

DENTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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



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

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Letter of Transmittal	I
Certificate of Achievement	VI
Organizational Chart	VII
Directory of Principal Officials	VIII
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	20
Statement of Net Assets - Proprietary Fund	24
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	25
Statement of Cash Flows - Proprietary Fund	26
Statement of Fiduciary Net Assets - Agency Funds	27
Notes to the Financial Statements	28

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Road and Bridge Special Revenue Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Jury Special Revenue Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Juvenile Probation Special Revenue Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Indigent Care Special Revenue Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Health Special Revenue Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Law Library Special Revenue Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - County Clerk Records Special Revenue Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Courthouse Security Special Revenue Fund	80
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Sheriff's Forfeiture Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Vehicle Inventory Tax Interest Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Records Management Special Revenue Fund	83
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Attorney Check Fee Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Attorney Forfeiture Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Health Care Relief Special Revenue Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - JP Court Technology Special Revenue Fund	87

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Health Preparedness Grant Special Revenue Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Clerk Records Management Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - JP Court Security Fund	90
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Fire Code Enforcement Fund	91
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Museum Endowment Fund	92
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Replacement Fund	93
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	94
Statement of Fiduciary Assets and Liabilities Agency Funds	95
Statement of Changes in Fiduciary Assets and Liabilities Agency Funds	98

STATISTICAL SECTION

Net Assets by Component	104
Changes in Net Assets	105
Governmental Activities Tax Revenue by Source	107
Fund Balances of Governmental Funds	108
Changes in Fund Balances of Governmental Funds	109
General Governmental Tax Revenues by Source	111
Assessed Value and Estimated Actual Value of Taxable Property	112
Principal Property Taxpayers	113
Property Tax Rates - Direct and Overlapping Governments Last Eight Fiscal Years	114
Property Tax Levies and Collections	116
Ratios of Outstanding Debt by Type	117

Computation of Direct and Overlapping Debt	119
Legal Debt Margin Information	121
Demographic and Economic Statistics	122
Principal Employers	123
Full-time Equivalent County Government Employees by Function	124
Operating Indicators by Function	125
Capital Asset Statistics by Function	127

SINGLE AUDIT SECTION

Preface	128
Notes to Grant Financial Statements	130
Schedule of Federal Financial Assistance - For the Fiscal Year Ended September 30, 2007	131
Schedule of State Financial Assistance - For the Fiscal Year Ended September 30, 2007	139

AUDITOR'S REPORTS ON GRANT FINANCIAL STATEMENTS

On Compliance with Requirements That Could Have a Direct and Material Effect on 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	141
On Internal Control Over Financial Reporting and on Compliance and Other Matters in Accordance with <i>Government Auditing Standards</i>	143
Schedule of Findings and Questioned Costs	145
Summary Schedule of Prior Year Audit Findings	146



DENTON COUNTY AUDITOR

March 15, 2011

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. Per that requirement, we hereby issue the comprehensive annual financial report of Denton County for the fiscal year ended September 30, 2010.

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, 2010 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, 2010 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 662,614. 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 to develop 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 its 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 663,000 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, 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 \$51 billion in 2010.

As with the nation as a whole, job cutbacks were felt in Denton County in both manufacturing and service industries. Our September, 2010, unemployment rate of 7.1% does compare favorably with the 8.1% statewide rate, and with the 9.6% national rate. During the 2010 year, the County had over \$1.1 billion in new property added to the tax rolls. This was a 35% decrease in new construction in the County compared to the previous year, but it was not as drastic a slowdown as expected. In 2010, over 2,410 new housing completions were recorded in the County. This represents a 1.1% 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 12% 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 six 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, and the plan has been updated each year since.

Relevant Financial Policies. For the last four 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 \$140 million in permanent improvement bonds in 2010 and to begin the process of completing the projects identified for the current year.

Major Initiatives. Implementation of the facilities and transportation improvements identified in the Capital Improvement Plan was the major priority of County management in 2010. Using funding from the 2009 and 2010 Permanent Improvement Bond issues, the County completed Phase I of a multi-step plan to develop a new administrative complex on property in Denton owned by the County. Architects continued the process of planning and designing expansions of the county law enforcement center, the juvenile detention center, Phase II of the County Administrative Complex and the Lewisville government centers. These 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 and 2010 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 2011 fiscal year.

AWARDS AND ACKNOWLEDGEMENTS

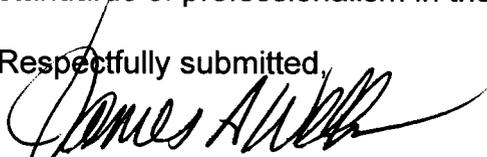
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denton County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the nineteenth consecutive year that the government 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, 2009. 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
Denton County Auditor

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, 2009

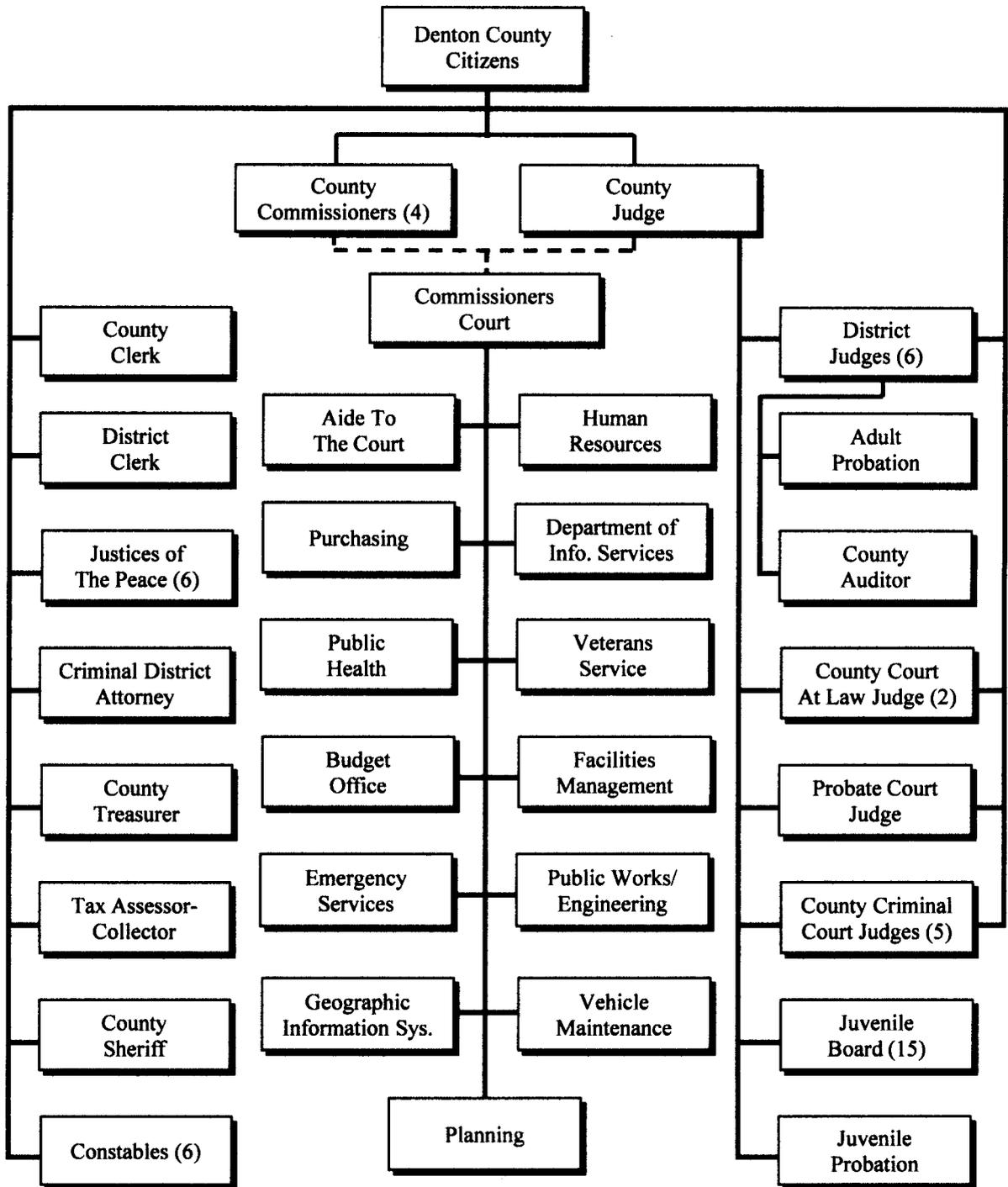
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

DENTON COUNTY ORGANIZATIONAL CHART



DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2010

Commissioners Court

Mary Horn	County Judge
Hugh Coleman	Commissioner, Pct. 1
Ron Marchant	Commissioner, Pct. 2
Bobbie J. Mitchell	Commissioner, Pct. 3
Andy Eads	Commissioner, Pct. 4

Judicial

Carmen Rivera-Worley	Judge, 16th District Court
Jake Collier	Judge, 158th District Court
L. Dee Shipman	Judge, 211th District Court
Bruce McFarling	Judge, 362nd District Court
Margaret Barnes	Judge, 367th District Court
Doug Robison	Judge, 393rd District Court
Darlene Whitten	Judge, County Court-at-Law 1
Robert Ramirez	Judge, County Court-at-Law 2
Jim Crouch	Judge, County Criminal Court 1
Virgil Vahlenkamp	Judge, County Criminal Court 2
David Garcia	Judge, County Criminal Court 3
Joe Bridges	Judge, County Criminal Court 4
Richard Podgorski	Judge, County Criminal Court 5
Don Windle	Judge, Probate Court

Law Enforcement

Benny Parkey	County Sheriff
Paul Johnson	Criminal District Attorney
Peggy Carr*	Community Supervision Director
Peggy Fox *	Juvenile Probation Director

Financial Administration

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

Recording Officials

Sherri Adelstein	District Clerk
Cynthia Mitchell	County Clerk

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

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, 2010, 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, 2010, 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 25, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Denton County, Texas' financial statements as a whole. 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 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 financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

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

March 25, 2011

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, 2010. 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 \$(70,208,505) (*net assets*). Of this amount \$2,885,780 is restricted for specific purposes. Unrestricted net assets are \$(134,205,155).
- As of the close of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$270,306,737, an increase of \$92,870,205 in comparison with the prior year. Of this total amount, \$43,791,119 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 \$27,576,708 or 25.13 percent of the total general fund expenditures.
- Denton County's total bonded debt increased by \$122,564,267 (33.0 percent) during the current fiscal year. Key factors in this increase included the issuance of \$137,895,000 in permanent improvement bonds for a building and transportation projects. Almost \$17 million in previously issued debt was retired during the year, and \$21,845,000 in previously issued bonds was refinanced at lower interest rates to save the County over \$928,000 in interest expenses.

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 40 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 2009 PI Bond Project Fund, and the 2010 PI Bond Fund, all of which are considered to be major funds. Data from the other 35 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 \$70,208,505 at the close of the most recent fiscal year.

The largest portion of Denton County's total assets represents cash and investments that are to be used 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, 2010 and 2009 are summarized as follows:

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 296,684,870	\$ 206,439,523
Capital assets (net of depreciation)	<u>169,560,138</u>	<u>145,943,271</u>
Total assets	<u>466,245,008</u>	<u>352,382,794</u>

Current and other liabilities	20,468,116	20,554,352
Long-term liabilities	<u>515,985,395</u>	<u>388,142,901</u>
Total Liabilities	<u>536,453,511</u>	<u>408,697,253</u>

Net assets:

Invested in capital assets, net of related debt	61,110,870	51,706,932
Restricted	2,885,780	132,678,303
Unrestricted	<u>(134,205,155)</u>	<u>(240,699,693)</u>
Total net assets	<u>\$ (70,208,505)</u>	<u>\$ (56,314,458)</u>

About 48.58% 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 \$13.9 million during the current fiscal year. Key components of this decrease include the following:

- Unrestricted net assets decreased by nearly \$7.5 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 2010.
- A decrease in net assets in the internal service fund of \$2.15 million due to increased plan benefit expenses and a higher than expected claims payable at yearend.
- A reporting requirement for debt in government-wide statements is that the principal debt payments of \$16,765,733 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 \$86.5 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 somewhat larger amount due to the previously mentioned bond sale.

Governmental activities. Governmental activities, which are the County's only activities, decreased Denton County's net assets by \$13,394,397. Key elements of this decrease are as follows:

	<u>2010</u>	<u>2009</u>
Revenues:		
Net Program Revenues:		
Charges for services	\$ 26,804,224	\$ 27,375,270
Operating grants and contributions	23,700,837	26,939,977
Capital grants and contributions	6,864,345	2,603,865
General Revenues:		
Property taxes	135,631,477	126,731,978
Grants and contributions not restricted	-	-
Unrestricted investment earnings	581,552	1,187,458
Total revenues	<u>193,582,435</u>	<u>184,838,548</u>
Expenses:		
General government	22,448,078	25,423,663
Judicial	17,863,484	16,896,832
Legal	11,694,350	11,390,916
Financial management	6,183,733	5,870,757
Public Facilities	8,929,229	9,874,556
Public Safety	62,775,641	57,604,549
Health and welfare	10,857,064	9,047,425
Conservation	403,151	402,165
Contractual	3,096,886	2,919,721
Roads Maintenance	44,795,191	53,742,924
Interest on long-term debt	18,429,675	17,049,993
Total expenses	<u>207,476,482</u>	<u>210,223,502</u>
Changes in net assets	(13,894,047)	(25,384,954)
Net assets - beginning	<u>(56,314,458)</u>	<u>(30,929,504)</u>
Prior period adjustment	-	-
Net assets - ending	<u>\$ (70,208,505)</u>	<u>\$ (56,314,458)</u>

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

- Property tax revenues increased by \$8.9 million (7.0%) during the year. This increase is the result of increases to the tax base that totaled \$1.7

- billion and a tax rate increase of 3.16%. Taxes were increased to fund increased debt service expenses. There was a minimal decrease in spending in other areas of the government.
- Investment earnings decreased by \$605,906 as a result of the continued low interest rates established by the Federal Reserve during the year although investable balances increased in the Capital Projects Funds.
 - Total expenses, other than those funded by long-term debt, decreased by \$2.75 million during the year. This decrease reflects additional spending of over \$1 million (7.9%) for employee medical benefits, increased operating expenses for prisoner housing, and decreased road maintenance expense \$9 million. Also, 2010 was the second 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 \$4.4 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 \$270,306,737, an increase of \$92,870,205 in comparison with the prior year. Approximately 16.2 percent of this total amount (\$43.8 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 (\$3,627,333), 2) to reflect inventories (\$148,842), and 3) to fund capital projects (\$222,739,441).

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 \$27,576,708, while total fund balance reached \$27,725,551. 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 25.1% of total general fund expenditures, and total fund balance also represents 25.3% of that same amount.

The fund balance of Denton County's general fund decreased by only \$344,000 during the current fiscal year even though \$3.5 million was transferred to the Capital Replacement Fund. Key factors that enabled the County to maintain a stable level of fund balance are as follows:

- Total revenues from taxes, increased over the prior year by \$3.18 million. Taxes increased due to high collection rates and an increase in taxable property. Fees, fines and miscellaneous revenues were unchanged as the demand for services and court convictions remained stable. Other than a small increase in license revenues, all other General Fund revenues declined by small amounts as the effects of the economic slowdown began to be felt.
- Expenditures in the General Fund decreased by \$750,000 (0.67%) over prior year totals. This was the first time in recent history that General Fund spending declined as County management made a concerted attempt to hold the line on spending by not granting raises, new employees or funding for new programs.
- Fund balances in capital projects funds increased since the County issued \$137.9 million of 2010 Permanent Improvement bonds during the year and expended only \$10.6 million of the proceeds by yearend. However, continued progress on numerous transportation projects necessitated expenditures of previously issued bond funds which caused the fund balances in the 2008 and 2009 PI Bond Funds to decline by over \$30 million in total.

The debt service fund has a total fund balance of \$3,627,333, 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 2010.

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 \$3.8 million increase in appropriations), and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances (\$1.12 million), and,

- Appropriation of grant and contractual funds (\$2.48 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 2.7% (\$2.3 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 58%.
- Total general fund expenditures were 97.2% 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, 2010 totals almost \$169,600,000 (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 \$137,895,000 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 \$31 million, financed by road bonds.
- A new project to add office space and courtrooms on the fourth floor of the Courts Building continued. This project has an expected cost of \$3.2 million and is being funded by the 2008 Tax Note Fund.
- The County continued 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. Constuction of Phase I was substantially completed in FY 2010. This first of five planned buildings was financed by funds approved in the County's 2008 bond election. The new building, which houses the health department and children's protective services, was completed early in the 2011 fiscal year with a total cost of \$18.5 million. Architectural design of the Phase II buildings was begun in 2010 with construction expected to begin in early 2011.

- In March, 2010 the County purchased 5 acres of land in Flower Mound to be used as the site for a new Precinct 4 government center. The purchase price of \$1.67 million was funded from proceeds of our 2004 Tax Note sale.
- 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 2010. The plan is updated annually by the County. Planning and design for the jail expansion, juvenile probation expansion, and Lewisville Government Center expansion projects in this plan was begun in fiscal 2010.

Denton County's Capital Assets

Governmental Activities:	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Land	\$ 10,356,420	\$ -	\$ 10,356,420
Buildings and Improvements	101,647,173	26,266,946	75,380,227
Machinery & Equipment	36,665,733	23,542,499	13,123,234
Infrastructure	154,599,247	121,141,055	33,458,192
Construction in Progress	37,242,065	-	37,242,065
Total	<u>\$ 340,510,638</u>	<u>\$ 170,950,500</u>	<u>\$ 169,560,138</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 \$496,900,000. 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 \$122,564,267 (32.7 percent) during the current fiscal year. The key factor in this increase was the issuance of \$139,895,000 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 \$16,765,734 during the fiscal year.

Denton County's bond ratings were upgraded in 2009 from "AA+" to "AAA" by Standard & Poor's and in 2010 from "Aa1" to "Aaa" 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 7.1 percent, which is down from a rate of 7.7 percent a year ago. The County's rate does compares favorably to the state's average unemployment rate of 8.1 percent and the national average rate of 9.6 percent.
- New construction and improvements to the County's tax rolls and a 3.78 percent tax increase provided an additional \$5.16 million in property tax revenues for 2011.
- 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 second consecutive fiscal year.
- Increases in costs for health and dental care continued somewhat in 2010. Because of this, the increase in the County's funding to the employee benefit plan for 2011 was \$660,000 (\$42 per employee per month). This is similar to the increases in budgeted health insurance in over 5 years.
- A significant expenditure increase for debt service was included in the 2011 budget. Funding was also approved for 9 new employees. The majority of the new hires was required for staffing a new district court that will be operational in January, 2011.
- The County's tax base decreased by \$1.4 billion for 2011. This decrease was the result of over \$1.1 billion in new property added to the tax roll being offset by a 5% decrease in the valuations of existing property.

All of these factors were considered in preparing Denton County's budget for the 2011 fiscal year.

At the end of the current fiscal year, fund balances in the governmental funds totaled \$270.3 million. Denton County has appropriated \$10 million of this amount for spending in the 2011 fiscal year budget. \$3 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, 2010

**Governmental
Activities**

ASSETS

Cash	\$	6,856,643
Investments		275,436,797
Receivables:		-
Taxes		3,028,481
Accrued Interest		114,226
Other Receivables		345,772
Fines Receivable		7,732,137
Less Allowance for Uncollectables		(802,630)
Due from Other Governments		1,490,827
Inventories		148,842
Deferred Charges		509,151
Bond Discount		1,824,624
Capital Assets:		-
Land		10,356,420
Buildings		101,647,173
Depreciation on Buildings		(26,266,946)
Equipment		36,665,733
Depreciation on Equipment		(23,542,499)
Infrastructure		154,599,247
Depreciation on Infrastructure		(121,141,055)
Construction in Progress		37,242,065
TOTAL ASSETS	\$	<u>466,245,008</u>

LIABILITIES

Accounts Payable		7,945,358
Wages Payable		4,260,929
Interest Payable		5,102,631
Due to Other Governments		1,030,010
Other Payables		727,919
Unearned Revenue		1,401,269
Non Current Liabilities:		
Due within One Year		20,579,904
Due in More than One Year		495,405,491
TOTAL LIABILITIES		<u>536,453,511</u>

NET ASSETS

Investments In Capital Assets, Net of Related Debt		61,110,870
Restricted for Debt Service		2,736,938
Restricted for Other Purposes		148,842
Unrestricted		(134,205,155)
Total Net Assets	\$	<u>(70,208,505)</u>

See the notes to the financial statement.

Denton County, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
General Government	\$ 22,448,078	\$ 11,506,447	\$ 3,404,041	\$ 7,790	\$ (7,529,800)
Judicial	\$ 17,863,484	8,188,936	1,220,140		(8,454,408)
Legal	\$ 11,694,350	205,698	601,933		(10,886,719)
Financial	\$ 6,183,733	2,687,310			(3,496,423)
Public Facilities	\$ 8,929,229				(8,929,229)
Public Safety	\$ 62,775,641	3,539,579	5,300,294	662,782	(53,272,986)
Health & Welfare	\$ 10,857,064	554,314	5,738,378		(4,564,372)
Conservation	\$ 403,151				(403,151)
Contractual	\$ 3,096,886	70,969	272,595		(2,753,322)
Road Maintenance	\$ 44,795,191	50,971	7,163,456	6,193,773	(31,386,991)
Interest on Long-Term Debt	18,429,675	-	-	-	(18,429,675)
Total	\$ 207,476,482	\$ 26,804,224	\$ 23,700,837	\$ 6,864,345	\$ (150,107,076)
General Revenues:					
Property Taxes					135,631,477
Grants and Contributions not restricted to Specific Programs					-
Investment Earnings					581,552
Total General Revenues					136,213,029
Change in Net Assets					(13,894,047)
Net Assets - Beginning					(56,314,458)
Prior Period Adjustment					-
Net Assets - Ending					\$ (70,208,505)

See the notes to the financial statements.

Denton County, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

ASSETS	General Fund	Debt Service	2008 PI Bond Project Fund	2009 PI Bond Project Fund	2010 PI Bond Project Fund	Nonmajor Governmental	Total Governmental
Cash	\$ 4,433,437	\$ 31,014	\$ -	\$ -	\$ -	\$ 1,728,943	\$ 6,193,394
Investments	30,267,527	3,598,695	1,003,722	77,571,256	129,879,590	33,116,008	275,436,797
Receivables:							
Taxes	1,954,813	752,513	-	-	-	321,155	3,028,481
Accrued Interest	89,591	-	-	-	-	24,635	114,226
Other Receivables	31,432	-	-	-	-	12,886	44,318
Due from Other Funds	374,587	-	-	-	-	812,686	1,187,283
Due from Other Governments	794,026	-	-	-	-	696,800	1,490,827
Inventories	148,842	-	-	-	-	-	148,842
TOTAL ASSETS	\$ 38,094,256	\$ 4,382,221	\$ 1,003,722	\$ 77,571,256	\$ 129,879,590	\$ 36,713,123	\$ 287,644,168

LIABILITIES AND FUND EQUITY

Accounts Payable	2,468,225	-	127,400	1,317,942	616,959	1,895,560	6,427,085
Wages Payable	3,428,487	-	-	-	-	832,441	4,260,929
Interest Payable	-	2,375	-	-	-	-	2,375
Due to Other Funds	642,147	-	-	-	58,608	484,988	1,185,753
Due to Other Governments	1,031,350	-	-	-	-	190	1,031,540
Other Payables	-	-	-	-	-	-	-
Deferred Revenues	2,797,497	752,513	-	-	-	879,740	4,429,750
TOTAL LIABILITIES	10,368,706	754,888	127,400	1,317,942	675,567	4,092,929	17,337,432

EQUITY

Fund Balances:							
Reserved for Inventories	148,842	-	-	-	-	-	148,842
Reserved for Debt Service	-	3,627,333	-	-	-	-	3,627,333
Reserved for Capital Exp	-	-	876,322	76,253,314	129,204,022	16,405,783	222,739,441
Unreserved, Reported In:							
General Fund	27,576,708	-	-	-	-	-	27,576,708
Special Revenue Funds	-	-	-	-	-	16,214,411	16,214,411
TOTAL FUND EQUITY	27,725,551	3,627,333	876,322	76,253,314	129,204,022	32,620,194	270,306,736

TOTAL LIABILITIES, EQUITY	\$ 38,094,256	\$ 4,382,221	\$ 1,003,722	\$ 77,571,256	\$ 129,879,590	\$ 36,713,123	
----------------------------------	----------------------	---------------------	---------------------	----------------------	-----------------------	----------------------	--

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
 Fiscal Year 2010

	General Fund	Debt Service	2008 PI Bond Project Fund	2009 PI Bond Project Fund	2010 PI Bond Project Fund	Nonmajor Governmental	Total Governmental Funds
REVENUES							
Taxes	\$ 87,459,658	\$ 33,981,439	\$ -	\$ -	\$ -	\$ 14,501,616	\$ 135,942,713
Licenses and Permits	1,371,189	-	-	-	-	6,258,398	7,629,567
Intergovernmental	6,705,630	-	-	-	-	10,367,639	17,073,489
Fees of Office	11,443,228	-	-	-	-	2,553,356	13,996,584
Fines	3,714,723	-	-	-	-	-	3,714,723
Interest	230,720	22,266	4,322	153,759	62,629	107,855	581,552
Miscellaneous	1,896,430	-	-	-	-	1,408,950	3,106,380
TOTAL REVENUES	112,621,758	34,003,705	4,322	153,759	62,629	35,198,814	\$ 182,044,988
EXPENDITURES							
Current:							
General Government	16,934,962	-	-	-	-	1,849,500	18,784,462
Judicial	16,092,583	-	-	-	-	1,287,980	17,380,563
Legal	11,037,237	-	-	-	-	123,344	11,160,581
Financial	6,080,849	-	-	-	-	25,235	6,086,083
Public Facilities	6,935,320	-	-	-	-	-	6,935,320
Public Safety	48,935,349	-	-	-	-	10,381,964	59,317,313
Health and Welfare	250,722	-	-	-	-	10,234,879	10,485,601
Conservation	391,098	-	-	-	-	-	391,098
Contract Services	3,066,886	-	-	-	-	-	3,066,886
Roads	-	-	-	-	-	10,730,918	10,730,918
Intergovernmental:	-	-	-	-	-	64,378	64,378
Capital Outlay	-	-	8,471,999	21,880,713	10,607,235	9,875,895	50,845,843
Debt Service:							
Principal Retirement	-	16,765,733	-	-	-	-	16,765,733
Interest & Service Charges	-	17,152,856	-	-	-	-	17,152,856
TOTAL EXPENDITURES	109,735,005	33,918,589	8,471,999	21,880,713	10,607,235	44,573,893	229,197,435
Excess (Deficiency) of Revenues Over Expenditures	2,886,752	85,116	(8,467,877)	(21,738,954)	(10,544,806)	(9,375,079)	(47,152,447)
Other Financing Sources (Uses):							
Issuance of Debt	-	-	-	-	137,895,000	-	137,895,000
Bond Premium	-	637,632	-	-	1,853,628	-	2,491,260
Sale of Surplus Property	-	-	-	-	-	-	-
Capital Lease Financing	533,878	-	-	-	-	-	533,878
Transfers In	214,282	-	-	-	-	3,578,878	4,293,160
Transfers Out	(3,978,878)	500,000	(200,000)	(300,000)	-	(214,282)	(4,693,160)
Refunding Bonds Issued	-	23,280,000	-	-	-	-	23,280,000
Refunding Bond Discount	-	-	-	-	-	-	-
Payments to Escrow Agent	-	(23,777,466)	-	-	-	-	(23,777,466)
Total Other Financing Sources (Uses)	(3,230,716)	640,146	(200,000)	(300,000)	139,748,628	3,364,596	140,022,652
NET CHANGE IN FUND BALANCES	(343,966)	725,262	(8,667,877)	(22,036,854)	129,204,022	(6,010,483)	92,870,205
FUND BALANCE - BEGINNING	28,069,517	2,902,071	9,543,999	98,280,268	-	38,630,877	177,436,532
FUND BALANCE - ENDING	\$ 27,725,551	\$ 3,627,333	\$ 876,322	\$ 76,253,314	\$ 129,204,022	\$ 32,620,194	\$ 270,306,737

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, 2010

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) \$ 92,870,205

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. 16,396,630

The net effect of various miscellaneous transactions (deletions) involving capital assets. 514,829

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 6,663,064

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). (5,007,256)

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. (123,183,322)

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. (2,148,197)

Change in net assets of governmental activities (p. 16) \$ (13,894,047)

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, 2010

	Budget Amounts			Variance Positive(Negative) With Final Budget
	Original	Revised	Actual	
REVENUES				
TAXES	\$ 85,122,870	\$ 85,122,870	\$ 87,459,658	\$ 2,336,788
LICENSES AND PERMITS	1,500,000	1,500,000	1,371,169	(128,831)
INTERGOVERNMENTAL	4,509,894	7,240,340	6,705,830	(534,510)
FEES OF OFFICE	12,005,000	12,005,000	11,443,228	(561,772)
FINES	4,380,000	4,380,000	3,714,723	(665,277)
INTEREST	552,500	552,500	230,720	(321,780)
MISCELLANEOUS	1,563,070	1,623,696	1,696,430	72,734
TOTAL REVENUES	109,633,334	112,424,406	112,621,758	197,352

EXPENDITURES

GENERAL GOVERNMENT

COMMISSIONERS COURT	107,746	109,276	108,668	608
COMMISSIONER, PRECINCT #1	202,126	202,366	202,003	363
COMMISSIONER, PRECINCT #2	208,240	208,375	204,238	4,137
COMMISSIONER, PRECINCT #3	214,320	214,500	214,206	294
COMMISSIONER, PRECINCT #4	203,885	206,044	203,800	2,244
COUNTY JUDGE	406,991	356,155	348,321	7,834
BAIL BOND BOARD	3,129	3,129	1,738	1,391
COUNTY CLERK	3,446,731	3,487,478	3,307,985	179,494
HUMAN RESOURCES	848,201	873,894	863,385	10,509
PURCHASING DEPARTMENT	831,421	831,584	817,431	14,153
VEHICLE MAINTENANCE DEPARTMENT	394,404	406,325	400,413	5,912
NON-DEPARTMENTAL	5,093,634	2,013,555	1,788,908	224,647
FINANCIAL INFORMATION SYSTEMS	77,100	81,722	65,680	16,042
INFORMATION SERVICES	1,790,191	1,840,625	1,836,023	4,602
PRINT/MAIL DEPARTMENT	441,202	461,305	438,352	22,953
PUBLIC WKS/GEOGRAPHIC INFO SYS	340,303	356,522	322,792	33,730
DEPT OF PUBLIC WORKS/PLANNING	585,963	578,917	450,889	128,028
CHOS/BAYLESS-SELBY MUSEUM 2009	26,641	50,533	44,707	5,826
COURTHOUSE MUSEUM	322,769	353,669	332,069	21,600
HISTORICAL COMMISSION	72,720	76,572	72,942	3,630
RECORDS MANAGEMENT DEPARTMENT	297,297	301,365	264,227	37,138
CHOS/BAYLESS SELBY GRANT 2010	96,915	96,915	55,496	41,419
VETERANS SERVICE OFFICE	349,426	349,426	347,622	1,804
ELECTIONS ADMINISTRATION DEPT	1,333,254	1,490,116	1,376,727	113,389
CIVIL SERVICE COMMISSION	6,075	6,075	2,531	3,544
COUNTY WIDE TECHNOLOGY	2,162,389	2,395,067	2,329,931	65,136
Total General Government	19,863,073	17,351,510	16,401,084	950,426

JUDICIAL

JUDICIARY AND COURT SUPPORT	350,377	330,561	308,359	22,202
16TH DISTRICT COURT	679,517	679,517	705,477	(25,960)
158TH DISTRICT COURT	687,366	816,366	813,070	3,296
211TH DISTRICT COURT	688,383	690,186	697,923	(7,737)
362ND DISTRICT COURT	687,355	800,221	818,612	(18,391)

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
 For the Year Ended September 30, 2010

	Budget Amounts		Actual	Variance Positive(Negative) With Final Budget
	Original	Revised		
367TH DISTRICT COURT	690,260	765,235	787,312	(22,077)
393RD DISTRICT CT - FAMILY LAW	375,136	414,136	419,843	(5,707)
COUNTY COURT AT LAW NO. 1	608,789	609,196	553,936	55,260
COUNTY CRIMINAL COURT #2	598,255	599,149	622,839	(23,690)
COUNTY COURT AT LAW #2 / CIVIL	370,874	370,874	367,166	3,708
PROBATE COURT	1,559,199	1,579,359	1,576,590	2,769
COUNTY CRIMINAL COURT #1	591,270	621,614	618,620	2,994
COUNTY CRIMINAL COURT #3	589,249	589,912	550,971	38,941
COUNTY CRIMINAL COURT #4	584,915	615,215	615,760	(545)
COUNTY CRIMINAL COURT #5	603,962	604,837	611,382	(6,545)
DISTRICT CLERK	1,483,669	1,491,390	1,479,654	11,736
COUNTY COURT ADMINISTRATOR	86,977	86,977	86,187	790
JUSTICE OF THE PEACE, PCT 1	492,361	451,388	437,198	14,190
JUSTICE OF THE PEACE, PCT 2	308,247	308,775	306,889	1,886
JUSTICE OF THE PEACE, PCT 3	362,413	404,666	386,052	18,614
JUSTICE OF THE PEACE, PCT 4	310,639	314,870	309,907	4,963
JUSTICE OF THE PEACE, PCT 5	460,213	460,580	455,039	5,541
JUSTICE OF THE PEACE, PCT 6	346,103	346,328	335,181	11,147
JUVENILE CASE MANAGER	60,114	60,114	43,968	16,146
DISTRICT COURT ADMINISTRATOR	169,774	169,774	169,574	200
JURY AND GRAND JURY	174,181	175,513	159,045	16,468
JUSTICE INFORMATION SYSTEM	842,015	740,400	735,732	4,668
DEATH INVESTIGATIONS/MED EXMNR	799,011	804,218	793,751	10,467
COLLECTIONS DEPARTMENT	339,555	339,576	326,545	13,031
Total Judicial	15,900,179	16,240,947	16,092,583	148,364
LEGAL				
CRIMINAL DISTRICT ATTORNEY	8,773,874	8,814,584	8,665,720	148,864
CRIMINAL DA - CPS DIVISION	612,110	617,224	613,491	3,733
PROSECUTION ENHANCEMENT GRANT	-	193,136	182,111	11,025
CRIMINAL DA - CIVIL DIVISION	1,401,763	1,401,908	1,387,872	14,036
FAMILY VIOLENCE EXPANSION GRT	-	213,419	188,044	25,375
Total Legal	10,787,747	11,240,271	11,037,237	203,034
FINANCIAL				
COUNTY AUDITOR	1,112,098	1,113,593	1,082,537	31,056
COUNTY TREASURER	490,242	541,457	537,101	4,356
TAX ASSESSOR-COLLECTOR	3,775,895	4,430,031	3,920,354	509,677
BUDGET DIRECTOR	535,302	535,520	520,857	14,663
Total Financial	5,913,537	6,620,601	6,060,849	559,752
PUBLIC FACILITIES				
CARROLL BLDG-CO ADMINISTRATION	243,793	243,793	183,903	59,890
DENTON COUNTY COURTS BUILDING	514,905	564,399	412,310	152,089
COURTHOUSE ON THE SQUARE	182,759	201,399	124,299	77,100

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
 For the Year Ended September 30, 2010

	Budget Amounts			Variance Positive(Negative) With Final Budget
	Original	Revised	Actual	
EMERGENCY MANAGEMENT FACILITY	93,047	127,107	103,276	23,831
DENTON COUNTY STORAGE BUILDING	13,450	19,636	15,860	3,776
HISTORICAL PARK FACILITIES	28,000	31,845	12,160	19,685
COURTHOUSE ANNEX	54,969	54,969	39,821	15,148
MARY & JIM HORN GOVT CENTER	117,607	140,304	100,332	39,972
LEE WALKER GOVERNMENT CENTER	56,779	57,864	49,083	8,781
CPS-LEWISVILLE	23,969	24,514	18,862	5,652
LOOP 288 - PHASE I	160,481	76,974	20,070	56,904
LOOP 288 - CENTRAL PLANT	74,433	74,433	11,263	63,170
ELECTIONS STORAGE BUILDING	19,800	19,800	16,811	2,989
SANDY JACOBS GOVERNMENT CENTER	75,441	116,473	76,953	39,520
STEVEN E COPELAND GOVT CENTER	118,750	119,180	84,929	34,251
THE COLONY ANNEX	53,646	59,446	40,209	19,237
SANGER ANNEX	29,215	29,215	23,939	5,276
DENTON CO GOVT CENTER - DENTON	130,250	130,250	89,303	40,947
CHARLIE COLE BUILDING	311,412	313,908	240,185	73,723
LAW ENFORCEMENT FACILITY	2,643,156	2,709,414	2,333,530	375,884
EAST OAK STREET FACILITIES	8,210	8,210	5,258	2,952
FACILITIES MANAGEMENT	2,287,713	2,312,226	1,928,420	383,806
COUNTY LEASED BUILDINGS	156,391	159,891	138,925	20,966
VEHICLE MAINTENANCE FACILITY	31,179	27,150	20,821	6,329
OPERATIONS-RECYCLING DEPT	64,794	67,523	65,701	1,822
TELEPHONE DEPARTMENT	879,108	834,397	779,099	55,298
Total Public Facilities	8,373,257	8,524,320	6,935,320	1,589,000

PUBLIC SAFETY

COUNTY JAIL	22,160,830	22,133,512	21,968,240	165,272
JAIL HEALTH DEPARTMENT	3,136,227	3,142,958	3,115,036	27,922
SHERIFF'S COMMUNICATIONS DVSN	1,864,171	2,024,475	1,938,849	85,626
SHERIFF	12,624,094	13,025,143	12,607,040	418,103
DISD SCHOOL RESOURCE OFFICER	-	81,299	72,325	8,974
SHERIFF'S MENTAL HEALTH UNIT	709,269	709,329	686,354	22,975
JAG ARRA GRANT	-	259,430	243,675	15,755
SHERIFF'S RESERVE UNIT	52,313	52,566	39,987	12,579
VEHICLE EMISSIONS ENF GRANT	-	150,601	127,382	23,219
SCHOOL RESOURCE OFFICER	-	74,487	74,167	320
COPPER CANYON INTERLOCAL CNTRT	-	161,095	140,849	20,246
CSCD (GENERAL FUND)	195,853	197,330	180,960	16,370
JUVENILE ACCOUNTABILITY GRANT	72,203	72,203	61,386	10,817
OJP RECOVERY GRANT	-	46,040	44,219	1,821
DENTON CO FRESHWATER CONTRACT	-	123,550	124,983	(1,433)
CONSTABLE, PCT. 1	718,516	735,079	706,937	28,142
CONSTABLE, PCT. 2	620,988	628,507	626,920	1,587
CONSTABLE, PCT. 3	656,533	690,984	678,134	12,850
CONSTABLE, PCT. 4	627,117	630,198	636,725	(6,527)
CONSTABLE, PCT. 5	626,189	632,062	614,734	17,328
CONSTABLE, PCT. 6	519,149	554,544	534,382	20,162
FIRE AND AMBULANCE SERVICES	2,047,275	2,120,713	1,893,311	227,402
NWISD ASAP	-	79,472	53,907	25,565

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)
 For the Year Ended September 30, 2010

	Budget Amounts		Actual	Variance Positive(Negative) With Final Budget
	Original	Revised		
DEPARTMENT OF PUBLIC SAFETY	173,429	173,719	169,495	4,224
ALCOHOLIC BEVERAGE COMMISSION	3,630	3,630	2,974	656
2007 HOMELAND SECURITY GRANT	-	540,351	539,374	977
2008 HOMELAND SECURITY GRANT	-	523,778	111,032	412,746
2009 HOMELAND SECURITY GRANT	-	264,113	22,000	242,113
GAME WARDEN	5,750	6,589	5,017	1,572
DEPT OF EMERGENCY SERVICES	891,925	943,999	914,952	29,047
Total Public Safety	47,705,461	50,781,756	48,935,349	1,846,407
HEALTH & WELFARE				
CHILD PROTECTIVE SERVICES	213,294	266,001	250,722	15,279
Total Health & Welfare	213,294	266,001	250,722	15,279
CONSERVATION				
COUNTY EXTENSION	436,648	437,260	391,098	46,162
Total Conservation	436,648	437,260	391,098	46,162
INTERGOVERNMENTAL				
CONTRACT SERVICES	3,147,332	3,147,332	3,096,886	50,446
Total Intergovernmental	3,147,332	3,147,332	3,096,886	50,446
TOTAL EXPENDITURES	112,340,528	114,609,998	109,201,127	5,408,871
Excess of Revenues over Expenditures	(2,707,194)	(2,185,592)	3,420,630	5,606,222
Other Financing Sources and Uses:				
Transfers In	53,235	214,340	214,282	(58)
Transfers Out	(2,045,000)	(3,980,378)	(3,978,878)	1,500
Total Other Financing Sources and Uses	(1,991,765)	(3,766,038)	(3,764,596)	1,442
Net Change in Fund Balances	(4,698,959)	(5,951,630)	(343,966)	5,607,664
Fund Balances - Beginning	28,069,517	28,069,517	28,069,517	-
Fund Balances - Ending	\$ 23,370,558	\$ 22,117,887	\$ 27,725,551	\$ 5,607,664

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF NET ASSETS
PROPRIETARY FUND
September 30, 2010

Governmental
Activities Internal
Service Fund

ASSETS

Current Assets:

Cash	\$	663,249
Investments		-
Receivables:		
Stop Loss Insurance		301,454
Accrued Interest		-
Other Assets		-
Due from Other Funds		-
Due from Other Governments		-
TOTAL ASSETS	\$	964,703

LIABILITIES

Current Liabilities:

Accounts Payable	\$	1,518,273
Due to Other Funds		-
Due to Other Governments		-
Other Payables		727,919
Due to Beneficiaries		-
Deferred Revenues		-
TOTAL LIABILITIES		2,246,192

NET ASSETS

Investment in General		
Fixed Assets		-
Unrestricted		(1,281,489)
TOTAL NET ASSETS		(1,281,489)

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, 2010

Governmental
Activities Internal
Service Fund

OPERATING REVENUES

Charges for Services	\$ 18,870,466
Other Revenue	<u>546,033</u>

TOTAL OPERATING REVENUES	<u>19,416,499</u>
--------------------------	-------------------

OPERATING EXPENSES

Incurred Claims	14,555,490
Estimated Claims	1,518,273
Administrative Expenses	5,229,431
Reinsurance Premiums	<u>663,454</u>

TOTAL OPERATING EXPENSES	<u>21,966,648</u>
--------------------------	-------------------

OPERATING INCOME (LOSS)	<u>(2,550,149)</u>
-------------------------	--------------------

NONOPERATING REVENUES(EXPENSES)

Interest Revenue	<u>1,952</u>
------------------	--------------

INCOME BEFORE TRANSFERS	<u>(2,548,197)</u>
-------------------------	--------------------

Transfers From Other Funds	<u>400,000</u>
----------------------------	----------------

CHANGES IN NET ASSETS	<u>(2,148,197)</u>
-----------------------	--------------------

TOTAL NET ASSETS - BEGINNING	<u>866,708</u>
------------------------------	----------------

TOTAL NET ASSETS - ENDING	<u><u>\$ (1,281,489)</u></u>
---------------------------	------------------------------

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2010

**Governmental
Activities Internal
Service Fund**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for Services	\$ 19,598,385
Receipts from Reinsurance and Refunds	244,579
Payments for Claims	(15,272,124)
Payments for Administrative Services	(5,229,431)
Payments for Reinsurance	(663,455)
Net Cash Provided by Operating Activities	<u>(1,322,046)</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

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

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Revenue	<u>1,952</u>
Net Cash Provided by Investing Activities	<u>1,952</u>

Net Increase (Decrease) in Cash (920,094)

Cash, Beginning of Year 1,583,343
Cash, End of Year \$ 663,249

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

Operating Income	<u>\$ (2,550,149)</u>
(Increase) Decrease in Other Assets	(301,454)
Increase (Decrease) in Accounts Payable	801,638
Increase (Decrease) in Other Payables	<u>727,919</u>
Total Adjustments	<u>1,228,103</u>
Net Cash Provided (Used) by Operations	<u>\$ (1,322,046)</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
September 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 13,357,997
Investments	19,181,307
Accrued Interest	4,465
Other Assets	17,367
Due from Other Funds	291,830
Due from Other Governments	-
	<hr/>
TOTAL ASSETS	\$ 32,852,966
<u>LIABILITIES</u>	
Accounts Payable	\$ 14,236
Wages Payable	199,451
Due to Other Funds	293,361
Due to Other Governments	13,021,096
Due to Beneficiaries	19,324,822
	<hr/>
TOTAL LIABILITIES	32,852,966
<u>NET ASSETS</u>	<hr/> <hr/> \$ -

See the notes to the financial statements.

Denton County, Texas

Notes to the Financial Statements September 30, 2010

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 2009 PI Bond Project Fund, and the 2010 PI 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 *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.

The *2010 Permanent Improvement Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for County certain technology projects, building construction and renovation to continue implementing 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, money market mutual funds, direct obligations 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 probable that the County will compensate the employees through either paid time off or cash payments at termination. The County has recognized a liability for that portion of accumulated sick leave that 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 (\$521,085,653) difference are as follows:

Bonds Payable	\$ (496,900,000)
Capital Leases Payable	(1,415,245)
Unamortized Bond Premium	(3,200,546)
Accrued Interest Payable	(5,100,256)
Other Post-Employment Benefits	(8,120,579)
Compensated Absences	<u>(6,349,027)</u>
Net adjustments to reduce fund balance to arrive at net assets	\$ <u>(521,085,653)</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 \$16,396,630 difference are as follows:

Capital Outlay	\$ 27,814,134
Depreciation Expense	<u>(11,417,504)</u>

Net adjustments to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>16,396,630</u>
---	----------------------

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 (\$123,183,322) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (533,878)
Issuance of general obligation debt	\$ (161,175,000)
Bond premium	\$ (2,491,260)
Bond Discount	\$ 519,646
Bond interest accrual	\$ (1,035,080)
Debt repayments:	
General obligation debt	\$ 16,765,733
Capital lease payments	\$ 1,230,770
Bond premium amortization	\$ (241,739)
Payments to escrow agent	\$ <u>23,777,486</u>
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>(123,183,322)</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 (\$5,007,256) difference are as follows:

Compensated absences	\$ (623,712)
Other post-employment benefits	\$ <u>(4,383,544)</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>(5,007,256)</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, 2010, encumbrances of approximately \$1.12 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, the Capital Replacement Capital Project 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.

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

General Fund expenditures, GAAP basis	\$ 109,735,005
Capital lease acquisitions	<u>(533,788)</u>
General Fund expenditures, budgetary basis	<u>\$ 109,201,127</u>

B. Excess of expenditures over appropriations

For the year ended September 30, 2010, expenditures did not exceed appropriations in any budgeted funds.

C. Deficit fund equity

As of September 30, 2010, the Internal Services Fund for health insurance had a deficit fund equity of (\$1,281,489) and the Public Health Preparedness Grant had a negative fund balance of (\$6,443). The insurance fund deficit is the result of required claims payments and accrued claims expenses exceeding budgeted premium payments from other county funds and the grant fund had reimbursements shorted. The yearend deficits will be made up by increasing

premiums paid in the ensuing year and providing supplemental funding to the grant by the County.

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, 2010, 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	\$0	1.75
Local Government Investment Pools	\$264,006,451	0.22
Total Fair Value	<u>\$264,006,451</u>	
Portfolio weighted average maturity		<u>0.22</u>

Investments are stated at fair value including the investments in the Texas Local Government Investment Pool, Wells Fargo Investment Accounts, the DWS Governmental Pool, and the Texas 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 \$19,709,370 and the bank balance was \$15,209,983. 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 2010, the County's tax rate for general governmental services was 18.773 cents per \$100 of assessed value, and the interest and sinking fund rate was 6.207 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	\$1,954,813
Debt Service Fund	752,513
Other Nonmajor Governmental Funds	321,155

Unearned:

Grants Payable and Other Deferred Revenues	1,401,269
---	-----------

Total Deferred \$4,429,750

C. Capital Assets

Capital Asset activity for the year ended September 30, 2010 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 8,528,328	\$ 1,828,092	\$ -	\$ 10,356,420
Construction in Progress	<u>20,903,160</u>	<u>23,725,583</u>	<u>(7,386,678)</u>	<u>37,242,065</u>
Total Capital Assets, Not Being Depreciated	<u>29,431,488</u>	<u>25,553,675</u>	<u>(7,386,678)</u>	<u>47,598,485</u>
Capital Assets, Being Depreciated:				
Buildings	100,431,871	1,215,302	-	101,647,173
Machinery and Equipment	32,662,775	4,622,430	(619,472)	36,665,733
Infrastructure	<u>144,062,190</u>	<u>10,537,057</u>	<u>-</u>	<u>154,599,247</u>
Total Capital Assets Being Depreciated	<u>277,156,836</u>	<u>16,374,789</u>	<u>(619,472)</u>	<u>292,912,153</u>
Less Accumulated Depreciation For:				
Buildings	(24,451,901)	(1,815,045)	-	(26,266,946)
Machinery and Equipment	(20,892,633)	(3,761,924)	1,112,058	(23,542,499)
Infrastructure	<u>(115,300,520)</u>	<u>(5,840,535)</u>	<u>-</u>	<u>(121,141,055)</u>
Total Accumulated Depreciation	<u>(160,645,054)</u>	<u>(11,417,504)</u>	<u>1,112,058</u>	<u>(170,950,500)</u>
Total Capital Assets Being Depreciated, Net	<u>116,511,782</u>	<u>4,957,285</u>	<u>492,586</u>	<u>121,961,653</u>
Total Capital Assets, Net	<u>\$ 145,943,270</u>	<u>\$ 30,510,960</u>	<u>\$ (6,894,092)</u>	<u>\$ 169,560,138</u>

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

Governmental Activities:	
General Government	\$ 1,280,913
Judicial	47,160
Legal	-
Financial	34,286
Public Facilities	1,844,975
Public Safety	1,634,272
Health & Welfare	24,893
Conservation	-
Road Maintenance	<u>6,551,005</u>
Total Depreciation Expense	<u>\$ 11,417,504</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>
2005 Road Projects	\$ 50,556,267	\$ -	\$ -	\$ -
2007 Tax Notes	6,475,000	-	-	-
2008 PI Bond Fund	16,035,000	15,231,766	803,234	-
2008 Tax Note Fund	8,500,000	5,992,835	2,504,165	-
2009 PI Bond Fund	\$ 104,275,000	14,555,551	31,152,940	-
2010 PI Bond Fund	137,895,000	10,607,235	10,590,370	-

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2010 is as follows:

Due From:

Due To:	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>2007 PI Bond Fund</u>	<u>2010 Road Bond Fund</u>	<u>Non Major Governmental Funds</u>	<u>Agency Funds</u>	<u>Total</u>
General Fund		\$ -			\$ 7,687	\$ 1,530	\$ 9,217
Debt Service Fund					-		-
2007 PI Bond Fund							-
2010 Road Bond							-
Nonmajor Governmental Funds	642,147			58,608	111,941		812,696
Agency Funds	-					291,830	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,830</u>	<u>291,830</u>
Total	<u>\$ 642,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,608</u>	<u>\$ 119,628</u>	<u>\$ 293,360</u>	<u>\$ 1,113,743</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			\$ 3,578,878	\$ 400,000	\$ 3,978,878
Debt Service					-
2008 PI Bond		300,000			300,000
2009 PI Bond		200,000			200,000
Nonmajor Governmental Funds	214,282	-	-	-	214,282
Total	<u>\$ 214,282</u>	<u>\$ 500,000</u>	<u>\$ 3,578,878</u>	<u>\$ 400,000</u>	<u>\$ 4,693,160</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 \$3,341,664 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, 2010 is as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 686,646
2012	686,646
2013	141,590
2014 & thereafter	-
Total minimum lease payments	\$ 1,514,882
Less: Amount representing interest	<u>(99,637)</u>
Present value of net future minimum lease payments	<u>\$ 1,415,245</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 10/01/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 09/30/10</u>	<u>Due Within One Year</u>
\$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.	\$ 6,465,733	\$ -	\$ 2,525,733	\$ 3,940,000	\$ 430,000
\$13,255,000 1999A Certificates of Obligation, due in varying amounts through 2020 at an average interest rate of 5.60% for jail expansion.	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.	760,000	-	760,000	-	-
\$5,740,000 2003 Tax Notes due in varying amounts through 2010 at an average interest rate of 2.479% for building remodeling.	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.	8,590,000	-	2,735,000	5,855,000	2,860,000

\$4,125,000 2004 Tax Notes due in varying amounts through 2011 at an average interest rate of 2.972% for building projects.	1,275,000	-	1,275,000	-	-
\$50,000,000 2005 Permanent Improvement Bonds due in varying amounts through 2030 at an average interest rate of 4.5044% for road projects.	46,080,000	-	21,430,000	24,650,000	1,470,000
\$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	805,000
\$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.	29,005,000	-	2,160,000	26,845,000	3,065,000
\$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 building repair projects.	10,090,000	-	755,000	9,335,000	780,000
\$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.	19,115,000	-	50,000	19,065,000	50,000
\$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.	99,965,000	-	2,655,000	97,310,000	2,760,000

\$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.	4,870,000	-	900,000	3,970,000	935,000
\$15,400,000 2008 Permanent Improvement Bonds due in varying amounts through 2028 at an average interest rate of 4.429% for building projects.	15,400,000	-	545,000	14,855,000	560,000
\$8,50,000 2008 Tax Notes due in varying amounts through 2015 at an average interest rate of 3.0484% for technology and building projects.	7,530,000	-	1,150,000	6,380,000	1,185,000
\$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.	104,275,000	-	-	104,275,000	350,000
\$23,800,000 2010 Permanent Improvement Refunding Bonds due in varying amounts 2026 at an average interest rate of 3.60% to refinance previously issued bonds.	-	23,280,000	-	23,280,000	140,000
\$137,895,000 2010 Permanent Improvement Bonds, Series A&B, due in varying amounts through 2024 at an average interest rate of \$3.548% for buildings and roads.	-	137,895,000	-	137,895,000	3,490,000
Total General Obligation Bonds Payable	374,335,733	161,175,000	38,610,733	496,900,000	18,880,000
Unrealized Loss/Bond Premium	2,766,562	1,141,108	707,124	3,200,546	378,356
Compensated Absences	5,725,315	1,076,801	453,089	6,349,027	634,902
Other Post-employment Benefits	3,737,032	3,883,894	-	7,620,926	-
Capital Leases	1,578,260	392,287	555,302	1,415,245	686,646
TOTAL	\$ 388,142,902	\$ 167,669,090	\$ 40,326,248	\$ 515,485,744	\$ 20,579,904

The liability for compensated absences is generally liquidated by the General Fund and certain Special Revenue Funds. The liability for net other post employment benefits has been liquidated by the Internal Service Fund for health benefits.

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>
2011	18,880,000	22,771,907	41,651,907
2012	19,495,000	21,835,412	41,330,412
2013	17,125,000	21,084,123	38,209,123
2014	17,915,000	20,350,602	38,265,602
2015	18,200,000	19,721,058	37,921,058
2016-2020	97,765,000	87,326,501	185,091,501
2021-2025	111,505,000	65,478,509	176,983,509
2026-2030	114,900,000	37,972,719	152,872,719
2031-2035	<u>81,115,000</u>	<u>11,444,094</u>	<u>92,559,094</u>
Total	<u>\$ 496,900,000</u>	<u>\$ 307,984,925</u>	<u>\$ 804,884,925</u>

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 July, 2010, the County issued \$40,080,000 in permanent improvement bonds and \$97,815,000 in Build America Bonds for construction of 4 new county buildings, for renovation of several others, and for a large variety of road construction projects.

In March 2010, Denton County issued \$23,280,000 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 \$21,845,000 of previously issued permanent improvement 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 \$1,934,136. 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 \$928,182 in the County's aggregate future debt service payments, and an economic gain to the County of \$932,767.

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, 2010 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 has no definite plan to issue the remaining bonds.

Due to voter approval of a County bond election in May 2004, the County had a total of \$12,359,472 in authorized but un-issued permanent improvement bonds as of September 30, 2010. Of the total available, \$10,359,472 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, \$15,000,000 of road bonds were issued in the 2009 bond sale and \$45,145,527 of road bonds were issued in the 2010 bond sale.

In November 2008, county voters approved a bond package including \$310,000,000 for road and transportation projects and \$185,000,000 for county facilities. \$41,820,000 of the road bonds and \$47,455,000 of the building bonds were issued in the 2009 bond sale. \$60,341,781 of the road bonds and \$34,719,444 of the facilities bonds were issued in the 2010 bond sale. As of September 30, 2010, a total of \$310,663,776 of the bonds authorized in the 2008 election were authorized but unissued.

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 2010, a total of \$21,966,648 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 \$1,518,273 of September 30, 2010. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid Claims, beginning of fiscal year	\$ 716,635	\$ 688,144
Incurred Claims (including incurred but not reported)	16,073,763	9,481,037
Claim payments	(15,272,125)	(9,452,546)
Unpaid Claims, end of fiscal year	<u>\$ 1,518,273</u>	<u>\$ 716,635</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

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, 2010, 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, 2010, the County paid \$1,176,781 for OPEB payments by the plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$381,532, or approximately 32.4% 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
Annual Required Contribution	\$ 4,984,467
Interest on Net OPEB Obligation	194,326
Adjustment to Annual Required Contribution	-
Annual OPEB Expense	<u>5,178,793</u>
Contributions Made	<u>(795,249)</u>
Change in Net OPEB Obligation	4,383,544
Net OPEB Obligation - Beginning of Year	<u>3,737,032</u>
Net OPEB Obligation - End of Year	<u>\$ 8,120,576</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 2010 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2009	\$ 4,679,143	20.13%	\$ 3,737,032
9/30/2010	\$ 5,178,793	15.36%	\$ 8,120,576

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.

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value Assets - (a)</u>	<u>Actuarial Accrued Liability (AAL) - (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAL as a % of Payroll (b-a)/</u>
2009	10/1/2008	\$ -	\$ 39,353,212	\$ 39,353,212	0.0%	\$ 72,672,950	54.2%

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 5.20% 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 9/30/2010 was 28 years.

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 602 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 9.01% for the months of the accounting year in 2009, and 9.80% for the months of the accounting year in 2010.

The deposit rate payable by the employee members of the plan for calendar year 2010 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, 2010, the annual pension cost for the TCDRS plan for its employees was \$6,978,108 and the actual contributions were \$6,978,108.

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, 2008 and December 31, 2009, the basis for determining the contribution rates for calendar years 2009 and 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

D. Actuarial Valuation Information

Actuarial valuation date	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent- age of payroll, closed	Level percent- age of payroll, closed	Level percent- age of payroll, closed
Amortization period in years	15	20	20
Asset valuation method	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value	SAF: 10 year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.30%	5.30%	5.40%
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 <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
September 30, 2008	\$5,947,947	100%	\$ -
September 30, 2008	\$6,493,398	100%	\$ -
September 30, 2009	\$6,978,108	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 <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll (1) <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
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%
12/31/2009	\$ 157,310,756	\$ 184,223,292	\$ 26,912,536	85.39%	\$ 72,588,130	37.08%

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.

County & District Court Technology Fund

To account for the receipt and expenditure of County and District Court Technology fees that are that have the limited use of financing technological improvements in the those courts.

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:

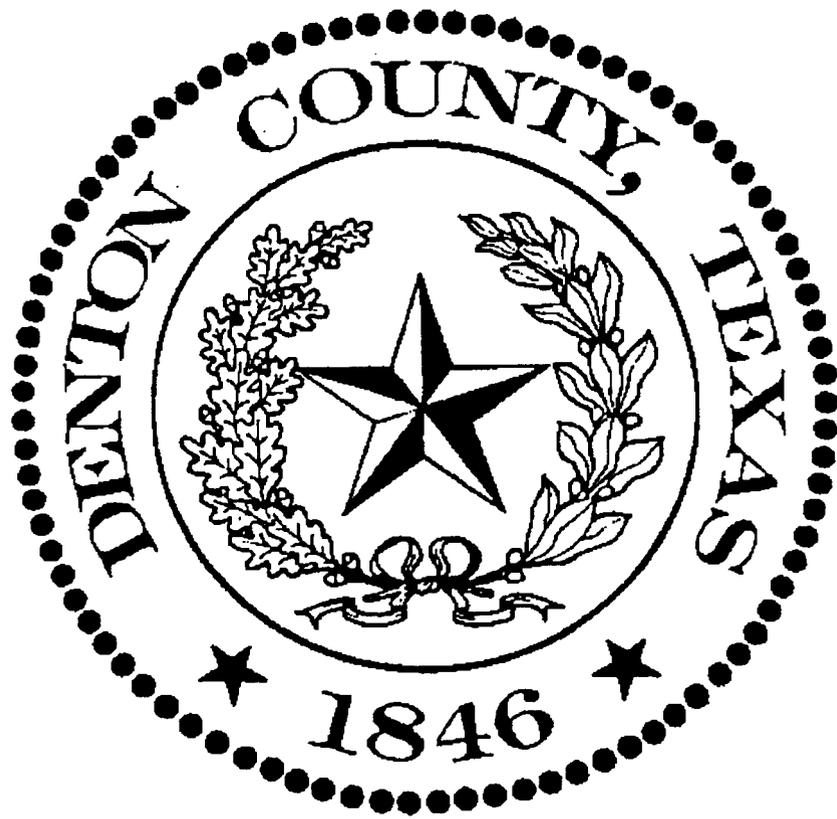
To account for the receipt and expenditure of Permanent Improvement Bond proceeds issued to fund the construction various road projects in the County.

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.

2007 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.



Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2010

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
ASSETS				
Cash	\$ 361,433	\$ 11,137	\$ 444,161	\$ 39,056
Investments	3,293,096	198,370	2,239,959	206
Receivables				
Taxes	88,386	3,935	142,265	-
Accrued Interest	4,461	-	4,461	-
Other Receivables	-	-	4,300	-
Due from Other Funds	595,463	-	-	46,683
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 4,342,840	\$ 213,441	\$ 2,835,145	\$ 85,945
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 693,167	\$ -	\$ 168,752	\$ 2,465
Wages Payable	176,259	-	360,686	-
Due to Other Funds	914	-	830	-
Due to Other Governments	-	-	-	-
Deferred Revenues	88,386	3,935	142,265	-
TOTAL LIABILITIES	958,726	3,935	672,533	2,465
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	3,384,114	209,506	2,162,613	83,480
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,342,840	\$ 213,441	\$ 2,835,145	\$ 85,945

Indigent Care Fund	Public Health Fund	Law Library Fund	County Clerk Records Mgmt Fund	County & District Technology Fund	Courthouse Security Fund	Sheriff's Training Fund
\$ 13,889	\$ 73,396	\$ 36,458	\$ 102,982	\$ 5,924	\$ 74,328	\$ 67,725
487,696	658,865	436,672	3,065,631	-	132,422	-
46,614	39,955	-	-	-	-	-
2,230	2,230	-	6,691	-	-	-
-	500	-	-	-	-	-
-	111,941	-	-	-	-	-
-	154,932	-	-	-	-	-
\$ 550,429	\$ 1,041,820	\$ 473,130	\$ 3,175,304	\$ 5,924	\$ 206,750	\$ 67,725
\$ 111,613	\$ 181,304	\$ 3,976	\$ 44,994	\$ -	\$ 25,342	\$ -
7,007	145,356	5,320	10,758	-	-	-
345	821	36	3,337	-	-	-
-	190	-	-	-	-	-
46,614	57,292	-	-	-	-	-
165,579	384,964	9,332	59,089	-	25,342	-
384,850	656,856	463,798	3,116,215	5,924	181,408	67,725
\$ 550,429	\$ 1,041,820	\$ 473,130	\$ 3,175,304	\$ 5,924	\$ 206,750	\$ 67,725

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2010

SPECIAL REVENUE	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fee Fund
ASSETS				
Cash	\$ 256,127	\$ 165	\$ 57,145	\$ 16,195
Investments	1,566,124	47,067	118,233	-
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	101	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 1,822,251	\$ 47,334	\$ 175,378	\$ 16,195
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 6,160	\$ -
Wages Payable	-	-	11,394	4,103
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenues	102,562	-	-	-
TOTAL LIABILITIES	102,562	-	17,554	4,103
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	1,719,689	47,334	157,824	12,091
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,822,251	\$ 47,334	\$ 175,378	\$ 16,195

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
\$ 34,930	\$ -	\$ 2,067	\$ 31,336	\$ -	\$ 13,660
826,381	-	2,358,158	425,951	-	20,625
-	-	-	-	-	-
-	-	4,461	-	-	-
-	8,086	-	-	-	-
-	-	-	-	-	-
-	466,582	-	-	75,286	-
<u>\$ 861,311</u>	<u>\$ 474,668</u>	<u>\$ 2,364,686</u>	<u>\$ 457,288</u>	<u>\$ 75,286</u>	<u>\$ 34,285</u>

\$ 13,426	\$ 19,500	\$ 30,832	\$ 2,705	\$ -	\$ 9,660
-	76,445	-	-	24,829	-
-	351,982	-	-	56,900	-
-	-	-	-	-	-
438,686	-	-	-	-	-
<u>452,111</u>	<u>447,927</u>	<u>30,832</u>	<u>2,705</u>	<u>81,729</u>	<u>9,660</u>
<u>409,200</u>	<u>26,741</u>	<u>2,333,854</u>	<u>454,583</u>	<u>(6,443)</u>	<u>24,625</u>
<u>\$ 861,311</u>	<u>\$ 474,668</u>	<u>\$ 2,364,686</u>	<u>\$ 457,288</u>	<u>\$ 75,286</u>	<u>\$ 34,285</u>

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2010

SPECIAL REVENUE	JP Court Security Fund	Fire Code Enforcement Fund	Museum Endowment Fund	TOTAL Special Revenue Funds
ASSETS				
Cash	\$ 63,404	\$ 23,425	\$ -	\$ 1,728,943
Investments	-	243,523	-	16,118,978
Receivables				
Taxes	-	-	-	321,155
Accrued Interest	-	-	-	24,635
Other Receivables	-	-	-	12,886
Due from Other Funds	-	-	-	754,088
Due from Other Governments	-	-	-	696,800
TOTAL ASSETS	\$ 63,404	\$ 266,947	\$ -	\$ 19,657,485
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 258	\$ -	\$ 1,314,154
Wages Payable	-	10,283	-	832,441
Due to Other Funds	-	1,384	-	416,549
Due to Other Governments	-	-	-	190
Deferred Revenues	-	-	-	879,740
TOTAL LIABILITIES	-	11,925	-	3,443,074
FUND BALANCES				
Reserved for Capital Expenditures				
Unreserved, Undesignated	63,404	255,022	-	16,214,411
TOTAL LIABILITIES AND FUND BALANCES	\$ 63,404	\$ 266,947	\$ -	\$ 19,657,485

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2010

CAPITAL PROJECTS	Road & Bridge Construction Fund	1999 Road Project Construction Fund	2000 Road Project Construction Fund
<u>ASSETS</u>			
Cash	\$ -	\$ -	\$ -
Investments	267,167	632,617	21,703
Receivables			
Taxes	-	-	-
Accrued Interest	-	-	-
Other Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 267,167	\$ 632,617	\$ 21,703
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Wages Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Deferred Revenues	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	-	-	-
 <u>FUND BALANCES</u>			
Reserved for Capital Expenditures	267,167	632,617	21,703
Unreserved, Undesignated			
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 267,167	\$ 632,617	\$ 21,703

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2010

	2003 Tax Note Project Fund	2004 Tax Note Project Fund	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund
CAPITAL PROJECTS				
<u>ASSETS</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	1,571,595	891,671
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 1,571,595	\$ 891,671
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 97,565
Wages Payable	-	-	-	-
Due to Other Funds	-	-	68,449	-
Due to Other Governments	-	-	-	-
Deferred Revenues	-	-	-	-
TOTAL LIABILITIES	-	-	68,449	97,565
<u>FUND BALANCES</u>				
Reserved for Capital Expenditures	-	-	1,503,146	794,106
Unreserved, Undesignated				
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 1,571,595	\$ 891,671

2008 Tax Note Project Fund	2005 Road Bond Project Fund	Capital Replacement Fund	2007 Road Bond Project Fund	TOTAL Capital Projects Funds	TOTAL Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,728,943
6,052,191	16,912	4,378,868	3,164,306	16,997,030	33,116,008
-	-	-	-	-	-
-	-	-	-	-	321,155
-	-	-	-	-	24,635
-	-	-	-	-	12,886
-	-	-	58,608	58,608	812,696
-	-	-	-	-	696,800
<u>\$ 6,052,191</u>	<u>\$ 16,912</u>	<u>\$ 4,378,868</u>	<u>\$ 3,222,914</u>	<u>\$ 17,055,638</u>	<u>\$ 36,713,123</u>
\$ 414,585	\$ -	\$ 20,407	\$ 48,848	\$ 581,406	\$ 1,895,560
-	-	-	-	-	832,441
-	-	-	-	68,449	484,998
-	-	-	-	-	190
-	-	-	-	-	879,740
<u>414,585</u>	<u>-</u>	<u>20,407</u>	<u>48,848</u>	<u>649,855</u>	<u>4,092,929</u>
5,637,606	16,912	4,358,461	3,174,066	16,405,783	16,405,783
					16,214,411
<u>\$ 6,052,191</u>	<u>\$ 16,912</u>	<u>\$ 4,378,868</u>	<u>\$ 3,222,914</u>	<u>\$ 17,055,638</u>	<u>\$ 36,713,123</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010**

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
REVENUES				
Taxes	\$ 3,996,005	\$ 169,536	\$ 6,422,124	\$ -
Licenses and Permits	6,258,398	-	-	-
Intergovernmental	229,720	219,300	3,749,678	217,126
Fees of Office	36,721	17,568	65,901	-
Fines	-	-	-	-
Interest	17,253	285	14,757	79
Miscellaneous	14,250	13,602	3,451	28,856
TOTAL REVENUES	10,552,346	420,291	10,255,910	246,061
EXPENDITURES				
General Government	-	-	-	190,848
Judicial	-	377,990	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	10,007,564	-
Health and Welfare	-	-	-	-
Roads	10,730,918	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	10,730,918	377,990	10,007,564	190,848
Excess (Deficiency) of Revenues Over Expenditures	(178,572)	42,301	248,347	55,213
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	3,131	-	-	-
Transfers Out	(2,500)	-	-	(37,000)
Total Other Financing	631	-	-	(37,000)
NET CHANGE IN FUND BALANCES	(177,941)	42,301	248,347	18,213
FUND BALANCES AT BEGINNING OF YEAR	3,562,055	167,206	1,914,266	65,267
FUND BALANCES AT END OF YEAR	\$ 3,384,114	\$ 209,506	\$ 2,162,613	\$ 83,480

Indigent Care Fund	Public Health Fund	Law Library Fund	County Clerk Records Mgmt Fund	County & District Technology Fund	Courthouse Security Fund	Sheriff's Training Fund
\$ 2,101,962	\$ 1,811,990	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,617,300	-	-	-	-	35,852
-	501,209	205,870	716,589	5,923	271,718	950
-	-	-	-	-	-	-
6,289	6,526	445	19,049	1	173	141
211	115	17,100	-	-	-	-
<u>2,108,461</u>	<u>3,937,139</u>	<u>223,415</u>	<u>735,639</u>	<u>5,924</u>	<u>271,891</u>	<u>36,944</u>
-	-	308,324	1,350,329	-	-	-
-	-	-	-	-	284,925	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	91,442
2,375,423	4,369,673	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,375,423</u>	<u>4,369,673</u>	<u>308,324</u>	<u>1,350,329</u>	<u>-</u>	<u>284,925</u>	<u>91,442</u>
<u>(266,962)</u>	<u>(432,534)</u>	<u>(84,909)</u>	<u>(614,690)</u>	<u>5,924</u>	<u>(13,034)</u>	<u>(54,498)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	29,133	-	1,587	-	45,000	-
-	(35,395)	-	(22,500)	-	-	-
-	(6,262)	-	(20,913)	-	45,000	-
<u>(266,962)</u>	<u>(438,796)</u>	<u>(84,909)</u>	<u>(635,603)</u>	<u>5,924</u>	<u>31,966</u>	<u>(54,498)</u>
<u>651,811</u>	<u>1,095,652</u>	<u>548,707</u>	<u>3,751,818</u>	<u>-</u>	<u>149,442</u>	<u>122,223</u>
<u>\$ 384,850</u>	<u>\$ 656,856</u>	<u>\$ 463,798</u>	<u>\$ 3,116,215</u>	<u>\$ 5,924</u>	<u>\$ 181,408</u>	<u>\$ 67,725</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010**

SPECIAL REVENUE	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	34,450
Fees of Office	-	-	283,848	57,964
Fines	-	-	-	-
Interest	913	12,787	358	18
Miscellaneous	1,157,556	-	-	-
TOTAL REVENUES	1,158,469	12,787	284,206	92,431
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	368,613	-
Legal	-	-	-	117,323
Financial	-	25,235	-	-
Public Facilities	-	-	-	-
Public Safety	70,042	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	70,042	25,235	368,613	117,323
Excess (Deficiency) of Revenues Over Expenditures	1,088,426	(12,448)	(84,407)	(24,892)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(100,710)	-	-
Total Other Financing	-	(100,710)	-	-
NET CHANGE IN FUND BALANCES	1,088,426	(113,158)	(84,407)	(24,892)
FUND BALANCES AT BEGINNING OF YEAR	631,262	160,492	242,230	36,983
FUND BALANCES AT END OF YEAR	\$ 1,719,689	\$ 47,334	\$ 157,824	\$ 12,091

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,134,331	293,282	-	875,659	-
-	-	50,231	68,205	-	47,123
-	-	-	-	-	-
276	-	13,056	697	-	66
97,354	75	-	-	-	-
<u>97,630</u>	<u>2,134,406</u>	<u>356,569</u>	<u>68,902</u>	<u>875,659</u>	<u>47,189</u>
-	-	-	-	-	-
-	-	-	181,780	-	72,959
6,021	-	-	-	-	-
-	-	-	-	-	-
-	2,134,330	454,965	-	900,487	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,021</u>	<u>2,134,330</u>	<u>454,965</u>	<u>181,780</u>	<u>900,487</u>	<u>72,959</u>
<u>91,609</u>	<u>75</u>	<u>(98,396)</u>	<u>(112,878)</u>	<u>(24,829)</u>	<u>(25,770)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>91,609</u>	<u>75</u>	<u>(98,396)</u>	<u>(112,878)</u>	<u>(24,829)</u>	<u>(25,770)</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>\$ 409,200</u>	<u>\$ 26,741</u>	<u>\$ 2,333,854</u>	<u>\$ 454,583</u>	<u>\$ (6,443)</u>	<u>\$ 24,625</u>

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	JP Court Security Fund	Fire Code Enforcement Fund	Museum Endowment Fund	TOTAL SPECIAL REV September 30, 2010
SPECIAL REVENUE				
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 14,501,616
Licenses and Permits	-	-	-	6,258,398
Intergovernmental	-	-	-	9,406,697
Fees of Office	16,563	206,976	-	2,553,356
Fines	-	-	-	-
Interest	81	235	-	93,485
Miscellaneous	-	-	-	1,332,571
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	16,644	207,211	-	34,146,123
<u>EXPENDITURES</u>				
General Government	-	-	-	1,849,500
Judicial	1,714	-	-	1,287,980
Legal	-	-	-	123,344
Financial	-	-	-	25,235
Public Facilities	-	-	-	-
Public Safety	-	212,916	-	10,381,964
Health and Welfare	-	-	-	10,234,879
Roads	-	-	-	10,730,918
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,714	212,916	-	34,633,820
Excess (Deficiency) of Revenues Over Expenditures	14,931	(5,705)	-	(487,697)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	78,851
Transfers Out	-	-	(16,177)	(214,282)
Total Other Financing	-	-	(16,177)	(135,431)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	14,931	(5,705)	(16,177)	(623,128)
FUND BALANCES AT BEGINNING OF YEAR	48,474	260,727	16,177	16,837,540
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES AT END OF YEAR	\$ 63,404	\$ 255,022	\$ -	\$ 16,214,411

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010**

	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	-	-	615	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	231	523	87	10
Miscellaneous	-	-	-	6,410
TOTAL REVENUES	231	523	702	6,420
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	16,475	-	47,903	-
Capital Outlay	-	-	-	6,420
TOTAL EXPENDITURES	16,475	-	47,903	6,420
Excess (Deficiency) of Revenues Over Expenditures	(16,244)	523	(47,201)	-
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	(16,244)	523	(47,201)	-
FUND BALANCES AT BEGINNING OF YEAR	283,411	632,094	68,904	-
FUND BALANCES AT END OF YEAR	\$ 267,167	\$ 632,617	\$ 21,703	\$ -

Denton County, Texas
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010**

	2004 Tax Note Project Fund	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund
CAPITAL PROJECTS				
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	937	1,661	1,139	5,931
Miscellaneous	-	-	70,969	-
TOTAL REVENUES	<u>937</u>	<u>1,661</u>	<u>72,108</u>	<u>5,931</u>
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	1,406,772	672,439	850,047	2,127,072
TOTAL EXPENDITURES	<u>1,406,772</u>	<u>672,439</u>	<u>850,047</u>	<u>2,127,072</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,405,834)</u>	<u>(670,777)</u>	<u>(777,938)</u>	<u>(2,121,141)</u>
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,405,834)</u>	<u>(670,777)</u>	<u>(777,938)</u>	<u>(2,121,141)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,405,834</u>	<u>2,173,923</u>	<u>1,572,044</u>	<u>7,758,747</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ 1,503,146</u>	<u>\$ 794,106</u>	<u>\$ 5,637,606</u>

2005 Road Bond Project Fund	Capital Replacement Fund	2007 Road Bond Project Fund	TOTAL Capital Projects September 30, 2010	TOTAL Special Revenue & Capital Projects September 30, 2010
\$ -	\$ -	\$ -	\$ -	\$ 14,501,616
-	-	-	-	6,258,398
675,338	13,009	271,981	960,942	10,367,639
-	-	-	-	2,553,356
-	-	-	-	-
955	1,537	1,358	14,370	107,855
-	-	-	77,379	1,409,950
<u>676,294</u>	<u>14,546</u>	<u>273,338</u>	<u>1,052,691</u>	<u>35,198,814</u>
-	-	-	-	1,849,500
-	-	-	-	1,287,980
-	-	-	-	123,344
-	-	-	-	25,235
-	-	-	-	-
-	-	-	-	10,381,964
-	-	-	-	10,234,879
-	-	-	-	10,730,918
-	-	-	64,378	64,378
<u>2,103,904</u>	<u>1,726,906</u>	<u>982,136</u>	<u>9,875,695</u>	<u>9,875,695</u>
<u>2,103,904</u>	<u>1,726,906</u>	<u>982,136</u>	<u>9,940,073</u>	<u>44,573,893</u>
<u>(1,427,611)</u>	<u>(1,712,360)</u>	<u>(708,798)</u>	<u>(8,887,382)</u>	<u>(9,375,079)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,500,027	-	3,500,027	3,578,878
-	-	-	-	(214,282)
<u>-</u>	<u>3,500,027</u>	<u>-</u>	<u>3,500,027</u>	<u>3,364,596</u>
<u>(1,427,611)</u>	<u>1,787,667</u>	<u>(708,798)</u>	<u>(5,387,355)</u>	<u>(6,010,483)</u>
<u>1,444,522</u>	<u>2,570,794</u>	<u>3,882,864</u>	<u>21,793,138</u>	<u>38,630,677</u>
<u>\$ 16,912</u>	<u>\$ 4,358,461</u>	<u>\$ 3,174,066</u>	<u>\$ 16,405,783</u>	<u>\$ 32,620,194</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 3,823,366	\$ 3,823,366	\$ 3,996,005	\$ 172,639
Licenses and Permits	6,300,000	6,300,000	6,258,398	(41,602)
Intergovernmental	143,000	176,613	229,720	53,107
Fees of Office	40,000	40,000	36,721	(3,279)
Fines	-	-	-	-
Interest	50,000	50,000	17,253	(32,747)
Miscellaneous	1,000	1,000	14,250	13,250
TOTAL REVENUES	<u>10,357,366</u>	<u>10,390,979</u>	<u>10,552,346</u>	<u>161,367</u>
 <u>EXPENDITURES</u>				
ROADS	<u>11,981,275</u>	<u>12,832,200</u>	<u>10,730,918</u>	<u>2,101,282</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,623,909)</u>	<u>(2,441,221)</u>	<u>(178,572)</u>	<u>2,262,649</u>
Other Financing Sources (Uses):				
Transfers In	-	4,631	3,131	(1,500)
Transfers Out	-	(2,500)	(2,500)	-
Total Other Financing Sources	<u>-</u>	<u>2,131</u>	<u>631</u>	<u>(1,500)</u>
Net Change in Fund Balances	<u>(1,623,909)</u>	<u>(2,439,090)</u>	<u>(177,941)</u>	<u>2,261,149</u>
FUND BALANCES - BEGINNING	<u>3,562,055</u>	<u>3,562,055</u>	<u>3,562,055</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,938,146</u>	<u>\$ 1,122,965</u>	<u>\$ 3,384,114</u>	<u>\$ 2,261,149</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 164,206	\$ 164,206	\$ 169,536	\$ 5,330
Licenses and Permits	-	-	-	-
Intergovernmental	220,000	220,000	219,300	(700)
Fees of Office	19,000	19,000	17,568	(1,432)
Fines	-	-	-	-
Interest	1,500	1,500	285	(1,215)
Miscellaneous	-	-	13,602	13,602
TOTAL REVENUES	<u>404,706</u>	<u>404,706</u>	<u>420,291</u>	<u>15,585</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>400,500</u>	<u>400,500</u>	<u>377,990</u>	<u>22,510</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,206</u>	<u>4,206</u>	<u>42,301</u>	<u>38,095</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>4,206</u>	<u>4,206</u>	<u>42,301</u>	<u>38,095</u>
FUND BALANCES - BEGINNING	<u>167,206</u>	<u>167,206</u>	<u>167,206</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 171,412</u>	<u>\$ 171,412</u>	<u>\$ 209,506</u>	<u>\$ 38,095</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 6,143,922	\$ 6,143,922	\$ 6,422,124	\$ 278,202
Licenses and Permits	-	-	-	-
Intergovernmental	3,229,622	3,803,572	3,749,678	(53,894)
Fees of Office	65,000	65,000	65,901	901
Fines	-	-	-	-
Interest	30,000	30,000	14,757	(15,243)
Miscellaneous	4,000	4,000	3,451	(549)
TOTAL REVENUES	<u>9,472,544</u>	<u>10,046,494</u>	<u>10,255,910</u>	<u>209,416</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>10,312,746</u>	<u>10,834,667</u>	<u>10,007,564</u>	<u>827,103</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(840,202)</u>	<u>(788,173)</u>	<u>248,347</u>	<u>1,036,520</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>(840,202)</u>	<u>(788,173)</u>	<u>248,347</u>	<u>1,036,520</u>
FUND BALANCES - BEGINNING	<u>1,914,266</u>	<u>1,914,266</u>	<u>1,914,266</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,074,064</u>	<u>\$ 1,126,093</u>	<u>\$ 2,162,613</u>	<u>\$ 1,036,520</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,010,651	\$ 2,010,651	\$ 2,101,962	\$ 91,311
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	15,000	15,000	6,289	(8,711)
Miscellaneous	-	-	211	211
TOTAL REVENUES	<u>2,025,651</u>	<u>2,025,651</u>	<u>2,108,461</u>	<u>82,810</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>1,985,292</u>	<u>2,485,884</u>	<u>2,375,423</u>	<u>110,461</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,359</u>	<u>(460,233)</u>	<u>(266,962)</u>	<u>193,271</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>40,359</u>	<u>(460,233)</u>	<u>(266,962)</u>	<u>193,271</u>
FUND BALANCES - BEGINNING	<u>651,811</u>	<u>651,811</u>	<u>651,811</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 692,170</u>	<u>\$ 191,578</u>	<u>\$ 384,850</u>	<u>\$ 193,271</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 1,732,620	\$ 1,732,620	\$ 1,811,990	\$ 79,370
Licenses and Permits	-	-	-	-
Intergovernmental	1,337,200	1,780,246	1,617,300	(162,946)
Fees of Office	475,000	475,000	501,209	26,209
Fines	-	-	-	-
Interest	18,000	18,000	6,526	(11,474)
Miscellaneous	-	-	115	115
TOTAL REVENUES	<u>3,562,820</u>	<u>4,005,866</u>	<u>3,937,139</u>	<u>(68,727)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>4,203,773</u>	<u>4,684,465</u>	<u>4,369,673</u>	<u>314,792</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(640,953)</u>	<u>(678,599)</u>	<u>(432,534)</u>	<u>246,065</u>
Other Financing Sources (Uses):				
Transfers In	-	29,133	29,133	-
Transfers Out	-	(35,395)	(35,395)	-
Total Other Financing Sources	<u>-</u>	<u>(6,262)</u>	<u>(6,262)</u>	<u>-</u>
Net Change in Fund Balances	<u>(640,953)</u>	<u>(684,861)</u>	<u>(438,796)</u>	<u>246,065</u>
 FUND BALANCES - BEGINNING	 <u>1,095,652</u>	 <u>1,095,652</u>	 <u>1,095,652</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 454,699</u>	<u>\$ 410,791</u>	<u>\$ 656,856</u>	<u>\$ 246,065</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	156,000	156,000	205,870	49,870
Fines	-	-	-	-
Interest	7,500	7,500	445	(7,055)
Miscellaneous	14,000	14,000	17,100	3,100
TOTAL REVENUES	<u>177,500</u>	<u>177,500</u>	<u>223,415</u>	<u>45,915</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>408,089</u>	<u>408,967</u>	<u>308,324</u>	<u>100,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(230,589)</u>	<u>(231,467)</u>	<u>(84,909)</u>	<u>146,558</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>(230,589)</u>	<u>(231,467)</u>	<u>(84,909)</u>	<u>146,558</u>
 FUND BALANCES - BEGINNING	 <u>548,707</u>	 <u>548,707</u>	 <u>548,707</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 318,118</u>	<u>\$ 317,240</u>	<u>\$ 463,798</u>	<u>\$ 146,558</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	812,000	812,000	716,589	(95,411)
Fines	-	-	-	-
Interest	63,000	63,000	19,049	(43,951)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>875,000</u>	<u>875,000</u>	<u>735,639</u>	<u>(139,361)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>1,463,839</u>	<u>1,445,965</u>	<u>1,350,329</u>	<u>95,636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(588,839)</u>	<u>(570,965)</u>	<u>(614,690)</u>	<u>(43,725)</u>
Other Financing Sources (Uses):				
Transfers In	-	1,587	1,587	-
Transfers Out	-	(22,500)	(22,500)	-
Total Other Financing Sources	<u>-</u>	<u>(20,913)</u>	<u>(20,913)</u>	<u>-</u>
Net Change in Fund Balances	<u>(588,839)</u>	<u>(591,878)</u>	<u>(635,603)</u>	<u>(43,725)</u>
 FUND BALANCES - BEGINNING	 <u>3,751,818</u>	 <u>3,751,818</u>	 <u>3,751,818</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,162,979</u>	<u>\$ 3,159,940</u>	<u>\$ 3,116,215</u>	<u>\$ (43,725)</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	290,000	290,000	271,718	(18,282)
Fines	-	-	-	-
Interest	1,200	1,200	173	(1,027)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>291,200</u>	<u>291,200</u>	<u>271,891</u>	<u>(19,309)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>352,320</u>	<u>352,320</u>	<u>284,925</u>	<u>67,395</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(61,120)</u>	<u>(61,120)</u>	<u>(13,034)</u>	<u>48,086</u>
Other Financing Sources (Uses):				
Transfers In	45,000	45,000	45,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
 Net Change in Fund Balances	<u>(16,120)</u>	<u>(16,120)</u>	<u>31,966</u>	<u>48,086</u>
 FUND BALANCES - BEGINNING	<u>149,442</u>	<u>149,442</u>	<u>149,442</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ 133,322</u>	<u>\$ 133,322</u>	<u>\$ 181,408</u>	<u>\$ 48,086</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	4,500	4,500	913	(3,587)
Miscellaneous	-	-	1,157,556	1,157,556
TOTAL REVENUES	<u>4,500</u>	<u>4,500</u>	<u>1,158,469</u>	<u>1,153,969</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>205,000</u>	<u>205,214</u>	<u>70,042</u>	<u>135,172</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(200,500)</u>	<u>(200,714)</u>	<u>1,088,426</u>	<u>1,289,140</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>(200,500)</u>	<u>(200,714)</u>	<u>1,088,426</u>	<u>1,289,140</u>
 FUND BALANCES - BEGINNING	 <u>631,262</u>	 <u>631,262</u>	 <u>631,262</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 430,762</u>	<u>\$ 430,548</u>	<u>\$ 1,719,689</u>	<u>\$ 1,289,140</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	20,000	20,000	12,787	(7,213)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>12,787</u>	<u>(7,213)</u>
 <u>EXPENDITURES</u>				
FINANCIAL	<u>150,021</u>	<u>67,685</u>	<u>25,235</u>	<u>42,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(130,021)</u>	<u>(47,685)</u>	<u>(12,448)</u>	<u>35,237</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>(100,710)</u>	<u>(100,710)</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>(100,710)</u>	<u>(100,710)</u>	<u>-</u>
Net Change in Fund Balances	<u>(130,021)</u>	<u>(148,395)</u>	<u>(113,158)</u>	<u>35,237</u>
 FUND BALANCES - BEGINNING	 <u>160,492</u>	 <u>160,492</u>	 <u>160,492</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 30,471</u>	<u>\$ 12,097</u>	<u>\$ 47,334</u>	<u>\$ 35,237</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	289,772	289,772	283,848	(5,924)
Fines	-	-	-	-
Interest	2,500	2,500	358	(2,142)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>292,272</u>	<u>292,272</u>	<u>284,206</u>	<u>(8,066)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>419,943</u>	<u>419,943</u>	<u>368,613</u>	<u>51,330</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(127,671)</u>	<u>(127,671)</u>	<u>(84,407)</u>	<u>43,264</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>(127,671)</u>	<u>(127,671)</u>	<u>(84,407)</u>	<u>43,264</u>
 FUND BALANCES - BEGINNING	 <u>242,230</u>	 <u>242,230</u>	 <u>242,230</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 114,559</u>	<u>\$ 114,559</u>	<u>\$ 157,824</u>	<u>\$ 43,264</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	22,966	22,966	34,450	11,484
Fees of Office	100,000	100,000	57,964	(42,036)
Fines	-	-	-	-
Interest	500	500	18	(482)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>123,466</u>	<u>123,466</u>	<u>92,431</u>	<u>(31,035)</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>141,513</u>	<u>141,513</u>	<u>117,323</u>	<u>24,190</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,047)</u>	<u>(18,047)</u>	<u>(24,892)</u>	<u>(6,845)</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>(18,047)</u>	<u>(18,047)</u>	<u>(24,892)</u>	<u>(6,845)</u>
 FUND BALANCES - BEGINNING	 <u>36,983</u>	 <u>36,983</u>	 <u>36,983</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 18,936</u>	<u>\$ 18,936</u>	<u>\$ 12,091</u>	<u>\$ (6,845)</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	3,000	3,000	276	(2,724)
Miscellaneous	45,000	45,000	97,354	52,354
TOTAL REVENUES	<u>48,000</u>	<u>48,000</u>	<u>97,630</u>	<u>49,630</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>152,058</u>	<u>152,058</u>	<u>6,021</u>	<u>146,037</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(104,058)</u>	<u>(104,058)</u>	<u>91,609</u>	<u>195,667</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(104,058)</u>	<u>(104,058)</u>	<u>91,609</u>	<u>195,667</u>
 FUND BALANCES - BEGINNING	 <u>317,591</u>	 <u>317,591</u>	 <u>317,591</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 213,533</u>	<u>\$ 213,533</u>	<u>\$ 409,200</u>	<u>\$ 195,667</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	375,000	375,000	293,282	(81,718)
Fees of Office	45,000	45,000	50,231	5,231
Fines	-	-	-	-
Interest	35,000	35,000	13,056	(21,944)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>455,000</u>	<u>455,000</u>	<u>356,569</u>	<u>(98,431)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>455,001</u>	<u>455,001</u>	<u>454,965</u>	<u>36</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(1)</u>	<u>(98,396)</u>	<u>(98,395)</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>(1)</u>	<u>(1)</u>	<u>(98,396)</u>	<u>(98,395)</u>
 FUND BALANCES - BEGINNING	 <u>2,432,250</u>	 <u>2,432,250</u>	 <u>2,432,250</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,432,249</u>	<u>\$ 2,432,249</u>	<u>\$ 2,333,854</u>	<u>\$ (98,395)</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	65,000	65,000	68,205	3,205
Fines	-	-	-	-
Interest	8,500	8,500	697	(7,804)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>73,500</u>	<u>73,500</u>	<u>68,902</u>	<u>(4,598)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>250,268</u>	<u>318,113</u>	<u>181,780</u>	<u>136,333</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(176,768)</u>	<u>(244,613)</u>	<u>(112,878)</u>	<u>131,735</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>(176,768)</u>	<u>(244,613)</u>	<u>(112,878)</u>	<u>131,735</u>
 FUND BALANCES - BEGINNING	 <u>567,461</u>	 <u>567,461</u>	 <u>567,461</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 390,693</u>	<u>\$ 322,848</u>	<u>\$ 454,583</u>	<u>\$ 131,735</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	2,486,735	875,659	(1,611,076)
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	2,486,735	875,659	(1,611,076)
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	-	2,489,585	900,487	1,589,098
Excess (Deficiency) of Revenues Over Expenditures	-	(2,850)	(24,829)	(21,979)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	(2,850)	(24,829)	(21,979)
 FUND BALANCES - BEGINNING	 18,386	 18,386	 18,386	 -
FUND BALANCES - ENDING	\$ 18,386	\$ 15,536	\$ (6,443)	\$ (21,979)

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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	45,000	45,000	47,123	2,123
Fines	-	-	-	-
Interest	600	600	66	(534)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>45,600</u>	<u>45,600</u>	<u>47,189</u>	<u>1,589</u>
<u>EXPENDITURES</u>				
JUDICIAL	<u>82,816</u>	<u>89,816</u>	<u>72,959</u>	<u>16,857</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(37,216)</u>	<u>(44,216)</u>	<u>(25,770)</u>	<u>18,446</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>(37,216)</u>	<u>(44,216)</u>	<u>(25,770)</u>	<u>18,446</u>
FUND BALANCES - BEGINNING	<u>50,395</u>	<u>50,395</u>	<u>50,395</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 13,179</u>	<u>\$ 6,179</u>	<u>\$ 24,625</u>	<u>\$ 18,446</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	16,000	16,000	16,563	563
Fines	-	-	-	-
Interest	750	750	81	(669)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>16,750</u>	<u>16,750</u>	<u>16,644</u>	<u>(106)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>15,746</u>	<u>15,746</u>	<u>1,714</u>	<u>14,032</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,004</u>	<u>1,004</u>	<u>14,931</u>	<u>13,927</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>1,004</u>	<u>1,004</u>	<u>14,931</u>	<u>13,927</u>
 FUND BALANCES - BEGINNING	 <u>48,474</u>	 <u>48,474</u>	 <u>48,474</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 49,478</u>	<u>\$ 49,478</u>	<u>\$ 63,404</u>	<u>\$ 13,927</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	230,000	230,000	206,976	(23,024)
Fines	-	-	-	-
Interest	4,000	4,000	235	(3,765)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>234,000</u>	<u>234,000</u>	<u>207,211</u>	<u>(26,789)</u>
<u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>282,870</u>	<u>284,292</u>	<u>212,916</u>	<u>71,376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(48,870)</u>	<u>(50,292)</u>	<u>(5,705)</u>	<u>44,587</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>(48,870)</u>	 <u>(50,292)</u>	 <u>(5,705)</u>	 <u>44,587</u>
 FUND BALANCES - BEGINNING	 <u>260,727</u>	 <u>260,727</u>	 <u>260,727</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 211,857</u>	 <u>\$ 210,435</u>	 <u>\$ 255,022</u>	 <u>\$ 44,587</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	<u>(16,235)</u>	<u>(16,235)</u>	<u>(16,177)</u>	<u>58</u>
Total Other Financing Sources	<u>(16,235)</u>	<u>(16,235)</u>	<u>(16,177)</u>	<u>58</u>
 Net Change in Fund Balances	<u>(16,235)</u>	<u>(16,235)</u>	<u>(16,177)</u>	<u>58</u>
 FUND BALANCES - BEGINNING	<u>16,177</u>	<u>16,177</u>	<u>16,177</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ (58)</u>	<u>\$ (58)</u>	<u>\$ -</u>	<u>\$ 58</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	13,009	13,009
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	10,000	10,000	1,537	(8,463)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>14,546</u>	<u>4,546</u>
 <u>EXPENDITURES</u>				
PUBLIC FACILITIES	<u>2,807,484</u>	<u>4,334,168</u>	<u>1,726,906</u>	<u>2,607,262</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,797,484)</u>	<u>(4,324,168)</u>	<u>(1,712,360)</u>	<u>2,611,808</u>
Other Financing Sources (Uses):				
Transfers In	2,000,000	3,500,027	3,500,027	-
Transfers Out	-	-	-	-
Sale of Surplus Property	-	-	-	-
Total Other Financing Sources	<u>2,000,000</u>	<u>3,500,027</u>	<u>3,500,027</u>	<u>-</u>
Net Change in Fund Balances	<u>(797,484)</u>	<u>(824,141)</u>	<u>1,787,667</u>	<u>2,611,808</u>
FUND BALANCES - BEGINNING	<u>2,570,794</u>	<u>2,570,794</u>	<u>2,570,794</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,773,310</u>	<u>\$ 1,746,653</u>	<u>\$ 4,358,461</u>	<u>\$ 2,611,808</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, 2010

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 32,500,000	\$ 32,500,000	\$ 33,981,439	\$ 1,481,439
Intergovernmental	-	-	-	-
Interest	100,000	100,000	22,266	(77,734)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>32,600,000</u>	<u>32,600,000</u>	<u>34,003,705</u>	<u>1,403,705</u>
 <u>EXPENDITURES</u>				
DEBT SERVICE				
Principal Retirement	16,765,734	16,765,734	16,765,733	1
Interest	17,251,057	17,251,057	17,018,773	232,284
Bank Charges	16,000	154,350	134,083	20,267
TOTAL EXPENDITURES	<u>34,032,791</u>	<u>34,171,141</u>	<u>33,918,589</u>	<u>252,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,432,791)</u>	<u>(1,571,141)</u>	<u>85,116</u>	<u>1,656,257</u>
Other Financing Sources (Uses):				
Bond Proceeds	-	138,350	-	138,350
Bond Premium	-	-	637,632	(637,632)
Transfers In	500,000	500,000	500,000	-
Transfers Out	-	-	-	-
Proceeds of Refunding Bonds	-	-	23,280,000	(23,280,000)
Refunding Bond Discount	-	-	-	-
Payments to Escrow Agent	-	-	(23,777,486)	23,777,486
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>638,350</u>	<u>640,146</u>	<u>(1,796)</u>
 Net Change in Fund Balances	 <u>(932,791)</u>	 <u>(932,791)</u>	 <u>725,262</u>	 <u>1,654,461</u>
FUND BALANCES - BEGINNING	<u>2,902,071</u>	<u>2,902,071</u>	<u>2,902,071</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,969,280</u>	<u>\$ 1,969,280</u>	<u>\$ 3,627,333</u>	<u>\$ 1,654,461</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, 2010

	<u>Texas Adult Probation</u>	<u>County Clerk Agency</u>	<u>District Clerk Agency</u>	<u>Tax Collector Agency</u>
<u>ASSETS</u>				
Cash	\$ 396,521	\$ 1,548,260	\$4,302,423	\$ 4,842,767
Investments	2,848,187	11,710,734	-	4,602,618
Accrued Interest	4,464	-	-	-
Other Assets	17,327	-	-	-
Due from Other Funds	1	-	-	-
Due from Other Govts	-	-	-	-
	<u>3,266,501</u>	<u>13,258,994</u>	<u>4,302,423</u>	<u>9,445,385</u>
TOTAL ASSETS	<u>\$3,266,501</u>	<u>\$ 13,258,994</u>	<u>\$4,302,423</u>	<u>\$ 9,445,385</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts Payable	\$ 9,221	\$ -	\$ -	\$ -
Wages Payable	199,452	-	-	-
Due to Other Funds	284,376	-	-	-
Due to Other Governments	2,571,689	-	-	9,445,385
Due to Beneficiaries	201,764	13,258,994	4,302,423	-
	<u>3,266,501</u>	<u>13,258,994</u>	<u>4,302,423</u>	<u>9,445,385</u>
TOTAL LIABILITIES	<u>3,266,501</u>	<u>13,258,994</u>	<u>4,302,423</u>	<u>9,445,385</u>

Denton County, Texas
STATEMENT OF FIDUCIARY ASSETS
AGENCY FUNDS
September 30, 2010

	<u>Justices of the Peace Agency</u>	<u>Sheriff Agency</u>	<u>Treatment Alternatives to Incarceration</u>	<u>Other Agency</u>
<u>ASSETS</u>				
Cash	\$ 89,605	\$ 1,456,685	\$ 38,921	\$ 15,351
Investments	-	-	19,702	-
Accrued Interest	-	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	-	-	9,435	-
Due from Other Govts	-	-	-	-
	<u>89,605</u>	<u>1,456,685</u>	<u>68,058</u>	<u>15,351</u>
TOTAL ASSETS	<u><u>\$ 89,605</u></u>	<u><u>\$ 1,456,685</u></u>	<u><u>\$ 68,058</u></u>	<u><u>\$ 15,351</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 1,283	\$ -
Wages Payable	-	-	-	-
Due to Other Funds	-	-	1	-
Due to Other Governments	-	-	66,774	-
Due to Beneficiaries	89,605	1,456,685	-	15,351
	<u>89,605</u>	<u>1,456,685</u>	<u>68,058</u>	<u>15,351</u>
TOTAL LIABILITIES	<u><u>89,605</u></u>	<u><u>1,456,685</u></u>	<u><u>68,058</u></u>	<u><u>15,351</u></u>

Community Corrections Grant	Housing Finance Authority	TOTAL September 30, 2010
\$ 3,345	\$ 664,119	\$ 13,357,997
66	-	19,181,307
-	-	4,464
40	-	17,367
282,394	-	291,830
-	-	-
<u>\$ 285,845</u>	<u>\$ 664,119</u>	<u>\$ 32,852,966</u>

\$ 3,732	\$ -	\$ 14,236
-	-	199,452
8,984	-	293,361
273,129	664,119	13,021,096
-	-	19,324,822
<u>285,845</u>	<u>664,119</u>	<u>32,852,966</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010

	<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	\$ 3,647,131	\$ 3,916,514	\$ 4,318,937	\$ 3,244,708
Accrued Interest	4,932	4,464	4,931	\$ 4,465
Other Receivables	-	17,327	-	\$ 17,327
Due from Other Funds	119	1	119	\$ 1
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 3,652,182</u>	<u>\$ 3,938,306</u>	<u>\$ 4,323,987</u>	<u>\$ 3,266,501</u>
<u>Liabilities</u>				
Accounts Payable	\$ 204,361	\$ 208,673	\$ 204,361	\$ 208,673
Due to Other Funds	974	284,376	975	284,375
Due to Other Govts	3,147,226	2,571,689	3,147,226	2,571,689
Due to Beneficiaries	299,621	201,764	299,621	201,764
Total Liabilities	<u>\$ 3,652,182</u>	<u>\$ 3,266,502</u>	<u>\$ 3,652,183</u>	<u>\$ 3,266,501</u>
<u>COUNTY CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 5,223,085	\$ 45,248,769	\$ 37,212,860	\$ 13,258,994
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 5,223,085</u>	<u>\$ 45,248,769</u>	<u>\$ 37,212,860</u>	<u>\$ 13,258,994</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	5,223,085	45,248,769	37,212,860	13,258,994
Total Liabilities	<u>\$ 5,223,085</u>	<u>\$ 45,248,769</u>	<u>\$ 37,212,860</u>	<u>\$ 13,258,994</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010 - (Continued)

	<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	\$ 3,051,635	\$ 11,266,973	\$ 10,016,185	\$ 4,302,423
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 3,051,635</u>	<u>\$ 11,266,973</u>	<u>\$ 10,016,185</u>	<u>\$ 4,302,423</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	3,051,635	11,266,973	10,016,185	4,302,423
Total Liabilities	<u>\$ 3,051,635</u>	<u>\$ 11,266,973</u>	<u>\$ 10,016,185</u>	<u>\$ 4,302,423</u>
<u>TAX COLLECTOR AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 8,811,559	\$ 23,691,134	\$ 23,057,308	\$ 9,445,385
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 8,811,559</u>	<u>\$ 23,691,134</u>	<u>\$ 23,057,308</u>	<u>\$ 9,445,385</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	8,811,559	23,691,134	23,057,308	9,445,385
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 8,811,559</u>	<u>\$ 23,691,134</u>	<u>\$ 23,057,308</u>	<u>\$ 9,445,385</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010 - (Continued)

	<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	\$ 245,734	\$ 295,628	\$ 451,756	\$ 89,605
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 245,734</u>	<u>\$ 295,628</u>	<u>\$ 451,756</u>	<u>\$ 89,605</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	245,734	295,628	451,756	89,605
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 245,734</u>	<u>\$ 295,628</u>	<u>\$ 451,756</u>	<u>\$ 89,605</u>
<u>SHERIFF AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 1,081,458	\$ 4,025,445	\$ 3,650,217	\$ 1,456,685
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,081,458</u>	<u>\$ 4,025,445</u>	<u>\$ 3,650,217</u>	<u>\$ 1,456,685</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	1,081,458	4,025,445	3,650,217	1,456,685
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 1,081,458</u>	<u>\$ 4,025,445</u>	<u>\$ 3,650,217</u>	<u>\$ 1,456,685</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010 - (Continued)

	<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	\$ 116,792	\$ 161,565	\$ 219,735	\$ 58,622
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	9,435.00	-	9,435.00
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 116,792</u>	<u>\$ 171,000</u>	<u>\$ 219,735</u>	<u>\$ 68,057</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,283	\$ 1,283	\$ 1,283	\$ 1,283
Due to Other Funds	8	1	8	1
Due to Other Govts	115,501	66,773	115,501	66,773
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 116,792</u>	<u>\$ 68,057</u>	<u>\$ 116,792</u>	<u>\$ 68,057</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 48,560	\$ 6,933	\$ 40,142	\$ 15,351
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 48,560</u>	<u>\$ 6,933</u>	<u>\$ 40,142</u>	<u>\$ 15,351</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	48,560	6,933	40,142	15,351
Total Liabilities	<u>\$ 48,560</u>	<u>\$ 6,933</u>	<u>\$ 40,142</u>	<u>\$ 15,351</u>

Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010 - (Continued)

	<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	\$ 576,723	\$ 394,838	\$ 968,150	\$ 3,411
Accrued Interest	-	-	-	-
Other Receivables	-	40	-	40
Due from Other Funds	-	282,394	-	282,394
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 576,723</u>	<u>\$ 677,272</u>	<u>\$ 968,150</u>	<u>\$ 285,845</u>
<u>Liabilities</u>				
Accounts Payable	\$ 32,622	\$ 3,732	\$ 32,622	\$ 3,732
Due to Other Funds	111	8,984	111	8,984
Due to Other Govts	543,990	273,129	543,990	273,129
Due to Beneficiaries	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 576,723</u>	<u>\$ 285,845</u>	<u>\$ 576,723</u>	<u>\$ 285,845</u>
<u>DENTON CO. HOUSING FINANCE AUTHORITY</u>				
<u>Assets</u>				
Cash and Investments	\$ 662,823	\$ 1,296	\$ -	\$ 664,119
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 662,823</u>	<u>\$ 1,296</u>	<u>\$ -</u>	<u>\$ 664,119</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	662,823	1,296	-	664,119
Due to Beneficiaries	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 662,823</u>	<u>\$ 1,296</u>	<u>\$ -</u>	<u>\$ 664,119</u>

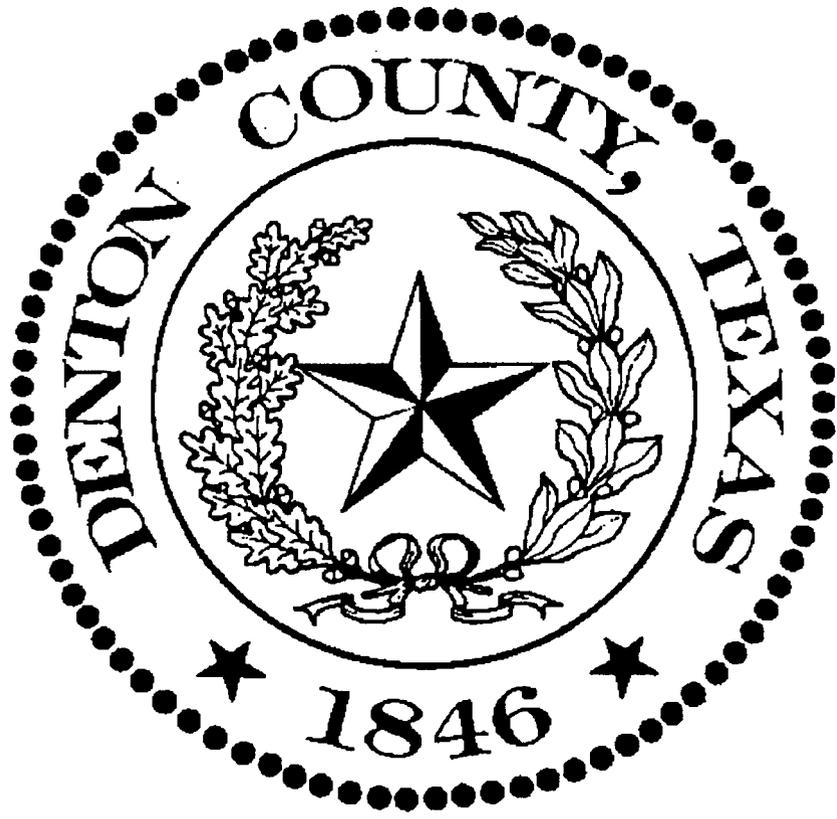
Denton County, Texas
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2010 - (Continued)

	<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	\$ 23,465,499	\$ 89,009,095	\$ 79,935,291	\$ 32,539,304
Accrued Interest	4,932	4,464	4,931	4,465
Other Receivables	-	17,367	-	17,367
Due from Other Funds	119	291,830	119	291,830
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 23,470,550</u>	<u>\$ 89,322,756</u>	<u>\$ 79,940,341</u>	<u>\$ 32,852,966</u>
<u>Liabilities</u>				
Accounts Payable	\$ 238,266	\$ 213,688	\$ 238,266	\$ 213,688
Due from Other Funds	1,093	293,361	1,094	293,360
Due to Other Govts	13,281,099	26,604,021	26,864,025	13,021,095
Due to Beneficiaries	<u>9,950,093</u>	<u>61,045,512</u>	<u>51,670,782</u>	<u>19,324,823</u>
Total Liabilities	<u>\$ 23,470,551</u>	<u>\$ 88,156,582</u>	<u>\$ 78,774,167</u>	<u>\$ 32,852,966</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 61,110,870
Restricted	-	-	22,655,179	18,969,657	52,791,479	23,903,118	1,762,394	81,521,678	132,678,303	2,885,780
Unrestricted	-	-	(63,755,236)	16,765,325	(29,457,518)	6,283,298	(43,560,202)	(87,942,285)	(240,699,693)	(134,205,155)
Total Governmental Activities	\$ -	\$ -	\$30,439,491	\$ 35,782,157	\$ 26,440,092	\$ 13,299,160	\$ (17,571,193)	\$(30,929,504)	\$ (56,314,458)	\$ (70,208,505)

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

Denton County, Texas

CHANGES IN NET ASSETS

Last Ten Fiscal Years¹

(Accrual Basis of Accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses										
Governmental Activities:										
General Government	\$ -	\$ -	\$ 17,934,501	\$ 18,927,727	\$ 18,070,687	\$ 20,550,672	\$ 20,239,625	\$ 21,886,488	\$ 25,423,663	\$ 22,448,078
Judicial	-	-	11,228,446	13,224,021	13,575,518	14,077,729	14,447,760	15,761,539	16,896,832	17,863,484
Legal	-	-	8,755,827	8,701,903	9,369,366	9,582,964	9,969,544	10,374,151	11,390,916	11,694,350
Financial	-	-	4,269,539	4,257,381	4,601,210	4,793,627	5,057,253	5,455,359	5,870,757	6,183,733
Public Facilities	-	-	5,958,066	7,109,603	7,790,801	9,175,352	9,346,732	11,173,330	9,874,556	8,929,229
Public Safety	-	-	41,332,498	42,228,993	43,683,225	47,391,000	51,123,763	55,289,950	57,604,549	62,775,641
Health & Welfare	-	-	7,270,714	7,761,268	8,356,444	7,710,692	8,188,748	8,780,134	9,047,425	10,857,064
Conservation	-	-	340,075	328,000	331,562	366,525	388,464	382,928	402,165	403,151
Contractual	-	-	1,663,675	1,656,576	1,931,240	2,613,005	2,742,028	2,889,226	2,919,721	3,096,886
Road Maintenance	-	-	25,540,579	19,098,447	28,535,173	48,700,356	57,587,194	42,482,251	53,742,924	44,795,191
Interest on Long-Term Debt	-	-	6,658,652	5,828,359	7,420,818	8,060,826	10,731,274	12,741,940	17,049,993	18,429,675
Total Expenses	\$ -	\$ -	\$ 130,952,572	\$ 129,122,278	\$ 143,666,044	\$ 173,022,748	\$ 189,822,385	\$ 187,217,297	\$ 210,223,502	\$ 207,476,482

Program Revenues

Governmental Activities:

Charges For Services:

General Government	\$ -	\$ -	\$ 8,157,736	\$ 8,915,157	\$ 9,340,831	\$ 11,981,245	\$ 11,939,818	\$ 11,351,076	\$ 12,486,126	\$ 11,506,447
Judicial	-	-	6,819,691	7,989,420	8,288,906	8,502,443	7,437,513	7,897,731	8,412,057	8,188,936
Legal	-	-	289,158	305,188	273,141	317,082	272,495	249,847	214,541	205,698
Financial	-	-	1,980,484	1,887,946	2,139,101	2,372,728	2,250,727	2,501,426	2,651,479	2,687,310
Public Facilities	-	-	-	-	-	-	-	-	-	-

Fiscal Year

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
--	------	------	------	------	------	------	------	------	------	------

Public Safety	-	2,106,390	1,997,676	2,185,140	2,174,767	2,756,883	3,069,553	2,856,124	3,539,579
Health & Welfare	-	434,294	529,622	535,586	521,971	530,757	499,755	545,316	554,314
Conservation	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	701,229	-	-	70,969
Road Maintenance	-	93,408	171,264	504,915	285,643	148,658	184,188	209,627	50,971
Interest on L.T. 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	23,700,837
Capital Grants and Contributions	-	1,513,176	1,756,443	25,037	7,278,309	1,699,313	1,659,011	2,603,865	6,864,345
Total Governmental Activities	-	40,110,038	49,089,722	46,597,608	56,014,707	50,743,655	51,625,765	56,919,112	57,369,406

Net (Expense) Revenues \$ - \$ (90,842,534) \$ (80,032,556) \$ (97,068,436) \$ (117,008,041) \$ (139,078,730) \$ (135,591,532) \$ (153,304,390) \$ (150,107,076)

General Revenues and Other Changes in Net Assets																		
Governmental Activities:	\$	-	\$	75,787,467	\$	83,435,160	\$	92,736,399	\$	98,184,935	\$	102,971,687	\$	116,604,155	\$	126,731,978	\$	135,631,477
Property Taxes																		
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	1,187,458	581,552									
Total General Revenues	\$	-	\$	77,949,461	\$	84,077,051	\$	95,483,275	\$	103,867,109	\$	111,325,855	\$	122,233,221	\$	127,919,436	\$	136,213,029

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) \$ (13,894,047)

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
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	127,971,842
2010	135,631,477	1,276,474	136,907,951

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 41,256	\$ 23,288	\$ 39,804	\$ 97,859	\$ 37,046	\$ 61,640	\$ 92,943	\$ 114,819	\$ 148,828	\$ 148,842
Unreserved	<u>5,052,393</u>	<u>5,014,184</u>	<u>5,221,220</u>	<u>9,050,956</u>	<u>14,086,405</u>	<u>19,800,836</u>	<u>28,405,455</u>	<u>27,919,875</u>	<u>27,920,689</u>	<u>27,576,709</u>
Total General Fund	\$ 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	\$ 27,725,551
All Other Governmental Funds										
Reserved	\$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	\$226,366,775
Unreserved, reported in:										
Special Revenue Funds	<u>9,191,380</u>	<u>8,337,495</u>	<u>7,557,646</u>	<u>8,041,412</u>	<u>9,909,531</u>	<u>13,558,740</u>	<u>15,781,422</u>	<u>18,017,608</u>	<u>16,837,540</u>	<u>16,214,411</u>
Total Other Government Funds	\$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	\$242,581,186

Denton County, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes	\$ 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	\$ 135,942,713
Licenses and Permits	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	7,629,567
Intergovernmental	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	17,073,469
Fees of Office	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	13,996,584
Fines	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	3,714,723
Interest	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	581,552
Miscellaneous	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	3,106,380
TOTAL REVENUES	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	182,044,988
EXPENDITURES										
General Government	10,756,812	13,017,619	15,140,192	15,733,351	14,907,386	18,444,192	16,324,038	18,075,340	20,835,435	18,784,462
Judicial	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	17,380,563
Legal	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	11,160,581
Financial	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	6,086,083
Public Facilities	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	6,935,320
Public Safety	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	59,317,313
Health & Welfare	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	10,485,601
Conservation	308,440	343,215	334,882	324,708	331,543	370,952	388,181	389,404	383,833	391,098
Contract Services	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	3,096,886
Roads	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	10,730,918
Intergovernmental	-	-	11,717,001	5,930,076	14,561,953	35,764,228	42,887,800	855,974	92,579	64,378
Capital Outlay	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	50,845,643

Fiscal Year

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Service:										
Principal Retirement	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	16,765,733
Interest & Service Charge	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	17,152,856
TOTAL EXPENDITURES	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	229,197,435
Excess of Revenues over (under) expenditures	(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)	(47,152,447)
<u>OTHER FUNDING SOURCES (USES)</u>										
Issuance of Debt	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	137,895,000
Bond Premium	-	-	-	-	2,866,219	-	441,000	267,662	1,519,549	2,491,260
Sale of Surplus Property	-	-	-	-	-	-	-	353,757	-	-
Capital Lease Financing	967,937	1,458,048	670,677	119,956	599,842	62,879	399,668	2,489,407	-	533,878
Transfers In	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	4,293,160
Transfers Out	(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)	(4,693,160)
Refunding Bonds Issued	-	-	-	27,235,647	51,830,000	19,315,000	-	-	-	23,280,000
Refunding Bond Discount	-	-	-	-	-	(528,875)	-	-	-	-
Payments to Escrow Agt	-	-	-	(26,939,647)	(53,243,364)	(18,677,925)	-	-	-	(23,777,486)
TOTAL OTHER FINANCING SOURCES (USES)	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	140,022,652
NET CHANGE IN FUND BALANCES	\$ 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	\$ 92,870,205
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.7%	15.0%	14.1%	13.6%	13.9%	15.4%	9.7%	13.2%	13.9%	16.5%

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
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
2010	135,942,713	1,276,474	137,219,187

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							
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	\$ 23,143,184,150	100.00%
2002	18,563,905,276	3,020,670,675	3,006,131,739	2,956,078,715	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%
2010	34,023,281,341	7,708,027,368	12,825,800,942	4,477,889,643	5,088,997,965	53,946,001,329	0.24980	53,946,001,329	100.00%

Denton County, Texas
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2010

<u>Taxpayer</u>	<u>2010</u>			<u>2001</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.	\$ 1,000,718,870	1	1.95%	\$ -		
Burlington Resources Oil & Gas	228,427,580	2	0.45%	-		
Quicksilver Resources, Inc.	168,327,350	3	0.33%			
Oncor Electric Delivery Co.	153,582,900	4	0.30%			
Verizon	138,449,160	5	0.27%	154,935,687	1	0.67%
J-W Operating Company	122,587,680	6	0.24%			
Encana Oil & Gas (USA)	114,004,310	7	0.22%			
Columbia Medical Center-Dentor	79,500,789	8	0.16%			
Vista Ridge J/V	74,620,701	9	0.15%	47,721,048	10	0.21%
Energy Transfer Fuel, LP	81,388,710	10	0.16%			
Texas Utilities Electric				119,510,280	2	0.52%
Mitchell Energy Co., LP				111,680,370	3	0.48%
Randall's Food Markets				89,973,294	4	0.39%
Albertson's Inc.				86,356,586	5	0.37%
Frito Lay				71,941,701	6	0.31%
Rayzor Ranch LP				71,765,836	7	0.31%
J C Penney Co., Inc.				63,210,798	8	0.27%
Teachers Ins & Annuity Assn.				<u>56,854,233</u>	<u>9</u>	<u>0.25%</u>
	<u>\$ 2,161,608,050</u>		<u>4.22%</u>	<u>\$873,949,833</u>		<u>3.78%</u>

Note: 2010 Total Assessed valuation of \$51,191,690,052 per Denton Central Appraisal District.
2001 Total Assessed valuation of \$23,143,184,150 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)								
		2003	2004	2005	2006	2007	2008	2009	2010
GOVERNMENTAL ENTITY									
Denton County	100.00 %	0.24897	0.24717	0.25480	0.24648	0.23192	0.23589	0.23577	0.24980
<u>Cities</u>									
Argyle	100.00	0.3925	0.39250	0.40324	0.40324	0.38592	0.38500	0.38500	0.38500
Aubrey	100.00	0.5500	0.55545	0.52624	0.52640	0.52624	0.56240	0.52624	0.60101
Bartonville	100.00	0.1847	0.17806	0.17944	0.19294	0.19294	0.19294	0.19294	0.19294
Carrollton	35.62	0.5993	0.59930	0.59930	0.63288	0.63290	0.61788	0.61788	0.61787
The Colony	100.00	0.7250	0.72000	0.72000	0.72000	0.71500	0.69750	0.68800	0.68800
Copper Canyon	100.00			0.17027		0.17027	0.19027	0.19027	0.30171
Corinth	100.00	0.5260	0.54975	0.56060	0.55698	0.55698	0.55698	0.57698	0.59292
Dallas	0.83	0.6998	0.69980	0.71970	0.74170	0.72920	0.74790	0.74790	0.74790
Denton	100.00	0.5482	0.59815	0.59815	0.60815	0.62652	0.66652	0.66652	1.49000
Double Oak	100.00	0.2200	0.22000	0.22000	0.22000	0.22000	0.22481	0.22481	0.22481
Flower Mound	100.00	0.4497	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970
Frisco	11.64	0.3370	0.43200	0.42296	0.44489		0.45000	0.45000	0.46500
Hackberry	100.00	0.6030	0.57996	0.51392	0.52298	0.52298	0.57984	0.57984	0.43235
Hickory Creek	100.00	0.2993	0.31939	0.34020	0.34020	0.34020	0.44562	0.44562	0.42429
Highland Village	100.00	0.5696		0.56963	0.56963	0.56963	0.56963	0.56963	0.56963
Justin	100.00	0.4297	0.42969	0.42969	0.42969	0.42969	0.49900	0.54921	0.54921
Krugerville	100.00	0.2378	0.23780	0.23780	0.23780	0.23780	0.26962	0.26962	0.35171
Krum	100.00	0.2550	0.23217	0.35137	0.49158	0.53983	0.58983	0.59983	0.63386
Lake Dallas	100.00	0.5617	0.57980	0.63185	0.64935	0.67000	0.69000	0.71000	0.71000
Lakewood Village	100.00	0.2500	0.25000	0.25000	0.25000	0.25000	0.25000	0.24500	0.25000
Lewisville	99.92	0.4505	0.45050	0.45050	0.45050	0.45679	0.44050	0.44021	0.44021
Little Elm	100.00	0.3998	0.35750	0.39902	0.39902	0.47000	0.53580	0.56996	0.63449
Marshall Creek	100.00	0.5000	0.60212	0.60212		0.68821	0.59876	0.00000	0.00000
Northlake	100.00	0.2950	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500
Oak Point	100.00	0.6390	0.59900	0.58900	0.58900	0.57900	0.57900	0.57900	0.57326
Pilot Point	100.00	0.4999	0.46331	0.50000	0.50000	0.59000	0.59000	0.64000	0.68000
Ponder	100.00	0.2295	0.22949	0.22949	0.27782	0.31652	0.31652	0.33000	0.36064
Roanoke	100.00	0.3751	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512
Sanger	100.00	0.5655	0.59260	0.57083		0.59046	0.59960	0.62000	0.62000
Shady Shores	100.00	0.3400	0.34000	0.33210	0.33212	0.33212	0.31990	0.31070	0.31372
Trophy Club	100.00	0.4405	0.37751	0.43051	0.43051	0.43051	0.43510	0.47000	0.47000
<u>School Districts:</u>									
Argyle	100.00	1.7552	1.82220	1.91950	1.91950	1.76943	1.41005	1.41005	1.41005

	Percent								
	Applicable to Denton County	2003	2004	2005	2006	2007	2008	2009	2010

GOVERNMENTAL ENTITY

School Districts

(Continued)

Aubrey	100.00	1.7330	1.8081	1.8388	1.8380	1.6666	1.3981	1.48560	1.50000
Carrollton-F. Branch	20.48	1.7224	1.7358	1.7824	1.8259	1.6830	1.3670	1.36230	1.34220
Celina	4.67	1.7500	1.7500	1.7800	1.7800	1.5190	1.5190	1.54000	1.54000
Denton	100.00	1.8640	1.8640	1.8640	1.7640	1.7640	1.4340	1.49000	1.53000
Frisco	14.02	1.5175	1.5575	1.6300	1.5800		1.3500	1.35000	1.39000
Krum	99.16	1.6660	1.6660	1.7250	1.7250	1.5955	1.3655	1.36550	1.44000
Lake Dallas	100.00	1.7400	1.7400	1.8600		1.7900	1.5200	1.65000	1.67000
Lewisville	100.00	1.6700	1.7700	1.7700	1.7700	1.6400	1.3700	1.38000	1.40870
Little Elm	100.00	1.7112	1.7300	1.8200	1.8400	1.7400	1.4600	1.53000	1.54000
Northwest	71.46	1.8348	1.8193	1.8193	1.6730	1.6650	1.3351	1.35500	1.35500
Pilot Point	88.41	1.5811	1.7755	1.7755	1.7442	1.6300	1.3000	1.39000	1.37000
Ponder	100.00	1.7680	1.7930	1.7600	1.5526	1.5526	1.2282	1.32212	1.30902
Prosper	1.03	1.7610	1.9515	1.9753					1.63000
Sanger	100.00	1.5330	1.6900	1.8000	1.7800	1.6500	1.3400	1.37000	1.36000
Slidell	26.90	1.6700	1.4821	1.7000	1.5293	1.3706	1.1300	1.16000	1.14000

Special Districts

Denton Co. Levy Imp								0.16500	0.16500
Trophy Club MUD 1	46.68	0.3000	0.2800	0.2800			0.2300	0.22500	0.19500
Trophy Club MUD 2	100.00	0.3400	0.3390	0.3490	0.3100	0.2990	0.2792	0.26423	0.00000
Providence Village WCID								1.00000	1.00000
Clear Creek Watersh	100.00	0.0118	0.0118	0.0350			0.0652	0.06520	0.06120
Corinth MUD #1	100.00	0.3106	0.3100	0.3100	0.3100		0.3100	0.21000	0.15000
Denton Co. Fresh									
Water Supp. Dist. #1	100.00		1.0000	1.0000					
DC Fresh Water Supp.#1-B		1.0000	1.0000	1.0000	1.0000	0.9500	0.9000	0.90000	0.90000
DC Fresh Water Supp.#1-C					0.54	0.9500	0.9000	0.90000	0.90000
DC Fresh Water Supp.#1-D					1.0000	0.9500	0.9000	0.90000	0.90000
DC Fresh Water Supp.#1-E					1.0000		0.9000	0.90000	0.90000
DC Fresh Water Supp.#10								1.00000	1.00000
DC Fresh Water Supp.#8-A								1.00000	1.00000

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. 115

(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 ⁽¹⁾	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 53,675,987	\$ 52,928,630	98.6%	\$ 706,267	\$ 53,634,897	99.9%
2002	67,007,264	65,833,992	98.2%	1,103,661	66,937,653	99.9%
2003	74,597,046	73,502,543	98.5%	1,076,432	74,578,975	100.0%
2004	82,072,675	81,000,786	98.7%	1,158,185	82,158,971	100.1%
2005	91,909,495	90,828,110	98.8%	1,189,651	92,017,761	100.1%
2006	96,942,092	95,770,632	98.8%	1,416,743	97,187,375	100.3%
2007	101,758,392	100,548,087	98.8%	1,564,199	102,112,286	100.3%
2008	115,308,895	114,144,213	99.0%	1,056,139	115,200,352	99.9%
2009	125,564,650	124,349,930	99.0%	808,725	125,158,655	99.7%
2010	134,757,111	133,632,700	99.2%	-	133,632,700	99.2%

(1) Collections in subsequent years often result in total tax collections in excess of the original tax levy due to additions to the tax roll as a result of previously exempt property losing its exempt status. Subsequent collections do not include penalties or interest assessed on late payments.

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>				
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
2010	496,900,000	1,415,245	498,315,245	2.48%	781.36	637,750

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

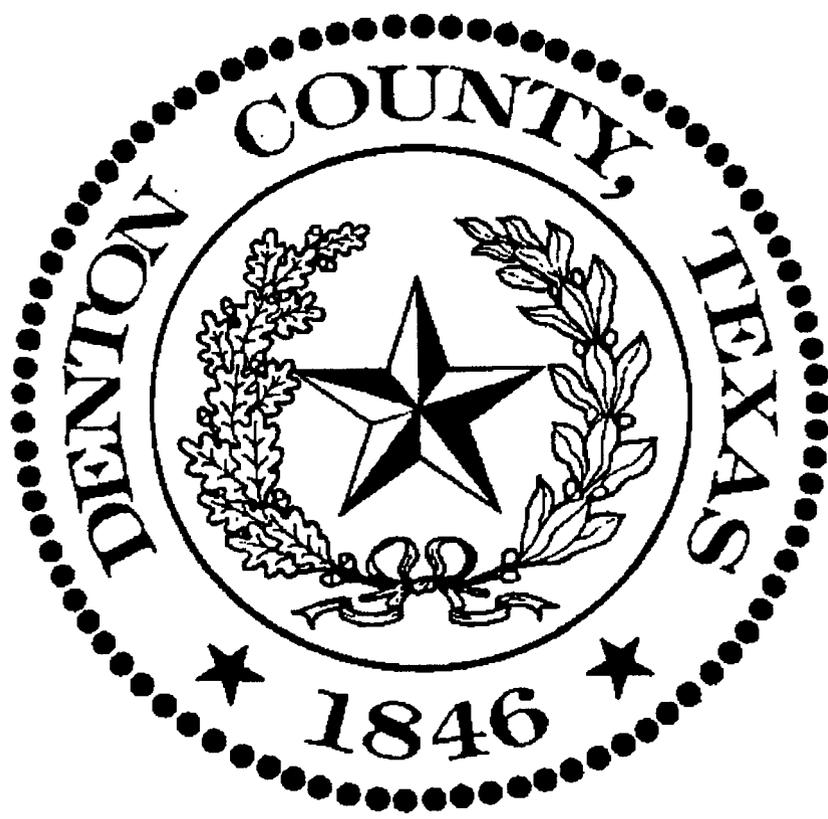
Last Ten Fiscal Years

<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</u>	<u>Per Capita²</u>	<u>Population (1)</u>
				<u>Value¹ of Property</u>		
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
2010	496,900,000	3,627,333	493,272,667	0.91	773.46	637,750

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, 2010

	Net Bonded Debt at September 30, 2010	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<u>DIRECT DEBT</u>			
Denton County	\$ 496,900,000	100.00%	\$ <u>496,900,000</u>
<u>OVERLAPPING DEBT</u>			
<u>Cities:</u>			
Argyle	2,845,000	100.00	2,845,000
Aubrey	6,294,669	100.00	6,294,669
Bartonville	1,115,000	100.00	1,115,000
Carrollton	175,695,040	35.62	62,582,573
The Colony	103,500,000	100.00	103,500,000
Corinth	18,453,859	100.00	18,453,859
Dallas	1,938,124,913	0.83	16,086,437
Denton	59,721,881	100.00	59,721,881
Double Oak	-		
Flower Mound	124,455,000	100.00	124,455,000
Frisco	305,430,000	32.20	98,348,460
Hackberry	205,450	100.00	205,450
Hickory Creek	613,491	100.00	613,491
Highland Village	22,483,835	100.00	22,483,835
Justin	10,180,000	100.00	10,180,000
Krugerville	349,696	100.00	349,696
Krum	1,111,199	100.00	1,111,199
Lake Dallas	8,406,037	100.00	8,406,037
Lewisville	63,234,275	99.92	63,183,688
Little Elm	38,138,500	100.00	38,138,500
Northlake	1,830,000	100.00	1,830,000
Oak Point	670,000	100.00	670,000
Pilot Point	18,120,540	100.00	18,120,540
Ponder	115,303	100.00	115,303
Roanoke	22,430,484	100.00	22,430,484
Sanger	13,850,120	100.00	13,850,120
Trophy Club	13,182,000	100.00	13,182,000

Notes:

(1) Source: Municipal Advisory Council of Texas

	Net Bonded Debt at September 30, 2010	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
School Districts:			
Argyle	55,188,117	100.00	55,188,117
Aubrey	53,430,454	100.00	53,430,454
Carrollton- Farmers Branch	353,476,131	20.48	72,391,912
Celina	59,441,532	4.67	2,775,920
Denton	602,103,263	100.00	602,103,263
Frisco	1,257,309,013	14.02	176,274,724
Krum	47,550,330	99.16	47,150,907
Lake Dallas	100,051,297	100.00	100,051,297
Lewisville	972,386,237	100.00	972,386,237
Little Elm	134,199,226	100.00	134,199,226
Northwest	558,007,288	71.46	398,752,008
Pilot Point	20,495,000	97.25	19,931,388
Ponder	30,505,000	100.00	30,505,000
Prosper	232,371,753	8.58	19,937,496
Sanger	77,883,826	100.00	77,883,826
Slidell	1,270,000	26.90	341,630
Special Districts:			
Trophy Club M.U.D.#1	8,789,681	47.57	4,181,251
Denton Co. RUD #1	8,540,893	99.28	8,479,399
DC Fresh Water Supp #1-B	14,895,741	97.94	14,588,889
DC Fresh Water Supp #1-D	26,102,962	100.00	26,102,962
DC Fresh Water Supp #1-E	23,792,542	100.00	23,792,542
DC Fresh Wtr Supp #11-A	16,119,199	100.00	16,119,199
DC Fresh Wtr Supp #6	59,130,868	100.00	59,130,868
DC Fresh Wtr Supp #7	24,609,714	100.00	24,609,714
DC Fresh Wtr Supp #9	26,290,373		26,290,373
DC Fresh Wtr Supp #10	29,831,725	100.00	29,831,725
Corinth M.U.D. #1	225,000	100.00	225,000
TOTAL OVERLAPPING DEBT			<u>\$3,704,928,547</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$4,201,828,547</u></u>

Denton County, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Amounts Expressed in Thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$5,207,346	\$6,070,943	\$6,876,113	\$7,656,639	\$8,276,952	\$8,871,385	\$9,973,291	\$12,220,614	\$11,941,031	\$12,367,028
Total Net Debt Applicable to Limit	136,508	134,979	133,816	129,568	168,697	172,799	271,797	283,559	371,433	493,273
Legal Debt Margin	\$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	\$11,873,755
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.62%	2.22%	1.95%	1.69%	2.04%	1.95%	2.73%	2.32%	3.11%	3.99%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed Value of Real Property	\$ 49,468,111
Debt Limit (25% of Total Real Property Value)	12,367,028
Debt Applicable to Limit	496,900
Less: Amount Set Aside for Repayment of General Obligations Bonds	(3,627)
Total Net Debt Application to Limit	493,273
Legal Debt Margin	11,873,755

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		School Enrollment ¹	Unemployment Rate ²
					Level in Years of Formal Schooling ¹			
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%
2010	637,750	20,053,411	31,444	-	-	-	-	7.1%

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 Ten Years Ago

<u>Employer</u>	<u>2010</u>			<u>2001</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	1.11%	6,995	1	1.57%
Lewisville ISD	4,500	2	0.71%			
Frito Lay	2,436	3	0.38%			
American Airlines	2,350	4	0.37%			
Texas Women's University	2,200	5	0.34%	900	8	0.20%
Denton Ind. School District	2,000	6	0.31%	2,000	2	0.45%
Horizon Health	1,500	7	0.24%			
Denton State School	1,473	8	0.23%	1,380	4	0.31%
Denton County	1,467	9	0.23%	1,225	5	0.28%
Xerox Corporation	1,400	10	0.22%			
Boeing Electronics				1,700	3	0.38%
Peterbilt Motors				1,200	7	0.27%
City of Denton				1200	6	0.27%
Denton Regional Medical Center				850	9	0.19%
FEMA				750	10	0.17%
	<u>26,426</u>		<u>4.14%</u>	<u>17,450</u>		<u>4.09%</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	147.0	152.5	154.5	158.0	159.5	164.0	168.5	166.0	167.0	168.0
Judicial	114.5	121.5	122.5	122.5	124.0	123.0	126.5	133.0	133.5	136.0
Legal	107.0	115.5	117.0	116.0	118.0	118.0	116.0	107.0	113.0	112.5
Financial	74.0	74.5	76.5	80.0	80.5	80.5	81.5	86.5	87.5	87.5
Public Facilities	27.5	27.5	27.5	29.5	30.5	30.5	30.0	30.0	32.0	32.0
Public Safety	618.5	625.0	628.0	686.5	710.0	712.0	758.0	761.5	788.5	794.5
Health & Welfare	41.0	49.0	51.5	58.0	53.0	70.5	9.0	9.0	9.0	9.0
Conservation	9.0	9.0	9.0	9.0	9.0	9.0	81.0	80.0	81.0	80.0
Roads	<u>88.0</u>	<u>82.0</u>	<u>82.0</u>	<u>80.5</u>	<u>80.5</u>	<u>81.0</u>	<u>74.5</u>	<u>46.5</u>	<u>46.5</u>	<u>47.5</u>
Total	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	1,467.0

Source: Denton County Budget Office

Denton County, Texas

OPERATING INDICATORS BY FUNCTION

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
County Clerk:										
Number of Criminal Cases Filed	9,331	10,135	11,260	11,200	11,185	9,650	10,087	11,000	11,500	11,935
Number of Civil Cases Filed	1,519	1,683	1,891	2,182	2,567	3,141	4,697	5,021	5,100	5,965
Human Resources										
Applications Accepted	6,750	11,090	14,397	15,237	12,233	10,830	10,087	9,640	11,394	9,200
Jobs Posted	517	235	348	441	458	258	270	200	172	140
Purchasing										
Purchase Orders Issued	9,180	9,039	8,869	8,801	8,963	8,231	8,543	9,050	9,443	9,800
Competitive Bids/Contract Renewals	48	45	45	59	48	43	53	61	49	55
Information Services/County Technology										
Work Orders Completed	12,479	10,055	9,216	14,162	8,809	9,559	8,300	8,512	8,078	7,920
Elections Administration										
New Registrations	40,000	40,000	26,072	35,072	26,143	35,000	27,926	60,025	37,445	45,000
Elections Held	25	32	26	35	23	77	52	48	40	44
Judicial										
District Courts										
Criminal Cases Disposed	1,408	2,107	2,471	3,055	2,530	2,601	2,304	2,450	2,725	3,225
Divorce/Family Cases Disposed	4,436	4,816	4,514	4,782	4,157	5,702	8,860	8,228	6,374	6,884
County Courts										
Juvenile Cases Disposed	1,242	982	1,212	1,424	1,421	1,169	1,262	1,514	1,600	1,600
Criminal Cases Disposed	9,993	9,521	7,898	9,639	8,646	9,325	10,464	10,525	12,874	12,800
District Clerk										
Civil, Family and Tax Cases Filed	7,288	8,324	8,552	8,990	9,688	9,381	9,981	10,586	9,605	9,730
Child Support Garnishment Orders									668	680

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Justices of the Peace										
Civil Cases Filed	5,048	5,513	9,062	7,475	7,456	7,779	9,469	12,366	12,054	7,199
Criminal Cases Filed	31,157	31,242	30,967	37,193	36,097	34,510	25,950	25,467	24,516	21,163
Legal										
Criminal District Attorney										
Felony Cases Under Indictment	2,062	1,615	1,935							
Misdemeanor Cases Under Indictment	18,140	6,889	6,716							
Cases Filed			9,382	9,382	9,326	11,359	11,727	11,034	12,897	13,000
Total Jury Trials			227	237	224	200	153	190	204	-
Financial										
County Auditor										
Accounts Payable Checks Processed	20,235	19,654	20,118	18,134	17,000	17,000	17,000	19,200	40,000	42,000
County Treasurer										
Payroll Checks Processed	33,840	35,102	36,992	36,371	38,611	38,732	39,000	39,500	44,223	46,000
Tax Assessor/Collector										
County Tax Accounts	220,000	248,600	265,500	254,048	254,048	270,929	284,302	315,062	321,000	515,500
Property Tax Parcels - all entities										
Automobile Registrations	374,522	385,962	400,781	416,726	448,147	474,564	474,561	498,440	519,102	520,000
Budget Department										
Budget Amendments Processed	283	253	257	248	234	251	239	265	275	70
Public Safety										
County Jail										
Average Daily Jail Population	680	725	770	897	897	1,019	1,103	1,100	1,140	1,190
Prisoners Booked									14,900	15,100
Sheriff										
E-911 Calls Received	38,500	60,865	64,291	54,517	73,696	62,100	80,121	63,845	67,027	69,976
Officer Responses to Public Requests	-	-	-	-	-	-	-	-	154,639	161,659
Health & Welfare										
Immunizations Administered	16,981	18,472	26,910	20,126	19,799	14,939	17,950	16,930	22,092	24,000
Primary Health Care Visits	4,744	5,370	7,574	8,226	8,883	7,714	8,987	10,468	10,802	11,000
Roads										
Work Orders Completed	663	1,017	-	730	472	332	709	480	564	360
Miles of Roads Overlayed		15	-	14	23	10	14	18	21	15

Denton County, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Number of Buildings								8	8	9
Judicial										
Number of Buildings								3	3	3
Financial										
Number of Buildings								1	1	1
Public Safety										
Number of Buildings								7	7	7
Number of Jail Beds								1,400	1,496	1,600
Juvenile Detention Beds								102	102	102
Number of Sheriff Vehicles								200	200	200
Health and Welfare										
Number of Buildings								2	2	3
Roads										
Number of Buildings								3	3	3
Miles of Road								612	612	625
Number of Bridges								62	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 2010 Annual Audit -

Denton County's combined financial statements for 2010 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 2010 annual audit.

Overview of Grant Audit Requirements -

The scope of the County's fiscal year 2010 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

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 2010 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, 2010**

(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 2010 totaled approximately \$1,397,200

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, 2010**

<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- 2011 Investigations and Technical Asst.	93.069	2011-028070	\$ 554,364
Center for Disease Control and Prevention- 2010 Investigations and Technical Asst.	93.069	2010-028070	553,806
Center for Disease Control and Prevention- 2009 Investigations and Technical Asst.	93.283	2009-028070	460,296
Center for Disease Control and Prevention- 2010 Discretionary Funds Grant	93.283	2010-035045	146,614
Center for Disease Control and Prevention- 2009 Discretionary Funds Grant	93.283	2009-031297	96,000
Center for Disease Control and Prevention- 2010 Medical Assistance Program	93.283	2010-028073	138,815
2009 Medical Assistance Program	93.283	2009-028073	126,389
2010 Federal TB Prevention Grant	93.283	2010-034507	74,502
2010 Community Preparedness Grant	93.283	2010-033320	2,012,345
2011 Immunization Program Grant	93.268	2011-028311	280,147
2010 Immunization Program Grant	93.268	2010-028311	124,212
U. S. Department of Agriculture Passed through the Texas Department of State Health Services			
2010 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	2,134,330
2009 Special Supplement Food Program for Women, Infants and Children	10.557	C9000524-4	<u>1,784,416</u>
Total Texas Department of State Health Services			<u>8,486,236</u>

<u>Balance *</u> <u>October 1,</u> <u>2009</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>2010</u>
\$ -		\$ 53,886	\$ 53,886
81,136	531,280	458,104	7,960
60,992	60,992	-	-
-	-	46,084	46,084
42,007	91,279	49,272	-
-	34,868	83,682	48,814
-	-	-	-
-	13,510	22,858	9,348
-	350,229	363,669	13,440
-	-	30,855	30,855
30,618	124,212	93,594	-
-	1,667,748	2,134,330	466,582
<u>385,955</u>	<u>385,955</u>	<u>-</u>	<u>-</u>
<u>570,090</u>	<u>3,260,073</u>	<u>3,336,334</u>	<u>676,969</u>

Denton County, Texas

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Family and Protective Services:			
2010 CPS IV-E Legal Services Grant	93.658	2010-033424	170,588
2010 Foster Care Title IV-E Grant	93.658	-	<u>49,099</u>
Total Texas Department of Family and Protective Services			<u>219,687</u>
U.S. Dept. of Agriculture Passed through the Texas Department of Agriculture			
2010 National School Lunch Program Grant	10.555	-	<u>101,086</u>
Total Texas Department of Agriculture			<u>101,086</u>
U. S. Dept. of Health and Human Services Passed through the Office of the Attorney General - Child Support Office:			
2010 Title IV-D Filing Fees and Court Costs Grant	93.563	-	<u>55,436</u>
U.S. Department of Justice Passed through the Office of the Governor - Criminal Justice Division:			
Prosecution Enhancement Grant-13	16.588	WF-10-V30-13432-13	40,000
Prosecution Enhancement Grant-12	16.588	WF-09-V30-13432-12	40,000
Victim Notification Grant-11	16.576	1120740	30,710
Family Violence Expansion Grant-14	16.588	WF-10-V30-13433-14	<u>80,000</u>
Total Office of the Governor - Criminal Justice Division			<u>190,710</u>

<u>Balance *</u> <u>October 1,</u> <u>2009</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>2010</u>
-	170,588	170,588	-
-	49,099	64,585	15,486
-	219,687	235,173	15,486
-	101,086	101,086	-
-	101,086	101,086	-
-	55,436	55,436	-
-	37,425	40,000	2,575
6,358	6,358	-	-
-	30,108	30,108	-
-	74,641	80,000	5,359
6,358	148,532	150,108	7,934

Denton County, Texas

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
Federal Department of Homeland Security Passed Through the Texas Department of Public Safety:			
2010 Emergency Management Grant	83.552	76TX-EMPG-038	33,061
2010 Disaster Relief Grant	97.036	-	<u>118,335</u>
Total Federal Dept. of Homeland Security			<u>151,396</u>
U.S. Dept. of Health and Human Services Passed through the Texas Juvenile Probation Commission			
2010 Title IV-E Administrative Costs Grant	93.658	TJPC-E-10-9220	<u>61,567</u>
Total Texas Juvenile Probation Commission			<u>61,567</u>
U.S. Department of Homeland Security			
Passed through the Office of the Governor:			
State Homeland Security Grant 2009	97.067	2009-SS-T9-0064	264,113
State Homeland Security Grant 2008	97.004	2008-GE-T5-4025	523,778
State Homeland Security Grant 2007	97.004	2007-GE-T7-0024	<u>616,458</u>
Total U.S. Department of Homeland Security:			<u>1,404,349</u>
U.S. Department of Justice			
Passed through the Office of the Governor:			
State Criminal Alien Assistance Grant 2010	16.606	2010-AP-BX-0261	259,119
Juvenile Accountability Incentive Block Grt-11	16.523	JB-08-J20-13373-11	26,484
Juvenile Accountability Incentive Block Grt-10	16.523	JB-08-J20-13373-10	24,548

<u>Balance *</u> <u>October 1,</u> <u>2009</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>2010</u>
-	-	-	-
<u>-</u>	<u>118,335</u>	<u>118,335</u>	<u>-</u>
-	118,335	118,335	-
<u>-</u>	<u>61,567</u>	<u>61,567</u>	<u>-</u>
-	61,567	61,567	-
<u>-</u>	<u>61,567</u>	<u>61,567</u>	<u>-</u>
-	-	22,000	22,000
-	-	101,157	101,157
<u>76,389</u>	<u>605,542</u>	<u>539,624</u>	<u>10,471</u>
<u>76,389</u>	<u>605,542</u>	<u>662,781</u>	<u>133,628</u>
-	259,119	259,119	-
-	18,708	23,395	4,687
2,479	2,479	-	-

Denton County, Texas

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Program or Award Amount
2009 Recovery Act Justice Assistance Grant	16.803	2009-SB-B9-2435	368,482
2010 Recovery Act Justice Assistance Grant	16.803	SU-09-A10-22120-01	259,430
2009 Edward Byrne Justice Assistance Grant	16.580	2009-DJ-BX-1387	-
2008 Edward Byrne Justice Assistance Grant	16.580	2006-DJ-BX-1089	15,616
Total Department of Justice			<u>953,679</u>
National Highway Traffic Safety Administration			
Passed through the Dept of Transportation:			
2010 STEP SPEED Grant	20.600	2010-DentonCo-S-MYG	38,105
2009 STEP SPEED Grant	20.600	2009-DentonCo-S-MYG	<u>38,105</u>
Total Natl Highway Traffic Safety Admin.			<u>76,210</u>
U.S. Elections Assistance Commission:			
Passed Through the Texas Secretary of State:			
2003 Help America Vote Act Grant	39.011		<u>-</u>
Total Federal Assistance			<u>\$ 11,700,356</u>

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

Balance * October 1, 2009	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2010
-	53,922	239,484	185,562
-	173,726	243,675	69,949
-	-	-	-
6,758	6,758	-	-
<u>9,237</u>	<u>514,712</u>	<u>765,673</u>	<u>260,198</u>
-	6,603	18,095	11,492
<u>15,895</u>	<u>15,895</u>	<u>-</u>	<u>-</u>
<u>15,895</u>	<u>22,498</u>	<u>18,095</u>	<u>11,492</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 677,969</u>	<u>\$ 5,107,468</u>	<u>\$ 5,504,588</u>	<u>\$ 1,105,707</u>

Denton County, Texas

**SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2010**

<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:			
2011 Service Delivery Integration Fees for Services Grant		2010-024224-001	196,278
2010 Service Delivery Integration Fees for Services Grant		2010-024224-001	213,726
2010 Tuberculosis Services Grant		2010-029037	102,968
2009 Tuberculosis Services Grant		2009-029037	55,123
2011 Immunization Program Grant		2011-028311	-
2010 Immunization Program Grant		2010-028311	155,935
2009 Immunization Program Grant		2009-028311	223,042
2010 Chronic Disease Prevention Grant		2010-034655	40,000
2010 OPHP Local Public Health System Grant		2010-024479-001	<u>60,244</u>
Total Texas Dept. of State Health Services			<u>1,047,316</u>
Texas Commission on Environmental Quality:			
Regional High Emitting Vehicle Asst. Grant		Denton 2006	<u>4,162,028</u>
Texas Task Force on Indigent Defense:			
Indigent Defense Formula Grant		Denton 2010	<u>380,404</u>
Total State Assistance			<u>\$ 5,589,748</u>

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

Balance * October 1, <u>2009</u>	Receipts or Revenue <u>Recognized</u>	Disbursements/ <u>Expenditures</u>	Balance * September 30, <u>2010</u>
-	44,907	44,907	-
-	168,451	168,451	-
-	91,524	99,862	8,338
3,872	3,872	-	-
-	-	-	-
-	155,935	155,935	-
39,202	39,202	-	-
-	21,604	33,098	11,494
-	60,244	60,244	-
<u>43,074</u>	<u>585,739</u>	<u>562,497</u>	<u>19,832</u>
<u>(96,840)</u>	<u>-</u>	<u>127,381</u>	<u>30,541</u>
<u>-</u>	<u>380,404</u>	<u>380,404</u>	<u>-</u>
<u>\$ (53,766)</u>	<u>\$ 966,143</u>	<u>\$ 1,070,282</u>	<u>\$ 50,373</u>



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

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON 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, Texas 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 could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010. 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 could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

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 25, 2011



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, 2010, which collectively comprise Denton County, Texas' basic financial statements and have issued our report thereon dated March 25, 2011. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. 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*.

This report is intended solely for the information and use of management, 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 25, 2011

DENTON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance
for major programs Unqualified

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of OMB Circular A-133
and state awards as defined by the State of Texas Uniform
Grant Management Standards? None

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster:
#10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
#16.803	Eward Byrne Memorial Justice Assistance Grant - ARRA
#16.804	Eward Byrne Memorial Justice Assistance Grant - ARRA
#97.004 and 97.067	Homeland Security Cluster
State	Indigent Defense
State	Immunization Program Grant

Dollar threshold used to distinguish between type A
and type B programs \$300,000

Auditee qualified as low-risk auditee for federal single audit? No

Auditee qualified as low-risk auditee for state single audit? No

**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, 2010

None

