,845	30,207,445	4,627,493
2002	13,017,619	19,215,164	3,793,665	4,593,304	36,959,688	6,062,458

Notes:

(1) Includes General, Special Revenue and Debt Service Funds

Conservation	Contract Services	Roads	Debt Service	Total
\$ 208,716	\$1,909,318	\$4,382,285	\$3,463,399	\$42,276,671
215,573	2,175,967	4,885,993	2,864,067	48,493,481
160,602	2,160,568	4,453,007	3,459,693	49,619,864
166,270	2,244,707	5,439,122	3,457,647	56,266,213
181,222	2,310,795	6,178,196	5,339,821	63,736,881
216,770	2,539,069	5,435,705	6,586,082	63,955,895
214,321	2,710,715	5,768,125	6,805,925	71,845,688
255,954	2,381,277	5,829,255	8,514,550	78,483,090
308,440	2,457,578	6,190,111	9,351,347	89,169,518
343,215	1,505,530	7,140,327	13,922,587	106,553,557

DENTON COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections ¹	Total Current and Delinquent Collections	Percent of Total Tax Collections To Tax Levy
1993	\$29,418,967	\$28,771,487	97.8 %	\$ 1,166,009	\$29,937,496	101.8 %
1994	30,616,146	30,128,868	98.4	945,083	31,073,951	101.5
1995	32,159,460	31,790,219	98.8	1,190,751	32,980,970	102.6
1996	34,007,094	33,630,219	98.9	784,167	34,414,386	101.2
1997	36,028,617	35,632,272	98.9	534,234	36,166,506	100.4
1998	38,540,045	38,105,446	98.9	568,657	38,674,103	100.3
1999	41,874,015	41,410,656	98.9	605,651	42,016,307	100.3
2000	45,654,039	45,064,783	98.9	515,265	45,580,048	99.8
2001	53,675,987	52,928,630	98.6	796,861	53,725,491	100.1
2002	67,007,264	65,833,992	98.2	815,609	66,649,601	99.5

Notes ¹ Includes penalties and interest collected.
Does not include rollback taxes and current tax penalties.

DENTON COUNTY

PROPERTY TAX RATES
(PER \$100 OF ASSESSED VALUE)

Last Ten Fiscal Years

Fiscal Year	General Fund	Special Revenue Funds	Debt Service Fund	Total
1993	\$ 0.23291	\$ 0.02818	\$ 0.03131	\$ 0.29240
1994	0.24383	0.02973	0.02584	0.29940
1995	0.23338	0.02658	0.03001	0.28997
1996	0.22797	0.02466	0.02575	0.27838
1997	0.21075	0.02229	0.03386	0.26690
1998	0.19349	0.02298	0.03943	0.25590
1999	0.18982	0.02158	0.03735	0.24875
2000	0.17883	0.01906	0.03715	0.23504
2001	0.17872	0.01677	0.03644	0.23193
2002	0.19531	0.02103	0.03559	0.25193

DENTON COUNTY, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	<u>Real Property</u>		<u>Personal Property</u>	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1993	\$ 8,959,638,761	\$8,959,638,761	\$1,101,567,463	\$1,101,567,463
1994	9,000,696,053	9,000,696,053	\$1,225,137,584	\$1,225,137,584
1995	9,866,064,087	9,866,064,087	1,224,590,808	1,224,590,808
1996	10,958,016,971	10,958,016,971	1,258,052,790	1,258,052,790
1997	12,154,732,994	12,154,732,994	1,344,186,732	1,344,186,732
1998	13,243,361,228	13,243,361,228	1,817,226,892	1,817,226,892
1999	15,082,328,079	15,082,328,079	1,751,446,795	1,751,446,795
2000	17,574,144,925	17,574,144,925	1,849,799,510	1,849,799,510
2001	21,278,445,012	21,278,445,012	1,864,739,138	1,864,739,138
2002	24,283,771,582	24,283,771,582	2,313,801,037	2,313,801,037

<u>Total</u>		
Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
\$ 10,061,206,224	\$ 10,061,206,224	100%
10,225,833,637	10,225,833,637	100%
11,090,654,895	11,090,654,895	100%
12,216,069,761	12,216,069,761	100%
13,498,919,726	13,498,919,726	100%
15,060,588,120	15,060,588,120	100%
16,833,774,874	16,833,774,874	100%
19,423,944,435	19,423,944,435	100%
23,143,184,150	23,143,184,150	100%
26,597,572,619	26,597,572,619	100%

Denton County, Texas
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
Last Eight Fiscal Years (1)

	Percent								
	Applicable to Denton County (2)	1995	1996	1997	1998	1999	2000	2001	2002
GOVERNMENTAL ENTITY									
Denton County	100.00 %	0.2900	0.2784	0.2669	0.2559	0.2488	0.23504	0.23193	0.25193
<u>Cities</u>									
Argyle	100.00	0.3057	0.3617	0.0364	0.3636	0.3612	0.3991	0.3950	0.38000
Aubrey	100.00	0.4471	0.6000	0.6000	0.5785	0.5785	0.6304	0.5089	0.56220
Bartonville	100.00	0.0000	0.0000	0.0000	0.0000	0.0000	0.1859	0.1847	0.18471
Carrollton	35.62	0.5643	0.6043	0.6043	0.6043	0.6043	0.6043	0.5993	0.59930
The Colony	100.00	0.8	0.795	0.7950	0.795	0.7850	0.7650	0.7350	0.72500
Copper Canyon	100.00								0.14383
Corinth	100.00	0.4285	0.6722	0.4285	0.526	0.5260	0.5260	0.5260	0.52600
Dallas	0.83	0.6744	0.5572	0.6701	0.6516	0.6491	0.6675	0.6675	0.66750
Denton	100.00	0.5409	0.5572	0.5284	0.5082	0.5082	0.5282	0.5282	0.54820
Double Oak	100.00							0.2200	0.22000
Flower Mound	100.00	0.4570	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.44970
Frisco	11.64	0.3980	0.4195	0.4195	0.4120	0.3727	0.3727	0.3700	0.36700
Hackberry	100.00						0.2387	0.6818	0.68178
Hickory Creek	100.00						0.4137	0.3700	0.34977
Highland Village	100.00	0.5380	0.5938	0.5938	0.5938	0.5938	0.5696	0.5696	0.56963
Justin	100.00	0.3382	0.3452	0.3452	0.4297	0.4297	0.4297	0.4297	0.42989
Krugerville	100.00	0.1550	0.155	0.1550	0.1609	0.1609	0.2300	0.2378	0.23780
Krum	100.00	0.2313	0.2453	0.2435	0.2429	0.2525	0.2425	0.2534	0.25331
Lake Dallas	100.00	0.5663	0.5663	0.5701	0.5617	0.5617	0.5617	0.5617	0.56171
Lakewood Village	100.00						0.2500	0.2500	0.25000
Lewisville	99.92	0.5663	0.5381	0.5186	0.4678	0.4678	0.4518	0.4511	0.45050
Little Elm	100.00	0.5410	0.5287	0.5269	0.5482	0.5051	0.5051	0.4330	0.44453
Marshall Creek	100.00	0.2936	0.2982	0.3150	0.3018	0.2795	0.3024	0.3024	0.34536
Northlake	100.00						0.2950	0.2950	0.29500
Oak Point	100.00	0.3360	0.316	0.3160	0.3160	0.3116	0.4386	0.4386	0.65402
Pilot Point	100.00	0.6500	0.65	0.5567	0.5497	0.5479	0.4929	0.4927	0.46200
Ponder	100.00	0.1743	0.1722	0.1722	0.1661	0.1617	0.1962	0.1838	0.18379
Roanoke	100.00	0.3344	0.3546	0.3751	0.3751	0.3751	0.3751	0.3751	0.37512
Sanger	100.00	0.4837	0.4813	0.4726	0.5028	0.5228	0.5228	0.5888	0.58879
Shady Shores	100.00							0.3400	0.34000
Trophy Club	100.00	0.4261	0.4261	0.4658	0.4658	0.4658	0.4605	0.4505	0.44051
<u>School Districts:</u>									
Argyle	100.00	1.4853	1.5552	1.5500	1.5500	1.7700	1.7700	1.7760	1.75447

	Percent								
	Applicable to								
	Denton County	1995	1996	1997	1998	1999	2000	2001	2002
GOVERNMENTAL ENTITY									
School Districts									
<u>(Continued)</u>									
Aubrey	100.00	1.2900	1.2900	1.3600	1.4800	1.4800	1.5800	1.5600	1.6129
Carrollton-F. Branch	20.48	1.4425	1.4321	1.4319	1.4319	1.4619	1.5377	1.6700	1.7242
Celina	4.67	1.3800	1.3800	1.4300	1.5300	1.6300	1.6300	1.5900	1.7000
Denton	100.00	1.5277	1.6607	1.6607	1.7750	1.8500	1.7000	1.8440	1.8540
Frisco	14.02	1.3999	1.5914	1.5286	1.5286	1.5136	1.4200	1.4200	1.4400
Krum	99.16	1.4800	1.5800	1.5800	1.5400	1.6400	1.4478	1.8600	1.7080
Lake Dallas	100.00	1.4700	1.4700	1.4900	1.5700	1.4620	1.4620	1.6600	1.6900
Lewisville	100.00	1.3720	1.4370	1.5160	1.6100	1.6100	1.5671	1.6100	1.6700
Little Elm	100.00	1.3700	1.4990	1.5999	1.6990	1.6990	1.5845	1.5300	1.5990
Northwest	71.46	1.5500	1.5888	1.6293	1.6758	1.6625	1.7047	1.6914	1.8348
Pilot Point	88.41	1.3487	1.3487	1.3480	1.5799	1.4779	1.4779	1.5079	1.5656
Ponder	100.00	1.3900	1.4209	1.4500	1.4200	1.5045	1.5045	1.5645	1.6324
Prosper	1.03	1.4057	1.4822	1.4822	1.5237	1.5237	1.5222	1.7202	1.7202
Sanger	100.00	1.4695	1.5000	1.5000	1.5000	1.4400	1.6000	1.6000	1.6700
Slidell	26.90	1.4100	1.4100	1.6600	1.4900	1.6600	1.6600	1.5610	1.5600
<u>Special Districts</u>									
Lake Cities MUA	100.00	0.0000					0.0000	0.0000	0.0000
Trophy Club MUD 1	46.68	0.3000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2400
Trophy Club MUD 2	100.00	0.0000	0.3000	0.3000	0.2900	0.2800	0.4605	0.0000	0.3654
Denton Co. Fire									
Dist. #1	100.00	0.0298	0.0000	0.0000	0.0000	0.0000	0.0300	0.0300	0.0300
Clear Creek Watershed									
Authority	100.00	0.0128	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0118
Corinth MUD #1	100.00	0.5000	0.0125	0.0000	0.0000	0.0000	0.3800	0.3300	0.3100
Denton Co. Fresh Water									
Water Supp. Dist. #	100.00		0.4400	0.4100	0.4100	0.4000	0.0000	0.0000	0.5400
DC Fresh Water Supp.#1-B									1.0000

Notes:

- (1) Information has not been presented for ten years since its inclusion would make this schedule unduly complex and difficult to read. Also, certain of the above information is incomplete as information was not available for all years.

- (2) Source: Municipal Advisory Council of Texas

DENTON COUNTY

TAX VALUATION AND PERCENTAGE OF CHANGE

Last Ten Fiscal Years

Fiscal Year	Valuation	Percentage of Change In Valuation	Tax Rate	Tax Levy	Percentage of Change In Levy
1993	\$ 10,061,206,224	1.70 %	\$0.29240	29,418,967	4.5
1994	10,225,833,637	1.6	0.29940	30,616,146	4.1
1995	11,090,654,895	8.5	0.28997	32,159,572	5.0
1996	12,216,069,761	10.1	0.27838	34,007,094	5.7
1997	13,498,919,726	10.5	0.26690	36,028,617	5.9
1998	15,060,588,120	11.6	0.25590	38,540,045	6.8
1999	16,833,774,874	11.8	0.24875	41,874,015	8.7
2000	19,423,944,435	15.4	0.23504	45,654,039	9.0
2001	23,143,184,150	19.1	0.23193	53,675,987	17.6
2002	26,597,572,619	14.9	0.25193	67,007,265	24.8

DENTON COUNTY
COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2002

Assessed Value of Real Property	\$24,283,771,582
Debt Limit	6,070,942,896
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	136,922,570
Less Net Assets in Debt Service Fund	<u>1,943,755</u>
Total Amount of Debt Applicable to Debt Limit	<u>134,978,815</u>
Legal Debt Margin	<u><u>\$5,935,964,081</u></u>

Note: (1) Debt Limit 25% of assessed value of real property,
Article 3, Section 52, of the Texas Constitution

DENTON COUNTY, TEXAS

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures ¹	Ratio of Debt Svc To Total General Expenditures
1993	\$ 765,000	\$2,697,849	\$3,462,849	\$42,279,671	8.2 %
1994	1,085,000	1,778,303	2,863,303	48,493,481	5.9
1995	1,380,000	2,078,529	3,458,529	49,619,864	7.0
1996	1,495,000	1,961,369	3,456,369	56,266,213	6.1
1997	1,820,000	3,518,248	5,338,248	63,736,881	8.4
1998	3,080,000	3,504,338	6,584,338	63,955,895	10.3
1999	3,500,000	3,303,877	6,803,877	71,845,688	9.5
2000	3,145,000	5,367,056	8,512,056	78,483,090	10.8
2001	3,615,000	5,731,161	9,346,161	89,169,518	10.5
2002	6,170,000	7,747,773	13,917,773	106,553,557	13.1

Notes:

(1) Includes General, Special Revenue, and Debt Service Funds

DENTON COUNTY

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA**

Last Ten Fiscal Years

Fiscal Year	Population (*)	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	292,600	\$10,061,206,224	\$30,950,000	\$798,004	\$ 30,151,996	0.30	\$103.05
1994	304,300	10,225,833,637	38,920,000	699,664	38,220,336	0.37	125.60
1995	317,850	11,090,654,895	37,540,000	779,076	36,760,924	0.33	115.65
1996	335,650	12,216,069,761	58,845,000	615,227	58,229,773	0.48	173.48
1997	352,050	13,498,919,726	64,765,000	522,595	64,242,405	0.48	182.48
1998	373,850	15,060,588,120	61,685,000	569,329	61,115,671	0.41	163.48
1999	400,915	16,833,774,874	95,027,570	1,456,509	93,571,061	0.56	233.39
2000	432,976	19,423,944,435	107,177,570	1,077,645	106,099,925	0.55	245.05
2001	453,853	23,143,184,150	139,412,570	2,904,913	136,507,657	0.59	300.78
2002	475,600	26,597,572,619	136,922,570	1,943,755	134,978,815	0.51	283.81

Notes:

¹ Source: North Central Texas Council of Governments

Denton County, Texas

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

September 30, 2002

	Net Bonded Debt at September 30, 2002	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<u>DIRECT DEBT</u>			
Denton County	\$ 134,978,815	100.00%	\$ <u>134,978,815</u>
<u>OVERLAPPING DEBT</u>			
<u>Cities:</u>			
Argyle	1,210,655	100.00	1,210,655
Aubrey	5,420,078	100.00	5,420,078
Bartonville	1,095,000	100.00	1,095,000
Carrollton	120,207,944	35.62	42,818,070
The Colony	20,923,549	100.00	20,923,549
Corinth	20,565,000	100.00	20,565,000
Dallas	761,715,548	0.83	6,322,239
Denton	99,991,495	100.00	99,991,495
Flower Mound	55,910,000	100.00	55,910,000
Frisco	173,180,000	11.64	20,158,152
Hackberry	325,000	100.00	325,000
Hickory Creek	-	100.00	-
Highland Village	11,470,255	100.00	11,470,255
Justin	1,995,000	100.00	1,995,000
Krugerville	-	100.00	-
Krum	-	100.00	-
Lake Dallas	2,540,000	100.00	2,540,000
Lewisville	44,891,803	99.92	44,855,890
Little Elm	627,839	100.00	627,839
Marshall Creek	-	100.00	-
Northlake	285,985	100.00	285,985
Oak Point	1,115,000	100.00	1,115,000
Pilot Point	4,500,000	100.00	4,500,000
Ponder	254,351	100.00	254,351
Roanoke	7,060,000	100.00	7,060,000
Sanger	5,417,101	100.00	5,417,101
Trophy Club	6,105,000	100.00	6,105,000

Notes:

(1) Source: Municipal Advisory Council of Texas

	Net Bonded Debt at September 30, 2002	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
School Districts:			
Argyle	40,332,493	100.00	40,332,493
Aubrey	8,174,786	100.00	8,174,786
Carrollton- Farmers Branch	304,551,215	20.48	62,372,089
Celina	154,660,016	4.67	7,222,623
Denton	201,256,653	100.00	201,256,653
Frisco	341,753,092	14.02	47,913,783
Krum	13,336,730	99.16	13,224,701
Lake Dallas	41,135,631	100.00	41,135,631
Lewisville	492,911,518	100.00	492,911,518
Little Elm	63,994,737	100.00	63,994,737
Northwest	114,427,792	71.46	81,770,100
Pilot Point	7,160,000	88.41	6,330,156
Ponder	15,085,000	100.00	15,085,000
Prosper	65,804,079	1.03	677,782
Sanger	69,106,007	100.00	69,106,007
Slidell	477,182	26.90	128,362
Special Districts:			
Lake Cities M.U.A.	-	100.00	-
Trophy Club M.U.D.#1	4,731,623	100.00	4,731,623
Trophy Club M.U.D.#2	7,735,057	100.00	7,735,057
Denton Co. RUD #1	20,890,000	100.00	20,890,000
Clear Creek Watershed Authority	-	100.00	-
Corinth M.U.D. #1	1,375,000	100.00	1,375,000
TOTAL OVERLAPPING DEBT			<u>\$1,547,333,760</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$1,682,312,575</u></u>

DENTON COUNTY, TEXAS
PROPERTY VALUE AND CONSTRUCTION

Last Ten Fiscal Years

Fiscal Year	Property Value	Construction ¹
1993	\$ 10,061,206,224	\$ 371,238,801
1994	10,225,833,637	380,608,000
1995	11,090,654,895	445,637,861
1996	12,216,069,761	602,004,646
1997	13,498,919,726	603,450,109
1998	15,060,588,120	831,484,687
1999	16,833,774,874	987,042,219
2000	19,423,944,435	1,356,042,306
2001	23,143,184,150	1,718,337,443
2002	26,597,572,619	1,818,973,918

Notes: ¹ Source: Denton Central Appraisal District

DENTON COUNTY, TEXAS

PRINCIPAL TAXPAYERS

September 30, 2002

Taxpayer	Type of Business	Assessed Value	Percentage of Total Assessed Valuation
Devon Energy Op. Co.	Oil and Gas	\$225,293,580	0.85 %
Verizon Southwest	Telephone Utility	168,037,158	0.63
Oncor Electric Delivery Co.	Electric Utility	121,225,190	0.46
Albertson's Inc.	Food Retailer	82,436,532	0.31
J C Penney Co. Inc.	Retail	56,797,455	0.21
Teachers Ins & Annuity Assn.	Investments	54,318,529	0.20
Rayzor Ranch LP	Land Developer	51,934,686	0.20
Frito-Lay, Inc.	Food Manufacturer	50,390,750	0.19
Coserv Electric Co-op	Electric Utility	48,607,549	0.18
Wal-Mart Distribution Center	Retail Distribution	46,627,899	0.18
		<u>\$905,669,328</u>	3.41 %

Note: Total Assessed valuation of \$26,597,572,619
per Denton Central Appraisal District

DENTON COUNTY, TEXAS

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Per Capita Income	(3) Median Age	(4) Unemployment Rate
1993	292,600	\$ 20,305	29.7	4.1 %
1994	304,300	20,974	-	3.8
1995	317,850	22,562	-	3.9
1996	335,650	24,122	-	3.8
1997	352,250	26,199	-	3.2
1998	373,850	27,346	-	2.0
1999	400,915	27,872	-	1.9
2000	432,976	31,004	31.0	1.9
2001	453,853	-	-	3.2
2002	475,600	-	-	4.9

Notes:

- (1) Source: North Central Texas Council of Governments
- (2) Source: US Census Bureau
- (3) Source: Texas State Data Center, Texas A&M University
- (4) Source: US Department of Labor

Certain of the above data is incomplete as data was not available for all years

DENTON COUNTY
MISCELLANEOUS STATISTICS

September 30, 2002

Created by Act of State Legislature in 1846.

Form of Government: Political Subdivision of the State of Texas, a Public Corporation, with a County Judge and four Commissioners as the governing body. The Commissioners Court has only the powers as authorized by the Constitution of Texas the State legislature or implied therefrom.

Officials Elected by Vote of the People:	38
County Employees Including Those on Grant Programs:	1,375
Organized School Districts in County:	17
Incorporated Municipalities in County:	40
Area in Square Miles:	911
1990 Census:	273,525
2000 Census:	432,976
2002 Population Estimate:	475,600

Recreation: Water activities at Lewisville, Ray Roberts and Grapevine lakes; seven U.S. Corp of Engineers' parks; universities' cultural and athletic events; and local activities.

Minerals: Limited output of oil, sand, gravel, gas, and clay.

Agriculture: About \$114 million average farm income, 75% from livestock, eggs and dairy products. Grains, nursery plants, hay and turf grass are the principal crops.

Business: Varied industries (food products, apparel, brick, trucks, oil tools, heating and cooling equipment, and many other products), colleges (University of North Texas and Texas Woman's University), Denton State School and tourism.



PREFACE

Overview of the County's Fiscal Year 2002 Annual Audit -

Denton County's combined financial statements for 2002, which present the County's various fund types and account groups in conformity with generally accepted accounting principles (GAAP) for local governments, were subjected to an audit by independent certified public accountants. The primary purpose of that audit was for the auditors to form an opinion on the financial statements and their conformity with GAAP for local governments. This grant report has been prepared as an addition to the County's fiscal year 2002 annual audit.

Overview of Grant Audit Requirements -

The scope of the County's fiscal year 2002 grant audit includes the requirements of the Office of Management and Budget's Circular A-133. This document establishes audit requirements for state and local governments and Indian tribe governments that receive federal assistance. It provides for independent audits of financial operations, including compliance with certain provisions of federal laws and regulations. The requirements are established to ensure that audits are made on an organization-wide basis, rather than on a grant-by-grant basis. Such audits are to determine whether:

- * financial operations are conducted properly,
- * the financial statements are presented fairly,
- * the organization has complied with laws and regulations affecting the expenditure of federal funds,
- * internal procedures have been established to meet the objectives of federally assisted programs, and
- * financial reports to the federal government contain accurate and reliable information.

The grant audit requirements of Circular A-133 have also been adopted by the State of Texas for local governments that receive funds under state grants.

Purpose and Contents of This Report -

This report was prepared to provide grantor agencies with certain financial information which they need to properly administer funds granted to the County. Financial schedules included herein present the County's grant revenues, expenditures and amounts due to/from funding

sources in accordance with generally accepted accounting principles for state and local government units. However, this report does not present the financial position of the County. Individual grants presented in this report are those which were considered by the auditors in performing their audit tests in conformity with OMB Circular A-133.

Relationship Between This Report and the County's Combined Financial Statements -

The County's grant activity is disclosed in the combined financial statements in various funds. Therefore, this report cannot be related directly to the combined financial statements based upon the information presented herein.

Overview of Grant Financial Information -

Financial information by individual grant is presented in this report. A statement of revenues, expenditures and changes in amounts due to/from funding sources is provided for each grant. Additionally, an inception-to-date statement of revenues, expenditures and budget is included for each grant, except various grants such as the Special Supplemental Food Program for Women, Infants and Children (W.I.C. Grant), Title IV-D and Title IV-E reimbursement program funds are received on a reimbursement per client served basis rather than on a fixed budgetary basis.

Prior year revenue and expenditures amounts are not covered by the fiscal year 2002 auditor's report. These amounts, along with cumulative totals, are presented to facilitate review by grantor agencies. These amounts are not a required part of the supplemental information.

**NOTES TO GRANT FINANCIAL STATEMENTS
DENTON COUNTY, TEXAS
SEPTEMBER 30, 2002**

(1) ORGANIZATION AND ACCOUNTING POLICIES:

Denton County, Texas, is the recipient of certain federal and state grant funds. The grant programs are administered by various departments within the County. The activities of these organizations are monitored by County staff to ensure compliance with the requirements of the underlying grants.

The accounting policies of the County conform to generally accepted accounting principles for local government units as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The accompanying financial statements were prepared under the following accounting policies of the County:

Basis of Presentation -

The accompanying financial statements represent the County's grant activity reported in conformity with OMB Circular A-133. Denton County also acts as a fiscal agent for funds paid by the State to the local Community Supervision and Corrections Department. Since this agency issues its own, separate financial statement, the program has been omitted from this report. State funds provided to this agency in fiscal 2002 totaled approximately \$2,120,000.

Basis of Accounting -

Grant revenues and expenditures are recognized using the modified accrual basis. Expenditures are recognized in the accounting period in which the related liability is incurred. Revenues are recognized in the accounting period in which the related expenditures are incurred.

County Contribution -

Certain grants require that a percentage of the total funds for the program be provided by the County or other sources. Matching funds from the County are provided to cover any expenses in excess of funds received. Also, the County covers any expenses for costs incurred in excess of total funds budgeted for individual grants.

(2) GRANT AUDITS:

Grant costs are subject to audit by grantor agencies. Disallowed costs, if any, resulting from the audit of grant funds, will be absorbed by the County. Management does not believe that any significant costs will be incurred as a result of grant audits.

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
U.S. Dept. of Health and Human Services Passed through State of Texas Dept. of Health:			
2002 Bioterrorism Preparedness Grant	93.283	C9000524-2	\$ 660,804
2002 Bureau of Regional/Local Health	93.991	C9000524-2	66,466
2002 HIV/AIDS Education Grant	93.940	C9000524-3	53,425
2001 HIV/AIDS Education Grant	93.940	C9000524-3	50,790
2002 Childrens Health Ins Grant	93.778	C9000524-3	26,500
2000 Childrens Health Ins Grant	93.778	C9000524-3	60,000
U. S. Department of Agriculture Passed through the Texas Department of Health:			
2002 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	744,794
2001 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	<u>625,371</u>
Total State of Texas Dept. of Health			<u>2,288,150</u>
U.S. Dept. of Health and Human Services Passed through Tarrant County, Texas:			
2002 Ryan White Grant	93.918	-	52,319
2001 Ryan White Grant	93.918	-	<u>52,319</u>
Total Tarrant County			<u>104,638</u>

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
\$ -	\$ -	\$ 55,646	\$ 55,646
9,573	66,466	56,893	-
-	29,338	39,806	10,468
8,077	21,470	13,393	-
16,842	16,842	-	-
-	6,260	6,260	-
-	584,205	744,794	160,589
<u>145,855</u>	<u>145,855</u>	<u>-</u>	<u>-</u>
<u>180,347</u>	<u>870,436</u>	<u>916,792</u>	<u>226,703</u>
-	30,765	40,894	10,129
6,508	24,416	17,908	-
<u>6,508</u>	<u>55,181</u>	<u>58,802</u>	<u>10,129</u>

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Protective and Regulatory Services:			
2002 Child Welfare Title IV-E Grant	93.658	-	<u>34,580</u>
U.S. Dept. of Agriculture Passed through the Texas Dept. of Protectective and Regulatory Services:			
2002 National School Lunch Program Grant	10.555	-	69,612
2001 National School Lunch Program Grant	10.555	-	<u>96,905</u>
Total Texas Dept. of Protectective and Regulatory Services:			<u>201,097</u>
U. S. Dept. of Health and Human Services Passed through the Office of the Attorney General - Child Support Office:			
2002 Title IV-D Filing Fees and Court Costs Grant	93.783	-	<u>31,709</u>
U.S. Department of Justice Passed through the Office of the Governor - Criminal Justice Division:			
Texas Narcotics Control Program Grant-2002 Grant	16.579	DB-01-A10-1190-02	701,344
Texas Narcotics Control Program Grant-2001 Grant	16.579	DB-01-A10-1190-02	667,090
Juvenile Intensive Home-Based Services-4	16.541	JA-02-J20-14166-04	32,704
Juvenile Intensive Home-Based Services-3	16.541	JA-01-J20-14166-03	49,056
Juvenile Intensive Home-Based Services-2	16.541	JA-00-J20-14166-02	65,408

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
-	34,580	34,580	-
-	69,612	69,612	-
6,626	6,626	-	-
6,626	110,818	104,192	-
-	31,709	31,709	-
-	90,810	186,806	95,996
93,839	581,128	487,289	-
-	-	-	-
8,517	8,517	40,539	40,539
22,795	22,795	-	-

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
Family Violence Victim Intervention Grant-6	16.579	VA-02-13610-04	51,705
Family Violence Victim Intervention Grant-5	16.579	VA-00-13610-03	51,705
Prosecution Enhancement Grant-6	16.588	WF-02-V30-13432-04	73,434
Prosecution Enhancement Grant-5	16.588	WF-00-V30-13432-03	75,366
Victim Notification Grant-5	16.575	VA-02-13611-04	33,488
Victim Notification Grant-4	16.575	VA-00-13611-03	33,488
Family Violence Expansion Grant-5	16.588	WF-01-V30-13433-04	39,066
Family Violence Expansion Grant-4	16.588	WF-00-V30-13433-03	78,132
Underage Drinking "Combat" Team Grant-5	16.727	JB-01-J20-14924-04	79,420
Underage Drinking "Combat" Team Grant-4	16.727	AH-00-J20-14924-03	87,537
Underage Drinking "Combat" Team Grant-3	16.727	AH-00-J20-14924-02	85,580
Child Victim Interv. Specialist Grant-4	16.575	VA-02-V30-13989-04	55,872
Child Victim Interv. Specialist Grant-3	16.575	VA-00-V30-13989-03	55,872
U.S. Dept. of Education Passed through the Office of the Governor - Criminal Justice Division:			
At-Risk Assessment Project -2	84.186	ED-02-J20-15988-02	65,239
At-Risk Assessment Project -1	84.186	ED-01-J20-15988-01	81,549
Total Office of the Governor - Criminal Justice Division			<u>2,463,055</u>
Federal Emergency Management Admin. Passed Through the Texas Department of Public Safety:			
2002 Emergency Management Grant	83.552	02-PA-0298	19,096
2001 Emergency Management Grant	83.552	01-PA-0298	19,096
Total Federal Emergency Mgmt. Admin.			<u>38,192</u>

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
-		14,232	14,232
8,059	29,824	33,197	11,432
-	-	21,701	21,701
26,410	75,366	48,956	-
-	-	6,280	6,280
11,905	33,488	21,583	-
-	-	23,596	23,596
29,704	78,132	48,428	-
-	-	5,807	5,807
4,347	60,659	79,957	23,645
12,753	13,388	635	-
-	-	15,804	15,804
12,309	50,352	38,043	-
-	-	-	-
-	4,287	76,809	72,522
<u>230,638</u>	<u>1,048,746</u>	<u>1,149,662</u>	<u>331,554</u>
-	18,886	18,886	-
4,774	4,774	-	-
<u>4,774</u>	<u>23,660</u>	<u>18,886</u>	<u>-</u>

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
U.S. Dept. of Health and Human Services Passed through the Texas Juvenile Probation Commission			
2002 Title IV-E Foster Care Grant	93.658	TJPC-E-02-061	96,784
2001 Title IV-E Foster Care Grant	93.658	TJPC-E-01-061	61,784
2002 Title IV-E Administrative Costs Grant	93.658	TJPC-E-02-220	454,078
Total Texas Juvenile Probation Commission			<u>612,646</u>
U.S. Dept. of Transportation Passed through the Texas Dept. of Transportation:			
2002 DWI Prosecution Unit Grant	20.6	02-02-02-BI-DA	111,912
2001 DWI Prosecution Unit Grant	20.6	01-02-02-BI-DA	<u>155,093</u>
Total Texas Dept. of Transportation			<u>267,005</u>
U.S. Dept. of Housing and Urban Development: Passed through the City of Denton			
2002 Community Devlt. Block Grant	14.218	-	<u>30,000</u>
Passed through the Texas Dept. of Housing and Community Affairs:			
Water System Grant	14.247		<u>258,900</u>
Total U.S. Dept. of Housing and Urban Dev.			<u>288,900</u>

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
-	96,784	96,784	-
3,112	3,112	-	-
-	454,078	454,078	-
<u>3,112</u>	<u>553,974</u>	<u>550,862</u>	<u>-</u>
-	94,207	111,912	17,705
<u>134,801</u>	<u>134,801</u>	<u>-</u>	<u>-</u>
<u>134,801</u>	<u>229,008</u>	<u>111,912</u>	<u>17,705</u>
<u>-</u>	<u>-</u>	<u>28,857</u>	<u>28,857</u>
<u>-</u>	<u>69,348</u>	<u>73,198</u>	<u>3,850</u>
<u>-</u>	<u>69,348</u>	<u>102,055</u>	<u>32,707</u>

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
U.S. Department of Justice:			
State Criminal Alien Assistance Grant 2002	16.606	01-AP-VX-212	273,150
State Criminal Alien Assistance Grant 2001	16.606	01-AP-VX-212	174,167
Juvenile Accountability Incentive Block Grt-4	16.523	JB-01-J20-13373-04	53,574
Juvenile Accountability Incentive Block Grt-3	16.523	JB-00-J20-13373-03	49,735
Juvenile Accountability Incentive Block Grt-2	16.523	JB-99-J20-13373-02	44,372
2003 Local Law Enforcement Block Grant	16.592	-	38,942
2002 Local Law Enforcement Block Grant	16.592	-	39,755
Total Department of Justice			<u>673,695</u>
Total Federal Assistance			<u>\$6,969,087</u>

* Credit balances represent deferred revenue - federal government.
Debit balances represent intergovernmental receivables - federal government.

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
-	273,150	273,150	-
-	174,167	174,167	-
-	-	8,510	8,510
8,678	44,127	41,057	5,608
4,206	4,206	-	-
-	38,942	-	(38,942)
(44,172)	(4,417)	30,415	(9,340)
<u>(31,288)</u>	<u>530,175</u>	<u>527,299</u>	<u>(34,164)</u>
<u>\$535,518</u>	<u>\$3,523,055</u>	<u>\$3,572,171</u>	<u>\$584,634</u>

Denton County, Texas

SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
Texas Juvenile Probation Commission:			
2003 TJPC State Aid Grant		TJPC A-2003-061	\$ 724,172
2002 TJPC State Aid Grant		TJPC A-2002-061	488,765
2003 Juvenile Community Corrections Grant		TJPC Y-2003-061	571,525
2002 Juvenile Community Corrections Grant		TJPC Y-2002-061	484,294
2003 Family Preservation Grant		TJPC S-03-071	70,000
2002 Family Preservation Grant		TJPC S-02-071	70,000
2002 JJAEP Grant		TJPC P-03-061	115,463
2003 Post Adjudication Facility Grant		TJPC V-03-061	372,300
2002 Post Adjudication Facility Grant		TJPC V-02-061	372,300
2002 Salary Adjustment Grant		TJPC Z-02-061	<u>228,000</u>
Total Texas Juvenile Probation Commission:			<u>\$ 3,496,819</u>
Texas Department of Health:			
2002 Service Delivery Integration Population Based Services Grant		75-60009205A-2002-05	41,588
2001 Service Delivery Integration Population Based Services Grant		75-60009205A-01-06	41,588
2003 Service Delivery Integration Fees for Services Grant		75-60009205A-2003	344,207
2002 Service Delivery Integration Fees for Services Grant		75-60009205A-01	256,494
2002 Service Delivery Integration Eligibility for Services Grant		75-60009205-2002-05	53,689
2003 Immunization Program Grant		75-60009205-2003-045	92,975
2002 Immunization Program Grant			96,475
2001 Service Delivery Integration - Implementation Grant		75-60009205A-01	83,677

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
\$ -	\$ -	\$ 27,468	\$ 27,468
(56,147)	408,988	465,135	-
-	-	54,118	54,118
(50,979)	403,578	454,557	-
-	-	-	-
-	58,333	58,333	-
-	115,463	115,463	-
-	-	-	-
-	310,250	310,250	-
-	228,000	198,971	(29,029)
<u>\$ (107,126)</u>	<u>\$ 1,524,612</u>	<u>\$ 1,684,295</u>	<u>\$ 52,557</u>

2,298	40,903	38,605	-
8,706	8,706	-	-
-	-	32,848	32,848
-	257,599	257,599	-
2,804	52,445	49,641	-
-	-	-	-
11,883	96,475	84,592	-
9,393	9,393	-	-

Denton County, Texas

SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2002

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
2003 Local Public Health Support Grant		75-60009205-2003-4	66,004
2002 Bureau of Regional/Local Health Innovation Grant		-	202,856
2001 Bureau of Regional/Local Health Innovation Grant		-	<u>104,178</u>
Total Texas Department of Health			<u>\$ 1,383,731</u>
Office of the Governor, Criminal Justice Division:			
Child Abuse Prosecution Expansion Grant-2		SF-03-A10-15861-02	77,290
Child Abuse Prosecution Expansion Grant-1		SF-02-A10-15861-01	96,913
Civil - Child Abuse Prosecution Grant - 1		SF-03-A10-16321-01	78,571
Child Abuse Prosecution Unit Grant - 5		SF-01-A10-14616-02	27,295
Serious & Habitual Juvenile Prosecution - 5		SF-02-J20-14607-03	15,697
Serious & Habitual Juvenile Prosecution - 4		SF-01-J20-14607-02	31,390
Warrant Research Support Team Grant - 4		SF-02-A10-14626-03	24,003
Warrant Research Support Team Grant - 3		SF-01-A10-14626-02	36,005
Greenbelt/Public Safety Unit Grant -3		SF-03-A10-15437-03	113,559
Greenbelt/Public Safety Unit Grant -2		SF-02-A10-15437-02	151,412
Greenbelt/Public Safety Unit Grant -1		SF-01-A10-15437-01	<u>188,292</u>
Total Office of the Governor, Criminal Justice Division:			<u>\$ 840,427</u>
Office of the Attorney General:			
Child Victim Intervention Intern Grant		02G03094	<u>\$ 8,216</u>
Texas Historical Commission:			
Historic Courthouse Preservation Grant		Denton 2001	<u>\$ 462,137</u>
Total State Assistance			<u>\$ 6,191,330</u>

* Credit balances represent deferred revenue - state government.
 Debit balances represent intergovernmental receivables - state government.

<u>Balance *</u> <u>October 1,</u> <u>2001</u>	<u>Receipts</u> <u>or Revenue</u> <u>Recognized</u>	<u>Disbursements/</u> <u>Expenditures</u>	<u>Balance *</u> <u>September 30,</u> <u>2002</u>
-	-	-	-
4,310	69,407	71,417	6,320
<u>39,853</u>	<u>39,853</u>	<u>-</u>	<u>-</u>
<u>\$ 79,247</u>	<u>\$ 574,781</u>	<u>\$ 534,702</u>	<u>\$ 39,168</u>
-	-	-	-
-	53,903	93,213	39,310
-	-	-	-
5,918	5,918	-	-
-	7,875	15,697	7,822
7,836	7,836	-	-
-	18,175	24,003	5,828
8,868	8,868	-	-
-	-	9,052	9,052
10,022	115,166	138,567	33,423
<u>58,610</u>	<u>66,114</u>	<u>7,504</u>	<u>-</u>
<u>\$ 91,254</u>	<u>\$ 283,855</u>	<u>\$ 288,036</u>	<u>\$ 95,435</u>
<u>\$ -</u>	<u>\$ 5,636</u>	<u>\$ 1,800</u>	<u>\$ (3,836)</u>
<u>\$ 57,767</u>	<u>\$ 57,767</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 121,142</u>	<u>\$ 2,446,651</u>	<u>\$ 2,508,833</u>	<u>\$ 183,324</u>



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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

To the Honorable County Judge and
Commissioners' Court
Denton County, Texas

We have audited the general purpose financial statements of Denton County, Texas, as of and for the year ended September 30, 2002, and have issued our report thereon dated December 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Denton County, Texas' general purpose financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Denton County, Texas' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Denton County, Texas, in a separate letter dated December 18, 2002.

This report is intended solely for the information of management and the federal cognizant agency and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown + Hill L.L.P.

December 18, 2002



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the Honorable County Judge and
Commissioners' Court
Denton County, Texas

Compliance

We have audited the compliance of Denton County, Texas, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended September 30, 2002. Denton County, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Denton County, Texas' management. Our responsibility is to express an opinion on Denton County, Texas' compliance based on our audit.

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

In our opinion Denton County, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2002.

Internal Control Over Compliance

The management of Denton County, Texas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Denton County, Texas' internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and the appropriate federal and state agencies and is not intended to be and should not be used by anyone other than those specified parties.

Pattillo, Brown + Hill
L.L.P.

December 18, 2002

DENTON COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2002

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Reportable conditions	None
Material weaknesses involving reportable conditions	None
Noncompliance material to the financial statements	The audit disclosed no instances of noncompliance that are material to the financial statements.
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal and state awards as defined in section .510(a), OMB Circular A-133	None
Dollar threshold considered between Type A and Type B federal and state programs	\$300,000
Major federal programs	Title IV-E Administrative Costs Grant, CFDA 93.658 Program for Women, Infants and Children; Special Supplement Food, CFDA 10.557 State Criminal Alien Assistance Grant, CFDA 16.523
Major state programs	TJPC State Aid and Juvenile Community Corrections Post Adjudication Operational Funding
Low risk auditee statement	The County was classified as a low-risk auditee in the context of OMB Circular A-133.

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal and State Awards

None

DENTON COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT
FOR THE YEAR ENDED SEPTEMBER 30, 2002

None

