

DENTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

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

March 24, 2010

JAMES A. WELLS, C.P.A.

The Honorable District Judges of Denton County and
The Honorable Members of the Denton County Commissioners Court:

Chapter 114.025 and chapter 115.045 of the Local Government Code of the State of Texas require that Denton County publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Denton County for the fiscal year ended September 30, 2009.

This report consists of management's representations concerning the finances of Denton County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Denton County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Denton County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Denton County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Denton County's financial statements have been audited by Pattillo, Brown and Hill, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Denton County for the fiscal year ended September 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that

there was a reasonable basis for rendering an unqualified opinion that Denton County's financial statements for the fiscal year ended September 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Denton County was part of the broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Denton County's MD&A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of this report includes selected financial and demographic information on a multi-year basis.

PROFILE OF DENTON COUNTY

The County of Denton, established in 1846, is located in the north central part of the state, which is considered to be a top growth area in the state, and one of the top growth areas in the country. The County of Denton currently occupies a land area of 911 square miles and serves an estimated population of 636,557. The County of Denton is empowered to levy a property tax on both real and personal property located within its boundaries.

Policy-making authority is vested in the Commissioners Court, consisting of the County Judge and four County Commissioners. The Commissioners Court is responsible, among other things, for adopting the budget and for setting county policies.

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.

The annual budget serves as the foundation for Denton County's financial planning and control. All departments of the County are required to submit

budget requests to the budget officer during May each year. The budget officer uses these requests as the starting point for developing a proposed budget. The proposed budget is then presented to the Commissioners Court for review. The Commissioners Court is required to hold public hearings on the proposed budget. The County is required to adopt a final budget by first day of the new fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department. All transfers of appropriations, either between departments or within an individual department's budget, require the approval of the Commissioners Court. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Denton County operates.

Local economy. Denton County is located in the north central part of Texas. With nearly 637,000 citizens, it is the ninth most populous county in the state. Major cities in the County include Denton, the county seat, Lewisville, Flower Mound and Carrollton. Denton County's many advantages include climate, access to transportation centers, a young, skilled workforce, and its educational facilities.

Denton County continues to experience strong growth in population and in its economic base. The population has grown by almost 40% since the 2000 census and by nearly 120% since the 1990 census. During the same period, the County's tax base increased from \$10 billion in 1990 to nearly \$49 billion in 2009.

As with the nation as a whole, job cutbacks were felt in Denton County in both manufacturing and service industries. Our September, 2009, unemployment rate of 7.7% does compare favorably with the 8.2% statewide rate, and with the 9.8% national rate. During the 2009 year, the County had over \$1.7 billion in new property added to the tax rolls. This was a 23.5 decrease in new construction in the County compared to the previous year, but it was not as drastic a slowdown as expected. In 2009, over 3,849 new housing completions were recorded in the County. This represents a 1.7% growth in residences in one year.

The economic outlook for Denton County remains very positive for the near future. Major industrial investments in the past, which include Alliance Airport, a Wal-Mart distribution center, and the Texas World Speedway, continue to attract additional development in the County. Large housing developments that were begun several years ago including Robson Ranch, Savannah, Providence and Lantana, have been completed. These developments account for a major portion of the new housing starts in the County last year. New developments

such as Rayzor Ranch, the Hills of Denton, Hunter Ranch and Cole Ranch are expected to add over 28,000 new housing units in the next 20 years. There also have been major investments in the County by the healthcare profession with several major hospitals undergoing significant expansions. These expansions have in turn spurred additional investment in office buildings and other medical services. Also, corporate expansions by Fidelity Investments, TIAA-CREF and 21st Century Insurance Group have been announced. The retail industry continues to expand throughout Denton County as the population of the County continues to grow steadily. Denton County's two universities, the University of North Texas and Texas Woman's University, and North Central Texas College continue to turn out a large number of skilled graduates each year, and enrollment at these schools continues to increase significantly each year. This labor supply, combined with air, rail and highway transportation centers, adds assurance to the County's continued economic growth.

Long-term Financial Planning. Denton County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The General Fund Balance policy sets a minimum level for reserve funds in the General Fund at 15% of current budgeted expenditures. It also establishes guidelines for appropriate uses of excess reserves, and it sets out strategies for the County when compliance is not available. The Debt Management Policy establishes guidelines for debt issuance, debt levels, appropriate types of debt to issue, and debt repayment schedules. These policies have been adopted in the last five years, and the County has remained in compliance with them. To further strengthen our long-term financial planning, Denton County adopted its first formal Capital Improvements Plan in 2009.

Relevant Financial Policies. For the last three years, Denton County has adopted a formal capital improvement plan. The plan is formulated by a CIP committee comprised of appointees of the Commissioners Court. Input on needed capital improvement projects is solicited from all county officials and department heads, and the proposed projects are prioritized by the committee and presented to the Commissioners Court for approval. Approval of the plan influenced the County's decision to issue over \$104 million in permanent improvement bonds in 2009 and to begin the process of completing the projects identified for 2009.

Major Initiatives. Implementation of the facilities and transportation improvements identified in the Capital Improvement Plan was the major priority of County management in 2009. Using funding from the 2009 Permanent Improvement Bond issue, architects were hired to begin the process of planning and designing expansions of the county law enforcement center, the juvenile detention center, the County Administrative Complex and the Lewisville government centers. The projects, along with ongoing projects related to the courts building, the criminal justice computer system, and the initial phase of the

Administrative Complex, will all help to insure that the County's facilities remain up to date and sufficient for conducting county business.

A major portion of the funding from the 2009 PI Bonds was dedicated to transportation improvements. The County was very active in finalizing contracts with municipalities in the County and with the State of Texas to insure that needed improvements were begun. We also hired several engineering firms to plan and design projects where the funding contracts were already in place. Both the facilities and the transportation initiatives will carry forward into the 2010 fiscal year.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denton County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. This was the eighteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the County Auditor's office. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the County Treasurer, Budget Office, Purchasing Department and Human Resources Department for their support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



James A. Wells, CPA

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, 2008

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.



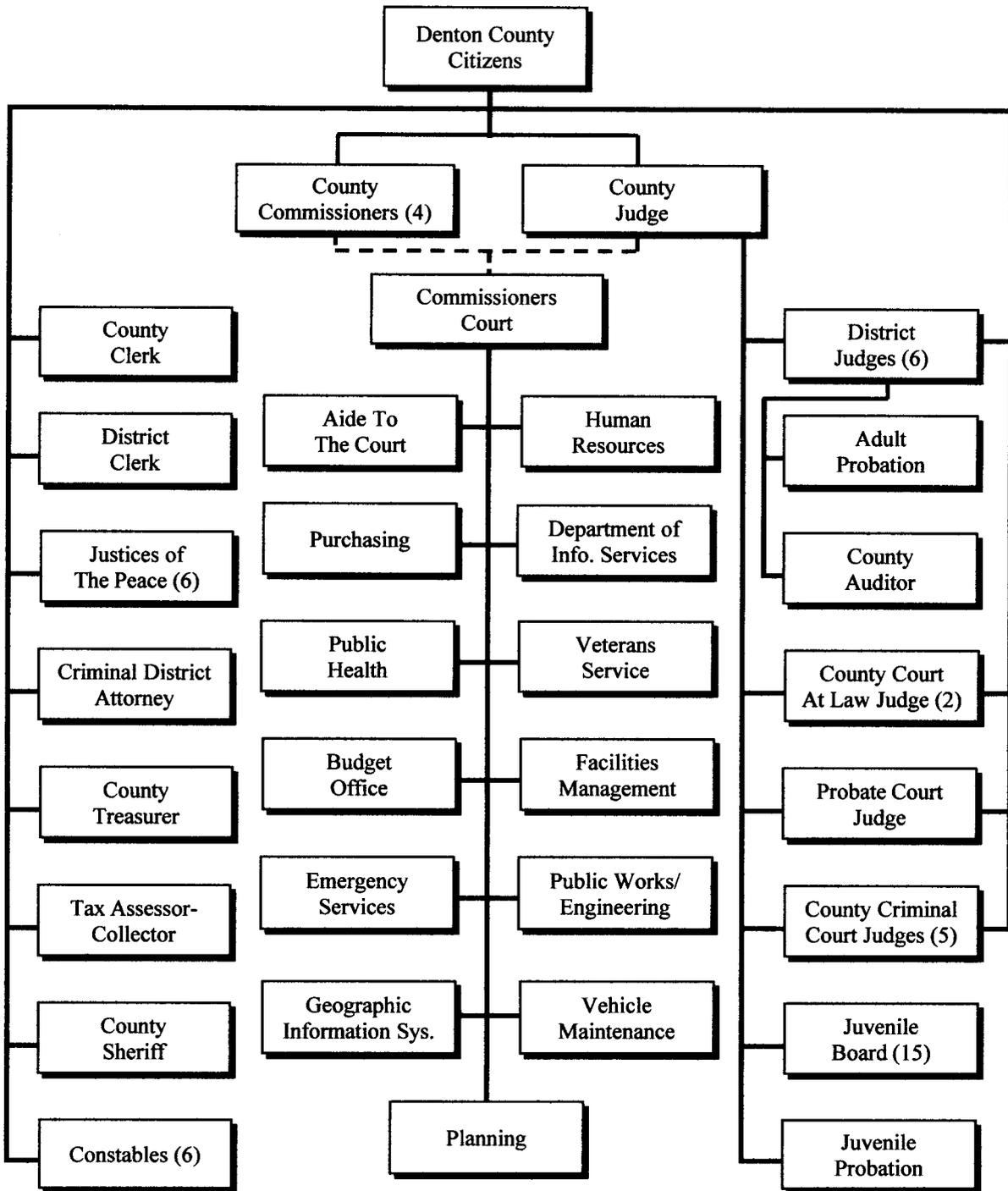
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Erwin".

Executive Director

DENTON COUNTY ORGANIZATIONAL CHART



DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2009

Commissioners Court

Mary Horn

Hugh Coleman

Ron Marchant

Bobbie J. Mitchell

Andy Eads

County Judge

Commissioner, Pct. 1

Commissioner, Pct. 2

Commissioner, Pct. 3

Commissioner, Pct. 4

Judicial

Carmen Rivera-Worley

Jake Collier

L. Dee Shipman

Bruce McFarling

Lee Gabriel

Doug Robison

Darlene Whitten

Margaret Barnes

Jim Crouch

Virgil Vahlenkamp

David Garcia

Joe Bridges

Richard Podgorski

Don Windle

Judge, 16th District Court

Judge, 158th District Court

Judge, 211th District Court

Judge, 362nd District Court

Judge, 367th District Court

Judge, 393rd District Court

Judge, County Court-at-Law 1

Judge, County Court-at-Law 2

Judge, County Criminal Court 1

Judge, County Criminal Court 2

Judge, County Criminal Court 3

Judge, County Criminal Court 4

Judge, County Criminal Court 5

Judge, Probate Court

Law Enforcement

Benny Parkey

Paul Johnson

Mitch Liles *

Peggy Fox *

County Sheriff

Criminal District Attorney

Community Supervision Director

Juvenile Probation Director

Financial Administration

James Wells *

Cindy Brown

Steve Mossman

Beth Fleming *

Donna Stewart *

County Auditor

County Treasurer

Tax Assessor-Collector

Director of Purchasing

Budget Officer

Recording Officials

Sherri Adelstein

Cynthia Mitchell

District Clerk

County Clerk

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Denton County, Texas, as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Denton County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Denton County, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denton County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State 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 Nonprofit Organizations*, and the State of Texas Uniform Grant Management Standards, and is also not a required part of the basic financial statements of Denton County, Texas. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pattillo, Brown & Hill, L.L.P.

March 15, 2010

Denton County, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Denton County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2009. The MD&A should be read in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Denton County's liabilities exceeded its assets, at the close of the most recent fiscal year by \$(56,314,458) (*net assets*). Of this amount \$184,385,235 is restricted for specific purposes. Unrestricted net assets are \$(240,699,693).
- As of the close of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$177,436,532, an increase of \$49,977,371 in comparison with the prior year. Of this total amount, \$44,758,229 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$27,920,689 or 25.3 percent of the total general fund expenditures.
- Denton County's total bonded debt increased by \$88,719,730 (31.1 percent) during the current fiscal year. Key factors in this increase included the issuance of \$104,275,000 in permanent improvement bonds for a building and transportation projects. Over \$15.5 million in previously issued debt was retired during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Denton County's finances, in a manner similar to a private-sector business. They present the financial picture of the County from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-

term debt). Additionally, certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activity, payables and receivables.

The statement of net assets presents information on all of Denton County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Denton County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Denton County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Denton County include general government, public safety, roads and bridges, public health and judicial.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Denton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Denton County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus for governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing

so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Denton County maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the 2008 Permanent Improvement Bond Fund, the 2007 Road Bond Fund, and the 2009 PI Bond Project Fund, all of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Denton County adopts an annual appropriated budget for the General Fund, the Debt Service Fund and for certain of the Special Revenue Funds. Budgetary comparison schedules have been provided for all budgeted funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-23 of this report.

Proprietary fund. Denton County maintains one type of proprietary fund. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among Denton County's various functions. Denton County uses an internal service fund to account for its self-insurance program for employee health and dental benefits. Because this program predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support Denton County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement can be found on page 27 of this report.

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

The notes to the financial statement can be found on pages 28-56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* such as the Debt Service Fund and the Special Revenue Fund budgetary schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Denton County, liabilities exceeded assets by \$(56,314,458) at the close of the most recent fiscal year.

The largest portion of Denton County's total assets represents cash and investments that are restricted to be use for capital improvements for the County. The County's investment in capital assets (e.g., land, buildings, machinery, and equipment) is more than offset by the related debt used to acquire those assets that is still outstanding. This results in a negative number for the County's net investment in capital assets. Although Denton County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Denton County Net Assets

The County's net assets for the fiscal years ended September 30, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 206,439,523	\$ 151,672,810
Capital assets (net of depreciation)	<u>145,943,271</u>	<u>130,199,326</u>
Total assets	<u>352,382,794</u>	<u>281,872,136</u>

Current and other liabilities	20,554,352	17,458,876
Long-term liabilities	388,142,901	295,342,764
Total Liabilities	<u>408,697,253</u>	<u>312,801,640</u>

Net assets:

Invested in capital assets, net of related debt	51,706,932	(24,508,897)
Restricted	132,678,303	81,521,678
Unrestricted	<u>(240,699,693)</u>	<u>(87,942,285)</u>
Total net assets	<u>\$ (56,314,458)</u>	<u>\$ (30,929,504)</u>

About 37.65% of Denton County's total assets represent resources that are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants and granting conditions. Also, in many instances, liabilities that have affected the County's net assets in a negative manner have financed non-County road projects and therefore have not resulted in a corresponding increase in County assets.

The County's net assets decreased by \$25,384,954 during the current fiscal year. Key components of this decrease include the following:

- Unrestricted net assets decreased by nearly \$152 million as a result of expenses financed by long-term debt proceeds for infrastructure improvements not owned by the County. Expenses from debt proceeds generally also increase county assets, but Denton County has voluntarily lent its support to improving state and city-owned roads and highways. Without these types of expenses, Denton County would have experienced an increase in net assets during 2009.
- An increase in net assets in the internal service fund of \$999,876 due to increased plan premiums and a smaller than expected increase in fund expenses.
- A reporting requirement for debt in government-wide statements is that the principal debt payments of \$15,555,270 are expenditures in the traditional fund statements and a reduction of debt (which increases net assets) in the government-wide financial statements.
- Investments increased by \$50.9 million primarily due to the receipt of the proceeds from the above mentioned issue of permanent improvement bonds. Long-term debt also increased by a similar amount due to the bond sale.

Governmental activities. Governmental activities, which are the County's only activities, decreased Denton County's net assets by \$25,384,954. Key elements of this decrease are as follows:

	<u>2009</u>	<u>2008</u>
Revenues:		
Net Program Revenues:		
Charges for services	\$ 27,375,270	\$ 25,753,576
Operating grants and contributions	26,939,977	24,213,178
Capital grants and contributions	2,603,865	1,659,011
General Revenues:		
Property taxes	126,731,978	116,604,155
Grants and contributions not restricted	-	-
Unrestricted investment earnings	1,187,458	5,629,066
Total revenues	<u>184,838,548</u>	<u>173,858,986</u>
Expenses:		
General government	25,423,663	21,886,488
Judicial	16,896,832	15,761,539
Legal	11,390,916	10,374,151
Financial management	5,870,757	5,455,359
Public Facilities	9,874,556	11,173,330
Public Safety	57,604,549	55,289,950
Health and welfare	9,047,425	8,780,134
Conservation	402,165	382,928
Contractual	2,919,721	2,889,226
Roads Maintenance	53,742,924	42,482,251
Interest on long-term debt	17,049,993	12,741,940
Total expenses	<u>210,223,502</u>	<u>187,217,297</u>
Changes in net assets	(25,384,954)	(13,358,311)
Net assets - beginning	<u>(30,929,504)</u>	<u>(17,571,193)</u>
Prior period adjustment	-	-
Net assets - ending	<u>\$ (56,314,458)</u>	<u>\$ (30,929,504)</u>

Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Property tax revenues increased by \$10,440,356 (8.95 %) during the year. This increase is the result of increases to the tax base that totaled \$5.0 billion and a tax rate increase of 3.46%. Taxes were increased to fund employee salary and benefit increases, increased maintenance of roads, and a small number of new employees.
- Investment earnings decreased by \$4,441,608 as a result of the lower interest rates established by the Federal Reserve during the year and due to lower investable balances in the Capital Projects Funds.
- Total expenses, other than those funded by long-term debt, increased by \$23.0 million during the year. This increase reflects a government-wide 4% increase in salary expenses, additional spending of over \$1 million (8.9%) for employee medical benefits, increased operating expenses for prisoner housing, and increased interest expense on long-term debt of \$830 thousand. Also, 2009 was the first year for Denton County to implement the provisions of GASB 45, and this resulted in additional recognition of expenses for other post-employment benefits that totaled \$3.7 million.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, Denton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general governmental functions are reported in the General, Special Revenue, Debt Service and Capital Projects funds. The focus of Denton County's governmental funds is to provide information on a near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Denton County's annual financing and budgeting requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$177,436,532, an increase of \$49,977,371 in comparison with the prior year. Approximately 25.2 percent of this total amount (\$44.75 million) constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$2,902,071), 2) to reflect inventories (\$148,828), and 3) to fund capital projects (\$129,627,404).

The general fund is the chief operating fund of Denton County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$27,920,689, while total fund balance reached \$28,069,517. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund

balance represents 25.27% of total general fund expenditures, and total fund balance also represents 25.40% of that same amount.

The fund balance of Denton County's general fund increased by \$34,823 during the current fiscal year. Key factors that enabled the County to maintain a stable level of fund balance are as follows:

- Total revenues for taxes, increased over prior year amounts by \$9.3 million. Taxes increased due to high collection rates and a tax rate increase. Fees, fines and miscellaneous revenues were unchanged as the demand for services and court convictions remained stable. Intergovernmental revenues increased by \$1.8 million due to the County receiving additional grant funded programs. As stated earlier, interest revenue decreased by over \$4.5 million due to the record low interest rates established by the Federal Reserve Bank.
- Expenditures in governmental funds increased by \$29.8 million (5.1%) over prior year totals. The primary areas of increased expenditures were in personnel related costs due wage increases and increased employee benefits, increased spending for the courts system due to a heavier caseload in both criminal and civil cases, and in prisoner housing due to increased numbers of defendants that were ordered held in the County's jails.
- Fund balances in capital projects funds increased since the County issued \$104.275 million of 2009 Permanent Improvement bonds during the year and expended only \$7.6 million of the proceeds by yearend. However, continued progress on numerous transportation projects necessitated expenditures of previously issued bond funds which caused the fund balance in the 2007 Road Bond Fund to decline by over \$38,000,000.

The debt service fund has a total fund balance of \$2,902,071, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was a planned addition in order to be able to service the additional debt that was issued in 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County budget is prepared in accordance with financial policies approved by the Commissioners Court, and in accordance with accounting principals generally accepted in the United States. The budget is prepared by the Budget Officer and approved by the Commissioners Court. The approved budget is used as a management control device during the year, and appropriations are set at the expenditure line item level. Budgetary transfers between departments must be approved by the Commissioners Court.

Differences between the original budget and the final amended budget were substantial (a \$7.8 million increase in appropriations), and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances (\$2.4 million), and,
- Appropriation of grant and contractual funds (\$3.0 million) received during the fiscal year.

During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates. Major variances include:

- Property tax revenue exceeded budget by 2.4% (\$1.9 million) due to higher than expected collection rates and to increased penalties and interest on collections of delinquent taxes.
- Licenses, Intergovernmental and Fees revenue were all under budgeted amounts due to lower than expected growth in vehicle sales, slower than expected implementation of grant programs, and fewer document filings by the public.
- Due to interest rates that were lowered throughout the year by the Federal Reserve Bank, investment income was under budget by 60.0%.
- Total general fund expenditures were 93.17% of the amended budget, and most functional areas of expenditures varied less than 5% from the amended budget. Major savings were realized in the Public Facilities and Public Safety areas of the budget. Salary, operational expenditures, and insurance savings offset increased expenditures for fuel, prisoner related, and workers compensation insurance. Certain public safety grant programs were amended fully into the budget but the grants were awarded too late in the fiscal year to fully implement the new programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Denton County's investment in capital assets for its governmental activities as of September 30, 2009 totals almost \$146,000,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, and bridges.

Major capital asset events during the current fiscal year included the following:

- The County issued \$104,275,000 in permanent improvement bonds for transportation projects, building construction, and major repairs and expansion of existing buildings.
- A variety of transportation construction projects were initiated or continued at a cost of \$44.5 million, financed by road bonds.
- A major repair project for the lower level of the courts building that was begun in 2007 was completed during the year. The project corrected structural problems with the lower level floor, and it was financed

partially by funds received from a lawsuit settlement and also from proceeds of the 2007 Tax Notes.

- A new project to add office space and courtrooms on the fourth floor of the Courts Building was begun. This project has an expected cost of \$3.2 million and is being funded by the 2008 Tax Note Fund.
- The County began the implementation of a master planning project for approximately 40 acres of land in eastern Denton that was acquired for \$3.9 million in 2006. The master plan calls for a campus with four separate county facilities that will be constructed in phases. Architectural planning for the first phase of construction was completed in 2008 and construction on the \$18.7 million building was begun in 2009. Construction is expected to be completed during the 2010 fiscal year.
- A formal capital improvements planning process for the County was continued by a county official committee chaired by the Budget Director. The first five-year plan was adopted by the Commissioners Court in the summer of 2007, and implementation continued in fiscal 2009. The plan is updated annually by the County.

Denton County's Capital Assets

Governmental Activities:	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Land	\$ 8,528,328	\$ -	\$ 8,528,328
Buildings and Improvements	100,431,871	24,451,901	75,979,970
Machinery & Equipment	32,662,775	20,892,633	11,770,142
Infrastructure	144,062,190	115,300,520	28,761,670
Construction in Progress	20,903,161	-	20,903,161
Total	<u>\$ 306,588,325</u>	<u>\$ 160,645,054</u>	<u>\$ 145,943,271</u>

Additional information of Denton County's capital assets can be found in note IV.C of this report.

Long-term debt. At the end of the current fiscal year, Denton County had total bonded debt outstanding of \$374,335,733. Article 3, Section 52e of the Texas Constitution establishes the County's outstanding debt limit at an amount no greater than 25% of its real property valuation.

Denton County's total bonded debt increased by \$88,719,730 (31.1 percent) during the current fiscal year. The key factor in this increase was the issuance of \$104,275,000 in permanent improvement bonds for building maintenance, building construction and transportation projects. This issuance offset the decrease in debt due to principal payments on existing debt of \$15,555,270 during the fiscal year.

Denton County's bond ratings were upgraded in 2009 from "AA+" to "AAA" by Standard & Poor's and in 2007 from "Aa2" to "Aa1" by Moody's for general obligation debt. Both ratings agencies cited the County's growing tax base, growing population, and strong financial management policies as rationale for their ratings upgrades.

Additional information on Denton County's long-term debt can be found in note IV-F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Denton County is currently 7.7 percent, which is a significant increase from a rate of 4.4 percent a year ago. The County's rate does compares favorably to the state's average unemployment rate of 8.2 percent and the national average rate of 9.8 percent.
- New construction and improvements to the County's tax rolls and a 3.16 percent tax increase provided an additional \$9.1 million in property tax revenues for 2010.
- Due to the uncertain national economy and its effects on the County's financial outlook, no salary increases were approved for county employees in the budget for the 2010 fiscal year.
- Increased costs for health and dental care continued to ease somewhat in 2009. Because of this, the increase in the County's funding to the employee benefit plan for 2010 was only \$660,000 (\$42 per employee per month). This is the lowest increase in budgeted health insurance in over 5 years.
- A significant expenditure increase for debt service was included in the 2010 budget. Funding was also approved for 19 new employees. The majority of the new hires was for increased capacity in the detention center and expanded services in the Sheriff's communications department.
- The County's tax base increased by \$800 million for 2010. This increase was the result of over \$1.7 billion in new property being added to the tax roll which offset decreases in the valuations of certain classes of existing property.

All of these factors were considered in preparing Denton County's budget for the 2010 fiscal year.

At the end of the current fiscal year, fund balances in the governmental funds totaled \$177.4 million. Denton County has appropriated \$11 million of this amount for spending in the 2010 fiscal year budget. \$2 million of that total represents funds transferred from the General Fund to the Capital Replacement Fund for one-time major capital expenditures. This is a

decision of County management to fund certain capital expenditures from reserve funds and to forego issuing debt for them. It is expected that conservative revenue budgets and the historical spending of less than 100% of budgeted expenditures will serve to make the actual decrease in fund balance far less than budgeted.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Denton County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 401 W. Hickory, Suite 423, Denton, Texas, 76201.

BASIC FINANCIAL STATEMENTS

Denton County, Texas
STATEMENT OF NET ASSETS

September 30, 2009

Governmental
Activities

ASSETS

Cash	\$	4,257,649
Investments		188,972,451
Receivables:		
Taxes		3,339,718
Accrued Interest		145,456
Other Receivables		84,602
Fines Receivable		8,472,318
Less Allowance for Uncollectables		(2,323,339)
Due from Other Governments		1,161,183
Inventories		148,828
Deferred Charges		432,814
Bond Discount		1,747,844
Capital Assets:		
Land		8,528,328
Buildings		100,431,871
Depreciation on Buildings		(24,451,901)
Equipment		32,662,775
Depreciation on Equipment		(20,892,633)
Infrastructure		144,062,190
Depreciation on Infrastructure		(115,300,520)
Construction in Progress		20,903,161
TOTAL ASSETS		<u>352,382,794</u>

LIABILITIES

Accounts Payable		9,356,988
Wages Payable		3,887,305
Interest Payable		4,182,118
Due to Other Governments		1,205,889
Unearned Revenue		1,922,052
Non Current Liabilities:		
Due within One Year		18,883,290
Due in More than One Year		369,259,611
TOTAL LIABILITIES		<u>408,697,253</u>

NET ASSETS

Investments In Capital Assets, Net of Related Debt		51,706,932
Restricted for Debt Service		2,902,071
Restricted for Capital Projects		129,627,404
Restricted for Other Purposes		148,828
Unrestricted		(240,699,693)
Total Net Assets	\$	<u>(56,314,458)</u>

See the notes to the financial statement.

Denton County, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ 25,423,663	\$ 12,486,126	\$ 7,261,648	\$ 43,220
Judicial	\$ 16,896,832	8,412,057	1,226,184	(5,632,669)
Legal	\$ 11,390,916	214,541	357,007	(7,258,591)
Financial	\$ 5,870,757	2,651,479		(10,819,368)
Public Facilities	\$ 9,874,556			(3,219,278)
Public Safety	\$ 57,604,549	2,856,124	4,486,562	(9,874,556)
Health & Welfare	\$ 9,047,425	545,316	4,221,448	(50,206,355)
Conservation	\$ 402,165		772,070	(4,280,661)
Contractual	\$ 2,919,721			(402,165)
Road Maintenance	\$ 53,742,924	209,627	8,615,058	(2,147,651)
			2,505,137	(42,413,102)
Interest on Long-Term Debt	17,049,993	-	-	(17,049,993)
Total	\$ 210,223,502	\$ 27,375,270	\$ 26,939,977	\$ 2,603,865
General Revenues:				
Property Taxes				126,731,978
Grants and Contributions not restricted to Specific Programs				-
Investment Earnings				1,187,458
Total General Revenues				127,919,436
Change in Net Assets				(25,384,954)
Net Assets - Beginning				(30,929,504)
Prior Period Adjustment				-
Net Assets - Ending				\$ (56,314,458)

See the notes to the financial statements.

Denton County, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

ASSETS	General Fund	Debt Service	2008 PI Bond Project Fund	2007 Road Bond Project Fund	2009 PI Bond Project Fund	Total	
						Nonmajor Governmental	Governmental
Cash	\$ 833,472	\$ 56,237	\$ -	\$ 186,827	\$ -	\$ 1,595,770	\$ 2,674,306
Investments	33,836,319	3,138,688	11,160,366	102,044	104,168,266	36,566,767	188,972,451
Receivables:							
Taxes	2,246,839	722,395	-	-	-	370,484	3,339,718
Accrued Interest	118,257	-	-	-	-	27,199	145,456
Other Receivables	65,757	-	-	-	5,750	13,096	84,602
Due from Other Funds	407,157	12,921	-	4,300,000	-	194,843	4,914,920
Due from Other Governments	517,402	-	-	-	-	643,781	1,161,183
Inventories	148,828	-	-	-	-	-	148,828
TOTAL ASSETS	\$ 38,174,030	\$ 3,932,240	\$ 11,160,366	\$ 4,588,871	\$ 104,174,016	\$ 39,411,940	\$ 201,441,464
LIABILITIES AND FUND EQUITY							
Accounts Payable	2,369,423	-	1,557,166	706,008	1,583,748	2,424,008	8,640,353
Wages Payable	3,138,243	-	-	-	-	749,062	3,887,305
Interest Payable	-	116,942	-	-	-	-	116,942
Due to Other Funds	35,004	68,549	59,201	-	4,300,000	451,193	4,913,947
Due to Other Governments	1,206,612	-	-	-	-	250	1,206,862
Other Payables	-	-	-	-	-	-	-
Deferred Revenues	3,355,231	844,679	-	-	-	1,039,613	5,239,523
TOTAL LIABILITIES	10,104,513	1,030,169	1,616,367	706,008	5,883,748	4,664,126	24,004,932
EQUITY							
Fund Balances:							
Reserved for Inventories	148,828	-	-	-	-	-	148,828
Reserved for Debt Service	-	2,902,071	-	-	-	-	2,902,071
Reserved for Capital Exp	-	-	9,543,999	3,882,864	98,290,268	17,910,274	129,627,404
Unreserved, Reported In:							
General Fund	27,920,689	-	-	-	-	-	27,920,689
Special Revenue Funds	-	-	-	-	-	16,837,540	16,837,540
TOTAL FUND EQUITY	28,069,517	2,902,071	9,543,999	3,882,864	98,290,268	34,747,814	177,436,532
TOTAL LIABILITIES, EQUITY	\$ 38,174,030	\$ 3,932,240	\$ 11,160,366	\$ 4,588,871	\$ 104,174,016	\$ 39,411,940	\$ 201,441,464

Amounts reported for governmental activities in the statement of net assets are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds
- Internal service funds are used by management to charge costs related to the trust.
- The assets and liabilities of the internal service funds are included in governmental activities in the statement of net activities.
- Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not reported in the funds.
- Net assets of governmental activities

See the notes to the financial statements.

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

REVENUES	General Fund	Debt Service	2008		2009		Nonmajor Governmental	Total Governmental Funds
			PI Bond Project Fund	2007 Road Bond Project Fund	PI Bond Project Fund	2009 PI Bond Project Fund		
Taxes	\$ 84,281,295	\$ 27,626,005	\$ -	\$ -	\$ -	\$ -	\$ 14,187,505	\$ 126,074,805
Licenses and Permits	1,292,543	-	-	-	-	-	6,941,012	8,233,555
Intergovernmental	9,604,543	-	-	1,337,562	-	-	8,112,740	19,054,848
Fees of Office	11,613,903	-	-	-	-	-	2,579,555	14,193,459
Fines	4,055,003	-	-	-	-	-	-	4,055,003
Interest	369,202	64,505	98,567	251,753	98,288	305,144	677,312	1,187,458
Miscellaneous	2,398,170	-	-	-	-	-	-	3,075,482
TOTAL REVENUES	113,614,658	27,690,511	98,567	1,589,315	98,288	32,783,270	\$ 175,874,608	
EXPENDITURES								
Current:								
General Government	19,645,917	-	-	-	-	1,189,518	20,835,435	
Judicial	15,432,620	-	-	-	-	1,124,350	16,556,969	
Legal	10,879,178	-	-	-	-	139,877	11,019,055	
Financial	5,621,764	-	-	-	-	13,973	5,635,737	
Public Facilities	7,966,051	-	-	-	-	-	7,966,051	
Public Safety	47,388,122	-	-	-	-	10,116,293	57,504,414	
Health and Welfare	246,891	-	-	-	-	8,732,872	8,979,763	
Conservation	383,833	-	-	-	-	-	383,833	
Contract Services	2,919,721	-	-	-	-	-	2,919,721	
Roads	-	-	-	-	-	-	-	
Intergovernmental:	-	-	-	-	-	12,062,578	12,062,578	
Capital Outlay	-	-	-	-	-	92,579	92,579	
Debt Service:	-	15,555,270	-	-	-	-	-	15,555,270
Principal Retirement	-	13,302,822	-	-	-	-	-	14,851,837
Interest & Service Charges	-	-	6,508,959	37,872,773	6,053,553	6,493,257	56,928,543	
TOTAL EXPENDITURES	110,484,096	28,858,092	6,508,959	37,872,773	7,602,599	39,965,296	231,291,786	
Excess (Deficiency) of Revenues Over Expenditures	3,130,562	(1,167,581)	(6,410,393)	(36,283,459)	(7,504,281)	(7,182,027)	(55,417,178)	
Other Financing Sources (Uses):								
Issuance of Debt	-	-	-	-	104,275,000	-	-	104,275,000
Bond Premium	-	-	-	-	1,519,549	-	-	1,519,549
Sale of Surplus Property	-	-	-	-	-	-	-	-
Capital Lease Financing	-	-	-	-	-	-	-	-
Transfers In	369,261	2,012,921	-	-	-	3,065,000	-	5,447,182
Transfers Out	(3,465,000)	-	-	(2,000,000)	-	(382,182)	-	(5,847,182)
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Refunding Bond Discount	-	-	-	-	-	-	-	-
Payments to Escrow Agent	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,095,739)	2,012,921	-	(2,000,000)	105,794,549	2,682,818	105,394,549	
NET CHANGE IN FUND BALANCES	34,823	845,340	(6,410,393)	(38,283,459)	98,290,288	(4,499,208)	49,977,371	
FUND BALANCE - BEGINNING	28,034,694	2,056,731	15,954,392	42,166,322	-	39,247,022	127,459,161	
FUND BALANCE - ENDING	\$ 28,069,517	\$ 2,902,071	\$ 9,543,999	\$ 3,882,864	\$ 98,290,288	\$ 34,747,814	\$ 177,436,532	

See the notes to the financial statements.

Denton County, Texas

**RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2009

Amounts reported for governmental activities in the statement of activities (p. 16)
are different because:

Net change in fund balances - total governmental funds (p. 18) \$ 49,977,371

Governmental funds report all capital outlays as expenditures. However, in
the statement of activities the cost of some of the assets is allocated over
their estimated useful lives and reported as depreciation expense.
This is the amount by which capital outlays for County owned assets
were more than depreciation in the current period. 13,301,344

The net effect of various miscellaneous transactions (deletions) involving
capital assets. (62,536)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds. 3,861,627

Some expenses reported in statement of activities are not fund expenditures
(e.g. compensated absences and other post-employment benefits which
are liabilities not normally liquidated with current financial resources). (3,337,044)

The issuance of long-term debt (e.g., bonds, leases) provides current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net assets. This
amount is the net effect of these differences in the treatment of
of long-term debt and related items. (90,125,592)

Internal service funds are used by management to charge the costs to account
for group medical self-insurance and flexible spending accounts of
employees. The net revenue/(loss) is reported with governmental
activities. 999,876

Change in net assets of governmental activities (p. 16) \$ (25,384,954)

See the notes to the financial statements.

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended September 30, 2009

	Budget Amounts		Actual	Variance
	Original	Revised		Positive(Negative) With Final Budget
REVENUES				
TAXES	\$ 82,297,739	\$ 82,297,739	\$ 84,281,295	\$ 1,983,556
LICENSES AND PERMITS	1,560,000	1,560,000	1,292,543	(267,457)
INTERGOVERNMENTAL	5,007,706	11,242,804	9,604,543	(1,638,261)
FEES OF OFFICE	12,376,500	12,376,500	11,613,903	(762,597)
FINES	4,325,000	4,325,000	4,055,003	(269,997)
INTEREST	1,375,000	1,375,000	369,202	(1,005,798)
MISCELLANEOUS	1,638,070	2,158,738	2,398,170	239,432
TOTAL REVENUES	108,580,015	115,335,781	113,614,658	(1,721,123)

EXPENDITURES

GENERAL GOVERNMENT

COMMISSIONERS COURT	122,277	122,672	112,953	9,719
COMMISSIONER, PRECINCT #1	206,917	206,917	184,941	21,976
COMMISSIONER, PRECINCT #2	206,594	206,594	202,109	4,485
COMMISSIONER, PRECINCT #3	212,879	212,879	211,870	1,009
COMMISSIONER, PRECINCT #4	202,539	202,539	198,786	3,753
COUNTY JUDGE	309,824	343,341	339,230	4,111
BAIL BOND BOARD	3,168	3,168	1,386	1,782
COUNTY CLERK	3,640,171	3,640,774	3,465,979	174,795
HUMAN RESOURCES	879,829	884,799	859,036	25,763
PURCHASING DEPARTMENT	822,730	823,194	817,810	5,384
VEHICLE MAINTENANCE DEPARTMENT	423,808	433,778	362,329	71,449
NON-DEPARTMENTAL	5,656,942	8,584,376	5,336,853	3,247,523
FINANCIAL INFORMATION SYSTEMS	77,100	77,100	67,678	9,422
INFORMATION SERVICES	1,823,335	1,819,091	1,806,319	12,772
PRINT/MAIL DEPARTMENT	433,694	450,074	461,724	(11,650)
PUBLIC WKS/GEOGRAPHIC INFO SYS	312,405	314,121	299,902	14,219
DEPT OF PUBLIC WORKS/PLANNING	498,922	500,981	444,758	56,223
CHOS/BAYLESS-SELBY MUSEUM 2009	99,300	99,300	53,446	45,854
COURTHOUSE MUSEUM	314,931	333,553	314,252	19,301
HISTORICAL COMMISSION	72,102	72,337	64,192	8,145
RECORDS MANAGEMENT DEPARTMENT	432,567	432,712	395,599	37,113
CHOS/BAYLESS SELBY GRANT 2008	26,640	25,593	28,271	(2,678)
VETERANS SERVICE OFFICE	337,882	337,882	337,009	873
ELECTIONS ADMINISTRATION DEPT	1,209,042	1,355,381	1,264,725	90,656
CIVIL SERVICE COMMISSION	6,075	6,075	580	5,495
COUNTY WIDE TECHNOLOGY	2,019,158	2,152,551	2,014,180	138,371
Total General Government	20,350,831	23,641,782	19,645,917	3,995,865

JUDICIAL

JUDICIARY AND COURT SUPPORT	346,856	356,456	354,271	2,185
16TH DISTRICT COURT	646,726	672,026	706,434	(34,408)
158TH DISTRICT COURT	654,217	679,217	697,432	(18,215)
211TH DISTRICT COURT	655,526	689,634	707,400	(17,766)
362ND DISTRICT COURT	654,237	724,542	738,185	(13,643)
367TH DISTRICT COURT	656,796	657,435	682,670	(25,235)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
For the Year Ended September 30, 2009

	Budget Amounts			Variance
	Original	Revised	Actual	Positive(Negative) With Final Budget
393RD DISTRICT CT - FAMILY LAW	387,729	388,391	310,513	77,878
COUNTY COURT AT LAW NO. 1	598,643	627,714	626,746	968
COUNTY CRIMINAL COURT #2	595,934	596,857	588,686	8,171
COUNTY COURT AT LAW #2 / CIVIL	368,325	368,325	367,660	665
PROBATE COURT	1,512,169	1,512,169	1,506,977	5,192
COUNTY CRIMINAL COURT #1	588,703	628,539	608,388	20,151
COUNTY CRIMINAL COURT #3	587,821	588,112	568,646	19,466
COUNTY CRIMINAL COURT #4	580,180	610,519	593,828	16,691
COUNTY CRIMINAL COURT #5	600,070	610,161	592,664	17,497
DISTRICT CLERK	1,406,239	1,415,734	1,386,638	29,096
COUNTY COURT ADMINISTRATOR	85,987	87,241	85,964	1,277
JUSTICE OF THE PEACE, PCT 1	486,255	488,413	463,968	24,445
JUSTICE OF THE PEACE, PCT 2	306,092	313,328	300,170	13,158
JUSTICE OF THE PEACE, PCT 3	355,848	357,112	354,523	2,589
JUSTICE OF THE PEACE, PCT 4	307,194	309,492	306,562	2,930
JUSTICE OF THE PEACE, PCT 5	498,395	498,395	463,740	34,655
JUSTICE OF THE PEACE, PCT 6	340,737	341,350	338,032	3,318
JUVENILE CASE MANAGER	59,779	59,828	51,860	7,968
DISTRICT COURT ADMINISTRATOR	168,140	167,920	167,601	319
JURY AND GRAND JURY	173,741	175,550	170,965	4,585
JUSTICE INFORMATION SYSTEM	783,668	661,599	623,887	37,712
DEATH INVESTIGATIONS/MED EXMNR	762,962	770,784	777,333	(6,549)
COLLECTIONS DEPARTMENT	304,821	301,591	290,877	10,714
Total Judicial	15,473,790	15,658,434	15,432,620	225,814
LEGAL				
CRIMINAL DISTRICT ATTORNEY	8,531,624	8,589,604	8,559,452	30,152
CRIMINAL DA - CPS DIVISION	604,494	606,284	592,929	13,355
PROSECUTION ENHANCEMENT GRANT	-	195,751	184,427	11,324
CRIMINAL DA - CIVIL DIVISION	1,390,779	1,378,066	1,343,235	34,831
JUV CHILD ABUSE PROS GRANT	-	-	-	-
FAMILY VIOLENCE EXPANSION GRT	-	210,885	199,135	11,750
Total Legal	10,526,897	10,980,590	10,879,178	101,412
FINANCIAL				
COUNTY AUDITOR	1,093,428	1,093,812	1,082,907	10,905
COUNTY TREASURER	485,405	485,770	480,690	5,080
TAX ASSESSOR-COLLECTOR	3,756,756	3,752,354	3,528,992	223,362
BUDGET DIRECTOR	550,317	550,317	529,176	21,141
Total Financial	5,885,906	5,882,253	5,621,764	260,489
PUBLIC FACILITIES				
CARROLL BLDG-CO ADMINISTRATION	284,728	784,036	814,516	(30,480)
DENTON COUNTY COURTS BUILDING	642,378	622,897	475,994	146,903
PRINT/MAIL FACILITY	11,106	15,186	15,181	5
COURTHOUSE ON THE SQUARE	198,437	197,088	134,564	62,524

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
For the Year Ended September 30, 2009

	Budget Amounts			Variance
	Original	Revised	Actual	Positive(Negative) With Final Budget
EMERGENCY MANAGEMENT FACILITY	85,006	98,054	94,882	3,172
DENTON COUNTY STORAGE BUILDING	15,450	18,450	9,803	8,647
HISTORICAL PARK FACILITIES	44,807	44,957	14,561	30,396
COURTHOUSE ANNEX	53,202	52,634	44,229	8,405
MARY & JIM HORN GOVT CENTER	121,653	141,472	99,082	42,390
LEE WALKER GOVERNMENT CENTER	72,358	72,704	63,946	8,758
JONES STREET BLDG-LEWISVILLE	-	-	(85)	85
PCT. 4 GOVERNMENT CENTER	-	-	-	-
CPS-LEWISVILLE	62,499	58,451	54,999	3,452
ELECTIONS STORAGE BUILDING	13,500	22,300	17,993	4,307
SANDY JACOBS GOVERNMENT CENTER	78,400	75,951	60,402	15,549
STEVEN E COPELAND GOVT CENTER	187,164	157,205	76,879	80,326
THE COLONY ANNEX	86,767	65,996	58,346	7,650
SANGER ANNEX	21,651	21,156	18,187	2,969
DENTON CO GOVT CENTER - DENTON	142,530	141,875	98,202	43,673
CHARLIE COLE BUILDING	312,422	346,608	308,480	38,128
LAW ENFORCEMENT FACILITY	2,565,868	2,499,842	2,390,437	109,405
EAST OAK STREET FACILITIES	16,756	13,050	10,641	2,409
FACILITIES MANAGEMENT	2,044,763	2,151,736	1,918,248	233,488
COUNTY LEASED BUILDINGS	276,476	260,251	234,992	25,259
VEHICLE MAINTENANCE FACILITY	41,715	42,219	36,567	5,652
OPERATIONS-RECYCLING DEPT	64,269	64,312	60,980	3,332
TELEPHONE DEPARTMENT	867,859	872,687	854,024	18,663
Total Public Facilities	8,311,764	8,841,117	7,966,051	875,066

PUBLIC SAFETY

COUNTY JAIL	21,630,840	21,643,039	21,544,010	99,029
JAIL HEALTH DEPARTMENT	3,098,121	3,095,491	2,796,105	299,386
SHERIFF'S COMMUNICATIONS DVSN	1,829,409	1,852,513	1,845,595	6,918
SHERIFF	12,503,752	12,848,229	12,520,490	327,739
DISD SCHOOL RESOURCE OFFICER	-	85,218	62,917	22,301
SHERIFF'S MENTAL HEALTH UNIT	745,764	744,939	703,541	41,398
SHERIFF'S RESERVE UNIT	53,902	57,582	32,241	25,341
VEHICLE EMISSIONS ENF GRANT	-	427,275	285,358	141,917
SCHOOL RESOURCE OFFICER	-	75,156	73,480	1,676
COPPER CANYON INTERLOCAL CNTRT	-	159,099	140,393	18,706
CSCD (GENERAL FUND)	189,876	191,547	179,784	11,763
PRE-TRIAL RELEASE PROGRAM	-	-	225	(225)
JUVENILE ACCOUNTABILITY GRANT	70,126	70,126	67,353	2,773
DENTON CO FRESHWATER CONTRACT	-	161,755	145,352	16,403
CONSTABLE, PCT. 1	731,055	745,039	698,825	46,214
CONSTABLE, PCT. 2	689,702	692,509	677,554	14,955
CONSTABLE, PCT. 3	625,345	632,396	621,536	10,860
CONSTABLE, PCT. 4	628,434	633,569	623,030	10,539
CONSTABLE, PCT. 5	562,716	573,237	557,260	15,977
CONSTABLE, PCT. 6	555,641	586,086	566,252	19,834
NORTHWEST ISD ASAP OFFICER	-	79,246	63,438	15,808
FIRE AND AMBULANCE SERVICES	2,045,275	2,054,171	1,906,038	148,133
NWISD ASAP	-	68,987	7,202	61,785
DEPARTMENT OF PUBLIC SAFETY	171,696	171,696	167,508	4,188

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
For the Year Ended September 30, 2009

	Budget Amounts		Actual	Variance
	Original	Revised		Positive(Negative) With Final Budget
ALCOHOLIC BEVERAGE COMMISSION	3,530	3,530	3,111	419
2007 HOMELAND SECURITY GRANT	-	614,262	74,193	540,069
2008 HOMELAND SECURITY GRANT	-	523,778	-	523,778
GAME WARDEN	12,725	12,725	10,678	2,047
DEPT OF EMERGENCY SERVICES	943,721	967,742	910,334	57,408
2006 HOMELAND SECURITY GRANT	-	105,450	104,321	1,129
Total Public Safety	47,091,630	49,876,392	47,388,122	2,488,271
HEALTH & WELFARE				
CHILD PROTECTIVE SERVICES	262,669	264,565	246,891	17,674
Total Health & Welfare	262,669	264,565	246,891	17,674
CONSERVATION				
COUNTY EXTENSION	434,800	434,870	383,833	51,037
Total Conservation	434,800	434,870	383,833	51,037
INTERGOVERNMENTAL				
CONTRACT SERVICES	3,058,874	3,058,874	2,919,721	139,153
Total Intergovernmental	3,058,874	3,058,874	2,919,721	139,153
TOTAL EXPENDITURES	111,397,161	118,638,877	110,484,096	8,154,781
Excess of Revenues over Expenditures	(2,817,146)	(3,303,096)	3,130,562	6,433,658
Other Financing Sources and Uses:				
Transfers In	56,500	369,261	369,261	-
Transfers Out	(3,045,000)	(3,465,000)	(3,465,000)	-
Total Other Financing Sources and Uses	(2,988,500)	(3,095,739)	(3,095,739)	-
Net Change in Fund Balances	(5,805,646)	(6,398,835)	34,823	6,433,658
Fund Balances - Beginning	28,034,694	28,034,694	28,034,694	-
Fund Balances - Ending	\$ 22,229,048	\$ 21,635,859	\$ 28,069,517	\$ 6,433,658

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2009

Governmental
Activities Internal
Service Fund

ASSETS

Current Assets:

Cash	\$ 1,583,343
Investments	-
Accrued Interest	-
Other Assets	-
Due from Other Funds	-
Due from Other Governments	-
TOTAL ASSETS	<u>\$ 1,583,343</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 716,635
Due to Other Funds	-
Due to Other Governments	-
TOTAL LIABILITIES	<u>716,635</u>

NET ASSETS

Unrestricted	<u>866,708</u>
TOTAL NET ASSETS	<u>866,708</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF REVENUES, EXPENSES
AND CHANGES FUND NET ASSETS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2009

Governmental
Activities Internal
Service Fund

OPERATING REVENUES

Charges for Services	\$ 17,699,351
Other Revenue	<u>828,431</u>

TOTAL OPERATING REVENUES	<u>18,527,782</u>
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OPERATING EXPENSES

Incurred Claims	8,764,402
Estimated Claims	716,635
Administrative Expenses	8,101,996
Reinsurance Premiums	<u>348,509</u>

TOTAL OPERATING EXPENSES	<u>17,931,542</u>
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OPERATING INCOME (LOSS)	<u>596,240</u>
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NONOPERATING REVENUES(EXPENSES)

Interest Revenue	<u>3,636</u>
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INCOME BEFORE TRANSFERS	<u>599,876</u>
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Transfers From Other Funds	<u>400,000</u>
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CHANGES IN NET ASSETS	<u>999,876</u>
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TOTAL NET ASSETS - BEGINNING	<u>(133,168)</u>
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TOTAL NET ASSETS - ENDING	<u><u>\$ 866,708</u></u>
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See the notes to the financial statements.

Denton County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2009

**Governmental
Activities Internal
Service Fund**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for Services	\$ 17,699,351
Receipts from Reinsurance and Refunds	828,431
Payments for Claims	(9,452,546)
Payments for Administrative Services	(8,101,996)
Payments for Reinsurance	(348,509)
Net Cash Provided by Operating Activities	<u>624,731</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Transfer of Funds	400,000
Repayment of Interfund Loans	-
Net Cash Provided by Noncapital Financing Activities	<u>400,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Revenue	<u>3,636</u>
Net Cash Provided by Investing Activities	<u>3,636</u>

Net Increase (Decrease) in Cash 1,028,367

Cash, Beginning of Year 554,976
Cash, End of Year \$ 1,583,343

**Reconciliation of Operating Income
Net Cash Provided (Used) by Operations**

Operating Income	<u>\$ 596,240</u>
(Increase) Decrease in Other Assets	-
Increase (Decrease) in Accounts Payable	<u>28,491</u>
Total Adjustments	<u>28,491</u>
Net Cash Provided (Used) by Operations	<u>\$ 624,731</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
September 30, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 10,564,723
Investments	12,900,778
Accrued Interest	4,932
Other Assets	-
Due from Other Funds	119
Due from Other Govts	-
	<hr/>
TOTAL ASSETS	<u><u>\$ 23,470,551</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 53,697
Wages Payable	184,569
Due to Other Funds	1,093
Due to Other Governments	13,281,099
Due to Beneficiaries	9,950,093
	<hr/>
TOTAL LIABILITIES	<u>23,470,551</u>
NET ASSETS	<u>\$ -</u>

See the notes to the financial statements.

Denton County, Texas

Notes to the Financial Statements September 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Denton County is a political subdivision of the State of Texas. The Commissioners Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The accompanying financial statements present the County and all activities for which the County is considered to be financially accountable. Generally accepted accounting principles require all funds 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements, but interfund services provided and used are not eliminated in the process of consolidating the County's financial activities. Denton County reports only *governmental activities* which are primarily supported by taxes, charges for services, and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate fund financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds, even though the latter are excluded from the government-wide financial statement. The General Fund, the Debt Service Fund, the 2008 Permanent Improvement Bond Fund, the 2007 Road Bond Fund, and the 2009 Permanent Improvement Bond Fund are the County's major individual governmental funds, and they are reported in separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, And Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the end of the fiscal yearend. Expenditures generally are recorded when a liability is incurred, as in under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to as susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Denton County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include property taxes, fees for services, intergovernmental revenues and interest earnings. Primary expenditures are for general administration, judicial, legal, public facilities, public safety, and public health.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *2008 Permanent Improvement Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for construction of the first phase of an administrative complex located on land owned by the County in the City of Denton.

The *2007 Road Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for various transportation improvement projects throughout the County.

The *2009 Permanent Improvement Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for County building construction and renovation to implement our capital improvement plan, and various transportation improvement projects throughout the County.

Nonmajor funds include Special Revenue funds and Capital Project Funds.

Additionally, the government reports the following fund types:

The proprietary fund is an *internal service fund* that is used to account for the County's group medical self-insurance program. The measurement focus of the internal service fund is upon the determination of net income, financial position and cash flows. Revenues are derived from County contributions, employee and retiree/COBRA premiums, investment of idle funds and stop-loss reinsurance collections. Expenses are for claims and plan administration.

The proprietary fund is accounted for using the accrual basis of accounting.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Examples of these resources include fees of the State of Texas collected for and remitted to the State and funds paid into the courts and held pending final case disposition. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Denton County's own programs. All of the County's fiduciary funds are agency funds. Agency funds are accounted for using the accrual basis of accounting.

Since Denton County reports neither enterprise funds nor business-type activities, there is no necessity for management to apply private-sector accounting standards in preparing the County's annual financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment earnings.

The proprietary fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements, and the money market mutual funds, direct obligation of the State of Texas and local government investment pools.

Investments for the County are reported at fair value in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of activity or statement of revenues, expenditures and changes in fund balance.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied based on taxable value at the prior January 1 and become due on October 1 and past due on February 1. Accordingly, receivables and revenues for property taxes are reflected in the government-wide statements based on the full accrual method of accounting.

Receivables from other governments include amounts due from grantor agencies and other statutorily required payments. Program grants are recorded as receivables and revenues at the same time all eligibility requirements established by the provider have been met.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and bridges), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	20
Heavy Trucks	10
General Equipment	7
Cars	5
Computer Hardware	5

5. 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 of employment. 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 probably 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 will be compensated with cash payments at termination. The amount expected to be paid from current resources is not significant.

All vacation pay and compensatory time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligation are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Fund reservations include encumbrances, capital projects, debt service and inventories.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the (\$392,208,077) difference are as follows:

Bonds Payable	(\$374,335,734)
Capital Leases Payable	(1,578,260)
Unamortized Bond Premium	(2,766,561)
Interest Payable Accrued	(4,065,175)
Other Post-Employment Benefits	(3,737,032)
Compensated Absences	<u>(5,725,315)</u>
Net adjustment to reduce fund balance to arrive at net assets	<u>(\$392,208,077)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$13,301,344 difference are as follows:

Capital Outlay	\$23,511,820
Depreciation Expense	<u>(10,210,476)</u>

Net adjustments to increase *net changes in fund balances – total governmental funds* to arrive at changes in net assets of governmental activities

\$13,301,344

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this (\$90,125,592) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ -
Issuance of general obligation debt	\$ (104,275,000)
Bond premium	\$ (1,519,549)
Bond Discount	\$ 1,294,524
Bond interest accrual	\$ (2,198,132)
Debt repayments:	
General obligation debt	\$ 15,555,270
Capital lease payments	\$ 558,431
Bond premium amortization	\$ 458,864
Payments to escrow agent	\$ -
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (90,125,592)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (\$3,373,044) difference are as follows:

Compensated absences	\$ 399,989
Other post-employment benefits	\$ <u>(3,737,033)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	\$ <u>(3,337,044)</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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 project 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, 2009, encumbrances of approximately \$3.53 million lapsed and were subject to re-appropriation in the budget of the subsequent year.

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 appropriation and expending grant money, intergovernmental revenues and debt proceeds for their intended purposes.

Governmental funds for which annual operation 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, and the Women's Infants and Children's Fund. For each budgeted fund, budgetary control is maintained at the departmental level. Per the Texas Local Government Code 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. All amendments to the budget must be approved by the Commissioners Court. Both the original budget and the amended budget are presented in the budget versus actual financial statement disclosure. All annual appropriations lapse at yearend.

B. Excess of expenditures over appropriations

For the year ended September 30, 2009, expenditures exceeded appropriations in the Jury Fund by \$25,840 due to the need to call more jurors for service and due to certain trials lasting longer than expected. Expenditures also exceeded appropriations by \$8 in the Health Care Relief Fund.

C. Deficit fund equity

As of September 30, 2009, no county fund had a deficit fund equity.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits include amounts in demand accounts and bank certificates of deposit. The state Public Funds Investment Act requires Denton County to contract with a financial institution to serve as the County's cash depository after seeking formal bids for these services. The same act requires that County funds be either fully insured or collateralized. Wells Fargo Bank currently serves as the County's depository bank.

As of September 30, 2009, Denton County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasuries and Agencies	\$2,000,000	1.75
Local Government Investment Pools	\$170,740,558	0.22
Total Fair Value	<u>\$172,740,558</u>	
Portfolio weighted average maturity		<u>0.24</u>

Investments are stated at fair value including the investments in the Texas Local Government Investment Pool, the MBIA Local Government Investment Pool, the ICT Investment Pool, the DWS Governmental Pool, and the Tex Term Investment Pool. The fair value of the County's investments in these pools is the same as the value of pool shares. All external investment pools in which the County participates have a credit quality rating of "AAA".

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.

Interest rate risk. In accordance with our investment policy, Denton County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two years for individual securities and 90 days for investment pools.

Credit risk. The County limits its exposure to credit risk by limiting its investments to obligations of the U.S. government, the State of Texas, other state and local governments with at least an "A" credit rating, fully collateralized bank certificates of deposit and repurchase agreements, SEC-regulated mutual funds, and individually approved local government investment pools.

Concentration of credit risk. Denton County further limits its credit risk by requiring a diversified investment portfolio in its investment policy. No more than 75% of the County's investments may be in one type of security or in one individual investment pool.

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At year end the carrying amount of the County's deposits was \$17,708,108 and the bank balance was \$15,263,355. Of the bank

balance, \$225,000 was covered by federal depository insurance, and the entire remainder, as is required both by state law and by County policy, 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. As such, the County has no exposure to custodial risk with regards to its deposits.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For our investment in U.S. Government securities, the county has no custodial credit risk as the securities are held in safekeeping in the County's name in our depository bank which is not a counterparty for the securities.

B. Property Taxes and Other Receivables

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 2009, the County's tax rate for general governmental services was 18.443 cents per \$100 of assessed value, and the interest and sinking fund rate was 5.134 cents.

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.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Unavailable:

Property taxes receivable:

General Fund	\$2,246,839
Debt Service Fund	722,395
Other Nonmajor Governmental Funds	370,484

Unearned:

Grants Payable and Other Deferred Revenues	<u>1,899,805</u>
Total Deferred	<u>\$5,239,523</u>

C. Capital Assets

Capital Asset activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 8,528,328	\$ -	\$ -	\$ 8,528,328
Construction in Progress	<u>9,552,834</u>	<u>18,354,345</u>	<u>(7,004,019)</u>	<u>20,903,160</u>
Total Capital Assets, Not Being Depreciated	<u>18,081,162</u>	<u>18,354,345</u>	<u>(7,004,019)</u>	<u>29,431,488</u>
Capital Assets, Being Depreciated:				
Buildings	95,755,062	4,676,809	-	100,431,871
Machinery and Equipment	30,383,269	4,067,162	(1,787,656)	32,662,775
Infrastructure	<u>138,139,530</u>	<u>5,922,660</u>	<u>-</u>	<u>144,062,190</u>
Total Capital Assets Being Depreciated	<u>264,277,861</u>	<u>14,666,631</u>	<u>(1,787,656)</u>	<u>277,156,836</u>
Less Accumulated Depreciation For:				
Buildings	(22,717,580)	(1,734,321)	-	(24,451,901)
Machinery and Equipment	(19,686,335)	(2,931,418)	1,725,120	(20,892,633)
Infrastructure	<u>(109,755,783)</u>	<u>(5,544,737)</u>	<u>-</u>	<u>(115,300,520)</u>
Total Accumulated Depreciation	<u>(152,159,698)</u>	<u>(10,210,476)</u>	<u>1,725,120</u>	<u>(160,645,054)</u>
Total Capital Assets Being Depreciated, Net	<u>112,118,163</u>	<u>4,456,155</u>	<u>(62,536)</u>	<u>116,511,782</u>
Total Capital Assets, Net	<u>\$ 130,199,325</u>	<u>\$ 22,810,500</u>	<u>\$ (7,066,555)</u>	<u>\$ 145,943,270</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 688,027
Judicial	39,024
Legal	899
Financial	23,883
Public Facilities	1,770,229
Public Safety	1,417,765
Health & Welfare	18,700
Conservation	-
Road Maintenance	<u>6,251,949</u>
Total Depreciation Expense	<u>\$ 10,210,476</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>
2004 Tax Note Fund	\$ 4,125,000	\$ 3,037,950	\$ -	\$ -
2005 Road Projects	50,556,267	49,401,166	-	-
2005 CO Fund	11,865,000	9,893,803	-	-
2007 Road Projects	100,000,000	99,465,203	-	-
2007 Tax Notes	6,475,000	5,858,682	-	-
2008 PI Bond Fund	16,035,000	6,759,767	9,400,000	-
2008 Tax Note Fund	8,500,000	3,865,763	-	-
2009 PI Bond Fund	\$ 104,275,000	\$ 6,083,552	-	\$ -

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2009 is as follows:

Due From:

Due To:	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>2008 PI Bond Fund</u>	<u>2007 Road Bond Fund</u>	<u>Non Major Governmental Funds</u>	<u>Agency Funds</u>	<u>Total</u>
General Fund		\$ 68,549			\$ 337,634	\$ 974	\$ 407,157
Debt Service Fund					12,921		12,921
2009 PI Bond Fund				4,300,000			4,300,000
2007 Road Bond							
Nonmajor Governmental Funds	35,004		59,201		100,637		194,842
Agency Funds						<u>119</u>	<u>119</u>
Total	<u>\$ 35,004</u>	<u>\$ 68,549</u>	<u>\$ 59,201</u>	<u>\$ 4,300,000</u>	<u>\$ 451,192</u>	<u>\$ 1,093</u>	<u>\$ 4,915,039</u>

Interfund transfers:

Transfer Out:	Transfer In:				<u>Total</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
General Fund			\$ 3,065,000	\$ 400,000	\$ 3,465,000
Debt Service					-
2007 PI Bond		2,000,000			2,000,000
Nonmajor Governmental Funds	369,261	12,921	-	-	382,182
Total	<u>\$ 369,261</u>	<u>\$ 2,012,921</u>	<u>\$ 3,065,000</u>	<u>\$ 400,000</u>	<u>\$ 5,847,182</u>

Interfund balances primarily represent short term lending between funds to cover cash shortages and accrued amounts due from inventories. All amounts are expected to be repaid within the next year.

Interfund transfers are approved both in the original budget and by budget amendments during the fiscal year. Transfers are made to provide additional resources for specific programs as the need arises. The transfers to the Debt Service Fund were planned transfers of first-year investment income and residual fund balance on bond proceeds to partially offset the initial and final debt service payments on certain bonds and notes.

E. Leases

Capital Leases. The County has entered into capital lease agreements for certain computer and road construction equipment. These assets, with a recorded value of approximately \$2,859,075 are included as equipment in the equipment inventory of the County. The lease agreements are classified as capital leases because title passes to the County at the end of the lease terms, and they are reportable as other payables in the government-wide financial statements.

The present value of future minimum capital lease payments at September 30, 2009 is as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 636,086
2011	545,056
2012	545,056
2013 & thereafter	-
Total minimum lease payments	\$ 1,726,198
Less: Amount representing interest	(147,938)
Present value of net future minimum lease payments	<u>\$ 1,578,260</u>

F. 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 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. Denton County's outstanding bonded debt is limited, per Article 3, Section 52 of the Texas Constitution, to an amount not exceeding 25% of the assessed taxable value of real property in the County. At year end, the County's debt was significantly below this limit.

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.

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

<u>Description</u>	<u>Balance at 10/01/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 09/30/09</u>	<u>Due Within One Year</u>
\$8,020,000 1999 Permanent Improvement Bonds, due in varying amounts through 2019 at an average interest rate of 4.68% for jail expansion.	390,000	-	390,000	-	-
\$26,567,570 1999 Permanent Improvement & Refunding Bonds, due in varying amounts through 2019 at an average interest rate of 5.12% for road projects.	7,221,003	-	755,270	6,465,733	1,340,734
\$13,255,000 1999A Certificates of Obligation, due in varying amounts through 2020 at an average interest rate of 5.60% for jail expansion.	1,315,000	-	640,000	675,000	675,000
\$24,000,000 2000 Permanent Improvement Bonds due in varying amounts through 2026 at an average interest rate of 5.45% for road projects.	1,485,000	-	725,000	760,000	760,000
\$3,680,000 2002 Tax Notes due in varying amounts through 2008 at an average interest rate of 3.449% for building restoration.	660,000	-	660,000	-	-

\$5,740,000 2003 Tax Notes due in varying amounts through 2010 at an average interest rate of 2.479% for building remodeling.	1,960,000	-	965,000	995,000	995,000
\$25,375,000 2004 General Obligation Refunding Bonds due in varying amounts through 2012 at an average interest rate of 2.88% for road projects.	11,205,000	-	2,615,000	8,590,000	2,735,000
\$4,125,000 2004 Tax Notes due in varying amounts through 2011 at an average interest rate of 2.972% for building projects.	1,885,000	-	610,000	1,275,000	630,000
\$50,000,000 2005 Permanent Improvement Bonds due in varying amounts through 2030 at an average interest rate of 4.5044% for road projects.	47,440,000	-	1,360,000	46,080,000	1,415,000
\$19,545,000 2005 General Obligation Refunding Bonds due in varying amounts through 2022 at an average interest rate of 4.53% issued to refinance previously issued bonds.	19,245,000	-	-	19,245,000	-
\$32,285,000 2005A General Obligation Refunding Bonds due in varying amounts through 2026 at an average interest rate of 4.02% issued to refinance previously issued bonds.	30,685,000	-	1,680,000	29,005,000	2,160,000
\$11,865,000 2005 Certificates of Obligation due in varying amounts through 2020 at an average interest rate of 4.17% for land purchase and buiding repair projects.	10,820,000	-	730,000	10,090,000	755,000

<p>\$19,315,000 2006 Permanent Improvement Refunding Bonds due in varying amounts through 2026 at an average interest rate of 4.63% issued to refinance previously issued bonds.</p>	19,160,000	-	45,000	19,115,000	50,000
<p>\$102,515,000 2007 Permanent Improvement Bonds due in varying amounts through 2032 at an average rate of 4.3547% for road and building projects.</p>	102,515,000	-	2,550,000	99,965,000	2,655,000
<p>\$6,440,000 2007 Tax Notes due in varying amounts through 2014 at an average interest rate of 3.8468% for computer and building projects.</p>	5,730,000	-	860,000	4,870,000	900,000
<p>\$15,400,000 2008 Permanent Improvement Bonds due in varying amounts through 2028 at an average interest rate of 4.429% for building projects.</p>	15,400,000	-	-	15,400,000	545,000
<p>\$8,500,000 2008 Tax Notes due in varying amounts through 2015 at an average interest rate of 3.0484% for technology and building projects.</p>	8,500,000	-	970,000	7,530,000	1,150,000
<p>\$104,275,000 2009 Permanent Improvement Bonds due in varying amounts through 2034 at an average interest rate of 4.47447% for roads and various building projects.</p>	-	-	-	-	-
	-	104,275,000	-	104,275,000	-

Total General Obligation					
Bonds Payable	285,616,003	104,275,000	15,555,270	374,335,733	16,765,734
Unrealized Loss/Bond Premium	1,464,767	1,519,549	217,754	2,766,562	268,646
Compensated Absences	6,125,304	796,297	1,196,286	5,725,315	329,421
Other Post-employment Benefits	-	4,679,143	942,111	3,737,032	942,000
Capital Leases	2,136,690	-	558,430	1,578,260	577,489
TOTAL	<u>\$ 295,342,764</u>	<u>\$ 111,269,989</u>	<u>\$ 18,469,851</u>	<u>\$ 388,142,902</u>	<u>\$ 18,883,290</u>

The liability for compensated absences is generally liquidated by the General Fund and certain Special Revenue Funds.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2010	16,765,734	17,251,056	34,016,790
2011	15,895,000	15,970,472	31,865,472
2012	15,610,000	15,300,635	30,910,635
2013	13,160,000	14,626,197	27,786,197
2014	13,760,000	14,084,801	27,844,801
2015-2019	71,080,000	61,617,015	132,697,015
2020-2024	81,700,000	45,314,240	127,014,240
2025-2029	86,090,000	24,912,098	111,002,098
2030-2034	<u>60,275,000</u>	<u>7,179,178</u>	<u>67,454,178</u>
Total	<u>\$ 374,335,734</u>	<u>\$ 216,255,692</u>	<u>\$ 590,591,426</u>

With the exception of the 1999 Permanent Improvement Bonds, the 2002 Tax Notes, and the 2005 General Obligation Bonds, all of the County's long-term debt issues are subject to the arbitrage regulations of the Federal government. Per these regulations, portions of the County's investment earnings on debt proceeds may be subject to rebate to the Federal government.

In June, 2009, the County issued \$104,275,000 in permanent improvement bonds for construction of a two new county buildings, for renovation of several others, and for a large variety of road construction projects.

In August 2006, Denton County issued \$19,315,000 of permanent improvement refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$18,320,000 of previously issued permanent improvement bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$356,125. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The refunding was undertaken to reduce future debt service payments. The transaction resulted in a reduction of \$864,447 in the County's aggregate future debt service payments, and an economic gain to the County of \$587,870.

In April 2005, Denton County issued \$19,545,000 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 for the purpose of generating resources for all future debt service payments of \$18,595,000 of general obligation bonds and tax notes. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,472,319. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The refunding was undertaken to reduce future debt service payments. The transaction resulted in a reduction of \$717,697 in the County's aggregate future debt service payments and an economic gain to the County of \$690,331.

In June 2005, Denton County issued \$32,285,000 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 for the purpose of generating resources for all future debt service payments of \$33,160,000 of general obligation bonds and tax notes. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$2,036,284. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The refunding was undertaken to reduce future debt service payments. The transaction resulted in a reduction of \$1,680,667 in the County's aggregate future debt service payments, and an economic gain to the County of \$1,561,217.

In March 2004, Denton County issued \$25,375,000 of general obligation refunding bonds for a current refunding of \$26,380,000 of general obligation bonds and tax notes. The refunding was undertaken to reduce future debt service payments. The transaction resulted in a reduction of \$2,116,274 in the County's aggregate future debt service payments, and a net present value savings to the County of \$1,963,202.

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 governmental activities column of the statement of net assets. 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, no defeased bonds remained outstanding.

As of September 30, 2009 the County had a total of \$7,690,625 in un-issued 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 was issued in March 1999 in connection with the partial refunding discussed above. An additional \$24,000,000 of the bonds was issued in December 2000. \$13,425,000 of these bonds was issued as part of a \$50,000,000 bond issue in 2005, and \$15,000,000 was issued in 2007. Also, due to U.S. Treasury regulations, \$604,375 of underwriter's premium in the previous two sales was added to proceeds with a corresponding reduction in the amount of un-issued bonds. The County plans to issue the remaining bonds within the next two years.

Due to voter approval of a County bond election in May 2004, the County had a total of \$57,505,000 in authorized but un-issued permanent improvement bonds as of September 30, 2009. Of the total available, \$55,505,000 was approved for road improvements and \$2 million was approved for voting equipment. The County issued \$31,450,000 of the road bonds in fiscal 2005 bond sale discussed above. \$87,515,000 of road and building bonds was issued in 2007. \$15,400,000 of building bonds was issued in the April 2008 sale discussed above, and \$15,000,000 of road bonds were issued in the 2009 bond sale.

V. OTHER INFORMATION

A. 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. There have been no claims in excess of the County's insurance coverage 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 2009, a total of \$17,931,542 was paid in benefits, excess coverage premiums and administrative costs. The excess coverage insurance covers the plan against individual claims in excess of \$350,000 per covered person per year. Estimated claims payable, based upon claims filed and estimated un-filed claims at year end, were \$716,635 of September 30, 2009. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid Claims, beginning of fiscal year	\$ 688,144	\$ 726,198
Incurred Claims (including incurred but not reported)	9,481,037	7,703,760
Claim payments	(9,452,546)	(7,741,814)
Unpaid Claims, end of fiscal year	<u>\$ 716,635</u>	<u>\$ 688,144</u>

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

B. Contingent Liabilities

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

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

C. Other Post-Employment Benefits

During 2009, Denton County adopted GASB Statement No. 45 (GASB 45) *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 45 establishes standards for the measurement, recognition, and display of other postemployment benefit costs (OPEB), contributions, related liabilities and assets, financial

statement disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

OPEB Plan Description

The County's group medical plans ("Plan") are administered through the Public Employee Benefits Cooperative. The Plan is a single-employer defined benefit healthcare plan funded on a pay-as-you-go basis. OPEB includes health insurance and Medicare supplements. Contribution, adjustment or elimination of the contribution, and adjustments to OPEB eligibility are subject to the Commissioners Court's annual budgetary discretion. For the fiscal year ended September 30, 2009, retirees were not obligated to fully vacate County programs and utilize Medicare. Neither the plan nor the PEBC issues separate financial statements.

Funding Policy

Age-adjusted premium amounts are not incorporated with the policy, except after the age of 65. The County annually adopts a premium structure for retirees and their eligible dependents who participate in the various plans offered. The County supplements retiree premiums in all plans by amounts varying from 65% to 90 %.

The County is not required by Texas law or by contractual agreement to provide funding for OPEB other than the pay-as-you-go amount necessary to provide current budget year benefits to retirees and their eligible dependents. Contributions, adjustment or elimination of the contributions, and adjustments to eligibility are subject to the Commissioners Court's annual budgetary discretion. For the year ended September 30, 2009, the County paid \$1,267,173 for OPEB payments by the plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$325,062, or approximately 25.7% of total cost through their required contribution.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount that was actuarially determined by using the Projected Unit Credit method. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This allocation is performed for the group as a whole. The following table shows the elements of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Plan for the year.

	Amount
Normal Cost	\$ 2,997,741.00
Amortization of UAAL	1,681,402
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Expense	4,679,143
Contributions Made	<u>(942,111)</u>
Change in Net OPEB Obligation	3,737,032
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u>\$ 3,737,032</u>

The County decided against funding any Unfunded Actuarial Accrued Liability (UAAL) at transition and will amortize it over the maximum period of 30 years, as allowed under GASB 45.

Denton County's annual OPEB cost, the percentage of annual OPEB contributed to the plan, and the net OPEB obligation for 2009 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 4,679,143	20.13%	\$ 3,737,032

Funding Status and Funding Progress

As of October 1, 2008, the most recent (initial) actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$39,353,212 and the actuarial value of assets was \$0, resulting in an unfunded actuarial balance. The covered payroll (annual payroll of active employees covered by the Plan) was \$69,232,806, and the ratio of the UAAL to the covered payroll was 56.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown below, presents the result of OPEB valuations as of October 1, 2008, and the schedule will eventually

provide multi-year trend information about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value Assets - (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a % Payroll (b-a)
10/1/2008	\$ -	\$ 39,353,212	\$ 39,353,212	0.0%	\$ 69,232,806	56.8%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.75% investment rate of return, and an annual healthcare cost trend rate of 9% initially reducing by 0.5% per year, reaching 5.0% in 2016 and thereafter. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at 9/30/2009 was 29 years.

D. Subsequent Event

In March 2004, Denton County issued \$23,280,000 of general obligation refunding bonds for a current refunding of \$21,845,000 of general obligation bonds and tax notes. The refunding was undertaken to reduce future debt service payments. The transaction resulted in a reduction of \$928,182 in the County’s aggregate future debt service payments, and a net present value savings to the County of \$932,767.

VI. 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 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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.

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 TCDRS 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 8.73% for the months of the accounting year in 2008, and 9.01% for the months of the accounting year in 2009

The deposit rate payable by the employee members of the plan for calendar year 2009 is 7% as adopted by the governing body of the County. For years prior to 2002, 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, 2009, the annual pension cost for the TCDRS plan for its employees was \$6,493,398 and the actual contributions were \$6,493,398.

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, 2007 and December 31, 2008, the basis for determining the contribution rates for calendar years 2008 and 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

D. Actuarial Valuation Information

Actuarial valuation date	12/31/2006	12/31/2007	12/31/2008
Actuarial cost method	Entry Age Level	Entry Age Level	Entry Age Level
Amortization method	percent- age of payroll, Closed	Level percent- age of payroll, Closed	percent- age of payroll, Closed
Amortization period in years	15	15	20
Asset valuation method	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.30%	5.30%	5.30%
Inflation	3.50%	3.50%	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 APC Contributed	Net Pension Obligation
September 30, 2007	\$5,672,885	100%	\$ -
September 30, 2008	\$5,947,947	100%	\$ -
September 30, 2009	\$6,493,398	100%	\$ -

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.

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)
12/31/2006	\$ 118,327,398	\$ 131,218,616	\$ 12,891,218	90.18%	\$ 62,472,169	20.64%
12/31/2007	\$ 133,360,046	\$ 147,575,256	\$ 14,215,210	90.37%	\$ 65,543,843	21.69%
12/31/2008	\$ 137,122,372	\$ 163,064,244	\$ 25,941,872	84.09%	\$ 69,232,806	37.47%

NONMAJOR GOVERNMENTAL FUNDS

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.

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 Management 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.

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.

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.

Public Health Preparedness Grant Fund:

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

District Clerk Records Management Fund:

To account for the receipt and expenditure of fees assessed on civil filings in the district courts as allowed by state law. Such fees may only be spent on records management or preservation projects as requested by the District Clerk.

Justice Court Security Fund:

To account for the receipt and expenditure of fees assessed on cases in the justice of the peace courts as allowed by state law. Such fees may only be spent on building security projects as requested by the Justices of the Peace.

Fire Code Enforcement Fund:

To account for the receipt and expenditure of fees assessed for inspections of construction sites for enforcement of the County fire code. Such fees may only be spent for activities related to the enforcement of the code.

Museum Endowment Fund:

To account for the receipt and expenditure of donations received in support of the County's museums. By policy, such revenues will be retained and the investment earnings thereon will be spent in support of the museums.

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.

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.

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.

2003 Tax Note Project Fund:

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

2004 Tax Note Project Fund:

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

2005 Certificates of Obligation Fund:

To account for the receipt and expenditure of Certificates of Obligation proceeds issued to fund the acquisition of additional County buildings and other capital improvements.

2007 Tax Note Fund:

To account for the receipt and expenditure of Tax Note proceeds issued for to fund the construction of an additional County building and an upgrade to the criminal justice computer system.

2008 Tax Note Fund:

To account for the receipt and expenditure of Tax Note proceeds issued for to fund the construction of an additional County building and to fund major repairs and renovations to existing County facilities.

2005 Road Bond Project Fund:

To account for the receipt and expenditure of Permanent Improvement Bond proceeds issued to fund the construction various road projects in the County.

Capital Replacement Fund:

To account for funds set aside to fund the acquisition of major capital equipment and to fund major repairs of county facilities without the need of debt issuance.



Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
ASSETS				
Cash	\$ 470,816	\$ 25,533	\$ 192,436	\$ 79,744
Investments	3,911,243	149,126	2,151,659	206
Receivables				
Taxes	119,072	3,648	159,869	-
Accrued Interest	4,928	-	4,928	-
Other Receivables	-	-	4,300	-
Due from Other Funds	86	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 4,506,144	\$ 178,307	\$ 2,513,191	\$ 79,950
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 614,945	\$ -	\$ 67,498	\$ 14,683
Wages Payable	177,089	-	328,497	-
Due to Other Funds	12,827	6,836	15,999	-
Due to Other Governments	-	-	-	-
Deferred Revenues	139,228	4,266	186,931	-
TOTAL LIABILITIES	944,089	11,101	598,925	14,683
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	3,562,055	167,206	1,914,266	65,267
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,506,144	\$ 178,307	\$ 2,513,191	\$ 79,950

Indigent Care Fund	Public Health Fund	County Clerk Records Mgmt Fund	Courthouse Security Fund	Sheriff's Training Fund
\$ 11,053	\$ 113,829	\$ 86,773	\$ 61,451	\$ 122,791
794,977	1,055,080	3,839,547	132,312	-
30,846	57,049	-	-	-
2,464	2,466	7,392	-	-
-	500	-	-	-
-	99,274	-	-	-
-	115,699	-	-	-
<u>\$ 839,340</u>	<u>\$ 1,443,897</u>	<u>\$ 3,933,711</u>	<u>\$ 193,763</u>	<u>\$ 122,791</u>
\$ 141,746	\$ 128,624	\$ 175,852	\$ 44,322	\$ 568
6,473	129,242	2,278	-	-
3,242	6,086	3,762	-	-
-	250	-	-	-
36,067	84,043	-	-	-
<u>187,529</u>	<u>348,245</u>	<u>181,893</u>	<u>44,322</u>	<u>568</u>
<u>651,811</u>	<u>1,095,652</u>	<u>3,751,818</u>	<u>149,442</u>	<u>122,223</u>
<u>\$ 839,340</u>	<u>\$ 1,443,897</u>	<u>\$ 3,933,711</u>	<u>\$ 193,763</u>	<u>\$ 122,791</u>

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

SPECIAL REVENUE	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fee Fund
ASSETS				
Cash	\$ 157,179	\$ 4,776	\$ 36,095	\$ 7,998
Investments	640,320	160,132	212,908	-
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	95	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	34,450
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 797,500	\$ 165,003	\$ 249,002	\$ 42,448
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 36,992	\$ 4,511	\$ 1,014	\$ -
Wages Payable	-	-	5,758	5,465
Due to Other Funds	1,363	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenues	127,881	-	-	-
TOTAL LIABILITIES	166,237	4,511	6,772	5,465
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	631,262	160,492	242,230	36,983
TOTAL LIABILITIES AND FUND BALANCES	\$ 797,500	\$ 165,003	\$ 249,002	\$ 42,448

District Attorney Forfeiture Fund	Women, Infants, and Children Fund	Health Care Relief Fund	JP Court Technology Fund	Public Health Preparedness Grant	District Clerk Records Mgmt Fund
\$ 21,695	\$ -	\$ 3,407	\$ 26,743	\$ -	\$ 31,601
755,729	-	2,450,093	545,282	-	20,608
-	-	-	-	-	-
-	-	4,928	-	-	-
-	8,296	-	-	-	-
1,363	-	-	-	-	-
-	385,954	-	-	142,128	-
<u>\$ 778,788</u>	<u>\$ 394,250</u>	<u>\$ 2,458,428</u>	<u>\$ 572,025</u>	<u>\$ 142,128</u>	<u>\$ 52,209</u>
\$ -	\$ 22,077	\$ 26,178	\$ 4,564	\$ -	\$ 1,814
-	60,093	-	-	21,651	-
-	285,415	-	-	102,091	-
-	-	-	-	-	-
461,197	-	-	-	-	-
<u>461,197</u>	<u>367,585</u>	<u>26,178</u>	<u>4,564</u>	<u>123,742</u>	<u>1,814</u>
<u>317,591</u>	<u>26,665</u>	<u>2,432,250</u>	<u>567,461</u>	<u>18,386</u>	<u>50,395</u>
<u>\$ 778,788</u>	<u>\$ 394,250</u>	<u>\$ 2,458,428</u>	<u>\$ 572,025</u>	<u>\$ 142,128</u>	<u>\$ 52,209</u>

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

SPECIAL REVENUE	JP Court Security Fund	Fire Code Enforcement Fund	Museum Endowment Fund	TOTAL Special Revenue Funds
ASSETS				
Cash	\$ 48,474	\$ 8,928	\$ 0	\$ 1,582,849
Investments	-	263,317	16,177	17,585,006
Receivables				
Taxes	-	-	-	370,484
Accrued Interest	-	-	-	27,199
Other Receivables	-	-	-	13,096
Due from Other Funds	-	-	-	135,642
Due from Other Governments	-	-	-	643,781
TOTAL ASSETS	\$ 48,474	\$ 272,245	\$ 16,177	\$ 20,358,057
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 1,369	\$ -	\$ 1,293,320
Wages Payable	-	9,498	-	749,062
Due to Other Funds	-	651	-	438,272
Due to Other Governments	-	-	-	250
Deferred Revenues	-	-	-	1,039,613
TOTAL LIABILITIES	-	11,518	-	3,520,517
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	48,474	260,727	16,177	16,837,540
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,474	\$ 272,245	\$ 16,177	\$ 20,358,057

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

CAPITAL PROJECTS	Road & Bridge Construction Fund	1999 Road Project Construction Fund	2000 Road Project Construction Fund
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	283,411	632,094	72,258
Receivables			
Taxes	-	-	-
Accrued Interest	-	-	-
Other Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	\$ 283,411	\$ 632,094	\$ 72,258
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 3,354
Wages Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Deferred Revenues	-	-	-
TOTAL LIABILITIES	-	-	3,354
FUND BALANCES			
Reserved for Capital Expenditures	283,411	632,094	68,904
Unreserved, Undesignated			
TOTAL LIABILITIES AND FUND BALANCES	\$ 283,411	\$ 632,094	\$ 72,258

continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

CAPITAL PROJECTS	2003 Tax Note Project Fund	2004 Tax Note Project Fund	2005 Certificates of Obligation Fund
ASSETS			
Cash	\$ 12,921	\$ -	\$ -
Investments	-	1,405,834	2,294,184
Receivables			
Taxes	-	-	-
Accrued Interest	-	-	-
Other Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
TOTAL ASSETS	\$ 12,921	\$ 1,405,834	\$ 2,294,184
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 120,261
Wages Payable	-	-	-
Due to Other Funds	12,921	-	-
Due to Other Governments	-	-	-
Deferred Revenues	-	-	-
TOTAL LIABILITIES	12,921	-	120,261
FUND BALANCES			
Reserved for Capital Expenditures	-	1,405,834	2,173,923
Unreserved, Undesignated			
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,921	\$ 1,405,834	\$ 2,294,184

2007 Tax Note Project Fund	2008 Tax Note Project Fund	2005 Road Bond Project Fund	Capital Replacement Fund	TOTAL Capital Projects Funds	TOTAL Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 12,921	\$ 1,595,770
1,806,717	7,792,702	1,444,522	3,250,038	18,981,761	36,566,767
-	-	-	-	-	-
-	-	-	-	-	370,484
-	-	-	-	-	27,199
-	-	-	-	-	13,096
-	59,201	-	-	59,201	194,843
-	-	-	-	-	643,781
<u>\$ 1,806,717</u>	<u>\$ 7,851,903</u>	<u>\$ 1,444,522</u>	<u>\$ 3,250,038</u>	<u>\$ 19,053,883</u>	<u>\$ 39,411,940</u>
\$ 234,673	\$ 93,156	\$ -	\$ 679,244	\$ 1,130,688	\$ 2,424,008
-	-	-	-	-	749,062
-	-	-	-	12,921	451,193
-	-	-	-	-	250
-	-	-	-	-	1,039,613
<u>234,673</u>	<u>93,156</u>	<u>-</u>	<u>679,244</u>	<u>1,143,609</u>	<u>4,664,126</u>
1,572,044	7,758,747	1,444,522	2,570,794	17,910,274	17,910,274
					16,837,540
<u>\$ 1,806,717</u>	<u>\$ 7,851,903</u>	<u>\$ 1,444,522</u>	<u>\$ 3,250,038</u>	<u>\$ 19,053,883</u>	<u>\$ 39,411,940</u>

continued

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
REVENUES				
Taxes	\$ 4,557,190	\$ 139,502	\$ 6,107,509	\$ -
Licenses and Permits	6,941,012	-	-	-
Intergovernmental	217,733	240,312	3,061,861	182,812
Fees of Office	1,797	18,222	67,883	-
Fines	-	-	-	-
Interest	37,390	1,216	25,593	188
Miscellaneous	207,830	-	4,405	-
TOTAL REVENUES	11,962,953	399,251	9,267,251	183,000
EXPENDITURES				
General Government	-	-	-	70,563
Judicial	-	426,340	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	9,652,188	-
Health and Welfare	-	-	-	-
Roads	12,062,578	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	12,062,578	426,340	9,652,188	70,563
Excess (Deficiency) of Revenues Over Expenditures	(99,626)	(27,089)	(384,936)	112,436
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(300,825)	-	(9,806)	(37,000)
Total Other Financing	(300,825)	-	(9,806)	(37,000)
NET CHANGE IN FUND BALANCES	(400,451)	(27,089)	(394,742)	75,436
FUND BALANCES AT BEGINNING OF YEAR	3,962,506	194,294	2,309,008	(10,170)
FUND BALANCES AT END OF YEAR	\$ 3,562,055	\$ 167,206	\$ 1,914,266	\$ 65,267

<u>Indigent Care Fund</u>	<u>Public Health Fund</u>	<u>Law Library Fund</u>	<u>County Clerk Records Mgmt Fund</u>	<u>Courthouse Security Fund</u>	<u>Sheriff's Training Fund</u>
\$ 1,178,602	\$ 2,184,702	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,556,044	-	-	-	36,658
-	499,521	272,040	810,541	292,843	4,014
-	-	-	-	-	-
10,836	10,500	3,343	31,531	566	624
-	-	17,941	-	-	-
<u>1,189,438</u>	<u>4,250,768</u>	<u>293,323</u>	<u>842,072</u>	<u>293,409</u>	<u>41,297</u>
-	-	258,849	860,105	-	-
-	-	-	-	306,161	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,283
1,737,439	4,203,143	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,737,439</u>	<u>4,203,143</u>	<u>258,849</u>	<u>860,105</u>	<u>306,161</u>	<u>7,283</u>
<u>(548,001)</u>	<u>47,625</u>	<u>34,474</u>	<u>(18,033)</u>	<u>(12,752)</u>	<u>34,013</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45,000	-
-	(1,000)	-	(20,630)	-	-
-	<u>(1,000)</u>	-	<u>(20,630)</u>	<u>45,000</u>	-
<u>(548,001)</u>	<u>46,625</u>	<u>34,474</u>	<u>(38,663)</u>	<u>32,248</u>	<u>34,013</u>
<u>1,199,812</u>	<u>1,049,028</u>	<u>514,233</u>	<u>3,790,481</u>	<u>117,194</u>	<u>88,210</u>
<u>\$ 651,811</u>	<u>\$ 1,095,652</u>	<u>\$ 548,707</u>	<u>\$ 3,751,818</u>	<u>\$ 149,442</u>	<u>\$ 122,223</u>

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

SPECIAL REVENUE	<u>Sheriff's Forfeiture Fund</u>	<u>Vehicle Inventory Tax Interest Fund</u>	<u>Records Management Fund</u>	<u>District Attorney Check Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	34,450
Fees of Office	-	-	208,579	77,917
Fines	-	-	-	-
Interest	2,604	14,078	1,885	297
Miscellaneous	364,535	-	-	-
TOTAL REVENUES	<u>367,140</u>	<u>14,078</u>	<u>210,464</u>	<u>112,664</u>
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	198,839	-
Legal	-	-	-	130,910
Financial	-	13,973	-	-
Public Facilities	-	-	-	-
Public Safety	112,680	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>112,680</u>	<u>13,973</u>	<u>198,839</u>	<u>130,910</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>254,459</u>	<u>105</u>	<u>11,625</u>	<u>(18,246)</u>
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>254,459</u>	<u>105</u>	<u>11,625</u>	<u>(18,246)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>376,803</u>	<u>160,387</u>	<u>230,605</u>	<u>55,229</u>
FUND BALANCES AT END OF YEAR	<u>\$ 631,262</u>	<u>\$ 160,492</u>	<u>\$ 242,230</u>	<u>\$ 36,983</u>

<u>District Attorney Forfeiture Fund</u>	<u>Women, Infants, and Children Fund</u>	<u>Health Care Relief Fund</u>	<u>JP Court Technology Fund</u>	<u>Public Health Preparedness Grant</u>	<u>District Clerk Records Mgmt Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,784,416	404,812	-	467,902	-
-	-	45,794	72,043	-	46,357
-	-	-	-	-	-
1,523	-	21,067	4,393	2	290
82,601	-	-	-	-	-
<u>84,124</u>	<u>1,784,416</u>	<u>471,673</u>	<u>76,435</u>	<u>467,905</u>	<u>46,646</u>
-	-	-	-	-	-
-	-	-	142,850	-	35,807
8,967	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,784,416	539,373	-	468,501	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,967</u>	<u>1,784,416</u>	<u>539,373</u>	<u>142,850</u>	<u>468,501</u>	<u>35,807</u>
<u>75,157</u>	<u>-</u>	<u>(67,700)</u>	<u>(66,415)</u>	<u>(596)</u>	<u>10,840</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>75,157</u>	<u>-</u>	<u>(67,700)</u>	<u>(66,415)</u>	<u>(596)</u>	<u>10,840</u>
<u>242,434</u>	<u>26,665</u>	<u>2,499,950</u>	<u>633,875</u>	<u>18,982</u>	<u>39,556</u>
<u>\$ 317,591</u>	<u>\$ 26,665</u>	<u>\$ 2,432,250</u>	<u>\$ 567,461</u>	<u>\$ 18,386</u>	<u>\$ 50,395</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009**

SPECIAL REVENUE	<u>JP Court Security Fund</u>	<u>Fire Code Enforcement Fund</u>	<u>Museum Endowment Fund</u>	<u>TOTAL SPECIAL REV September 30, 2009</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 14,167,505
Licenses and Permits	-	-	-	6,941,012
Intergovernmental	-	-	-	7,987,001
Fees of Office	17,509	144,497	-	2,579,555
Fines	-	-	-	-
Interest	308	2,932	102	171,266
Miscellaneous	-	-	-	677,312
TOTAL REVENUES	<u>17,817</u>	<u>147,428</u>	<u>102</u>	<u>32,523,653</u>
<u>EXPENDITURES</u>				
General Government	-	-	-	1,189,518
Judicial	14,353	-	-	1,124,350
Legal	-	-	-	139,877
Financial	-	-	-	13,973
Public Facilities	-	-	-	-
Public Safety	-	344,141	-	10,116,293
Health and Welfare	-	-	-	8,732,872
Roads	-	-	-	12,062,578
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>14,353</u>	<u>344,141</u>	<u>-</u>	<u>33,379,460</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,464</u>	<u>(196,713)</u>	<u>102</u>	<u>(855,807)</u>
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	45,000
Transfers Out	-	-	-	(369,261)
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,261)</u>
NET CHANGE IN FUND BALANCES	<u>3,464</u>	<u>(196,713)</u>	<u>102</u>	<u>(1,180,068)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>45,009</u>	<u>457,440</u>	<u>16,075</u>	<u>18,017,608</u>
FUND BALANCES AT END OF YEAR	<u>\$ 48,474</u>	<u>\$ 260,727</u>	<u>\$ 16,177</u>	<u>\$ 16,837,540</u>

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2009

	Road & Bridge Construction Fund	1999 Road Project Construction Fund	2000 Road Project Construction Fund	2003 Tax Note Project Fund
CAPITAL PROJECTS				
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	6,989	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	1,914	4,102	2,043	86
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,914	4,102	9,032	86
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	30,000	33,450	29,129	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	30,000	33,450	29,129	-
Excess (Deficiency) of Revenues Over Expenditures	(28,086)	(29,348)	(20,097)	86
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	(12,921)
Sources (Uses)	-	-	-	(12,921)
NET CHANGE IN FUND BALANCES	(28,086)	(29,348)	(20,097)	(12,835)
FUND BALANCES AT BEGINNING OF YEAR	311,497	661,442	89,001	12,835
FUND BALANCES AT END OF YEAR	\$ 283,411	\$ 632,094	\$ 68,904	\$ -

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2009**

	2004 Tax Note Project Fund	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund
CAPITAL PROJECTS				
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	11,775	15,200	16,444	53,508
Miscellaneous	-	-	-	-
TOTAL REVENUES	11,775	15,200	16,444	53,508
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	220,077	311,404	1,284,191	938,829
TOTAL EXPENDITURES	220,077	311,404	1,284,191	938,829
Excess (Deficiency) of Revenues Over Expenditures	(208,302)	(296,204)	(1,267,747)	(885,321)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(208,302)	(296,204)	(1,267,747)	(885,321)
FUND BALANCES AT BEGINNING OF YEAR	1,614,137	2,470,127	2,839,791	8,644,068
FUND BALANCES AT END OF YEAR	\$ 1,405,834	\$ 2,173,923	\$ 1,572,044	\$ 7,758,747

2005 Road Bond Project Fund	Capital Replacement Fund	TOTAL Capital Projects September 30, 2009	TOTAL Special Revenue & Capital Projects September 30, 2009
\$ -	\$ -	\$ -	\$ 14,167,505
-	-	-	6,941,012
118,750	-	125,739	8,112,740
-	-	-	2,579,555
-	-	-	-
22,658	6,148	133,878	305,144
-	-	-	677,312
<u>141,408</u>	<u>6,148</u>	<u>259,617</u>	<u>32,783,270</u>
-	-	-	1,189,518
-	-	-	1,124,350
-	-	-	139,877
-	-	-	13,973
-	-	-	-
-	-	-	10,116,293
-	-	-	8,732,872
-	-	-	12,062,578
-	-	92,579	92,579
<u>1,858,934</u>	<u>1,879,822</u>	<u>6,493,257</u>	<u>6,493,257</u>
<u>1,858,934</u>	<u>1,879,822</u>	<u>6,585,836</u>	<u>39,965,296</u>
<u>(1,717,526)</u>	<u>(1,873,674)</u>	<u>(6,326,219)</u>	<u>(7,182,027)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	3,020,000	3,020,000	3,065,000
-	-	(12,921)	(382,182)
<u>-</u>	<u>3,020,000</u>	<u>3,007,079</u>	<u>2,682,818</u>
<u>(1,717,526)</u>	<u>1,146,326</u>	<u>(3,319,140)</u>	<u>(4,499,208)</u>
<u>3,162,049</u>	<u>1,424,468</u>	<u>21,229,414</u>	<u>39,247,022</u>
<u>\$ 1,444,522</u>	<u>\$ 2,570,794</u>	<u>\$ 17,910,274</u>	<u>\$ 34,747,814</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ROAD AND BRIDGE SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 4,369,865	\$ 4,369,865	\$ 4,557,190	\$ 187,325
Licenses and Permits	7,040,000	7,040,000	6,941,012	(98,988)
Intergovernmental	123,000	168,470	217,733	49,263
Fees of Office	40,000	40,000	1,797	(38,203)
Fines	-	-	-	-
Interest	85,000	85,000	37,390	(47,610)
Miscellaneous	1,000	62,442	207,830	145,388
TOTAL REVENUES	<u>11,658,865</u>	<u>11,765,777</u>	<u>11,962,953</u>	<u>197,176</u>
 <u>EXPENDITURES</u>				
ROADS	<u>13,225,444</u>	<u>14,618,809</u>	<u>12,062,578</u>	<u>2,556,231</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,566,579)</u>	<u>(2,853,032)</u>	<u>(99,626)</u>	<u>2,753,406</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(300,825)	(300,825)	-
Total Other Financing Sources	<u>-</u>	<u>(300,825)</u>	<u>(300,825)</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,566,579)</u>	<u>(3,153,857)</u>	<u>(400,451)</u>	<u>2,753,406</u>
FUND BALANCES - BEGINNING	<u>3,962,506</u>	<u>3,962,506</u>	<u>3,962,506</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,395,927</u>	<u>\$ 808,649</u>	<u>\$ 3,562,055</u>	<u>\$ 2,753,406</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JURY SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 135,811	\$ 135,811	\$ 139,502	\$ 3,691
Licenses and Permits	-	-	-	-
Intergovernmental	220,000	220,000	240,312	20,312
Fees of Office	19,000	19,000	18,222	(778)
Fines	-	-	-	-
Interest	3,000	3,000	1,216	(1,784)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>377,811</u>	<u>377,811</u>	<u>399,251</u>	<u>21,440</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>400,500</u>	<u>400,500</u>	<u>426,340</u>	<u>(25,840)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,689)</u>	<u>(22,689)</u>	<u>(27,089)</u>	<u>(4,400)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(22,689)</u>	<u>(22,689)</u>	<u>(27,089)</u>	<u>(4,400)</u>
 FUND BALANCES - BEGINNING	 <u>194,294</u>	 <u>194,294</u>	 <u>194,294</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 171,605</u>	<u>\$ 171,605</u>	<u>\$ 167,206</u>	<u>\$ (4,400)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JUVENILE PROBATION SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 5,859,791	\$ 5,859,791	\$ 6,107,509	\$ 247,718
Licenses and Permits	-	-	-	-
Intergovernmental	3,577,622	3,743,018	3,061,861	(681,157)
Fees of Office	60,000	60,000	67,883	7,883
Fines	-	-	-	-
Interest	50,000	50,000	25,593	(24,407)
Miscellaneous	2,000	2,000	4,405	2,405
TOTAL REVENUES	<u>9,549,413</u>	<u>9,714,809</u>	<u>9,267,251</u>	<u>(447,558)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>10,122,649</u>	<u>10,281,456</u>	<u>9,652,188</u>	<u>629,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(573,236)</u>	<u>(566,647)</u>	<u>(384,936)</u>	<u>181,711</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>(9,806)</u>	<u>(9,806)</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>(9,806)</u>	<u>(9,806)</u>	<u>-</u>
Net Change in Fund Balances	<u>(573,236)</u>	<u>(576,453)</u>	<u>(394,742)</u>	<u>181,711</u>
FUND BALANCES - BEGINNING	<u>2,309,008</u>	<u>2,309,008</u>	<u>2,309,008</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,735,772</u>	<u>\$ 1,732,555</u>	<u>\$ 1,914,266</u>	<u>\$ 181,711</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 INDIGENT CARE SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 1,129,844	\$ 1,129,844	\$ 1,178,602	\$ 48,758
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	45,000	45,000	10,836	(34,164)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>1,174,844</u>	<u>1,174,844</u>	<u>1,189,438</u>	<u>14,594</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>1,882,567</u>	<u>1,882,567</u>	<u>1,737,439</u>	<u>145,128</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(707,723)</u>	<u>(707,723)</u>	<u>(548,001)</u>	<u>159,722</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(707,723)</u>	<u>(707,723)</u>	<u>(548,001)</u>	<u>159,722</u>
FUND BALANCES - BEGINNING	<u>1,199,812</u>	<u>1,199,812</u>	<u>1,199,812</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 492,089</u>	<u>\$ 492,089</u>	<u>\$ 651,811</u>	<u>\$ 159,722</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC HEALTH SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,097,073	\$ 2,097,073	\$ 2,184,702	\$ 87,629
Licenses and Permits	-	-	-	-
Intergovernmental	1,137,244	1,576,735	1,556,044	(20,691)
Fees of Office	465,000	465,000	499,521	34,521
Fines	-	-	-	-
Interest	24,000	24,000	10,500	(13,500)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>3,723,317</u>	<u>4,162,808</u>	<u>4,250,768</u>	<u>87,960</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>4,066,670</u>	<u>4,508,872</u>	<u>4,203,143</u>	<u>305,729</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(343,353)</u>	<u>(346,064)</u>	<u>47,625</u>	<u>393,689</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(1,000)	(1,000)	-
Total Other Financing Sources	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(343,353)</u>	<u>(347,064)</u>	<u>46,625</u>	<u>393,689</u>
 FUND BALANCES - BEGINNING	 <u>1,049,028</u>	 <u>1,049,028</u>	 <u>1,049,028</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 705,675</u>	<u>\$ 701,964</u>	<u>\$ 1,095,652</u>	<u>\$ 393,689</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LAW LIBRARY SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	280,000	280,000	272,040	(7,960)
Fines	-	-	-	-
Interest	15,000	15,000	3,343	(11,657)
Miscellaneous	12,000	12,000	17,941	5,941
TOTAL REVENUES	<u>307,000</u>	<u>307,000</u>	<u>293,323</u>	<u>(13,677)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>353,197</u>	<u>354,958</u>	<u>258,849</u>	<u>96,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(46,197)</u>	<u>(47,958)</u>	<u>34,474</u>	<u>82,432</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(46,197)</u>	<u>(47,958)</u>	<u>34,474</u>	<u>82,432</u>
 FUND BALANCES - BEGINNING	 <u>514,233</u>	 <u>514,233</u>	 <u>514,233</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 468,036</u>	<u>\$ 466,275</u>	<u>\$ 548,707</u>	<u>\$ 82,432</u>

Denton County, Texas
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	812,000	812,000	810,541	(1,459)
Fines	-	-	-	-
Interest	90,000	90,000	31,531	(58,469)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>902,000</u>	<u>902,000</u>	<u>842,072</u>	<u>(59,928)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>1,200,822</u>	<u>1,199,692</u>	<u>860,105</u>	<u>339,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(298,822)</u>	<u>(297,692)</u>	<u>(18,033)</u>	<u>279,659</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	<u>(19,500)</u>	<u>(20,630)</u>	<u>(20,630)</u>	<u>-</u>
Total Other Financing Sources	<u>(19,500)</u>	<u>(20,630)</u>	<u>(20,630)</u>	<u>-</u>
Net Change in Fund Balances	<u>(318,322)</u>	<u>(318,322)</u>	<u>(38,663)</u>	<u>279,659</u>
 FUND BALANCES - BEGINNING	 <u>3,790,481</u>	 <u>3,790,481</u>	 <u>3,790,481</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,472,159</u>	<u>\$ 3,472,159</u>	<u>\$ 3,751,818</u>	<u>\$ 279,659</u>

Denton County, Texas
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COURTHOUSE SECURITY SPECIAL REVENUE FUND
For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	305,000	305,000	292,843	(12,157)
Fines	-	-	-	-
Interest	3,500	3,500	566	(2,934)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>308,500</u>	<u>308,500</u>	<u>293,409</u>	<u>(15,091)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>336,000</u>	<u>356,064</u>	<u>306,161</u>	<u>49,903</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,500)</u>	<u>(47,564)</u>	<u>(12,752)</u>	<u>34,812</u>
Other Financing Sources (Uses):				
Transfers In	45,000	45,000	45,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
 Net Change in Fund Balances	<u>17,500</u>	<u>(2,564)</u>	<u>32,248</u>	<u>34,812</u>
 FUND BALANCES - BEGINNING	<u>117,194</u>	<u>117,194</u>	<u>117,194</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ 134,694</u>	<u>\$ 114,630</u>	<u>\$ 149,442</u>	<u>\$ 34,812</u>

Denton County, Texas
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHERIFF'S FORFEITURE FUND
For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	15,000	15,000	2,604	(12,396)
Miscellaneous	-	-	364,535	364,535
TOTAL REVENUES	<u>15,000</u>	<u>15,000</u>	<u>367,140</u>	<u>352,140</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>155,000</u>	<u>156,023</u>	<u>112,680</u>	<u>43,343</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(140,000)</u>	<u>(141,023)</u>	<u>254,459</u>	<u>395,482</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 <u>(140,000)</u>	 <u>(141,023)</u>	 <u>254,459</u>	 <u>395,482</u>
 FUND BALANCES - BEGINNING	 <u>376,803</u>	 <u>376,803</u>	 <u>376,803</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 236,803</u>	<u>\$ 235,780</u>	<u>\$ 631,262</u>	<u>\$ 395,482</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 VEHICLE INVENTORY TAX INTEREST FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	40,000	40,000	14,078	(25,922)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>40,000</u>	<u>40,000</u>	<u>14,078</u>	<u>(25,922)</u>
 <u>EXPENDITURES</u>				
FINANCIAL	<u>150,021</u>	<u>153,159</u>	<u>13,973</u>	<u>139,186</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(110,021)</u>	<u>(113,159)</u>	<u>105</u>	<u>113,264</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(110,021)</u>	<u>(113,159)</u>	<u>105</u>	<u>113,264</u>
 FUND BALANCES - BEGINNING	 <u>160,387</u>	 <u>160,387</u>	 <u>160,387</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 50,366</u>	<u>\$ 47,228</u>	<u>\$ 160,492</u>	<u>\$ 113,264</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RECORDS MANAGEMENT SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	235,000	235,000	208,579	(26,421)
Fines	-	-	-	-
Interest	8,500	8,500	1,885	(6,615)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>243,500</u>	<u>243,500</u>	<u>210,464</u>	<u>(33,036)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>205,466</u>	<u>206,129</u>	<u>198,839</u>	<u>7,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,034</u>	<u>37,371</u>	<u>11,625</u>	<u>(25,746)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	<u>38,034</u>	<u>37,371</u>	<u>11,625</u>	<u>(25,746)</u>
 FUND BALANCES - BEGINNING	<u>230,605</u>	<u>230,605</u>	<u>230,605</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ 268,639</u>	<u>\$ 267,976</u>	<u>\$ 242,230</u>	<u>\$ (25,746)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DISTRICT ATTORNEY CHECK FEE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	34,450	34,450
Fees of Office	125,000	125,000	77,917	(47,083)
Fines	-	-	-	-
Interest	1,000	1,000	297	(703)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>126,000</u>	<u>126,000</u>	<u>112,664</u>	<u>(13,336)</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>139,175</u>	<u>139,175</u>	<u>130,910</u>	<u>8,265</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,175)</u>	<u>(13,175)</u>	<u>(18,246)</u>	<u>(5,071)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(13,175)</u>	<u>(13,175)</u>	<u>(18,246)</u>	<u>(5,071)</u>
 FUND BALANCES - BEGINNING	 <u>55,229</u>	 <u>55,229</u>	 <u>55,229</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 42,054</u>	<u>\$ 42,054</u>	<u>\$ 36,983</u>	<u>\$ (5,071)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DISTRICT ATTORNEY FORFEITURE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	6,000	6,000	1,523	(4,477)
Miscellaneous	45,000	45,000	82,601	37,601
TOTAL REVENUES	<u>51,000</u>	<u>51,000</u>	<u>84,124</u>	<u>33,124</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>171,051</u>	<u>171,051</u>	<u>8,967</u>	<u>162,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(120,051)</u>	<u>(120,051)</u>	<u>75,157</u>	<u>195,208</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 <u>(120,051)</u>	 <u>(120,051)</u>	 <u>75,157</u>	 <u>195,208</u>
 FUND BALANCES - BEGINNING	 <u>242,434</u>	 <u>242,434</u>	 <u>242,434</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 122,383</u>	<u>\$ 122,383</u>	<u>\$ 317,591</u>	<u>\$ 195,208</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HEALTH CARE RELIEF SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	400,000	400,000	404,812	4,812
Fees of Office	42,000	42,000	45,794	3,794
Fines	-	-	-	-
Interest	68,000	68,000	21,067	(46,933)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>510,000</u>	<u>510,000</u>	<u>471,673</u>	<u>(38,327)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>539,365</u>	<u>539,365</u>	<u>539,373</u>	<u>(8)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(29,365)</u>	<u>(29,365)</u>	<u>(67,700)</u>	<u>(38,335)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(29,365)</u>	<u>(29,365)</u>	<u>(67,700)</u>	<u>(38,335)</u>
 FUND BALANCES - BEGINNING	 <u>2,499,950</u>	 <u>2,499,950</u>	 <u>2,499,950</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,470,585</u>	<u>\$ 2,470,585</u>	<u>\$ 2,432,250</u>	<u>\$ (38,335)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JP COURT TECHNOLOGY SPECIAL REVENUE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	75,000	75,000	72,043	(2,957)
Fines	-	-	-	-
Interest	20,000	20,000	4,393	(15,607)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>95,000</u>	<u>95,000</u>	<u>76,435</u>	<u>(18,565)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>251,697</u>	<u>332,037</u>	<u>142,850</u>	<u>189,187</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(156,697)</u>	<u>(237,037)</u>	<u>(66,415)</u>	<u>170,622</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(156,697)</u>	<u>(237,037)</u>	<u>(66,415)</u>	<u>170,622</u>
 FUND BALANCES - BEGINNING	 <u>633,875</u>	 <u>633,875</u>	 <u>633,875</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 477,178</u>	<u>\$ 396,838</u>	<u>\$ 567,461</u>	<u>\$ 170,622</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC HEALTH PREPAREDNESS GRANT
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	944,657	467,902	(476,755)
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	2	2
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	944,657	467,905	(476,752)
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	-	947,507	468,501	479,006
Excess (Deficiency) of Revenues Over Expenditures	-	(2,850)	(596)	2,254
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	(2,850)	(596)	2,254
 FUND BALANCES - BEGINNING	 18,982	 18,982	 18,982	 -
FUND BALANCES - ENDING	\$ 18,982	\$ 16,132	\$ 18,386	\$ 2,254

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DISTRICT CLERK RECORDS MANAGEMENT FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	45,000	45,000	46,357	1,357
Fines	-	-	-	-
Interest	800	800	290	(510)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>45,800</u>	<u>45,800</u>	<u>46,646</u>	<u>846</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>60,412</u>	<u>68,201</u>	<u>35,807</u>	<u>32,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,612)</u>	<u>(22,401)</u>	<u>10,840</u>	<u>33,241</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(14,612)</u>	<u>(22,401)</u>	<u>10,840</u>	<u>33,241</u>
 FUND BALANCES - BEGINNING	 <u>39,556</u>	 <u>39,556</u>	 <u>39,556</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 24,944</u>	<u>\$ 17,155</u>	<u>\$ 50,395</u>	<u>\$ 33,241</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 JP COURT SECURITY FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	18,000	18,000	17,509	(491)
Fines	-	-	-	-
Interest	1,500	1,500	308	(1,192)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>19,500</u>	<u>19,500</u>	<u>17,817</u>	<u>(1,683)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>24,800</u>	<u>24,800</u>	<u>14,353</u>	<u>10,447</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,300)</u>	<u>(5,300)</u>	<u>3,464</u>	<u>8,764</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,300)</u>	<u>(5,300)</u>	<u>3,464</u>	<u>8,764</u>
 FUND BALANCES - BEGINNING	 <u>45,009</u>	 <u>45,009</u>	 <u>45,009</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 39,709</u>	<u>\$ 39,709</u>	<u>\$ 48,474</u>	<u>\$ 8,764</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FIRE CODE ENFORCEMENT FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	270,000	270,000	144,497	(125,503)
Fines	-	-	-	-
Interest	9,000	9,000	2,932	(6,068)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>279,000</u>	<u>279,000</u>	<u>147,428</u>	<u>(131,572)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>354,066</u>	<u>357,293</u>	<u>344,141</u>	<u>13,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(75,066)</u>	<u>(78,293)</u>	<u>(196,713)</u>	<u>(118,420)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(75,066)</u>	<u>(78,293)</u>	<u>(196,713)</u>	<u>(118,420)</u>
FUND BALANCES - BEGINNING	<u>457,440</u>	<u>457,440</u>	<u>457,440</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 382,374</u>	<u>\$ 379,147</u>	<u>\$ 260,727</u>	<u>\$ (118,420)</u>

Denton County, Texas
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MUSEUM ENDOWMENT FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	500	500	102	(398)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>102</u>	<u>(398)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	<u>500</u>	<u>500</u>	<u>102</u>	<u>(398)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 <u>500</u>	 <u>500</u>	 <u>102</u>	 <u>(398)</u>
 FUND BALANCES - BEGINNING	 <u>16,075</u>	 <u>16,075</u>	 <u>16,075</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 16,575</u>	<u>\$ 16,575</u>	<u>\$ 16,177</u>	<u>\$ (398)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL REPLACEMENT FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	35,000	35,000	6,148	(28,852)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>35,000</u>	<u>35,000</u>	<u>6,148</u>	<u>(28,852)</u>
 <u>EXPENDITURES</u>				
PUBLIC FACILITIES	<u>4,669,154</u>	<u>4,802,474</u>	<u>1,879,822</u>	<u>2,922,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,634,154)</u>	<u>(4,767,474)</u>	<u>(1,873,674)</u>	<u>2,893,800</u>
Other Financing Sources (Uses):				
Transfers In	3,000,000	3,020,000	3,020,000	-
Transfers Out	-	-	-	-
Sale of Surplus Property	-	-	-	-
Total Other Financing Sources	<u>3,000,000</u>	<u>3,020,000</u>	<u>3,020,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,634,154)</u>	<u>(1,747,474)</u>	<u>1,146,326</u>	<u>2,893,800</u>
FUND BALANCES - BEGINNING	<u>1,424,468</u>	<u>1,424,468</u>	<u>1,424,468</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ (209,686)</u>	<u>\$ (323,006)</u>	<u>\$ 2,570,794</u>	<u>\$ 2,893,800</u>



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
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 For the Year Ended September 30, 2009

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 26,500,000	\$ 26,500,000	\$ 27,626,005	\$ 1,126,005
Intergovernmental	-	-	-	-
Interest	250,000	250,000	64,505	(185,495)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>26,750,000</u>	<u>26,750,000</u>	<u>27,690,511</u>	<u>940,511</u>
 <u>EXPENDITURES</u>				
DEBT SERVICE				
Principal Retirement	15,555,270	15,555,270	15,555,270	-
Interest	13,297,318	13,297,318	13,297,312	6
Bank Charges	16,000	16,000	5,509	10,491
TOTAL EXPENDITURES	<u>28,868,588</u>	<u>28,868,588</u>	<u>28,858,092</u>	<u>10,496</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,118,588)</u>	<u>(2,118,588)</u>	<u>(1,167,581)</u>	<u>951,007</u>
Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Transfers In	2,000,000	2,000,000	2,012,921	12,921
Transfers Out	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-
Refunding Bond Discount	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,012,921</u>	<u>12,921</u>
 Net Change in Fund Balances	 <u>(118,588)</u>	 <u>(118,588)</u>	 <u>845,340</u>	 <u>963,928</u>
FUND BALANCES - BEGINNING	<u>2,056,731</u>	<u>2,056,731</u>	<u>2,056,731</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,938,143</u>	<u>\$ 1,938,143</u>	<u>\$ 2,902,071</u>	<u>\$ 963,928</u>

FIDUCIARY 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.

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

Denton County, Texas
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2009

	<u>Texas Adult Probation</u>	<u>County Clerk Agency</u>	<u>District Clerk Agency</u>	<u>Tax Collector Agency</u>
<u>ASSETS</u>				
Cash	\$ 667,323	\$ 1,465,036	\$3,051,635	\$ 3,866,534
Investments	2,979,809	3,758,049	-	4,945,025
Accrued Interest	4,932	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	119	-	-	-
Due from Other Govts	-	-	-	-
TOTAL ASSETS	<u>\$3,652,182</u>	<u>\$ 5,223,085</u>	<u>\$3,051,635</u>	<u>\$ 8,811,559</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts Payable	\$ 19,792	\$ -	\$ -	\$ -
Wages Payable	184,569	-	-	-
Due to Other Funds	974	-	-	-
Due to Other Governments	3,147,226	-	-	8,811,559
Due to Beneficiaries	299,621	5,223,085	3,051,635	-
TOTAL LIABILITIES	<u>3,652,182</u>	<u>5,223,085</u>	<u>3,051,635</u>	<u>8,811,559</u>

Denton County, Texas
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2009

	<u>Justices of the Peace Agency</u>	<u>Sheriff Agency</u>	<u>Treatment Alternatives to</u>	<u>Other Agency</u>
<u>ASSETS</u>				
Cash	\$ 245,734	\$ 1,081,458	\$ 46,182	\$ 48,560
Investments	-	-	70,610	
Accrued Interest	-	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>245,734</u>	<u>1,081,458</u>	<u>116,792</u>	<u>48,560</u>
TOTAL ASSETS	<u>\$ 245,734</u>	<u>\$ 1,081,458</u>	<u>\$ 116,792</u>	<u>\$ 48,560</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,283	\$ -
Wages Payable	-	-	-	-
Due to Other Funds	-	-	8	-
Due to Other Governments	-	-	115,501	-
Due to Beneficiaries	<u>245,734</u>	<u>1,081,458</u>	<u>-</u>	<u>48,560</u>
TOTAL LIABILITIES	<u>245,734</u>	<u>1,081,458</u>	<u>116,792</u>	<u>48,560</u>

<u>Community Corrections Grant</u>	<u>Housing Finance Authority</u>	<u>TOTAL September 30, 2009</u>
\$ 92,261	\$ -	\$ 10,564,723
484,462	662,823	12,900,778
-	-	4,932
-	-	-
-	-	119
-	-	-
<u>\$ 576,723</u>	<u>\$ 662,823</u>	<u>\$ 23,470,551</u>

\$ 32,622	\$ -	\$ 53,697
-	-	184,569
111	-	1,093
543,990	662,823	13,281,099
-	-	9,950,093
<u>576,723</u>	<u>662,823</u>	<u>23,470,551</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TEXAS ADULT PROBATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 3,826,679	\$ 3,928,084	\$ 4,107,632	\$ 3,647,131
Accrued Interest	12,657	4,932	12,657	4,932
Other Receivables	-	-	-	-
Due from Other Funds	823	119	823	119
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 3,840,159</u>	<u>\$ 3,933,135</u>	<u>\$ 4,121,112</u>	<u>\$ 3,652,182</u>
<u>Liabilities</u>				
Accounts Payable	\$ 175,303	\$ 204,361	\$ 175,303	\$ 204,361
Due to Other Funds	53,916	974	53,916	974
Due to Other Govts	3,399,514	3,147,226	3,399,514	3,147,226
Due to Beneficiaries	211,426	299,621	211,426	299,621
Total Liabilities	<u>\$ 3,840,159</u>	<u>\$ 3,652,182</u>	<u>\$ 3,840,159</u>	<u>\$ 3,652,182</u>
<u>COUNTY CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 9,300,009	\$ 16,310,857	\$ 20,387,781	\$ 5,223,085
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 9,300,009</u>	<u>\$ 16,310,857</u>	<u>\$ 20,387,781</u>	<u>\$ 5,223,085</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	9,300,009	5,223,085	9,300,009	5,223,085
Total Liabilities	<u>\$ 9,300,009</u>	<u>\$ 5,223,085</u>	<u>\$ 9,300,009</u>	<u>\$ 5,223,085</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES - (Continued)
For the Year Ended September 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>DISTRICT CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 3,075,559	\$ 13,978,222	\$ 14,002,146	\$ 3,051,635
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>3,075,559</u>	<u>13,978,222</u>	<u>14,002,146</u>	<u>3,051,635</u>
Total Assets	<u>\$ 3,075,559</u>	<u>\$ 13,978,222</u>	<u>\$ 14,002,146</u>	<u>\$ 3,051,635</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	3,075,559	3,051,635	3,075,559	3,051,635
	<u>3,075,559</u>	<u>3,051,635</u>	<u>3,075,559</u>	<u>3,051,635</u>
Total Liabilities	<u>\$ 3,075,559</u>	<u>\$ 3,051,635</u>	<u>\$ 3,075,559</u>	<u>\$ 3,051,635</u>
<u>TAX COLLECTOR AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,399,650	\$ 26,183,504	\$ 22,771,595	\$ 8,811,559
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>5,399,650</u>	<u>26,183,504</u>	<u>22,771,595</u>	<u>8,811,559</u>
Total Assets	<u>\$ 5,399,650</u>	<u>\$ 26,183,504</u>	<u>\$ 22,771,595</u>	<u>\$ 8,811,559</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	5,399,650	8,811,559	5,399,650	8,811,559
Due to Beneficiaries	-	-	-	-
	<u>5,399,650</u>	<u>8,811,559</u>	<u>5,399,650</u>	<u>8,811,559</u>
Total Liabilities	<u>\$ 5,399,650</u>	<u>\$ 8,811,559</u>	<u>\$ 5,399,650</u>	<u>\$ 8,811,559</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES - (Continued)
For the Year Ended September 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>JUSTICES OF THE PEACE AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 153,409	\$ 414,561	\$ 322,236	\$ 245,734
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>\$ 153,409</u>	<u>\$ 414,561</u>	<u>\$ 322,236</u>	<u>\$ 245,734</u>
Total Assets	<u>\$ 153,409</u>	<u>\$ 414,561</u>	<u>\$ 322,236</u>	<u>\$ 245,734</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	153,409	245,734	153,409	245,734
	<u>153,409</u>	<u>245,734</u>	<u>153,409</u>	<u>245,734</u>
Total Liabilities	<u>\$ 153,409</u>	<u>\$ 245,734</u>	<u>\$ 153,409</u>	<u>\$ 245,734</u>
<u>SHERIFF AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 669,164	\$ 4,242,761	\$ 3,830,467	\$ 1,081,458
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>\$ 669,164</u>	<u>\$ 4,242,761</u>	<u>\$ 3,830,467</u>	<u>\$ 1,081,458</u>
Total Assets	<u>\$ 669,164</u>	<u>\$ 4,242,761</u>	<u>\$ 3,830,467</u>	<u>\$ 1,081,458</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	669,164	1,081,458	669,164	1,081,458
	<u>669,164</u>	<u>1,081,458</u>	<u>669,164</u>	<u>1,081,458</u>
Total Liabilities	<u>\$ 669,164</u>	<u>\$ 1,081,458</u>	<u>\$ 669,164</u>	<u>\$ 1,081,458</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES - (Continued)
For the Year Ended September 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TREATMENT ALTERNATIVES TO INCARCERATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 28,711	\$ 213,750	\$ 125,669	\$ 116,792
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 28,711</u>	<u>\$ 213,750</u>	<u>\$ 125,669</u>	<u>\$ 116,792</u>
<u>Liabilities</u>				
Accounts Payable	\$ 14,870	\$ 1,283	\$ 14,870	\$ 1,283
Due to Other Funds	49	8	49	8
Due to Other Govts	13,792	115,501	13,792	115,501
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 28,711</u>	<u>\$ 116,792</u>	<u>\$ 28,711</u>	<u>\$ 116,792</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 11,441	\$ 42,357	\$ 5,239	\$ 48,560
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 11,441</u>	<u>\$ 42,357</u>	<u>\$ 5,239</u>	<u>\$ 48,560</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	11,441	48,560	11,441	48,560
Total Liabilities	<u>\$ 11,441</u>	<u>\$ 48,560</u>	<u>\$ 11,441</u>	<u>\$ 48,560</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES - (Continued)
For the Year Ended September 30, 2009

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>COMMUNITY CORRECTIONS GRANT FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 387,082	\$ 674,448	\$ 484,807	\$ 576,723
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 387,082</u>	<u>\$ 674,448</u>	<u>\$ 484,807</u>	<u>\$ 576,723</u>
<u>Liabilities</u>				
Accounts Payable	\$ 38,913	\$ 32,622	\$ 38,913	\$ 32,622
Due to Other Funds	774	111	774	111
Due to Other Govts	347,395	543,990	347,395	543,990
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 387,082</u>	<u>\$ 576,723</u>	<u>\$ 387,082</u>	<u>\$ 576,723</u>
<u>DENTON CO. HOUSING FINANCE AUTHORITY</u>				
<u>Assets</u>				
Cash and Investments	\$ 657,453	\$ 5,370	\$ -	\$ 662,823
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 657,453</u>	<u>\$ 5,370</u>	<u>\$ -</u>	<u>\$ 662,823</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	657,453	662,823	657,453	662,823
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 657,453</u>	<u>\$ 662,823</u>	<u>\$ 657,453</u>	<u>\$ 662,823</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES - (Continued)
For the Year Ended September 30, 2009

	<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	\$ 23,509,157	\$ 65,993,914	\$ 66,037,572	\$ 23,465,499
Accrued Interest	12,657	4,932	12,657	4,932
Other Receivables	-	-	-	-
Due from Other Funds	823	119	823	119
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 23,522,637</u>	<u>\$ 65,998,965</u>	<u>\$ 66,051,052</u>	<u>\$ 23,470,550</u>
<u>Liabilities</u>				
Accounts Payable	\$ 229,086	\$ 238,266	\$ 229,086	\$ 238,266
Due from Other Funds	54,739	1,093	54,739	1,093
Due to Other Govts	9,817,804	13,281,099	9,817,804	13,281,099
Due to Beneficiaries	<u>13,421,008</u>	<u>9,950,093</u>	<u>13,421,008</u>	<u>9,950,093</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 23,522,637</u>	<u>\$ 23,470,551</u>	<u>\$ 23,522,637</u>	<u>\$ 23,470,551</u>

Denton County, Texas STATISTICAL SECTION

This part of Denton County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	104
<p>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</p>	
Revenue Capacity	112
<p>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</p>	
Debt Capacity	117
<p>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future</p>	
Demographic and Economic Information	122
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</p>	
Operating Information	125
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</p>	



Denton County, Texas

NET ASSETS BY COMPONENT

Last Ten Fiscal Years¹

(Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:										
Invested in Capital										
Net of Related Debt	\$ -	\$ -	\$ -	\$ 71,539,548	\$ 47,175	\$ 3,106,131	\$ (16,887,256)	\$ 24,226,615	\$(24,508,897)	\$ 51,706,932
Restricted	-	-	-	22,655,179	18,969,657	52,791,479	23,903,118	1,762,394	81,521,678	132,678,303
Unrestricted	-	-	-	(63,755,236)	16,765,325	(29,457,518)	6,283,298	(43,560,202)	(87,942,285)	(240,699,693)
Total Governmental										
ActivitiesNet Assets	\$ -	\$ -	\$ -	\$ 30,439,491	\$ 35,782,157	\$ 26,440,092	\$ 13,299,160	\$ (17,571,193)	\$(30,929,504)	\$ (56,314,458)

¹Ten years of information is not available; the County did not implement GASB 34 until 2003

Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety	-	-	-	2,106,390	1,997,676	2,185,140	2,174,767	2,756,883	3,069,553	2,856,124
Health & Welfare	-	-	-	434,294	529,622	535,586	521,971	530,757	499,755	545,316
Conservation	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	701,229	-	-
Road Maintenance	-	-	-	93,408	171,264	504,915	285,643	148,658	184,188	209,627
Interest on LT Debt	-	-	-	-	-	-	458,864	-	-	-
Operating Grants and Contributions	-	-	-	18,715,701	25,537,006	23,304,951	22,121,655	23,006,262	24,213,178	26,939,977
Capital Grants and Contributions	-	-	-	1,513,176	1,756,443	25,037	7,278,309	1,699,313	1,659,011	2,603,865
Total Governmental Activities										
Program Revenues	-	-	-	40,110,038	49,089,722	46,597,608	56,014,707	50,743,655	51,625,765	56,919,112

Net (Expense) Revenues \$ - \$ - \$ - \$ (90,842,534) \$ (80,032,556) \$ (97,068,436) \$ (117,008,041) \$ (139,078,730) \$ (135,591,532) \$ (153,304,390)

General Revenues and

Other Changes in Net Assets

Governmental Activities:										
Property Taxes	\$ -	\$ -	\$ -	\$ 75,787,467	\$ 83,435,160	\$ 92,736,399	\$ 98,184,935	\$ 102,971,687	\$ 116,604,155	\$ 126,731,978
Grants and Contributions										
Not Restricted to Specific Programs	-	-	-	1,179,946	-	-	304,543	458,864	-	-
Investment Earnings	-	-	-	982,048	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458
Total General Revenues	\$ -	\$ -	\$ -	\$ 77,949,461	\$ 84,077,051	\$ 95,483,275	\$ 103,867,109	\$ 111,325,855	\$ 122,233,221	\$ 127,919,436

Change in Net Assets

Total \$ - \$ - \$ - \$ (12,893,073) \$ 4,044,495 \$ (1,585,161) \$ (13,140,932) \$ (27,752,875) \$ (13,358,311) \$ (25,384,954)

¹Ten years of information is not available; the County did not implement GASB 34 until 2003

Denton County, Texas

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years¹
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Mixed Beverage Tax ²	Total
2000	\$ -	\$ -	\$ -
2001	-	-	-
2002	-	-	-
2003	75,787,467	676,867	76,464,334
2004	83,435,160	733,915	84,169,075
2005	92,736,399	824,398	93,560,797
2006	98,184,935	936,699	99,121,634
2007	102,971,687	1,066,468	104,038,155
2008	116,604,155	1,238,609	117,842,764
2009	126,731,978	1,239,864	128,284,375

¹Ten years of information is not available; the County did not implement GASB 34 until 2003

²Mixed Beverage Tax is included in Intergovernmental Revenue in the County's financial statements.

Denton County, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 19,897	\$ 41,256	\$ 23,288	\$ 39,804	\$ 97,859	\$ 37,046	\$ 61,640	\$ 92,943	\$ 114,819	\$ 148,828
Unreserved	5,306,859	5,052,393	5,014,184	5,221,220	9,050,956	14,086,405	19,800,836	28,405,455	27,919,875	27,920,689
Total General Fund	\$ 5,326,756	\$ 5,093,649	\$ 5,037,472	\$ 5,261,024	\$ 9,148,815	\$ 14,123,451	\$ 19,862,476	\$ 28,498,398	\$ 28,034,694	\$ 28,069,517
All Other Governmental Funds										
Reserved	\$38,363,985	\$50,095,434	\$ 30,602,789	\$22,615,375	\$18,506,229	\$52,754,433	\$23,841,478	\$ 88,318,434	\$ 81,406,859	\$132,529,475
Unreserved, reported in:										
Special Revenue Funds	9,806,357	9,191,380	8,337,495	7,557,646	8,041,412	9,909,531	13,558,740	15,781,422	18,017,608	16,837,540
Total Other Governmental Funds	\$48,170,342	\$59,286,814	\$ 38,940,284	\$30,173,021	\$26,547,641	\$62,663,964	\$37,400,218	\$104,099,856	\$ 99,424,467	\$149,367,015

Denton County, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$ 46,001,318	\$ 54,150,614	\$ 66,983,004	\$ 75,897,298	\$ 83,298,140	\$ 93,082,213	\$ 97,874,084	\$ 102,817,039	\$ 116,739,752	\$ 126,074,805
Licenses and Permits	5,669,189	6,137,941	6,522,983	6,513,711	6,752,493	7,194,834	7,758,334	7,852,591	8,297,596	8,233,555
Intergovernmental	7,676,747	15,080,457	14,441,015	14,217,011	16,372,322	14,289,352	20,274,142	16,439,161	17,311,000	19,054,846
Fees of Office	9,199,298	8,726,026	9,626,238	12,222,217	11,638,824	12,023,895	14,630,109	15,316,787	14,541,990	14,193,459
Fines	3,223,175	3,248,336	3,204,592	3,378,782	3,595,541	3,990,834	3,972,218	4,248,548	4,146,764	4,055,003
Interest	4,651,410	4,500,705	1,885,944	981,863	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458
Miscellaneous	1,769,069	1,776,170	1,936,672	1,843,299	5,589,253	2,432,420	2,334,125	2,293,177	2,268,943	3,075,482
TOTAL REVENUES	78,190,206	93,620,249	104,600,448	115,054,181	127,888,464	135,760,424	152,220,643	156,862,607	168,935,111	175,874,608
EXPENDITURES										
General Government	8,825,012	10,756,812	13,017,619	15,140,192	15,733,351	14,907,386	16,444,192	16,324,038	18,075,340	\$ 20,835,435
Judicial	8,742,182	9,908,240	11,035,550	11,601,749	12,887,895	13,563,108	14,101,568	14,592,331	15,786,201	16,556,969
Legal	5,957,385	6,605,484	8,179,614	8,657,421	8,873,192	9,424,002	9,567,546	10,016,699	10,442,389	11,019,055
Financial	2,900,942	3,262,723	3,793,665	4,109,254	4,173,579	4,592,659	4,800,460	5,140,333	5,468,113	5,635,737
Public Facilities	4,657,275	5,493,845	4,593,304	5,052,708	6,308,020	6,233,156	7,470,383	7,550,034	9,469,904	7,966,051
Public Safety	25,992,842	30,207,445	36,959,688	37,831,701	40,877,926	44,019,109	48,830,293	50,368,806	53,951,828	57,504,414
Health & Welfare	4,426,416	4,627,493	6,062,458	7,153,262	7,669,045	8,295,745	7,716,209	8,246,526	8,800,056	8,979,763
Conservation	255,954	308,440	343,215	334,882	324,708	331,543	370,952	388,181	389,404	383,833
Contract Services	2,381,277	2,457,578	1,505,530	1,663,675	1,656,576	1,940,935	2,613,005	2,732,336	2,889,226	2,919,721
Roads	5,829,255	6,190,111	7,140,327	7,222,595	7,596,115	8,438,164	8,395,599	9,610,528	10,690,649	12,062,578
Intergovernmental	-	-	-	11,717,001	5,930,076	14,561,953	35,764,228	42,887,800	855,974	92,579
Capital Outlay	19,300,681	29,235,303	22,312,823	4,159,894	4,186,102	4,158,822	6,427,134	5,084,720	38,398,326	56,928,543

Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Service:										
Principal Retirement	3,145,000	3,615,000	6,170,000	7,095,000	7,910,000	9,445,000	9,565,000	10,097,831	11,843,736	15,555,270
Interest & Service Charge	5,369,550	5,736,347	7,752,587	6,810,753	6,540,424	6,060,580	9,214,874	8,282,552	14,023,885	14,851,837
TOTAL EXPENDITURES	97,783,771	118,404,821	128,866,380	128,550,087	130,667,009	145,972,162	183,281,443	191,322,715	201,085,032	231,291,786

Excess of Revenues over (under) expenditures (19,593,565) (24,784,572) (24,265,932) (13,495,906) (2,778,545) (10,211,738) (31,060,800) (34,460,108) (32,149,920) (55,417,178)

OTHER FUNDING SOURCES (USES)

Issuance of Debt	15,295,000	35,850,000	3,680,000	5,740,000	4,125,000	50,000,000	11,865,000	108,955,000	23,900,000	104,275,000
Bond Premium	-	-	-	-	-	2,866,219	-	441,000	267,662	1,519,549
Sale of Surplus Property	-	-	-	-	-	-	-	-	353,757	-
Capital Lease Financing	663,224	967,937	1,458,048	670,677	119,956	599,842	62,879	399,668	2,489,407	-
Transfers In	1,970,021	1,867,170	2,657,847	1,013,356	3,624,441	1,161,457	1,617,322	3,887,220	4,375,385	5,447,182
Transfers Out	(2,993,021)	(3,017,170)	(3,932,670)	(2,471,826)	(5,124,441)	(1,911,457)	(2,117,322)	(3,887,220)	(4,375,385)	(5,847,182)
Refunding Bonds Issued	-	-	-	-	27,235,647	51,830,000	19,315,000	-	-	-
Refunding Bond Discount	-	-	-	-	-	-	(528,875)	-	-	-
Payments to Escrow Agt	-	-	-	-	(26,939,647)	(53,243,364)	(18,677,925)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	14,935,224	35,667,937	3,863,225	4,952,207	3,040,956	51,302,697	11,536,079	109,795,668	27,010,826	105,394,549

NET CHANGE IN FUND

BALANCES \$ (4,658,341) \$ 10,883,365 \$ (20,402,707) \$ (8,543,699) \$ 262,411 \$41,090,959 \$ (19,524,721) \$ 75,335,560 \$ (5,139,095) \$ 49,977,371

DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES 12.2% 11.7% 15.0% 14.1% 13.6% 13.9% 10.3% 9.9% 13.7% 14.6%

Denton County, Texas

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Mixed Beverage Tax ¹	Total
2000	\$ 45,580,048	\$ 551,597	\$ 46,131,645
2001	53,725,491	574,974	54,300,465
2002	66,649,601	637,167	67,286,768
2003	75,002,197	676,867	75,679,064
2004	82,207,716	733,915	82,941,631
2005	92,036,515	824,398	92,860,913
2006	97,874,084	936,804	98,810,888
2007	102,817,039	1,066,468	103,883,507
2008	116,739,752	1,238,609	117,978,361
2009	126,074,805	1,239,864	127,314,669

¹Mixed Beverage Tax is included in Intergovernmental Revenue in the County's financial statements.

Denton County, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended September 30	Real Property			Other	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2000	\$13,517,135,872	\$ 2,112,677,076	\$ 2,297,218,197	\$ 2,243,882,670	\$ 746,969,380	\$ 19,423,944,435	\$ 0.23504	\$ 19,423,944,435	100.00%	
2001	15,898,412,040	2,744,120,681	2,811,553,114	2,568,404,812	879,306,497	23,143,184,150	0.23193	23,143,184,150	100.00%	
2002	18,563,905,276	3,020,670,675	3,006,131,739	2,956,076,715	949,213,786	26,597,572,619	0.25193	26,597,572,619	100.00%	
2003	20,770,358,117	3,449,717,874	3,134,101,277	3,662,504,462	1,054,418,718	29,962,263,012	0.24897	29,962,263,012	100.00%	
2004	23,487,874,992	3,789,976,691	3,224,862,043	3,873,684,339	1,171,447,950	33,204,950,115	0.24717	33,204,950,115	100.00%	
2005	25,153,598,645	4,105,080,500	3,873,892,077	4,229,771,539	1,291,112,384	36,071,230,377	0.25480	36,071,230,377	100.00%	
2006	27,011,065,226	4,544,999,060	3,929,476,860	5,301,761,092	1,456,690,424	39,330,611,814	0.24648	39,330,611,814	100.00%	
2007	29,740,164,928	5,207,650,890	8,148,783,424	3,983,340,835	3,203,434,282	43,876,505,795	0.23192	43,876,505,795	100.00%	
2008	32,339,953,553	6,730,833,980	11,128,310,614	5,119,287,446	6,435,930,007	48,882,455,586	0.23589	48,882,455,586	100.00%	
2009	35,370,529,725	7,685,551,410	14,622,614,897	5,493,135,842	9,914,568,266	53,257,263,608	0.23577	53,257,263,608	100.00%	

Denton County, Texas
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2009

<u>Taxpayer</u>	<u>2009</u>			<u>2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Devon Energy Op. Co.	\$ 1,184,434,610	1	2.22%	\$ -		
Burlington Resources Oil & Gas	163,363,840	2	0.31%	-		
Oncor Electric Delivery Co.	153,676,330	3	0.29%			
GTE Southwest Inc., dba Verizon	136,546,150	4	0.26%	141,881,902	1	0.73%
Cardinal Health #110 Inc.	121,454,993	5	0.23%			
Encana Oil & Gas (USA)	115,055,220	6	0.22%			
J-W Operating Company	110,350,600	7	0.21%			
Vista Ridge J/V	85,027,707	8	0.16%	51,459,767	6	0.26%
Co-Serv Electric Co-op	83,983,510	9	0.16%			
Columbia Medical Center-Dentor	83,900,462	10	0.16%	35,717,445	10	0.18%
Texas Utilities Electric				104,257,120	2	0.54%
Frito Lay				77,855,223	3	0.40%
Albertson's Inc.				72,291,941	4	0.37%
JC Penney Co, Inc.				66,434,574	5	0.34%
Rite Aide, Inc.				42,590,647	7	0.22%
Ingram Micro Texas				40,111,496	8	0.21%
United Copper				<u>38,117,008</u>	<u>9</u>	<u>0.20%</u>
	<u>\$ 2,237,793,422</u>		<u>4.20%</u>	<u>\$670,717,123</u>		<u>3.45%</u>

Note: 2009 Total Assessed valuation of \$53,257,263,435 per Denton Central Appraisal District.
2000 Total Assessed valuation of \$19,423,944,435 per Denton Central Appraisal District.

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)	2002	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ENTITY									
Denton County	100.00 %	0.25193	0.24897	0.24717	0.25480	0.24648	0.23192	0.23589	0.23577
<u>Cities</u>									
Argyle	100.00	0.38000	0.3925	0.39250	0.40324	0.40324	0.38592	0.38500	0.38500
Aubrey	100.00	0.56220	0.5500	0.55545	0.52624	0.52640	0.52624	0.56240	0.52624
Bartonville	100.00	0.18471	0.1847	0.17806	0.17944	0.19294	0.19294	0.19294	0.19294
Carrollton	35.62	0.59930	0.5993	0.59930	0.59930	0.63288	0.63290	0.61788	0.61788
The Colony	100.00	0.72500	0.7250	0.72000	0.72000	0.72000	0.71500	0.69750	0.68800
Copper Canyon	100.00	0.14383			0.17027		0.17027	0.19027	0.19027
Corinth	100.00	0.52600	0.5260	0.54975	0.56060	0.55698	0.55698	0.55698	0.57698
Dallas	0.83	0.66750	0.6998	0.69980	0.71970	0.74170	0.72920	0.74790	0.74790
Denton	100.00	0.54820	0.5482	0.59815	0.59815	0.60815	0.62652	0.66652	0.66652
Double Oak	100.00	0.22000	0.2200	0.22000	0.22000	0.22000	0.22000	0.22481	0.22481
Flower Mound	100.00	0.44970	0.4497	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970
Frisco	11.64	0.36700	0.3370	0.43200	0.42296	0.44489		0.45000	0.45000
Hackberry	100.00	0.68178	0.6030	0.57996	0.51392	0.52298	0.52298	0.57984	0.57984
Hickory Creek	100.00	0.34977	0.2993	0.31939	0.34020	0.34020	0.34020	0.44562	0.44562
Highland Village	100.00	0.56963	0.5696		0.56963	0.56963	0.56963	0.56963	0.56963
Justin	100.00	0.42989	0.4297	0.42969	0.42969	0.42969	0.42969	0.49900	0.54921
Krugerville	100.00	0.23780	0.2378	0.23780	0.23780	0.23780	0.23780	0.26962	0.26962
Krum	100.00	0.25331	0.2550	0.23217	0.35137	0.49158	0.53983	0.58983	0.59983
Lake Dallas	100.00	0.56171	0.5617	0.57980	0.63185	0.64935	0.67000	0.69000	0.71000
Lakewood Village	100.00	0.25000	0.2500	0.25000	0.25000	0.25000	0.25000	0.25000	0.24500
Lewisville	99.92	0.45050	0.4505	0.45050	0.45050	0.45050	0.45679	0.44050	0.44021
Little Elm	100.00	0.44453	0.3998	0.35750	0.39902	0.39902	0.47000	0.53580	0.56996
Marshall Creek	100.00	0.34536	0.5000	0.60212	0.60212		0.68821	0.59876	0.00000
Northlake	100.00	0.29500	0.2950	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500
Oak Point	100.00	0.65402	0.6390	0.59900	0.58900	0.58900	0.57900	0.57900	0.57900
Pilot Point	100.00	0.46200	0.4999	0.46331	0.50000	0.50000	0.59000	0.59000	0.64000
Ponder	100.00	0.18379	0.2295	0.22949	0.22949	0.27782	0.31652	0.31652	0.33000
Roanoke	100.00	0.37512	0.3751	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512
Sanger	100.00	0.58879	0.5655	0.59260	0.57083		0.59046	0.59960	0.62000
Shady Shores	100.00	0.34000	0.3400	0.34000	0.33210	0.33212	0.33212	0.31990	0.31070
Trophy Club	100.00	0.44051	0.4405	0.37751	0.43051	0.43051	0.43051	0.43510	0.47000
<u>School Districts:</u>									
Argyle	100.00	1.75447	1.7552	1.82220	1.91950	1.91950	1.76943	1.41005	1.41005

	Percent Applicable to Denton County	2002	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ENTITY									
School Districts									
(Continued)									
Aubrey	100.00	1.6129	1.7330	1.8081	1.8388	1.8380	1.6666	1.3981	1.48560
Carrollton-F. Branch	20.48	1.7242	1.7224	1.7358	1.7824	1.8259	1.6830	1.3670	1.36230
Celina	4.67	1.7000	1.7500	1.7500	1.7800	1.7800	1.5190	1.5190	1.54000
Denton	100.00	1.8540	1.8640	1.8640	1.8640	1.7640	1.7640	1.4340	1.49000
Frisco	14.02	1.4400	1.5175	1.5575	1.6300	1.5800		1.3500	1.35000
Krum	99.16	1.7080	1.6660	1.6660	1.7250	1.7250	1.5955	1.3655	1.36550
Lake Dallas	100.00	1.6900	1.7400	1.7400	1.8600		1.7900	1.5200	1.65000
Lewisville	100.00	1.6700	1.6700	1.7700	1.7700	1.7700	1.6400	1.3700	1.38000
Little Elm	100.00	1.5990	1.7112	1.7300	1.8200	1.8400	1.7400	1.4600	1.53000
Northwest	71.46	1.8348	1.8348	1.8193	1.8193	1.6730	1.6650	1.3351	1.35500
Pilot Point	88.41	1.5656	1.5811	1.7755	1.7755	1.7442	1.6300	1.3000	1.39000
Ponder	100.00	1.6324	1.7680	1.7930	1.7600	1.5526	1.5526	1.2282	1.32212
Prosper	1.03	1.7202	1.7610	1.9515	1.9753				
Sanger	100.00	1.6700	1.5330	1.6900	1.8000	1.7800	1.6500	1.3400	1.37000
Slidell	26.90	1.5600	1.6700	1.4821	1.7000	1.5293	1.3706	1.1300	1.16000
Special Districts									
Lake Cities MUA	100.00	0.0000	0.0000	0.0000		0.0000			
Trophy Club MUD 1	46.68	0.2400	0.3000	0.2800	0.2800			0.2300	0.22500
Trophy Club MUD 2	100.00	0.3654	0.3400	0.3390	0.3490	0.3100	0.2990	0.2792	0.26423
Denton Co. Fire									
Dist. #1	100.00	0.0300	0.0277						
Clear Creek Watershed									
Authority	100.00	0.0118	0.0118	0.0118	0.0350			0.0652	0.06520
Corinth MUD #1	100.00	0.3100	0.3106	0.3100	0.3100	0.3100		0.3100	0.21000
Denton Co. Fresh Water									
Water Supp. Dist. #1	100.00	0.5400		1.0000	1.0000				
DC Fresh Water Supp.#1-B		1.0000	1.0000	1.0000	1.0000	1.0000	0.9500	0.9000	0.90000
DC Fresh Water Supp.#1-C						0.54	0.9500	0.9000	0.90000
DC Fresh Water Supp.#1-D						1.0000	0.9500	0.9000	0.90000
DC Fresh Water Supp.#1-E						1.0000		0.9000	0.90000

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, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 45,654,039	\$ 45,064,783	98.7%	\$ 546,369	\$ 45,611,152	99.9%
2001	53,675,987	52,928,630	98.6%	699,803	53,628,433	99.9%
2002	67,007,264	65,833,992	98.2%	1,098,450	66,932,442	99.9%
2003	74,597,046	73,502,543	98.5%	1,029,578	74,532,121	99.9%
2004	82,072,675	81,000,786	98.7%	1,029,336	82,030,122	99.9%
2005	91,909,495	90,828,110	98.8%	1,015,360	91,843,470	99.9%
2006	96,942,092	95,770,632	98.8%	1,228,448	96,999,080	100.1%
2007	101,758,392	100,548,087	98.8%	1,308,910	101,856,997	100.1%
2008	115,308,895	114,144,213	99.0%	707,791	114,852,004	99.6%
2009	125,564,650	124,349,930	99.0%	-	124,349,930	99.0%

Denton County, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income¹</u>	<u>Per Capita²</u>	<u>Population</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
2000	\$ 107,177,570	\$ 948,142	\$ 108,125,712	0.90%	\$ 249.73	432,976
2001	139,412,570	1,500,518	140,913,088	1.09%	310.48	453,853
2002	136,922,570	2,524,899	139,447,469	1.03%	293.20	475,600
2003	135,567,570	2,037,330	137,604,900	0.93%	272.67	504,650
2004	130,777,570	756,089	131,533,659	0.82%	248.67	528,950
2005	171,407,570	448,928	171,856,498	0.96%	311.00	552,600
2006	174,702,570	226,595	174,929,165	1.19%	302.38	578,500
2007	273,559,740	301,857	273,861,597	1.80%	456.93	599,350
2008	285,616,003	2,136,690	287,752,693	1.85%	468.16	614,650
2009	374,335,733	1,578,260	375,913,993	1.98%	598.30	628,300

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Demographic and Economic Statistics on page 122 for personal income and population data .

Denton County, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>	<u>Population (')</u>
2000	\$ 107,177,570	\$ 1,077,645	\$ 106,099,925	55.00%	\$ 245.05	432,976
2001	139,412,570	2,904,913	136,507,657	0.59	300.78	453,853
2002	136,922,570	1,943,755	134,978,815	0.51	283.81	475,600
2003	135,567,570	1,751,705	133,815,865	0.45	265.17	504,650
2004	130,777,570	1,209,971	129,567,599	0.39	244.95	528,950
2005	171,407,570	2,711,013	168,696,557	0.47	305.28	552,600
2006	174,702,570	1,903,455	172,799,115	0.44	298.70	578,500
2007	273,559,740	1,762,394	271,797,346	0.62	453.49	599,350
2008	285,616,004	2,056,731	283,559,273	0.58	461.33	614,650
2009	374,335,733	2,902,071	371,433,662	0.70	591.17	628,300

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 112 for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics on page 122.

Denton County, Texas

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

September 30, 2009

	Net Bonded Debt at September 30, 2009	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<u>DIRECT DEBT</u>			
Denton County	\$ 371,433,662	100.00%	\$ <u>371,433,662</u>
<u>OVERLAPPING DEBT</u>			
<u>Cities:</u>			
Argyle	2,410,000	100.00	2,410,000
Aubrey	-	100.00	-
Bartonville	750,000	100.00	750,000
Carrollton	165,314,158	35.62	58,884,903
The Colony	72,225,000	100.00	72,225,000
Corinth	34,955,000	100.00	34,955,000
Dallas	2,000,869,913	0.83	16,607,220
Denton		100.00	-
Flower Mound	124,900,000	100.00	124,900,000
Frisco	317,120,000	32.20	102,112,640
Hackberry	277,300	100.00	277,300
Hickory Creek	-	100.00	-
Highland Village	24,122,527	100.00	24,122,527
Justin	7,860,000	100.00	7,860,000
Krugerville	-	100.00	-
Krum	732,328	100.00	732,328
Lake Dallas	550,614	100.00	550,614
Lewisville	61,302,182	99.92	61,253,140
Little Elm	30,818,388	100.00	30,818,388
Marshall Creek	-	100.00	-
Northlake	2,805,234	100.00	2,805,234
Oak Point	-	100.00	-
Pilot Point	380,995	100.00	380,995
Ponder	116,348	100.00	116,348
Roanoke	32,420,000	100.00	32,420,000
Sanger	15,595,045	100.00	15,595,045
Trophy Club	8,162,000	100.00	8,162,000

Notes:

(1) Source: Municipal Advisory Council of Texas

	Net Bonded Debt at September 30, 2009	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
School Districts:			
Argyle	69,266,455	100.00	69,266,455
Aubrey	124,632,339	100.00	124,632,339
Carrollton-			
Farmers Branch	380,421,200	20.48	77,910,262
Celina	60,370,876	4.67	2,819,320
Denton	619,127,841	100.00	619,127,841
Frisco	-	14.02	-
Krum	48,030,303	99.16	47,626,848
Lake Dallas	119,329,272	100.00	119,329,272
Lewisville	906,527,700	100.00	906,527,700
Little Elm	136,169,103	100.00	136,169,103
Northwest	512,158,638	71.46	365,988,563
Pilot Point	18,992,641	97.25	18,470,343
Ponder	51,292,310	100.00	51,292,310
Prosper	-	1.03	-
Sanger	2,797,924	100.00	2,797,924
Slidell	2,565,000	26.90	689,985
Special Districts:			
Lake Cities M.U.A.	-	100.00	-
Trophy Club M.U.D.#1	-	46.68	-
Trophy Club M.U.D.#2	-	100.00	-
Denton Co. RUD #1	17,230,000	97.94	16,875,062
DC Fresh Water Supp #1-B	-	100.00	-
DC Fresh Water Supp #1-D	-	100.00	-
DC Fresh Water Supp #1-E	-	100.00	-
DC Fresh Water Supp #9	-	100.00	-
Corinth M.U.D. #1	238,835	100.00	<u>238,835</u>
TOTAL OVERLAPPING DEBT			<u>\$3,157,700,845</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$3,529,134,507</u></u>

Denton County, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Amounts Expressed in Thousands)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$4,389,801	\$5,207,346	\$6,070,943	\$6,876,113	\$7,656,639	\$8,276,952	\$8,871,385	\$9,973,291	\$12,220,614	\$11,941,032
Total Net Debt Applicable to Limit	106,100	136,508	134,979	133,816	129,568	168,697	172,799	271,797	283,559	371,433
Legal Debt Margin	\$4,283,701	\$5,070,838	\$5,935,964	\$6,742,297	\$7,527,071	\$8,108,255	\$8,698,586	\$9,701,494	\$11,937,055	\$11,569,599
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.42%	2.62%	2.22%	1.95%	1.69%	2.04%	1.95%	2.73%	2.32%	3.11%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Value of Real Property	\$ 47,764,127
Debt Limit (25% of Total Real Property Value)	11,941,032
Debt Applicable to Limit	374,335
General Obligations Bonds	Less: Amount Set Aside for Repayment of
General Obligation Debt	(2,902)
Total Net Debt Application to Limit	371,433
Legal Debt Margin	11,569,599

Note: State of Texas law, Denton County's outstanding general obligation debt should not exceed 25 per cent of total assessed value of real property.

Denton County, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income ¹	Median Age ¹	Education Level in Years of Formal Schooling ¹	School Enrollment ¹	Unemployment Rate ²
2000	429,332	\$ 11,914,822	\$ 27,752	-	-	-	1.9%
2001	453,853	12,922,103	28,472	-	-	-	3.2%
2002	475,600	13,578,856	28,551	-	-	-	4.9%
2003	504,650	14,822,580	29,372	-	-	-	5.5%
2004	528,950	15,985,927	30,222	-	-	160,361	3.6%
2005	552,600	17,938,501	32,462	32.2	14.4	164,982	4.2%
2006	578,500	-	-	-	-	178,444	3.8%
2007	559,350	17,087,583	30,549	31.8	14	187,564	4.0%
2008	614,650	-	-	-	-	193,381	4.4%
2009	628,300	19,984,338	31,807	31.0	16.6	-	7.7%

Data Sources:

1 U.S. Census Bureau

2 Texas Workforce Commission

Certain of the above data have been left blank as the information is not available to Denton County at this time.

Denton County, Texas

PRINCIPAL EMPLOYERS

Current Year and Eleven Years Ago

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of North Texas	7,100	1	1.13%	5,500	1	1.28%
Lewisville ISD	4,500	2	0.72%			
Frito Lay	2,436	3	0.39%			
American Airlines	2,350	4	0.37%			
Texas Women's University	2,200	5	0.35%	1,300	6	0.30%
Denton Independent School Distri	2,000	6	0.32%	1,865	4	0.43%
Horizon Health	1,500	7	0.24%			
Denton State School	1,473	8	0.23%	1,497	5	0.35%
Xerox Corporation	1,400	9	0.22%			
Denton County	1,227	10	0.20%	1,198	7	0.28%
Boeing Electronics				2,200	2	0.51%
Peterbilt Motors				2,000	3	0.47%
City of Denton				1000	8	0.23%
Denton Regional Medical Center				800	9	0.19%
Victor Equipment Company				600	10	0.14%
	<u>26,186</u>		<u>4.17%</u>	<u>17,360</u>		<u>4.18%</u>

Source: Texas Workforce Commission

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of Beginning of Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	142.5	147.0	152.5	154.5	158.0	159.5	164.0	168.5	166.0	167.0
Judicial	114.0	114.5	121.5	122.5	122.5	124.0	123.0	126.5	133.0	133.5
Legal	100.5	107.0	115.5	117.0	116.0	118.0	118.0	116.0	107.0	113.0
Financial	73.0	74.0	74.5	76.5	80.0	80.5	80.5	81.5	86.5	87.5
Public Facilities	26.5	27.5	27.5	27.5	29.5	30.5	30.5	30.0	30.0	32.0
Public Safety	604.0	618.5	625.0	628.0	686.5	710.0	712.0	758.0	761.5	788.5
Health & Welfare	34.0	41.0	49.0	51.5	58.0	53.0	70.5	9.0	9.0	9.0
Conservation	9.0	9.0	9.0	9.0	9.0	9.0	9.0	81.0	80.0	81.0
Roads	88.0	88.0	82.0	82.0	80.5	80.5	81.0	74.5	46.5	46.5
Total	1,191.5	1,226.5	1,256.5	1,268.5	1,340.0	1,365.0	1,388.5	1,445.0	1,419.5	1,458.0

Source: Denton County Budget Office

Denton County, Texas

OPERATING INDICATORS BY FUNCTION

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
County Clerk:										
Number of Criminal Cases Filed	8,957	9,331	10,135	11,260	11,200	11,185	9,650	10,087	11,000	11,500
Number of Civil Cases Filed	1,014	1,519	1,683	1,891	2,182	2,567	3,141	4,697	5,021	5,100
Human Resources										
Applications Accepted	5,862	6,750	11,090	14,397	15,237	12,233	10,830	10,087	9,640	10,192
Jobs Posted	617	517	235	348	441	458	258	270	200	175
Purchasing										
Purchase Orders Issued	9,369	9,180	9,039	8,869	8,801	8,963	8,231	8,543	9,050	10,000
Competitive Bids/Contract Renewals	142	48	45	45	59	48	43	53	61	65
Information Services/County Technology										
Work Orders Completed	8,131	12,479	10,055	9,216	14,162	8,809	9,559	8,300	8,512	11,202
Elections Administration										
New Registrations	40,010	40,000	40,000	26,072	35,072	26,143	35,000	27,926	60,025	33,000
Elections Held	26	25	32	26	35	23	77	52	48	45
Judicial										
District Courts										
Criminal Cases Disposed	1,417	1,408	2,107	2,471	3,055	2,530	2,601	2,304	2,450	3,057
Divorce/Family Cases Disposed	3,375	4,436	4,816	4,514	4,782	4,157	5,702	8,860	8,228	5,643
County Courts										
Juvenile Cases Disposed	10,108	1,242	982	1,212	1,424	1,421	1,169	1,262	1,514	1,600
Criminal Cases Disposed		9,993	9,521	7,898	9,639	8,646	9,325	10,464	10,525	10,031
District Clerk										
Civil, Family and Tax Cases Filed	7,065	7,288	8,324	8,552	8,990	9,688	9,381	9,981	10,586	11,000
Child Support Garnishment Orders				4,188	5,162	7,323	17,612	7,783	7,983	-

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Justices of the Peace										
Civil Cases Filed	3,523	5,048	5,513	9,062	7,475	7,456	7,779	9,469	12,366	12,054
Criminal Cases Filed	28,748	31,157	31,242	30,967	37,193	36,097	34,510	25,950	25,467	24,516
Legal										
Criminal District Attorney										
Felony Cases Under Indictment	2,396	2,062	1,615	1,935						
Misdemeanor Cases Under Indictment	21,615	18,140	6,889	6,716						
Cases Filed				9,382	237	9,326	11,359	11,727	11,034	11,600
Total Jury Trials				227	237	224	200	153	190	204
Financial										
County Auditor										
Accounts Payable Checks Processed	19,062	20,235	19,654	20,118	18,134	17,000	17,000	17,000	19,200	20,125
County Treasurer										
Payroll Checks Processed	31,687	33,840	35,102	36,992	36,371	38,611	38,732	39,000	39,500	41,000
Tax Assessor/Collector										
County Tax Accounts	198,198	220,000	248,600	265,500	254,048	254,048	270,929	284,302	315,062	321,000
Automobile Registrations	346,000	374,522	385,962	400,781	416,726	448,147	474,564	474,561	498,440	505,378
Budget Department										
Budget Amendments Processed	300	283	253	257	248	234	251	239	265	275
Public Safety										
County Jail										
Average Daily Jail Population	680	680	725	770	897	897	1,019	1,103	1,100	1,140
Average Daily # of Contract Inmates	200	200	217	231	-	-	40	95	53	-
Sheriff										
E-911 Calls Received	38,500	38,500	60,865	64,291	54,517	73,696	62,100	80,121	63,845	64,196
Patrol Calls for Service	-	-	-	-	-	-	-	18,449	29,161	38,161
Health & Welfare										
Immunizations Administered	14,137	16,981	18,472	26,910	20,126	19,799	14,939	17,950	16,930	17,000
Primary Health Care Visits	3,920	4,744	5,370	7,574	8,226	8,883	7,714	8,987	10,468	10,600
Roads										
Work Orders Completed	460	663	1,017	-	730	472	332	709	480	564
Miles of Roads Overlayed			15	-	14	23	10	14	18	21

Source: Denton County Budget Office

Denton County, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Number of Buildings									8	8
Judicial										
Number of Buildings									3	3
Financial										
Number of Buildings									1	1
Public Safety										
Number of Buildings									7	7
Number of Jail Beds									1,400	1,496
Juvenile Detention Beds									102	102
Number of Sheriff Vehicles									200	200
Health and Welfare										
Number of Buildings									2	2
Roads										
Number of Buildings									3	3
Miles of Road									612	612
Number of Bridges									62	62

Source: Denton County Financial Records

Note: 2008 is the first year for accumulation of these statistics.

PREFACE

Overview of the County's Fiscal Year 2009 Annual Audit -

Denton County's combined financial statements for 2009, 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 2009 annual audit.

Overview of Grant Audit Requirements -

The scope of the County's fiscal year 2009 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 affected 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 2009 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, 2009**

(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 represents grant included in conformity with OMB Circular A-133. Denton County also acts as a fiscal agent for funds paid by the State to the local Adult Probation Department. Per this agency's request, this program has been omitted from this report. State funds provided to this agency in fiscal 2009 totaled approximately \$1,487,200

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, 2009**

<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, Center for Disease Control & Prevention Passed through the Texas Department of State Health Services:			
Center for Disease Control and Prevention- 2010 Investigations and Technical Asst.	93.069	2009-028070	\$ 553,806
Center for Disease Control and Prevention- 2009 Investigations and Technical Asst.	93.283	2008-028070	460,296
Center for Disease Control and Prevention- 2008 Investigations and Technical Asst.	93.283	2008-022946-001	1,023,277
Center for Disease Control and Prevention- 2009 Discretionary Funds Grant	93.283	2009-031297	96,000
Center for Disease Control and Prevention- 2006 Investigations and Technical Asst.	93.283	C9000524-3	-
2009 Medical Assistance Program	93.283	2008-028073	126,389
2008 Medical Assistance Program	93.283	2008-023010	126,389
U. S. Department of Agriculture Passed through the Texas Department of State Health Services			
2009 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	1,784,416
2008 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	-
Total Texas Department of State Health Services			<u>4,170,573</u>
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Family and Protective Services:			

Balance * October 1, <u>2008</u>	Receipts or Revenue <u>Recognized</u>	Disbursements/ <u>Expenditures</u>	Balance * September 30, <u>2009</u>
\$ -	\$ -	\$ 81,136	\$ 81,136
69,445	395,220	386,767	60,992
415,051	415,051	-	-
-	261	42,268	42,007
-	-	-	-
8,322	124,437	116,115	-
43,478	43,478	-	-
-	1,398,461	1,784,416	385,955
<u>426,831</u>	<u>426,831</u>	<u>-</u>	<u>-</u>
<u>963,127</u>	<u>2,803,739</u>	<u>2,410,702</u>	<u>570,090</u>

Denton County, Texas

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
2009 CPS IV-E Legal Services Grant	93.658	2008-033424	-
2008 CPS IV-E Legal Services Grant	93.658	2008-033424	-
2009 Foster Care Title IV-E Grant	93.658	-	-
2008 Foster Care Title IV-E Grant	93.658	-	-
Total Texas Department of Family and Protective Services			<u>-</u>
U.S. Dept. of Agriculture Passed through the Texas Department of Agriculture	read comment		
2009 National School Lunch Program Grant	10.555	-	<u>105,693</u>
Total Texas Department of Agriculture			<u>105,693</u>
U. S. Dept. of Health and Human Services Passed through the Office of the Attorney General - Child Support Office:			
2009 Title IV-D Filing Fees and Court Costs Grant	93.563	-	<u>100,059</u>
U.S. Department of Justice Passed through the Office of the Governor - Criminal Justice Division:			
Prosecution Enhancement Grant-12	16.588	WF-09-V30-13432-12	40,000
Prosecution Enhancement Grant-11	16.588	WF-08-V30-13432-11	40,000
Victim Notification Grant-10	16.576	VA-02-13611-09	30,108
Family Violence Expansion Grant-13	16.588	WF-10-V30-13433-13	<u>80,000</u>

Balance * October 1, 2008	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2009
-	-	-	-
86,831	86,831	-	-
-	12,384	12,384	-
<u>17,793</u>	<u>13,682</u>	<u>(4,111)</u>	<u>-</u>
<u>104,624</u>	<u>112,897</u>	<u>8,273</u>	<u>-</u>
<u>-</u>	<u>105,693</u>	<u>105,693</u>	<u>-</u>
<u>-</u>	<u>105,693</u>	<u>105,693</u>	<u>-</u>
<u>-</u>	<u>100,059</u>	<u>100,059</u>	<u>-</u>
-	33,642	40,000	6,358
-	40,000	40,000	-
-	30,108	30,108	-
<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
Total Office of the Governor - Criminal Justice Division			<u>190,108</u>
Federal Department of Homeland Security Passed Through the Texas Department of Public Safety:			
2009 Emergency Management Grant	83.552	76TX-EMPG-038	33,061
2008 Emergency Management Grant	83.552	76TX-EMPG-038	33,061
2009 Disaster Relief Grant	97.036	-	<u>90,280</u>
Total Federal Dept. of Homeland Security			<u>156,402</u>
U.S. Dept. of Health and Human Services Passed through the Texas Juvenile Probation Commission			
2009 Title IV-E Administrative Costs Grant	93.658	TJPC-E-08-9220	<u>52,819</u>
Total Texas Juvenile Probation Commission			<u>52,819</u>
U.S. Department of Homeland Security Passed through the Office of the Governor:			
State Homeland Security Grant 2008	97.004	2007-GE-T7-0024	523,778
State Homeland Security Grant 2007	97.004	2007-GE-T7-0024	616,458
State Homeland Security Grant 2006	97.004	2006-GE-T5-4025	<u>730,345</u>
Total U.S. Department of Homeland Security:			<u>1,870,581</u>

Balance * October 1, 2008	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2009
-	183,750	190,108	6,358
-	-	-	-
33,061	-	(33,061)	-
-	90,280	90,280	-
33,061	90,280	57,219	-
-	52,819	52,819	-
-	52,819	52,819	-
-	-	-	-
2,197	-	74,192	76,389
159,580	140,896	(18,684)	-
161,777	140,896	55,508	76,389

Denton County, Texas

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
U.S. Department of Justice			
Bulletproof Vest Partnership Program Grant	16.607	-	<u>2,258</u>
Passed through the Office of the Governor:			
State Criminal Alien Assistance Grant 2008	16.606	2008-AP-BX-0261	201,813
Juvenile Accountability Incentive Block Grt-10	16.523	JB-07-J20-13373-10	24,548
Juvenile Accountability Incentive Block Grt-9	16.523	JB-05-J20-13373-09	24,584
2008 Edward Byrne Justice Assistance Grant	16.580	2006-DJ-BX-1089	15,616
2007 Edward Byrne Justice Assistance Grant	16.580	2006-DJ-BX-1089	<u>62,135</u>
Total Department of Justice			<u>328,696</u>
National Highway Traffic Safety Administration			
Passed through the Dept of Transportation:			
2009 STEP SPEED Grant	20.600	2009-DetonCo-S-MYG	38,105
2008 STEP Impaired Driving Mob. Grant	20.600	588EGF5012	7,560
2007 STEP Wave Grant	20.600	587XXF5017	<u>34,713</u>
Total Natl Highway Traffic Safety Admin.			<u>80,378</u>
U.S. Elections Assistance Commission:			
Passed Through the Texas Secretary of State:			
2003 Help America Vote Act Grant	39.011		<u>2,415,463</u>
Total Federal Assistance			<u>\$ 9,473,030</u>

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

Balance * October 1, 2008	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2009
<u>2,258</u>	<u>2,258</u>	<u>-</u>	<u>-</u>
-	201,813	201,813	-
-	20,865	23,344	2,479
1,924	1,924	-	-
-	6,758	13,516	6,758
<u>(7,591)</u>	<u>-</u>	<u>7,591</u>	<u>-</u>
<u>(5,667)</u>	<u>231,360</u>	<u>246,264</u>	<u>9,237</u>
-	22,210	38,105	15,895
590	590	-	-
<u>1,160</u>	<u>1,160</u>	<u>-</u>	<u>-</u>
<u>1,750</u>	<u>23,960</u>	<u>38,105</u>	<u>15,895</u>
<u>18,455</u>	<u>-</u>	<u>(18,455)</u>	<u>-</u>
<u>\$ 1,279,385</u>	<u>\$ 3,847,711</u>	<u>\$ 3,246,295</u>	<u>\$ 677,969</u>

Denton County, Texas

**SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2009**

<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 Department of State Health Services:			
2010 Service Delivery Integration Fees for Services Grant		2010-024224-001	168,726
2009 Service Delivery Integration Fees for Services Grant		2009-024224-001	196,278
2009 Tuberculosis Services Grant		2009-029037	55,123
2008 Tuberculosis Services Grant		2008-024615	63,623
2010 Immunization Program Grant		2010-028311	280,147
2009 Immunization Program Grant		2009-028311	223,042
2008 Prenatal Services		2009-029545	25,000
2009 OPHP Local Public Health System Grant		2009-024479-001	<u>60,244</u>
Total Texas Dept. of State Health Services			<u>1,072,183</u>
Texas Commission on Environmental Quality:			
Regional High Emitting Vehicle Asst. Grant		Denton 2006	<u>4,162,028</u>
Comptroller of Public Accounts:			
Tobacco Compliance Grant 2009		-	<u>16,000</u>
Total Comptroller of Public Accounts:			<u>16,000</u>
Texas Task Force on Indigent Defense:			
Indigent Defense Formula Grant		Denton 2009	<u>320,814</u>
Total State Assistance			<u>\$ 5,571,025</u>

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

<u>Balance *</u> <u>October 1,</u> <u>2008</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>2009</u>
-	13,800	13,800	-
-	196,278	196,278	-
-	51,251	55,123	3,872
11,424	11,424	-	-
-	-	30,618	30,618
30,185	183,840	192,857	39,202
-	25,000	25,000	-
6,541	60,244	53,703	-
<u>48,150</u>	<u>541,837</u>	<u>567,379</u>	<u>73,692</u>
<u>-</u>	<u>4,162,028</u>	<u>4,065,188</u>	<u>(96,840)</u>
<u>(8,000)</u>	<u>(4,707)</u>	<u>3,293</u>	<u>-</u>
<u>(8,000)</u>	<u>(4,707)</u>	<u>3,293</u>	<u>-</u>
<u>-</u>	<u>320,814</u>	<u>320,814</u>	<u>-</u>
<u>\$ 40,150</u>	<u>\$ 5,019,972</u>	<u>\$ 4,956,674</u>	<u>\$ (23,148)</u>



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

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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

Compliance

We have audited the compliance of Denton County with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, the State of Texas Uniform Grants Management Standards that are applicable to each of its major federal and state programs for the year ended September 30, 2009. Denton County's 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's management. Our responsibility is to express an opinion on Denton County's 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* and the State of Texas Uniform Grant Management Standards. 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 or state program occurred. An audit includes examining, on a test basis, evidence about Denton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Denton County's compliance with those requirements.

In our opinion, Denton County 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, 2009.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

Denton County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Denton County's response and, accordingly, we express no opinion on it.

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

Pattillo, Brown & Hill, L.L.P.

March 15, 2010



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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Denton County, Texas as of and for the year ended September 30, 2009, which collectively comprise Denton County, Texas' basic financial statements and have issued our report thereon dated March 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated March 15, 2010.

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

Pattillo, Brown & Hill, L.L.P.

March 15, 2010

DENTON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None reported
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133 and state awards as defined by the State of Texas Uniform Grant Management Standards	None
Dollar threshold considered between Type A and Type B federal and state programs	\$300,000
Low risk auditee statement	The County was classified as a high-risk auditee in the context of OMB Circular A-133 and the State of Texas Uniform Grant Management Standards.
Major federal program	Program for Women, Infants and Children, CFDA #10.557 Centers for Disease Control and Prevention Investigations and Technical Assistance, 2009 Medical Assistance Program CFDA #93.069, 93.283
Major state program	Regional High Emitting Vehicle Assistance Grant Indigent Defense Formula Grant

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 AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

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

Item 2008-1:

Condition: The County uses a Criminal Justice Computer System to track and record the amounts of fines that are owed by offenders. Upon testing the receivable balances, it was noted that balances being shown had errors and balances that were not being calculated properly.

Effect: Court receivables and revenue have a risk of being misstated.

Cause: The Criminal Justice Computer System generates detailed lists of court receivables that have errors and balances that were not being calculated properly.

Recommendation: We recommend the County work closely with their software provider to generate accurate listings of court receivables. The County should also audit these listings on an interim basis throughout the year to identify errors on a timely basis. By doing this on an interim basis, the County will have adequate time to correct any noted errors.

Management's Response: We will work with the software provider to insure that both the Criminal Justice Computer System and the new system can provide accurate reports of fines assessed and collected.

Contact Person Responsible
for Corrective Action: James Wells, County Auditor

Anticipated Completion
Date: September 30, 2009

Current Status: Corrected

Findings and Questioned Costs for Federal and State Awards

Item 2008-2: All major programs

Condition: Documentation was not available to ensure time and effort requirements were met in accordance with OMB Circular A-87.

(continued)

DENTON COUNTY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Findings and Questioned Costs for Federal and State Awards (Continued)

<u>Item 2008-2:</u> (Continued)	All major programs
<u>Criteria:</u>	Documentation of allowable salaries and wages in accordance with OMB Circular A-87 include the following: (1) Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. (2) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards, unless a statistical sampling system or other substitute system has been approved by the cognizant federal agency. Such documentary support will be required where employees work on: a. More than one federal award; b. A federal award and a non-federal award; c. An indirect cost activity and a direct cost activity; d. Two or more indirect activities which are allocated using different allocation basis; or e. An unallowable activity and a direct or indirect cost activity.
<u>Cause:</u>	Policies and procedures are not in place to ensure time and effort requirements are met in accordance with OMB Circular A-87.
<u>Effect:</u>	Certifications of time and effort were not available. We performed procedures to verify that salaries and wages tested were allowable costs. These procedures included inquiry of employees.
<u>Recommendation:</u>	Management should implement policies and procedures to ensure the County certifies time and effort in accordance with the requirements of OMB Circular A-87.
<u>Management's Response:</u>	We will implement and monitor policies and procedures to insure compliance with requirements for documentation regarding allowable salaries.
<u>Contact Person Responsible for Corrective Action:</u>	James Wells, County Auditor
<u>Anticipated Completion Date:</u>	September 30, 2009
<u>Current Status:</u>	Corrected

