

**DENTON COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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



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

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## DENTON COUNTY AUDITOR

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March 27, 2012

**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, 2011.

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, 2011 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, 2011 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 a population of 662,614 according to the 2010 federal census. 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 setting 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 which is 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 51% 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 over \$53 billion in 2011.

As with the nation as a whole, job cutbacks were felt in Denton County in both manufacturing and service industries. Our September, 2011, unemployment rate of 7.8% does compare favorably with the 8.1% statewide rate, and with the 9.1% national rate. During the 2011 year, the County had over \$1.1 billion in new property added to the tax rolls. This was approximately the same amount in new construction in the County compared to the previous year, but it was a slowdown from prior years. In 2011, approximately 1,500 new housing starts were added in the County.

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. 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, but construction has slowed due to the nationwide recession. 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 Target and Schlumberger 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 has not maintained. 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 seven 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.** Due to the County's large investment in capital projects financed by tax exempt bonded debt, Denton County has adopted by a debt management policy and a compliance policy for the use and accounting for the proceeds from our debt issues. The debt management policy formalizes the types of debt the county will incur, the preferred method of selling our bonds, guidelines for refinancing existing debt, and the maximum levels of debt permissible. The compliance policy seeks to insure that bond proceeds will be spent for permissible purposes, that debt proceeds will not be co-mingled with local funds, and that the county will meet its continuing disclosure and arbitrage rebate obligations.

**Major Initiatives.** Continued implementation of the facilities and transportation improvements identified in the Capital Improvement Plan was the major priority of County management in 2011. Using funding from the 2009 and 2010 Permanent Improvement Bond issues, the County initiated Phase II of a multi-step plan to develop a new administrative complex on property in Denton owned by the County. In August, 2011, the construction contract on the three buildings included in Phase II of the Administrative Complex was approved. Architects continued the process of planning and designing expansions of the county law enforcement center, the juvenile detention center, and the Lewisville government centers. These projects, along with ongoing projects related to the courts building, and the criminal justice computer system 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 2012 fiscal year.

## **AWARDS AND ACKNOWLEDGEMENTS**

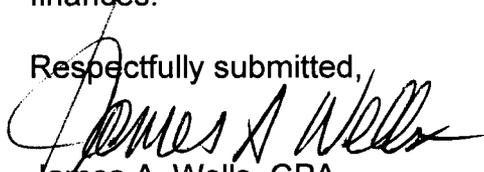
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denton County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the twentieth consecutive year that the government 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, 2010. 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. 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, 2010

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.



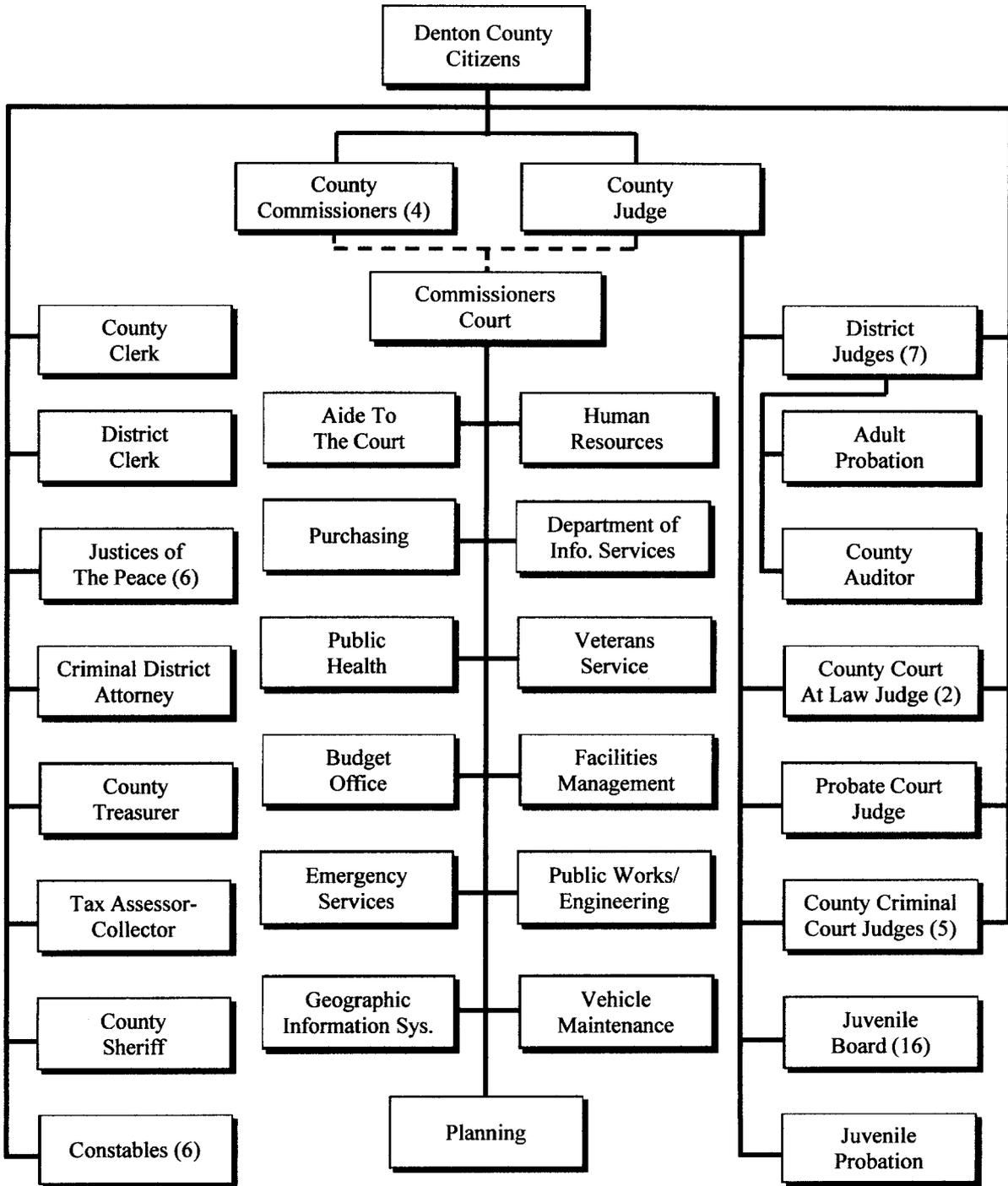
*Linda C. Danson*

President

*Jeffrey R. Enos*

Executive Director

# DENTON COUNTY ORGANIZATIONAL CHART



DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2011

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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
Steve Burgess	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
Jonathan Bailey	Judge, 431st District Court
Kimberly McCary	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
Bonnie Robison	Judge, Probate Court

Law Enforcement

Benny Parkey	County Sheriff
Paul Johnson	Criminal District Attorney
Peggy Carr*	Community Supervision Director
Ken Metcalf*	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, 2011, 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, 2011, 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 27, 2012, 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 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 27, 2012

## 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, 2011. 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 \$(98,191,305) (*net assets*). Of this amount \$3,945,274 is restricted for specific purposes. Unrestricted net assets are \$(176,539,731).
- As of the close of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$218,855,712, a decrease of \$51,451,025 in comparison with the prior year. Of this total amount, \$26,104,124 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$26,104,123 or 22.95 percent of the total general fund expenditures.
- Denton County's total bonded debt decreased by \$19,195,000 (3.86 percent) during the current fiscal year. The key factors in this decrease are that the County issued only \$15,905,000 in new bonded debt in 2011 while over \$19 million in previously issued debt was retired during the year. \$16,220,000 in previously issued bonds was refinanced at lower interest rates to save the County almost \$900,000 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 37 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 32 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 28-58 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 \$98,191,305 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 total net 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, 2011 and 2010 are summarized as follows:

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 248,835,218	\$ 296,684,870
Capital assets (net of depreciation)	<u>177,700,731</u>	<u>169,560,138</u>
Total assets	<u>426,535,949</u>	<u>466,245,008</u>

Current and other liabilities	19,474,013	20,468,116
Long-term liabilities	<u>505,253,241</u>	<u>515,985,395</u>
Total Liabilities	<u>524,727,254</u>	<u>536,453,511</u>

Net assets:

Invested in capital assets, net of related debt	74,403,152	61,110,870
Restricted	3,945,274	2,885,780
Unrestricted	<u>(176,539,731)</u>	<u>(134,205,155)</u>
Total net assets	<u>\$ (98,191,305)</u>	<u>\$ (70,208,505)</u>

About 18.36% 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 \$27.92 million during the current fiscal year. Key components of this decrease include the following:

- Unrestricted net assets decreased by nearly \$42.3 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 2011.
- An increase in net assets in the internal service fund of \$2.9 million due to increased plan premiums and a smaller than expected claims payable at yearend.
- A reporting requirement for debt in government-wide statements is that the principal debt payments of \$18,880,000 are expenditures in the traditional fund statements and a reduction of debt (which increases net assets) in the government-wide financial statements.
- Investments decreased by \$46.2 million primarily due to the expenditure of \$53.81 million of proceeds from previously issued permanent improvement bonds. As stated earlier, long-term debt also decreased significantly since debt budgeted retirements were not offset by new issues of bonded debt.

**Governmental activities.** Governmental activities, which are the County's only activities, decreased Denton County's net assets by \$27,982,800. Key elements of this decrease are as follows:

	<u>2011</u>	<u>2010</u>
Revenues:		
Net Program Revenues:		
Charges for services	\$ 22,003,356	\$ 26,804,224
Operating grants and contributions	26,601,978	23,700,837
Capital grants and contributions	3,574,713	6,864,345
General Revenues:		
Property taxes	145,198,935	135,631,477
Unrestricted investment earnings	<u>578,883</u>	<u>581,552</u>
Total revenues	<u>197,957,865</u>	<u>193,582,435</u>
Expenses:		
General government	21,168,674	22,448,078
Judicial	18,652,589	17,863,484
Legal	11,838,684	11,694,350
Financial management	6,271,248	6,183,733
Public Facilities	9,736,681	8,929,229
Public Safety	64,954,843	62,775,641
Health and welfare	10,452,903	10,857,064
Conservation	389,137	403,151
Contractual	3,138,482	3,096,886
Roads Maintenance	57,727,274	44,795,191
Interest on long-term debt	<u>21,610,150</u>	<u>18,429,675</u>
Total expenses	<u>225,940,665</u>	<u>207,476,482</u>
Changes in net assets	(27,982,800)	(13,894,047)
Net assets - beginning	<u>(70,208,505)</u>	<u>(56,314,458)</u>
Net assets - ending	<u>\$ (98,191,305)</u>	<u>\$ (70,208,505)</u>

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

- Property tax revenues increased by \$9.9 million (7.3%) 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 3.78%. Taxes were increased to fund increased debt service expenses.

- Investment earnings decreased by only \$3,000 but remained depressed as a result of the continued low interest rates established by the Federal Reserve during the year.
- Total expenses increased by \$18.15 million during the year. This increase reflects additional spending of almost \$2 million (10.6%) for employee medical benefits, increased county contributions to the employee retirement system, increased operating expenses for prisoner housing, and increased road maintenance expense of \$3 million. Also, 2011 was the third 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 \$8.1 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 \$218,855,712, a decrease of \$51.45 million in comparison with the prior year. Approximately 11.93 percent of this total amount (\$26.1 million) constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is divided among *assigned fund balance of \$0*, *committed fund balance of \$0*, *restricted fund balance of \$192,582,388* and *nonspendable fund balance of \$169,201*. The County's ability to spend each of these types of fund balance is more limited than with unassigned fund balance, and the limitations on spending are discussed more fully in the notes to the financial statements.

The general fund is the chief operating fund of Denton County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$26,104,124, while total fund balance was \$26,373,324. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.01% of total general fund expenditures, and total fund balance represents 23.16% of that same amount.

The fund balance of Denton County's general fund decreased by \$1.45 million during the current fiscal year, even though \$3.0 million was transferred to the Capital Replacement Fund and \$2.25 million was transferred to the Health Insurance Internal Service 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 \$1.54 million. Taxes increased due to high collection rates and an increase in taxable property. Intergovernmental revenues also increased by \$2.56 million although this increase was generally offset by increased expenditures for grant funded programs. Fees and licenses and permits also increased moderately as demand for services began to increase as the economy improved.
- Expenditures in the General Fund increased by \$4 million (3.65%) over prior year totals. Spending had actually decreased in 2010 and that was the first time in recent history that General Fund spending had declined. County management continued to hold the line on spending by not granting raises, new employees or funding for new programs.
- Fund balances in capital projects funds decreased since the County did not issue any long-term debt during the year, and we expended almost \$54 million of debt proceeds during the year. Continued progress on numerous transportation projects and facility construction projects necessitated expenditures of previously issued bond funds which caused the fund balances in the 2009 and 2010 PI Bond Funds to decline by over \$46 million in total.

The debt service fund has a total fund balance of \$3,776,073 all of which is restricted for the payment of debt service.

## **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 moderate (a \$3.25 million increase in appropriations), and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances (\$1.03 million), and,

- Appropriation of grant and contractual funds (\$2.0 million) received during the fiscal year.

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

- Property tax revenue exceeded budget by 1.7% (\$2.62 million) due to higher than expected collection rates and to increased penalties and interest on collections of delinquent taxes.
- Licenses, fees of office and fine revenue were all under budgeted amounts due to lower than expected growth in vehicle sales, fewer court convictions, and fewer document filings by the public.
- Due to interest rates that remain at historic lows throughout the year, investment income was under budget by \$623,000
- Total general fund expenditures were 95.8% 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 employee health insurance, prisoner related expenses, and court related expenditures. Also, 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, 2011 totals almost \$178,000,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, and bridges.

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

- A variety of transportation construction projects were initiated or continued at a cost of \$46.7 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 five separate county facilities that will be constructed in phases. Constuction of Phase I was completed in FY 2011. 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 completed in 2011, and a construction contract totaling \$29 million was awarded and approved in August, 2011.

- In December, 2010, the County purchased 20 acres of land in Precinct 1, northeast Denton County. A new road and bridge service facility will be constructed on this land, and an architect's contract for the design of the facility was approved in April, 2011. Construction should be completed in fiscal 2012.
- 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 2011. 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 continued during in fiscal 2011.

### Denton County's Capital Assets

Governmental Activities:	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Land	\$ 10,580,608	\$ -	\$ 10,580,608
Buildings and Improvements	122,856,311	28,307,436	94,548,875
Machinery & Equipment	39,410,805	26,356,284	13,054,521
Infrastructure	159,489,309	127,507,370	31,981,939
Construction in Progress	<u>27,534,734</u>	<u>-</u>	<u>27,534,734</u>
Total	<u>\$ 359,871,767</u>	<u>\$ 182,171,090</u>	<u>\$ 177,700,677</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 \$477,705,000. 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 decreased by \$19,195,000 (3.8 percent) during the current fiscal year. Denton County issued no new bonded debt in 2011 and a total of \$18,880,000 in debt was retired. The County also refunded

\$16,220,000 in existing debt by issuing \$15,905,000 in 2011 PI Refunding Bonds in August, 2011.

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 7.8 percent, which is similar to the rate of 7.7 percent a year ago. The County's rate does compare favorably to the state's average unemployment rate of 8.1 percent and the national average rate of 9.1 percent.
- New construction and improvements to the County's tax rolls provided an additional \$5.6 million in property tax revenues for 2012 without requiring a tax rate increase over the County's effective tax rate.
- By limiting other increases in spending and due to the larger than expected additional tax revenue, salary increases of 2% were approved for county employees in the FY 2012 budget. These are the first budgeted salary increases in three years.
- Increases in costs for health and dental care continued in 2011. Because of this, the increase in the County's funding to the employee benefit plan for 2012 was \$660,000 (\$42 per employee per month). This is similar to the increases in budgeted health insurance in over 5 years.
- A slight expenditure decrease for debt service was included in the 2012 budget since no new bonded debt was issued in 2011. Budgetary funding was approved for only 2 new employees county-wide.
- The County's tax base increased by \$1.3 billion for 2012. This increase was the result of over \$1.1 billion in new property being added to the tax roll. Also, increases in the value of land and existing improvements offset decreases in the valuations of mineral property and business personal property.

All of these factors were considered in preparing Denton County's budget for the 2012 fiscal year.

At the end of the current fiscal year, fund balances in the governmental funds totaled \$218.9 million. Denton County has appropriated \$13 million of this amount for spending in the 2012 fiscal year budget. \$2 million of that total

represents funds transferred from the General Fund to the Capital Replacement Fund for one-time major capital expenditures. Another \$1.5 million of fund balance in the Capital Improvement Fund is appropriated for expenditure in 2012. This is a decision of County management to fund certain capital expenditures from reserve funds and to forego issuing debt for them. Almost \$2 million in the Debt Service Fund is appropriated for 2012. 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.

**Denton County, Texas**  
**STATEMENT OF NET ASSETS**

**September 30, 2011**

**Governmental**  
**Activities**

**ASSETS**

Cash	\$	4,731,014
Investments		229,278,949
Receivables:		
Taxes		2,685,366
Accrued Interest		6,328
Other Receivables		189,903
Fines Receivable		10,669,761
Less Allowance for Uncollectables		(2,707,706)
Due from Other Governments		1,514,766
Inventories		169,201
Deferred Charges		559,588
Bond Discount		1,738,049
Capital Assets:		
Land		10,580,662
Buildings		122,856,311
Depreciation on Buildings		(28,307,436)
Equipment		39,410,805
Depreciation on Equipment		(26,356,284)
Infrastructure		159,489,309
Depreciation on Infrastructure		(127,507,370)
Construction in Progress		27,534,734
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>426,535,949</u></b>

**LIABILITIES**

Accounts Payable		11,325,057
Wages Payable		1,537,407
Interest Payable		4,088,929
Due to Other Governments		1,154,701
Other Payables		-
Unearned Revenue		1,367,919
Non Current Liabilities:		
Due within One Year		21,173,684
Due in More than One Year		484,079,557
<b>TOTAL LIABILITIES</b>		<b><u>524,727,253</u></b>

**NET ASSETS**

Investments In Capital Assets, Net of		
Related Debt		74,403,152
Restricted for Debt Service		412,644
Restricted for Road and Bridge		3,876,084
Restricted for Indigent Health		3,717,676
Restricted for Other Purposes		9,181,735
Unrestricted		(189,782,596)
<b>Total Net Assets</b>	<b>\$</b>	<b><u>(98,191,305)</u></b>

See the notes to the financial statement. 15

**Denton County, Texas**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2011**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u> <u>Capital Grants and Contributions</u>	
<b>Functions/Programs</b>				
<b>Governmental Activities:</b>				
General Government	\$ 21,168,674	\$ 6,456,968	\$ 4,900,471	\$ (9,810,740)
Judicial	18,652,589	8,396,361	1,187,640	(9,068,588)
Legal	11,838,684	174,607	524,079	(11,139,998)
Financial	6,271,248	2,830,176	-	(3,441,072)
Public Facilities	9,736,681	-	109,440	(9,627,241)
Public Safety	64,954,843	3,487,747	6,703,519	(54,318,833)
Health & Welfare	10,452,903	578,712	4,980,488	(4,893,703)
Conservation	389,137	-	-	(389,137)
Contractual	3,138,482	-	12,457	(3,126,025)
Road Maintenance	57,727,274	78,785	6,242,075	(48,276,940)
Interest on Long-Term Debt	21,610,150	-	1,941,809	(19,668,341)
<b>Total</b>	<u>\$ 225,940,665</u>	<u>\$ 22,003,356</u>	<u>\$ 26,601,978</u>	<u>\$ (173,760,618)</u>
				145,198,935
				578,883
				<u>145,777,818</u>
				<u>(27,982,800)</u>
				<u>(70,208,505)</u>
				-
				<u>\$ (98,191,305)</u>

General Revenues:	
Property Taxes	145,198,935
Investment Earnings	578,883
Total General Revenues	<u>145,777,818</u>
Change in Net Assets	<u>(27,982,800)</u>
Net Assets - Beginning	<u>(70,208,505)</u>
Prior Period Adjustment	-
Net Assets - Ending	<u>\$ (98,191,305)</u>

See the notes to the financial statements.

Denton County, Texas  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2011

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	\$ 1,908,977	\$ 26,149	\$ -	\$ -	\$ -	\$ 1,044,100	\$ 2,979,227
Investments	28,673,495	3,687,986	87,817	56,522,329	109,191,367	31,115,954	229,278,949
Receivables:							
Taxes	1,648,779	725,500	-	-	-	311,087	2,685,366
Accrued Interest	6,270	-	-	-	-	57	6,328
Other Receivables	138,089	-	-	-	-	51,814	189,903
Due from Other Funds	461,738	-	-	1,051,525	-	133,907	1,647,169
Due from Other Governments	847,961	86,138	-	-	-	580,668	1,514,766
Inventories	169,201	-	-	-	-	-	169,201
<b>TOTAL ASSETS</b>	<b>\$ 33,854,509</b>	<b>\$ 4,525,773</b>	<b>\$ 87,817</b>	<b>\$ 57,573,854</b>	<b>\$ 109,191,367</b>	<b>\$ 33,237,588</b>	<b>\$ 238,470,908</b>
<b>LIABILITIES AND FUND EQUITY</b>							
Accounts Payable	2,762,377	-	-	3,795,925	2,901,757	1,737,726	11,197,785
Wages Payable	1,248,069	-	-	-	-	289,337	1,537,407
Interest Payable	-	24,200	-	-	-	-	24,200
Due to Other Funds	4,190	-	-	-	1,051,525	590,331	1,646,046
Due to Other Governments	1,155,574	-	-	-	-	250	1,155,824
Other Payables	650	-	-	-	-	-	650
Deferred Revenues	2,410,325	725,500	-	-	-	917,459	4,053,284
<b>TOTAL LIABILITIES</b>	<b>7,581,185</b>	<b>749,700</b>	<b>-</b>	<b>3,795,925</b>	<b>3,953,282</b>	<b>3,535,103</b>	<b>19,615,196</b>
<b>EQUITY</b>							
Fund Balances:							
Nonspendable	169,201	-	-	-	-	-	169,201
Restricted	-	3,776,073	87,817	53,777,929	105,238,085	29,702,484	192,582,388
Unassigned	26,104,124	-	-	-	-	-	26,104,124
<b>TOTAL FUND EQUITY</b>	<b>26,273,324</b>	<b>3,776,073</b>	<b>87,817</b>	<b>53,777,929</b>	<b>105,238,085</b>	<b>29,702,484</b>	<b>218,855,712</b>
<b>TOTAL LIABILITIES, EQUITY</b>	<b>\$ 33,854,509</b>	<b>\$ 4,525,773</b>	<b>\$ 87,817</b>	<b>\$ 57,573,854</b>	<b>\$ 109,191,367</b>	<b>\$ 33,237,588</b>	

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

177,700,731  
12,945,058  
1,625,166  
(509,317,970)  
\$ (98,191,305)

See the notes to the financial statements.

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2011

	General Fund	Debt Service	2008 PI Bond Project Fund	2009 PI Bond Project Fund	2010 PI Bond Project Fund	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 88,998,451	\$ 39,570,202	\$ -	\$ -	\$ -	\$ 16,973,418	\$ 145,542,071
Licenses and Permits	1,744,459	-	-	-	-	6,054,634	7,799,093
Intergovernmental	9,261,652	1,941,809	-	-	-	8,791,715	19,995,175
Fees of Office	11,672,271	-	-	-	-	2,485,089	14,157,361
Fines	3,261,983	-	-	-	-	-	3,261,983
Interest	153,662	24,814	521	89,259	245,212	65,414	578,883
Miscellaneous	1,829,360	-	-	-	-	745,664	2,575,024
<b>TOTAL REVENUES</b>	<b>116,921,848</b>	<b>41,536,826</b>	<b>521</b>	<b>89,259</b>	<b>245,212</b>	<b>35,115,935</b>	<b>\$ 193,909,601</b>
<b>EXPENDITURES</b>							
Current:							
General Government	18,305,756	-	-	-	-	1,841,121	20,146,877
Judicial	16,770,511	-	-	-	-	1,165,681	17,936,192
Legal	11,159,730	-	-	-	-	103,359	11,263,089
Financial	5,995,712	-	-	-	-	186	5,995,898
Public Facilities	7,558,632	-	-	-	-	-	7,558,632
Public Safety	50,044,050	-	-	-	-	10,778,230	60,822,280
Health and Welfare	89,735	-	-	-	-	9,995,823	10,085,558
Conservation	373,690	-	-	-	-	-	373,690
Contract Services	3,138,482	-	-	-	-	-	3,138,482
Roads	-	-	-	-	-	10,788,387	10,788,387
Intergovernmental:	-	-	-	-	-	33,000	33,000
Capital Outlay	-	-	789,025	22,564,644	24,844,636	5,584,487	53,782,791
Debt Service:							
Principal Retirement	-	18,880,000	-	-	-	-	18,880,000
Interest & Service Charges	-	22,890,901	-	-	-	-	22,890,901
<b>TOTAL EXPENDITURES</b>	<b>113,436,298</b>	<b>41,770,901</b>	<b>789,025</b>	<b>22,564,644</b>	<b>24,844,636</b>	<b>40,230,274</b>	<b>243,695,778</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,485,550</b>	<b>(234,076)</b>	<b>(789,505)</b>	<b>(22,475,385)</b>	<b>(24,599,423)</b>	<b>(5,174,339)</b>	<b>(49,786,178)</b>
<b>Other Financing Sources (Uses):</b>							
Issuance of Debt	-	15,905,000	-	-	-	-	15,905,000
Bond Premium	-	1,343,259	-	-	-	-	1,343,259
Sale of Surplus Property	145,477	-	-	-	-	94,844	240,320
Capital Lease Financing	228,693	-	-	-	-	-	228,693
Transfers In	8,200	266,676	-	-	633,486	3,173,146	4,081,508
Transfers Out	(5,320,146)	-	-	-	-	(1,011,362)	(6,331,508)
Refunding Bonds Issued	-	-	-	-	-	-	-
Refunding Bond Discount	-	-	-	-	-	-	-
Payments to Escrow Agent	-	(17,132,120)	-	-	-	-	(17,132,120)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,937,776)</b>	<b>382,815</b>	<b>-</b>	<b>-</b>	<b>633,486</b>	<b>2,256,628</b>	<b>(1,664,847)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,452,227)</b>	<b>148,740</b>	<b>(789,505)</b>	<b>(22,475,385)</b>	<b>(23,965,937)</b>	<b>(2,917,711)</b>	<b>(51,451,025)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>27,725,551</b>	<b>3,627,333</b>	<b>876,322</b>	<b>76,253,314</b>	<b>129,204,022</b>	<b>32,620,194</b>	<b>270,306,737</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 26,273,324</b>	<b>\$ 3,776,073</b>	<b>\$ 87,817</b>	<b>\$ 53,777,929</b>	<b>\$ 105,238,085</b>	<b>\$ 29,702,484</b>	<b>\$ 218,855,712</b>

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, 2011**

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) \$ (51,451,025)

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. 4,707,803

The net effect of various miscellaneous transactions (deletions) involving capital assets. 303,316

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,818,886

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). (8,771,670)

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. 20,503,235

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. 2,906,655

Change in net assets of governmental activities (p. 16) \$ (27,982,800)

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, 2011

	<u>Budget Amounts</u>			Variance
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	Positive(Negative) With Final Budget
<u>REVENUES</u>				
TAXES	\$ 86,375,729	\$ 86,375,729	\$ 88,998,451	\$ 2,622,722
LICENSES AND PERMITS	2,040,000	2,040,000	1,744,459	(295,541)
INTERGOVERNMENTAL	4,821,876	9,099,861	9,261,652	161,791
FEES OF OFFICE	12,332,000	12,342,000	11,672,271	(669,729)
FINES	4,340,000	4,340,000	3,261,993	(1,078,007)
INTEREST	777,500	777,500	153,662	(623,838)
MISCELLANEOUS	1,734,104	1,804,503	1,829,360	24,857
TOTAL REVENUES	<u>112,421,209</u>	<u>116,779,593</u>	<u>116,921,848</u>	<u>142,255</u>
<u>EXPENDITURES</u>				
GENERAL GOVERNMENT				
COMMISSIONERS COURT	111,616	111,594	107,983	3,611
COMMISSIONER, PRECINCT #1	203,217	203,239	201,445	1,794
COMMISSIONER, PRECINCT #2	207,379	207,379	206,177	1,202
COMMISSIONER, PRECINCT #3	216,529	216,626	216,070	556
COMMISSIONER, PRECINCT #4	205,286	206,229	205,469	760
COUNTY JUDGE	315,076	315,076	310,641	4,435
BAIL BOND BOARD	3,129	3,129	1,318	1,811
COUNTY CLERK	3,465,780	3,469,334	3,326,559	142,775
HUMAN RESOURCES	859,455	859,982	825,358	34,624
PURCHASING DEPARTMENT	843,914	844,507	836,364	8,143
VEHICLE MAINTENANCE DEPARTMENT	405,755	408,390	366,615	41,775
NON-DEPARTMENTAL	5,319,686	3,637,376	3,451,875	185,501
FINANCIAL INFORMATION SYSTEMS	81,880	98,080	101,899	(3,819)
INFORMATION SERVICES	1,895,057	1,910,006	1,907,559	2,447
PRINT/MAIL DEPARTMENT	393,490	394,328	352,507	41,821
PUBLIC WKS/GEOGRAPHIC INFO SYS	338,051	369,603	363,732	5,871
DEPT OF PUBLIC WORKS/PLANNING	464,181	463,181	430,142	33,039
CHOS/BAYLESS-SELBY MUSEUM 2009	80,195	90,634	56,626	34,008
COURTHOUSE MUSEUM	332,599	347,770	310,134	37,636
HISTORICAL COMMISSION	72,192	77,942	73,416	4,526
RECORDS MANAGEMENT DEPARTMENT	284,933	286,793	270,191	16,602
CHOS/BAYLESS SELBY GRANT 2010	21,438	26,794	30,126	(3,332)
VETERANS SERVICE OFFICE	355,574	355,574	335,568	20,006
ELECTIONS ADMINISTRATION DEPT	1,336,143	1,440,960	1,226,355	214,605
HAVA (HELP AMERICA VOTE ACT) GRANT	-	328,767	330,140	(1,373)
CIVIL SERVICE COMMISSION	6,075	6,075	4,443	1,632
COUNTY WIDE TECHNOLOGY	2,160,273	2,275,085	2,228,352	46,733
Total General Government	<u>19,978,903</u>	<u>18,954,453</u>	<u>18,077,063</u>	<u>877,390</u>
JUDICIAL				
JUDICIARY AND COURT SUPPORT	347,988	347,988	286,733	61,255
16TH DISTRICT COURT	682,048	753,322	739,793	13,529
158TH DISTRICT COURT	689,491	771,865	782,570	(10,705)
211TH DISTRICT COURT	691,033	752,296	747,169	5,127

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)  
For the Year Ended September 30, 2011

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Revised</u>		<u>Positive(Negative) With Final Budget</u>
362ND DISTRICT COURT	689,977	807,026	837,154	(30,128)
367TH DISTRICT COURT	690,961	818,483	858,504	(40,021)
393RD DISTRICT CT - FAMILY LAW	377,211	499,129	513,237	(14,108)
431ST DISTRICT COURT	304,913	304,913	262,115	42,798
COUNTY COURT AT LAW NO. 1	613,307	613,307	540,871	72,436
COUNTY CRIMINAL COURT #2	602,175	604,855	608,044	(3,189)
COUNTY COURT AT LAW #2 / CIVIL	372,881	372,881	366,074	6,807
PROBATE COURT	1,576,000	1,645,241	1,635,207	10,034
COUNTY CRIMINAL COURT #1	595,102	625,732	641,818	(16,086)
COUNTY CRIMINAL COURT #3	594,109	594,773	550,689	44,084
COUNTY CRIMINAL COURT #4	610,997	665,992	660,775	5,217
COUNTY CRIMINAL COURT #5	607,410	617,551	626,671	(9,120)
DISTRICT CLERK	1,568,600	1,568,644	1,524,792	43,852
COUNTY COURT ADMINISTRATOR	87,921	87,921	86,773	1,148
JUSTICE OF THE PEACE, PCT 1	453,885	454,791	450,802	3,989
JUSTICE OF THE PEACE, PCT 2	315,346	315,586	313,394	2,192
JUSTICE OF THE PEACE, PCT 3	411,959	412,061	406,610	5,451
JUSTICE OF THE PEACE, PCT 4	319,745	320,798	314,616	6,182
JUSTICE OF THE PEACE, PCT 5	468,450	468,450	460,739	7,711
JUSTICE OF THE PEACE, PCT 6	350,864	350,864	344,793	6,071
JUVENILE CASE MANAGER	47,068	47,068	39,444	7,624
DISTRICT COURT ADMINISTRATOR	172,965	172,995	172,613	382
JURY AND GRAND JURY	176,452	180,443	164,101	16,342
JUSTICE INFORMATION SYSTEM	835,524	774,129	701,315	72,814
DEATH INVESTIGATIONS/MED EXMNR	816,051	825,504	829,367	(3,863)
COLLECTIONS DEPARTMENT	340,299	340,299	303,729	36,570
<b>Total Judicial</b>	<b>16,410,732</b>	<b>17,114,907</b>	<b>16,770,511</b>	<b>344,396</b>
<b>LEGAL</b>				
CRIMINAL DISTRICT ATTORNEY	8,761,385	8,813,789	8,691,369	122,420
CRIMINAL DA - CPS DIVISION	706,820	712,774	714,813	(2,039)
PROSECUTION ENHANCEMENT GRANT	-	186,222	184,784	1,438
CRIMINAL DA - CIVIL DIVISION	1,416,758	1,408,289	1,370,102	38,187
FAMILY VIOLENCE EXPANSION GRT	-	211,983	198,662	13,321
<b>Total Legal</b>	<b>10,884,963</b>	<b>11,333,057</b>	<b>11,159,730</b>	<b>173,327</b>
<b>FINANCIAL</b>				
COUNTY AUDITOR	1,129,965	1,129,965	1,095,701	34,264
COUNTY TREASURER	569,654	569,211	555,789	13,422
TAX ASSESSOR-COLLECTOR	3,762,598	3,998,161	3,853,170	144,991
BUDGET DIRECTOR	503,674	503,674	491,052	12,622
<b>Total Financial</b>	<b>5,965,891</b>	<b>6,201,011</b>	<b>5,995,712</b>	<b>205,299</b>
<b>PUBLIC FACILITIES</b>				
CARROLL BLDG-CO ADMINISTRATION	224,703	225,503	198,193	27,310
DENTON COUNTY COURTS BUILDING	502,226	534,411	453,180	81,231

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)  
For the Year Ended September 30, 2011

	<u>Budget Amounts</u>			Variance
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	Positive(Negative) With Final Budget
DA ANNEX	31,068	31,068	8,045	23,023
COURTHOUSE ON THE SQUARE	171,552	180,726	123,440	57,286
EMERGENCY MANAGEMENT FACILITY	107,333	114,815	105,850	8,965
DENTON COUNTY STORAGE BUILDING	15,300	19,300	15,550	3,750
HISTORICAL PARK FACILITIES	61,975	74,558	17,011	57,547
HISTORICAL PARKS PROJECTS	-	2,500	2,137	363
COURTHOUSE ANNEX	53,431	53,431	41,743	11,688
MARY & JIM HORN GOVT CENTER	155,535	173,348	133,847	39,501
LEE WALKER GOVERNMENT CENTER	60,805	62,805	62,314	491
CPS-LEWISVILLE	27,059	27,059	20,598	6,461
LOOP 288 - PHASE I	257,255	194,748	115,023	79,725
LOOP 288 - CENTRAL PLANT	238,058	242,760	132,975	109,785
ELECTIONS STORAGE BUILDING	19,700	19,700	13,439	6,261
SANDY JACOBS GOVERNMENT CENTER	56,105	93,956	64,935	29,021
STEVEN E COPELAND GOVT CENTER	103,581	111,831	106,074	5,757
THE COLONY ANNEX	46,748	46,847	30,317	16,530
SANGER ANNEX	24,285	24,285	19,657	4,628
DENTON CO GOVT CENTER - DENTON	119,220	119,220	81,627	37,593
CHARLIE COLE BUILDING	397,797	400,111	243,284	156,827
LAW ENFORCEMENT FACILITY	2,551,114	2,583,443	2,301,724	281,719
EAST OAK STREET FACILITIES	14,529	14,529	6,553	7,976
FACILITIES MANAGEMENT	2,354,860	2,490,156	2,252,252	237,904
COUNTY LEASED BUILDINGS	151,434	151,434	135,960	15,474
VEHICLE MAINTENANCE FACILITY	30,047	30,047	22,803	7,244
OPERATIONS-RECYCLING DEPT	66,206	68,817	67,066	1,751
TELEPHONE DEPARTMENT	780,906	798,108	783,037	15,071
<b>Total Public Facilities</b>	<b>8,622,832</b>	<b>8,889,516</b>	<b>7,558,632</b>	<b>1,330,884</b>

PUBLIC SAFETY

COUNTY JAIL	22,612,287	22,924,222	22,350,201	574,021
JAIL HEALTH DEPARTMENT	3,338,451	3,329,533	2,926,524	403,009
SHERIFF'S COMMUNICATIONS DVSN	2,544,513	2,556,828	2,352,960	203,868
SHERIFF	12,973,505	13,436,337	13,180,917	255,420
DISD SCHOOL RESOURCE OFFICER	-	85,364	73,124	12,240
SHERIFF'S MENTAL HEALTH UNIT	701,625	706,625	695,755	10,870
SHERIFF'S RESERVE UNIT	46,841	46,401	35,712	10,689
VEHICLE EMISSIONS ENF GRANT	-	89,893	95,583	(5,690)
DCTA INTERLOCAL CONTRACT	-	123,538	87,272	36,266
SCHOOL RESOURCE OFFICER	-	263,089	229,953	33,136
COPPER CANYON INTERLOCAL CNTRT	-	167,852	97,305	70,547
CSCD (GENERAL FUND)	186,179	197,522	190,329	7,193
OJP RECOVERY GRANT	-	750	1,866	(1,116)
DENTON CO FRESHWATER CONTRACT	-	206,807	160,983	45,824
CONSTABLE, PCT. 1	704,424	721,096	688,636	32,460
CONSTABLE, PCT. 2	711,162	727,589	725,294	2,295
CONSTABLE, PCT. 3	667,515	671,234	656,698	14,536
CONSTABLE, PCT. 4	609,085	625,667	626,327	(660)
CONSTABLE, PCT. 5	560,495	575,098	563,878	11,220
CONSTABLE, PCT. 6	563,091	568,206	539,215	28,991
FIRE AND AMBULANCE SERVICES	2,070,175	2,083,649	2,137,599	(53,950)

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (continued)  
For the Year Ended September 30, 2011

	Budget Amounts		Actual	Variance Positive(Negative) With Final Budget
	Original	Revised		
NWISD ASAP	-	88,029	76,640	11,389
DEPARTMENT OF PUBLIC SAFETY	185,322	185,322	176,134	9,188
ALCOHOLIC BEVERAGE COMMISSION	2,925	2,981	2,432	549
2008 HOMELAND SECURITY GRANT	-	413,908	391,067	22,841
2009 HOMELAND SECURITY GRANT	-	242,113	44,755	197,358
GAME WARDEN	5,630	6,346	4,900	1,446
DEPT OF EMERGENCY SERVICES	910,282	946,274	931,992	14,282
<b>Total Public Safety</b>	<b>49,393,507</b>	<b>51,992,273</b>	<b>50,044,050</b>	<b>1,948,223</b>
<b>HEALTH &amp; WELFARE</b>				
CHILD PROTECTIVE SERVICES	88,121	96,467	89,735	6,732
<b>Total Health &amp; Welfare</b>	<b>88,121</b>	<b>96,467</b>	<b>89,735</b>	<b>6,732</b>
<b>CONSERVATION</b>				
COUNTY EXTENSION	441,380	441,656	373,690	67,966
<b>Total Conservation</b>	<b>441,380</b>	<b>441,656</b>	<b>373,690</b>	<b>67,966</b>
<b>INTERGOVERNMENTAL</b>				
CONTRACT SERVICES	3,188,619	3,199,584	3,138,482	61,102
<b>Total Intergovernmental</b>	<b>3,188,619</b>	<b>3,199,584</b>	<b>3,138,482</b>	<b>61,102</b>
<b>TOTAL EXPENDITURES</b>	<b>114,974,948</b>	<b>118,222,924</b>	<b>113,207,605</b>	<b>5,015,319</b>
Excess of Revenues over Expenditures	(2,553,739)	(1,443,331)	3,714,243	5,157,574
Other Financing Sources and Uses:				
Sale of Surplus Property	45,000	45,000	145,477	100,477
Transfers In	37,000	45,200	8,200	(37,000)
Transfers Out	(3,045,000)	(5,320,146)	(5,320,146)	-
<b>Total Other Financing Sources and Uses</b>	<b>(2,963,000)</b>	<b>(5,229,946)</b>	<b>(5,166,469)</b>	<b>63,477</b>
<b>Net Change in Fund Balances</b>	<b>(5,516,739)</b>	<b>(6,673,277)</b>	<b>(1,452,227)</b>	<b>5,221,050</b>
Fund Balances - Beginning	27,725,551	27,725,551	27,725,551	-
<b>Fund Balances - Ending</b>	<b>\$ 22,208,812</b>	<b>\$ 21,052,274</b>	<b>\$ 26,273,324</b>	<b>\$ 5,221,050</b>

See the notes to the financial statements.

**Denton County, Texas**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**September 30, 2011**

**Governmental**  
**Activities Internal**  
**Service Fund**

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**ASSETS**

Current Assets:

Cash	\$ 1,751,786
Investments	-
Receivables:	
Stop Loss Insurance	-
Accrued Interest	-
Other Assets	-
Due from Other Funds	-
Due from Other Governments	-
<b>TOTAL ASSETS</b>	<b><u><u>\$ 1,751,786</u></u></b>

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 126,620
Due to Other Funds	-
Due to Other Governments	-
Other Payables	-
Due to Beneficiaries	-
Deferred Revenues	-
<b>TOTAL LIABILITIES</b>	<b><u>126,620</u></b>

**NET ASSETS**

Investment in General	
Fixed Assets	-
Unrestricted	<u>1,625,166</u>
<b>TOTAL NET ASSETS</b>	<b><u><u>1,625,166</u></u></b>

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, 2011**

**Governmental**  
**Activities Internal**  
**Service Fund**

**OPERATING REVENUES**

Charges for Services	\$ 20,509,950
Other Revenue	<u>858,006</u>

TOTAL OPERATING REVENUES	<u>21,367,956</u>
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**OPERATING EXPENSES**

Incurred Claims	18,251,577
Estimated Claims	126,620
Administrative Expenses	2,023,223
Reinsurance Premiums	<u>310,279</u>

TOTAL OPERATING EXPENSES	<u>20,711,699</u>
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OPERATING INCOME (LOSS)	<u>656,257</u>
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**NONOPERATING REVENUES(EXPENSES)**

Interest Revenue	<u>398</u>
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INCOME BEFORE TRANSFERS	<u>656,655</u>
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Transfers From Other Funds	<u>2,250,000</u>
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CHANGES IN NET ASSETS	<u>2,906,655</u>
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TOTAL NET ASSETS - BEGINNING	<u>(1,281,489)</u>
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TOTAL NET ASSETS - ENDING	<u><u>\$ 1,625,166</u></u>
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See the notes to the financial statements.

**Denton County, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Fiscal Year Ended September 30, 2011**

**Governmental**  
**Activities Internal**  
**Service Fund**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts for Services	\$ 19,782,031
Receipts from Reinsurance and Refunds	1,159,460
Payments for Claims	(19,769,850)
Payments for Administrative Services	(2,023,223)
Payments for Reinsurance	<u>(310,279)</u>
Net Cash Provided by Operating Activities	<u>(1,161,861)</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Transfer of Funds	2,250,000
Repayment of Interfund Loans	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,250,000</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Revenue	<u>398</u>
Net Cash Provided by Investing Activities	<u>398</u>

Net Increase (Decrease) in Cash 1,088,537

Cash, Beginning of Year 663,249  
Cash, End of Year \$ 1,751,786

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

Operating Income	<u>\$ 656,257</u>
(Increase) Decrease in Other Assets	301,454
Increase (Decrease) in Accounts Payable	(1,391,653)
Increase (Decrease) in Other Payables	<u>(727,919)</u>
Total Adjustments	<u>(1,818,118)</u>
Net Cash Provided (Used) by Operations	<u>\$ (1,161,861)</u>

See the notes to the financial statements.

Denton County, Texas  
 STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 September 30, 2011

	Agency Funds
<u>ASSETS</u>	
Cash	\$ 8,213,497
Investments	13,411,178
Accrued Interest	14
Other Assets	173,784
Due from Other Funds	5,208
Due from Other Governments	-
	<hr/>
TOTAL ASSETS	\$ 21,803,681
	<hr/> <hr/>
<u>LIABILITIES</u>	
Accounts Payable	\$ 25,934
Wages Payable	75,545
Due to Other Funds	6,332
Due to Other Governments	10,112,212
Due to Beneficiaries	11,583,658
	<hr/>
TOTAL LIABILITIES	21,803,681
	<hr/> <hr/>
<u>NET ASSETS</u>	\$ -
	<hr/> <hr/>

See the notes to the financial statements.

# Denton County, Texas

## Notes to the Financial Statements September 30, 2011

### 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 Project Fund, the 2009 PI Bond Project Fund, and the 2010 PI Bond Project 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 year. Expenditures generally are recorded when a liability is incurred, as is the case 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. 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 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 Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) they are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash, or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which the constraints that have been placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors,

or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or by enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by order of the Commissioners Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for the use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners Court.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, Denton County considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

## **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 (\$509,317,970) difference are as follows:

Bonds Payable	\$ (477,705,000)
Capital Leases Payable	(956,645)
Unamortized Bond Premium	(3,350,323)
Accrued Interest Payable	(4,064,729)
Other Post-Employment Benefits	(16,227,139)
Compensated Absences	(7,014,134)
Net adjustments to reduce fund balance to arrive at net assets	<u>\$ (509,317,970)</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 \$4,707,803 difference are as follows:

Capital Outlay	\$ 17,057,854
Depreciation Expense	<u>(12,350,051)</u>
Net adjustments to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,707,803</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 \$20,503,235 difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (228,693)
Issuance of refunding bonds	(15,905,000)
Bond premium	(1,343,259)
Bond Discount	-
Bond interest accrual	-
Debt repayments:	
General obligation debt	20,160,751
Capital lease payments	687,316
Bond premium amortization	-
Payments to escrow agent	<u>17,132,120</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	
	<u>\$ 20,503,235</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 (\$8,771,670) difference are as follows:

Compensated absences	\$ (665,107)
Other post-employment benefits	<u>(8,106,563)</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>\$ (8,771,670)</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, 2011, encumbrances of approximately \$2.126 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	\$ 113,436,298
Capital lease acquisitions	<u>(228,693)</u>
General Fund expenditures, budgetary basis	<u>\$ 113,207,605</u>

#### **B. Excess of expenditures over appropriations**

For the year ended September 30, 2011, expenditures did not exceed appropriations in any budgeted funds.

#### **C. Deficit fund equity**

As of September 30, 2011, the District Attorney Check Fee Fund had a negative fund balance of (\$7,786). The fund deficit is the result of intergovernmental and fee revenues falling short of the levels expected when the budget was approved. The yearend deficit will be made up by providing supplemental funding to the Check Fee Fund 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, 2011, Denton County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasuries and Agencies	\$ 2,000,000	1.83
Local Government Investment Pools	<u>229,603,856</u>	<u>0.22</u>
Total Fair Value	<u>\$ 231,603,856</u>	<u>0.22</u>

Investments are stated at fair value including the investments in the Texas Local Government Investment Pool, Texas Class, 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 \$19,965,868 and the bank balance was \$14,633,140. Of the bank balance, \$586,486 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 2011, the County's tax rate for general governmental services was 19.991 cents per \$100 of assessed value, and the interest and sinking fund rate was 7.400 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	\$	1,648,779
Debt Service Fund		725,500
Other Nonmajor Governmental Funds		311,087
Unearned:		
Grants Payable and Other		
Deferred Revenues		1,367,918
Total Deferred	\$	<u>4,053,284</u>

## C. Capital Assets

Capital Asset activity for the year ended September 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 10,356,420	\$ 224,242	\$ -	\$ 10,580,662
Construction in Progress	<u>37,242,065</u>	<u>14,020,515</u>	<u>(23,727,846)</u>	<u>27,534,734</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<u>47,598,485</u>	<u>14,244,757</u>	<u>(23,727,846)</u>	<u>38,115,396</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	101,647,173	21,209,138	-	122,856,311
Machinery and Equipment	36,665,733	3,885,498	(1,140,426)	39,410,805
Infrastructure	<u>154,599,247</u>	<u>4,890,062</u>	<u>-</u>	<u>159,489,309</u>
<b>Total Capital Assets Being Depreciated</b>	<u>292,912,153</u>	<u>29,984,698</u>	<u>(1,140,426)</u>	<u>321,756,425</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings	(26,266,946)	(2,040,490)	-	(28,307,436)
Machinery and Equipment	(23,542,499)	(3,943,246)	1,129,461	(26,356,284)
Infrastructure	<u>(121,141,055)</u>	<u>(6,366,315)</u>	<u>-</u>	<u>(127,507,370)</u>
<b>Total Accumulated Depreciation</b>	<u>(170,950,500)</u>	<u>(12,350,051)</u>	<u>1,129,461</u>	<u>(182,171,090)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>121,961,653</u>	<u>17,634,647</u>	<u>(10,965)</u>	<u>139,585,335</u>
<b>Total Capital Assets, Net</b>	<u>\$ 169,560,138</u>	<u>\$ 31,879,404</u>	<u>\$ (23,738,811)</u>	<u>\$ 177,700,731</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 1,492,153
Judicial	52,526
Legal	70
Financial	121,697
Public Facilities	2,063,547
Public Safety	1,523,640
Health & Welfare	33,989
Conservation	-
Road Maintenance	7,062,429
<b>Total Depreciation Expense</b>	<u>\$ 12,350,051</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>
2008 PI Bond Fund	\$ 16,035,000	\$ 15,231,766	\$ -	\$ -
2008 Tax Note Fund	8,500,000	5,992,835	360,000	-
2009 PI Bond Fund	104,275,000	50,497,000	30,000,000	-
2010 PI Bond Fund	137,895,000	32,650,000	20,693,000	-

#### D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2011 is as follows:

	<u>Due From:</u>						<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>2009 PI Bond Fund</u>	<u>2010 Road Bond Fund</u>	<u>Non Major Governmental Funds</u>	<u>Agency Funds</u>	
<b>Due To:</b>							
General Fund					\$ 460,614	\$ 1,124	\$ 461,738
Debt Service Fund							-
2009 PI Bond Fund				1,051,525			1,051,525
2010 Road Bond							-
Nonmajor							-
Governmental Funds	4,190				129,717		133,907
Agency Funds						5,208	5,208
<b>Total</b>	<u>\$ 4,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,525</u>	<u>\$ 590,331</u>	<u>\$ 6,332</u>	<u>\$ 1,652,378</u>

Interfund transfers:

	<b>Transfer In:</b>					<u>Total</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>2010 PI Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
<b>Transfer Out:</b>						
General Fund				\$ 3,070,146	\$ 2,250,000	\$ 5,320,146
Debt Service						-
2010 PI Bond						-
Nonmajor Governmental Funds	8,200	266,676	633,486	103,000	-	1,011,362
<b>Total</b>	<u>\$ 8,200</u>	<u>\$ 266,676</u>	<u>\$ 633,486</u>	<u>\$ 3,173,146</u>	<u>\$ 2,250,000</u>	<u>\$ 6,331,508</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 \$3,251,597 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, 2011 is as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 746,493
2013	201,437
2014	59,847
2015 & thereafter	<u>-</u>
Total minimum lease payments	\$ 1,007,777
Less: Amount representing interest	<u>(51,132)</u>
Present value of net future minimum lease payments	<u>\$ 956,645</u>

## F. Long-Term Debt

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 10/01/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 09/30/11</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.	\$ 3,940,000	\$ -	\$ 430,000	\$ 3,510,000	\$ 150,000
\$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.	5,855,000	-	2,860,000	2,995,000	2,995,000
\$50,000,000 2005 Permanent Improvement Bonds due in varying amounts through 2030 at an average interest rate of 4.5044% for road projects.	24,650,000	-	10,785,000	13,865,000	1,530,000
\$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	-	805,000	18,440,000	840,000
\$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.	26,845,000	-	3,065,000	23,780,000	3,230,000
\$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.	9,335,000	-	7,685,000	1,650,000	810,000

<b>\$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.</b>	<b>19,065,000</b>	<b>-</b>	<b>50,000</b>	<b>19,015,000</b>	<b>50,000</b>
<b>\$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.</b>	<b>97,310,000</b>	<b>-</b>	<b>2,760,000</b>	<b>94,550,000</b>	<b>2,870,000</b>
<b>\$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.</b>	<b>3,970,000</b>	<b>-</b>	<b>935,000</b>	<b>3,035,000</b>	<b>970,000</b>
<b>\$15,400,000 2008 Permanent Improvement Bonds due in varying amounts through 2028 at an average interest rate of 4.429% for building projects.</b>	<b>14,855,000</b>	<b>-</b>	<b>560,000</b>	<b>14,295,000</b>	<b>580,000</b>
<b>\$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.</b>	<b>6,380,000</b>	<b>-</b>	<b>1,185,000</b>	<b>5,195,000</b>	<b>1,225,000</b>
<b>\$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.</b>	<b>104,275,000</b>	<b>-</b>	<b>350,000</b>	<b>103,925,000</b>	<b>360,000</b>
<b>\$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.</b>	<b>23,280,000</b>	<b>-</b>	<b>140,000</b>	<b>23,140,000</b>	<b>170,000</b>



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 August, 2011, Denton County issued \$15,905,000 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 \$16,220,000 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 \$912,120. 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 \$894,850 in the County's aggregate future debt service payments, and an economic gain to the County of \$887,296.

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, 2011 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, 2011. 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, 2011, a total of \$310,663,776 of the bonds authorized in the 2008 election was authorized but unissued.

## **G. Fund Balance**

As of September 30, 2011, governmental fund balance is composed of the following:

<u>Fund Balance Classification</u>	<u>General</u>	<u>Debt Service</u>	<u>Major Capital Projects Funds</u>	<u>Other Governmental</u>	<u>Totals</u>
Nonspendable:					
Inventories	\$ 169,201	\$ -	\$ -	\$ -	\$ 169,201
Restricted:					
Road and bridge				3,876,084	3,876,084
County records management				2,764,128	2,764,128
Juvenile probation				2,159,924	2,159,924
Indigent care and public health				3,717,676	3,717,676
Law enforcement				2,575,404	2,575,404
Technology and security				701,556	701,556
Other Statutorily Restricted Funds				980,723	980,723
Retirement of Long Term Debt		3,776,073	-	-	3,776,073
Capital Asset Acquisition	-	-	159,103,831	12,926,989	172,030,820
Committed:					
Encumbrances	-	-	-	-	-
Assigned:					
Other	-	-	-	-	-
Unassigned:					
	26,104,123	-	-	-	26,104,123
Total Governmental Fund Balance	\$ 26,273,324	\$ 3,776,073	\$ 159,103,831	\$ 29,702,484	\$ 218,855,712

## 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 2011, a total of \$20,711,699 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 \$126,620 of September 30, 2011. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2011</u>	<u>2010</u>
Unpaid Claims, beginning of fiscal year	\$ 1,518,273	\$ 716,635
Incurred Claims (including incurred but not reported)	15,162,881	16,073,763
Claim payments	(16,554,534)	(15,272,125)
Unpaid Claims, end of fiscal year	<u>\$ 126,620</u>	<u>\$ 1,518,273</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, 2011, 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, 2011, the County paid \$1,576,462 for OPEB payments by the plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$449,771, or approximately 28.53% 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 ongoing 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.

	<b>Amount</b>
Annual Required Contribution	\$ 9,269,062
Interest on Net OPEB Obligation	324,823
Adjustment to Annual Required Contribution	<u>(360,631)</u>
Annual OPEB Expense	9,233,254
Contributions Made	<u>(1,126,691)</u>
Change in Net OPEB Obligation	8,106,563
Net OPEB Obligation - Beginning of Year	<u>8,120,576</u>
Net OPEB Obligation - End of Year	<u>\$ 16,227,139</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 2011 are as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage Of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2009	\$ 4,679,143	20.13%	\$ 3,737,032
9/30/2010	5,178,793	15.36%	8,120,576
9/30/2011	9,233,254	12.20%	16,227,139

**Funding Status and Funding Progress**

As of October 1, 2010, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$75,952,592 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 \$73,683,867, and the ratio of the UAAI to the covered payroll was 103.1%.

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 2010, and the schedule provides 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.

<b>Fiscal Year</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value Assets - (a)</b>	<b>Actuarial Accrued Liability (AAL) - (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAL as a % of Payroll (b-a)/c</b>
2009	10/1/2008	\$ -	\$ 39,353,212	\$ 39,353,212	0.0%	\$ 72,672,950	54.2%
2011	10/1/2010	-	75,952,592	75,952,592	0.0%	73,683,867	103.1%

**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, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return, 2% projected salary increases, stable benefit levels, and an annual healthcare cost trend rate of 9% initially reducing by 0.5% per year, reaching 5.5% in 2016 and thereafter. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at 9/30/2011 was 26 years.

#### **D. Change in Accounting Principles**

For fiscal year 2011, Denton County has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the County reclassifying fund balances of its governmental funds.

### **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 618 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 9.80% for the months of the accounting year in 2010, and 10.04% for the months of the accounting year in 2011.

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, 2011, the annual pension cost for the TCDRS plan for its employees was \$7,528,004 and the actual contributions were \$7,528,004.

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, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

## D. Actuarial Valuation Information

Actuarial valuation date	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</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	20	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%	5.40%	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, 2009	\$6,493,398	100%	\$ -
September 30, 2010	6,978,108	100%	-
September 30, 2011	7,528,004	100%	-

## F. Transition Disclosure

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

## G. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ 137,122,372	\$ 163,095,165	\$ 25,972,793	84.08%	\$ 69,232,806	37.52%
12/31/2009	157,310,756	184,223,292	26,912,536	85.39%	72,588,130	37.08%
12/31/2010	169,744,875	200,293,893	30,549,018	84.75%	72,861,544	41.93%

## **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.

## **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.

### **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  
 September 30, 2011

<b>SPECIAL REVENUE</b>	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
<b>ASSETS</b>				
Cash	\$ 152,750	\$ 2,619	\$ -	\$ 57,521
Investments	4,583,285	224,544	2,506,017	125,299
Receivables				
Taxes	88,844	3,221	131,252	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	43,228	-
Due from Other Funds	185	-	-	-
Due from Other Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,825,065</b>	<b>\$ 230,384</b>	<b>\$ 2,680,497</b>	<b>\$ 182,820</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 794,654	\$ -	\$ 131,503	\$ 547
Wages Payable	64,551	-	118,748	-
Due to Other Funds	932	-	139,070	-
Due to Other Governments	-	-	-	-
Deferred Revenues	88,844	3,221	131,252	-
<b>TOTAL LIABILITIES</b>	<b>948,981</b>	<b>3,221</b>	<b>520,573</b>	<b>547</b>
<b>FUND BALANCES</b>				
Restricted	3,876,084	227,163	2,159,924	182,274
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,825,065</b>	<b>\$ 230,384</b>	<b>\$ 2,680,497</b>	<b>\$ 182,820</b>

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
\$ 28,835	\$ 65,729	\$ 28,171	\$ 71,505	\$ 3,684	\$ 89,106	\$ 105,249
1,047,142	446,644	287,193	2,531,096	-	132,487	-
45,898	41,872	-	-	-	-	-
-	-	-	-	-	-	-
-	500	-	-	-	-	-
-	126,885	4,005	-	-	-	-
-	81,961	-	-	-	-	-
<u>\$ 1,121,875</u>	<u>\$ 763,591</u>	<u>\$ 319,369</u>	<u>\$ 2,602,600</u>	<u>\$ 3,684</u>	<u>\$ 221,594</u>	<u>\$ 105,249</u>
\$ 127,879	\$ 106,020	\$ 22,140	\$ 56,024	\$ -	\$ 19,880	\$ -
2,531	52,598	1,952	3,923	-	-	-
337	4,573	0	3,282	-	-	-
-	250	-	-	-	-	-
45,898	59,209	-	-	-	-	-
<u>176,645</u>	<u>222,650</u>	<u>24,092</u>	<u>63,229</u>	<u>-</u>	<u>19,880</u>	<u>-</u>
<u>945,231</u>	<u>540,941</u>	<u>295,277</u>	<u>2,539,371</u>	<u>3,684</u>	<u>201,713</u>	<u>105,249</u>
<u>\$ 1,121,875</u>	<u>\$ 763,591</u>	<u>\$ 319,369</u>	<u>\$ 2,602,600</u>	<u>\$ 3,684</u>	<u>\$ 221,594</u>	<u>\$ 105,249</u>

Continued

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2011

<b>SPECIAL REVENUE</b>	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fee Fund
<b>ASSETS</b>				
Cash	\$ 33,281	\$ 9,523	\$ 73,716	\$ -
Investments	1,968,983	47,091	118,384	-
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	57	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,002,264</b>	<b>\$ 56,671</b>	<b>\$ 192,100</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,718	\$ -	\$ 7,191	\$ -
Wages Payable	-	-	4,176	1,486
Due to Other Funds	1,620	-	-	6,300
Due to Other Governments	-	-	-	-
Deferred Revenues	106,966	-	-	-
<b>TOTAL LIABILITIES</b>	<b>116,303</b>	<b>-</b>	<b>11,367</b>	<b>7,786</b>
<b>FUND BALANCES</b>				
Restricted	1,885,961	56,671	180,732	(7,786)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,002,264</b>	<b>\$ 56,671</b>	<b>\$ 192,100</b>	<b>\$ -</b>

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
\$ 142,264	\$ -	\$ 3,008	\$ 61,143	\$ -	\$ 24,698
927,656	-	2,250,476	356,291	-	20,635
-	-	-	-	-	-
-	-	-	-	-	-
-	8,086	-	-	-	-
1,620	-	-	-	1,212	-
-	436,715	-	-	61,991	-
<b>\$ 1,071,539</b>	<b>\$ 444,802</b>	<b>\$ 2,253,484</b>	<b>\$ 417,434</b>	<b>\$ 63,203</b>	<b>\$ 45,333</b>
\$ 5,276	\$ 3,804	\$ 21,980	\$ -	\$ -	\$ 998
-	27,859	-	-	7,493	310
-	386,398	-	-	47,081	-
-	-	-	-	-	-
482,069	-	-	-	-	-
<b>487,345</b>	<b>418,061</b>	<b>21,980</b>	<b>-</b>	<b>54,574</b>	<b>1,308</b>
<b>584,194</b>	<b>26,740</b>	<b>2,231,504</b>	<b>417,434</b>	<b>8,629</b>	<b>44,025</b>
<b>\$ 1,071,539</b>	<b>\$ 444,802</b>	<b>\$ 2,253,484</b>	<b>\$ 417,434</b>	<b>\$ 63,203</b>	<b>\$ 45,333</b>

Continued

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2011

<b>SPECIAL REVENUE</b>	JP Court Security Fund	Fire Code Enforcement Fund	TOTAL Special Revenue Funds
<b>ASSETS</b>			
Cash	\$ 78,275	\$ 13,022	\$ 1,044,097
Investments	-	183,631	17,756,855
Receivables			
Taxes	-	-	311,087
Accrued Interest	-	-	57
Other Receivables	-	-	51,814
Due from Other Funds	-	-	133,907
Due from Other Governments	-	-	580,668
<b>TOTAL ASSETS</b>	<b>\$ 78,275</b>	<b>\$ 196,654</b>	<b>\$ 19,878,486</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 1,305,613
Wages Payable	-	3,710	289,337
Due to Other Funds	-	738	590,331
Due to Other Governments	-	-	250
Deferred Revenues	-	-	917,459
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>4,448</b>	<b>3,102,991</b>
<b>FUND BALANCES</b>			
Restricted	78,275	192,205	16,775,495
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 78,275</b>	<b>\$ 196,654</b>	<b>\$ 19,878,486</b>

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2011

<b>CAPITAL PROJECTS</b>	Road & Bridge Construction Fund	1999 Road Project Construction Fund	2000 Road Project Construction Fund
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables			
Taxes	-	-	-
Accrued Interest	-	-	-
Other Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Wages Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Deferred Revenues	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Restricted	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued

Denton County, Texas  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2011

	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund
<b>CAPITAL PROJECTS</b>			
<b><u>ASSETS</u></b>			
Cash	\$ -	\$ -	\$ 3
Investments	1,201,890	148,719	3,042,866
Receivables			
Taxes	-	-	-
Accrued Interest	-	-	-
Other Receivables	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 1,201,890</b>	<b>\$ 148,719</b>	<b>\$ 3,042,869</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 32,164	\$ 5,525	\$ 345,723
Wages Payable	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Deferred Revenues	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>32,164</b>	<b>5,525</b>	<b>345,723</b>
<b><u>FUND BALANCES</u></b>			
Restricted	<hr/> 1,169,726	<hr/> 143,194	<hr/> 2,697,146
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><hr/>\$ 1,201,890</b>	<b><hr/>\$ 148,719</b>	<b><hr/>\$ 3,042,869</b>

2005 Road Bond Project Fund	Capital Replacement Fund	2007 Road Bond Project Fund	TOTAL Capital Projects Funds	TOTAL Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 3	\$ 1,044,100
-	6,531,559	2,434,065	13,359,099	31,115,954
-	-	-	-	-
-	-	-	-	311,087
-	-	-	-	57
-	-	-	-	51,814
-	-	-	-	133,907
-	-	-	-	580,668
<hr/>				
\$ -	\$ 6,531,559	\$ 2,434,065	\$ 13,359,102	\$ 33,237,588
<hr/>				
\$ -	\$ -	\$ 48,700	\$ 432,113	\$ 1,737,726
-	-	-	-	289,337
-	-	-	-	590,331
-	-	-	-	250
-	-	-	-	917,459
<hr/>				
-	-	48,700	432,113	3,535,103
<hr/>				
-	6,531,559	2,385,365	12,926,989	29,702,484
<hr/>				
\$ -	\$ 6,531,559	\$ 2,434,065	\$ 13,359,102	\$ 33,237,588
<hr/>				

Denton County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2011

<b>SPECIAL REVENUE</b>	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
<b>REVENUES</b>				
Taxes	\$ 4,847,456	\$ 175,739	\$ 7,161,347	\$ -
Licenses and Permits	6,054,634	-	-	-
Intergovernmental	187,441	216,274	3,037,112	307,675
Fees of Office	300	18,333	68,579	-
Fines	-	-	-	-
Interest	8,627	225	6,426	227
Miscellaneous	2,730	26,318	2,921	-
<b>TOTAL REVENUES</b>	<b>11,101,188</b>	<b>436,889</b>	<b>10,276,385</b>	<b>307,901</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	209,110
Judicial	-	419,232	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	10,279,073	-
Health and Welfare	-	-	-	-
Roads	10,788,387	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,788,387</b>	<b>419,232</b>	<b>10,279,073</b>	<b>209,110</b>
Excess (Deficiency) of Revenues Over Expenditures	312,801	17,657	(2,688)	98,791
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	75,755	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	103,413	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing</b>	<b>179,168</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>491,970</b>	<b>17,657</b>	<b>(2,688)</b>	<b>98,791</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>3,384,114</b>	<b>209,506</b>	<b>2,162,613</b>	<b>83,480</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 3,876,084</b>	<b>\$ 227,163</b>	<b>\$ 2,159,924</b>	<b>\$ 182,272</b>

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
\$ 2,504,275	\$ 2,284,602	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,663,243	-	-	-	-	34,368
-	517,873	179,552	694,331	17,273	263,413	4,375
-	-	-	-	-	-	-
2,091	1,785	562	6,232	-	144	134
-	11,700	14,169	-	-	-	-
<u>2,506,366</u>	<u>4,479,202</u>	<u>194,283</u>	<u>700,563</u>	<u>17,273</u>	<u>263,556</u>	<u>38,878</u>
-	-	362,804	1,269,207	-	-	-
-	-	-	-	34,514	288,251	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,354
1,945,984	4,604,850	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,945,984</u>	<u>4,604,850</u>	<u>362,804</u>	<u>1,269,207</u>	<u>34,514</u>	<u>288,251</u>	<u>1,354</u>
<u>560,381</u>	<u>(125,648)</u>	<u>(168,521)</u>	<u>(568,644)</u>	<u>(17,240)</u>	<u>(24,694)</u>	<u>37,524</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,733	-	-	15,000	45,000	-
-	-	-	(8,200)	-	-	-
-	<u>9,733</u>	<u>-</u>	<u>(8,200)</u>	<u>15,000</u>	<u>45,000</u>	<u>-</u>
<u>560,381</u>	<u>(115,915)</u>	<u>(168,521)</u>	<u>(576,844)</u>	<u>(2,240)</u>	<u>20,306</u>	<u>37,524</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>
<u>\$ 945,231</u>	<u>\$ 540,941</u>	<u>\$ 295,277</u>	<u>\$ 2,539,371</u>	<u>\$ 3,684</u>	<u>\$ 201,713</u>	<u>\$ 105,249</u>

Continued

Denton County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2011**

<b>SPECIAL REVENUE</b>	<b>Sheriff's Forfeiture Fund</b>	<b>Vehicle Inventory Tax Interest Fund</b>	<b>Records Management Fund</b>	<b>District Attorney Check Fund</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	29,605
Fees of Office	-	-	316,406	38,961
Fines	-	-	-	-
Interest	2,824	9,524	211	6
Miscellaneous	396,679	-	-	-
<b>TOTAL REVENUES</b>	<b>399,503</b>	<b>9,524</b>	<b>316,617</b>	<b>68,572</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Judicial	-	-	293,708	-
Legal	-	-	-	88,450
Financial	-	186	-	-
Public Facilities	-	-	-	-
Public Safety	244,877	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>244,877</b>	<b>186</b>	<b>293,708</b>	<b>88,450</b>
Excess (Deficiency) of Revenues Over Expenditures	154,625	9,338	22,909	(19,877)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	11,647	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing</b>	<b>11,647</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>166,272</b>	<b>9,338</b>	<b>22,909</b>	<b>(19,877)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,719,689</b>	<b>47,334</b>	<b>157,824</b>	<b>12,091</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,885,961</b>	<b>\$ 56,671</b>	<b>\$ 180,732</b>	<b>\$ (7,786)</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,213,358	289,579	-	800,602	-
-	-	49,139	61,865	-	49,435
-	-	-	-	-	-
755	-	5,033	381	-	29
181,708	-	-	-	-	-
<u>182,463</u>	<u>2,213,358</u>	<u>343,750</u>	<u>62,245</u>	<u>800,602</u>	<u>49,464</u>
-	-	-	-	-	-
-	-	-	99,395	-	30,064
14,910	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,213,358	446,100	-	785,530	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,910</u>	<u>2,213,358</u>	<u>446,100</u>	<u>99,395</u>	<u>785,530</u>	<u>30,064</u>
<u>167,553</u>	<u>0</u>	<u>(102,350)</u>	<u>(37,149)</u>	<u>15,072</u>	<u>19,400</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,441	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>174,994</u>	<u>0</u>	<u>(102,350)</u>	<u>(37,149)</u>	<u>15,072</u>	<u>19,400</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>\$ 584,194</u>	<u>\$ 26,741</u>	<u>\$ 2,231,504</u>	<u>\$ 417,434</u>	<u>\$ 8,629</u>	<u>\$ 44,025</u>

Continued

Denton County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2011

<b>SPECIAL REVENUE</b>	JP Court Security Fund	Fire Code Enforcement Fund	TOTAL SPECIAL REV September 30, 2011
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 16,973,418
Licenses and Permits	-	-	6,054,634
Intergovernmental	-	-	8,779,258
Fees of Office	15,276	189,980	2,485,089
Fines	-	-	-
Interest	113	130	45,456
Miscellaneous	-	-	636,225
<b>TOTAL REVENUES</b>	<b>15,389</b>	<b>190,109</b>	<b>34,974,081</b>
<b>EXPENDITURES</b>			
General Government	-	-	1,841,121
Judicial	519	-	1,165,681
Legal	-	-	103,359
Financial	-	-	186
Public Facilities	-	-	-
Public Safety	-	252,926	10,778,230
Health and Welfare	-	-	9,995,823
Roads	-	-	10,788,387
Intergovernmental	-	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>519</b>	<b>252,926</b>	<b>34,672,788</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>14,871</b>	<b>(62,816)</b>	<b>301,293</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of Debt	-	-	-
Bond Premium	-	-	-
Sale of Surplus Property	-	-	94,844
Capital Lease Financing	-	-	-
Transfers In	-	-	173,146
Transfers Out	-	-	(8,200)
<b>Total Other Financing</b>	<b>-</b>	<b>-</b>	<b>259,790</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>14,871</b>	<b>(62,816)</b>	<b>561,083</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>63,404</b>	<b>255,022</b>	<b>16,214,411</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 78,275</b>	<b>\$ 192,205</b>	<b>\$ 16,775,494</b>

Denton County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2011**

	Road & Bridge Construction Fund	1999 Road Project Construction Fund	2000 Road Project Construction Fund
<b>CAPITAL PROJECTS</b>			
<u>REVENUES</u>			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Fees of Office	-	-	-
Fines	-	-	-
Interest	354	869	26
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<b>354</b>	<b>869</b>	<b>26</b>
<u>EXPENDITURES</u>			
General Government	-	-	-
Judicial	-	-	-
Legal	-	-	-
Financial	-	-	-
Public Facilities	-	-	-
Public Safety	-	-	-
Health and Welfare	-	-	-
Roads	-	-	-
Intergovernmental	33,000	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>33,000</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>(32,646)</b>	<b>869</b>	<b>26</b>
Other Financing Sources (Uses):			
Issuance of Debt	-	-	-
Bond Premium	-	-	-
Sale of Surplus Property	-	-	-
Capital Lease Financing	-	-	-
Transfers In	-	-	-
Transfers Out	(234,522)	(633,486)	(21,729)
Sources (Uses)	<b>(234,522)</b>	<b>(633,486)</b>	<b>(21,729)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(267,167)</b>	<b>(632,617)</b>	<b>(21,703)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>267,167</b>	<b>632,617</b>	<b>21,703</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued

Denton County, Texas  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2011**

	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund	2005 Road Bond Project Fund
<b>CAPITAL PROJECTS</b>				
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	2,022	874	5,745	27
Miscellaneous	-	-	109,440	-
<b>TOTAL REVENUES</b>	<b>2,022</b>	<b>874</b>	<b>115,185</b>	<b>27</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	335,442	651,786	3,055,645	6,513
<b>TOTAL EXPENDITURES</b>	<b>335,442</b>	<b>651,786</b>	<b>3,055,645</b>	<b>6,513</b>
Excess (Deficiency) of Revenues Over Expenditures	(333,420)	(650,912)	(2,940,460)	(6,486)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	(10,425)
Sources (Uses)	-	-	-	(10,425)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(333,420)</b>	<b>(650,912)</b>	<b>(2,940,460)</b>	<b>(16,912)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,503,146</b>	<b>794,106</b>	<b>5,637,606</b>	<b>16,912</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,169,726</b>	<b>\$ 143,194</b>	<b>\$ 2,697,146</b>	<b>\$ -</b>

Capital Replacement Fund	2007 Road Bond Project Fund	TOTAL Capital Projects September 30, 2011	TOTAL Special Revenue & Capital Projects September 30, 2011
\$ -	\$ -	\$ -	\$ 16,973,418
-	-	-	6,054,634
12,457	-	12,457	8,791,715
-	-	-	2,485,089
-	-	-	-
5,450	4,590	19,958	65,414
-	-	109,440	745,664
<u>17,907</u>	<u>4,590</u>	<u>141,855</u>	<u>35,115,935</u>
-	-	-	1,841,121
-	-	-	1,165,681
-	-	-	103,359
-	-	-	186
-	-	-	-
-	-	-	10,778,230
-	-	-	9,995,823
-	-	-	10,788,387
-	-	33,000	33,000
<u>844,809</u>	<u>690,291</u>	<u>5,584,487</u>	<u>5,584,487</u>
<u>844,809</u>	<u>690,291</u>	<u>5,617,487</u>	<u>40,290,274</u>
<u>(826,902)</u>	<u>(685,701)</u>	<u>(5,475,632)</u>	<u>(5,174,339)</u>
-	-	-	-
-	-	-	-
-	-	-	94,844
-	-	-	-
3,000,000	-	3,000,000	3,173,146
-	(103,000)	(1,003,162)	(1,011,362)
<u>3,000,000</u>	<u>(103,000)</u>	<u>1,996,838</u>	<u>2,256,628</u>
<u>2,173,098</u>	<u>(788,701)</u>	<u>(3,478,794)</u>	<u>(2,917,711)</u>
<u>4,358,461</u>	<u>3,174,066</u>	<u>16,405,783</u>	<u>32,620,194</u>
<u>\$ 6,531,559</u>	<u>\$ 2,385,365</u>	<u>\$ 12,926,989</u>	<u>\$ 29,702,484</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 4,622,929	\$ 4,622,929	\$ 4,847,456	\$ 224,527
Licenses and Permits	6,310,000	6,310,000	6,054,634	(255,366)
Intergovernmental	143,000	143,000	187,441	44,441
Fees of Office	40,000	40,000	300	(39,700)
Fines	-	-	-	-
Interest	25,000	25,000	8,627	(16,373)
Miscellaneous	-	-	2,730	2,730
<b>TOTAL REVENUES</b>	<u>11,140,929</u>	<u>11,140,929</u>	<u>11,101,188</u>	<u>(39,741)</u>
 <u>EXPENDITURES</u>				
ROADS	<u>11,975,091</u>	<u>13,195,581</u>	<u>10,788,387</u>	<u>2,407,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(834,162)</u>	<u>(2,054,652)</u>	<u>312,801</u>	<u>2,367,453</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	1,000	7,798	75,755	67,957
Transfers In	-	103,413	103,413	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>1,000</u>	<u>111,211</u>	<u>179,168</u>	<u>67,957</u>
 Net Change in Fund Balances	 <u>(833,162)</u>	 <u>(1,943,441)</u>	 <u>491,970</u>	 <u>2,435,411</u>
 FUND BALANCES - BEGINNING	 <u>3,384,114</u>	 <u>3,384,114</u>	 <u>3,384,114</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 2,550,952</u>	 <u>\$ 1,440,673</u>	 <u>\$ 3,876,084</u>	 <u>\$ 2,435,411</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 167,795	\$ 167,795	\$ 175,739	\$ 7,944
Licenses and Permits	-	-	-	-
Intergovernmental	240,000	240,000	216,274	(23,726)
Fees of Office	19,000	19,000	18,333	(667)
Fines	-	-	-	-
Interest	1,500	1,500	225	(1,275)
Miscellaneous	-	-	26,318	26,318
<b>TOTAL REVENUES</b>	<u>428,295</u>	<u>428,295</u>	<u>436,889</u>	<u>8,594</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>425,500</u>	<u>425,500</u>	<u>419,232</u>	<u>6,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,795</u>	<u>2,795</u>	<u>17,657</u>	<u>14,862</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,795</u>	<u>2,795</u>	<u>17,657</u>	<u>14,862</u>
 FUND BALANCES - BEGINNING	 <u>209,506</u>	 <u>209,506</u>	 <u>209,506</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 212,301</u>	<u>\$ 212,301</u>	<u>\$ 227,163</u>	<u>\$ 14,862</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 6,817,195	\$ 6,817,195	\$ 7,161,347	\$ 344,152
Licenses and Permits	-	-	-	-
Intergovernmental	3,458,322	3,454,942	3,037,112	(417,830)
Fees of Office	70,000	70,000	68,579	(1,421)
Fines	-	-	-	-
Interest	10,000	10,000	6,426	(3,574)
Miscellaneous	4,000	4,000	2,921	(1,079)
<b>TOTAL REVENUES</b>	<u>10,359,517</u>	<u>10,356,137</u>	<u>10,276,385</u>	<u>(79,752)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>10,936,463</u>	<u>10,935,776</u>	<u>10,279,073</u>	<u>656,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(576,946)</u>	<u>(579,639)</u>	<u>(2,688)</u>	<u>576,951</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 <u>(576,946)</u>	 <u>(579,639)</u>	 <u>(2,688)</u>	 <u>576,951</u>
 FUND BALANCES - BEGINNING	 <u>2,162,613</u>	 <u>2,162,613</u>	 <u>2,162,613</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,585,667</u>	<u>\$ 1,582,974</u>	<u>\$ 2,159,924</u>	<u>\$ 576,951</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,387,243	\$ 2,387,243	\$ 2,504,275	\$ 117,032
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	7,500	7,500	2,091	(5,409)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,394,743</u>	<u>2,394,743</u>	<u>2,506,366</u>	<u>111,623</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>2,490,682</u>	<u>2,490,692</u>	<u>1,945,984</u>	<u>544,708</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(95,939)</u>	<u>(95,949)</u>	<u>560,381</u>	<u>656,330</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(95,939)</u>	<u>(95,949)</u>	<u>560,381</u>	<u>656,330</u>
 FUND BALANCES - BEGINNING	 <u>384,850</u>	 <u>384,850</u>	 <u>384,850</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 288,911</u>	<u>\$ 288,901</u>	<u>\$ 945,231</u>	<u>\$ 656,330</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,170,333	\$ 2,170,333	\$ 2,284,602	\$ 114,269
Licenses and Permits	-	-	-	-
Intergovernmental	1,308,095	1,956,425	1,663,243	(293,182)
Fees of Office	485,000	485,000	517,873	32,873
Fines	-	-	-	-
Interest	12,000	12,000	1,785	(10,215)
Miscellaneous	-	11,700	11,700	-
<b>TOTAL REVENUES</b>	<u>3,975,428</u>	<u>4,635,458</u>	<u>4,479,202</u>	<u>(156,256)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>4,228,607</u>	<u>5,039,739</u>	<u>4,604,850</u>	<u>434,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(253,179)</u>	<u>(404,281)</u>	<u>(125,648)</u>	<u>278,633</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	9,733	9,733	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>9,733</u>	<u>9,733</u>	<u>-</u>
Net Change in Fund Balances	<u>(253,179)</u>	<u>(394,548)</u>	<u>(115,915)</u>	<u>278,633</u>
 FUND BALANCES - BEGINNING	 <u>656,856</u>	 <u>656,856</u>	 <u>656,856</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 403,677</u>	<u>\$ 262,308</u>	<u>\$ 540,941</u>	<u>\$ 278,633</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	156,000	156,000	179,552	23,552
Fines	-	-	-	-
Interest	7,500	7,500	562	(6,938)
Miscellaneous	<u>14,000</u>	<u>14,000</u>	<u>14,169</u>	<u>169</u>
<b>TOTAL REVENUES</b>	<u>177,500</u>	<u>177,500</u>	<u>194,283</u>	<u>16,783</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>510,652</u>	<u>512,152</u>	<u>362,804</u>	<u>149,348</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(333,152)</u>	<u>(334,652)</u>	<u>(168,521)</u>	<u>166,131</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
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>(333,152)</u>	<u>(334,652)</u>	<u>(168,521)</u>	<u>166,131</u>
 FUND BALANCES - BEGINNING	 <u>463,798</u>	 <u>463,798</u>	 <u>463,798</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 130,646</u>	<u>\$ 129,146</u>	<u>\$ 295,277</u>	<u>\$ 166,131</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	812,000	812,000	694,331	(117,669)
Fines	-	-	-	-
Interest	45,000	45,000	6,232	(38,768)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>857,000</u>	<u>857,000</u>	<u>700,563</u>	<u>(156,437)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>1,483,806</u>	<u>1,478,977</u>	<u>1,269,207</u>	<u>209,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(626,806)</u>	<u>(621,977)</u>	<u>(568,644)</u>	<u>53,333</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(8,200)	(8,200)	-
Total Other Financing Sources	<u>-</u>	<u>(8,200)</u>	<u>(8,200)</u>	<u>-</u>
Net Change in Fund Balances	<u>(626,806)</u>	<u>(630,177)</u>	<u>(576,844)</u>	<u>53,333</u>
 FUND BALANCES - BEGINNING	 <u>3,116,215</u>	 <u>3,116,215</u>	 <u>3,116,215</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,489,409</u>	<u>\$ 2,486,038</u>	<u>\$ 2,539,371</u>	<u>\$ 53,333</u>

Denton County, Texas  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 COUNTY AND DISTRICT TECHNOLOGY SPECIAL REVENUE FUND  
 For the Year Ended September 30, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	35,000	20,000	17,273	(2,727)
Fines	-	-	-	-
Interest	1,000	1,000	-	(1,000)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>36,000</u>	<u>21,000</u>	<u>17,273</u>	<u>(3,727)</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>37,862</u>	<u>37,862</u>	<u>34,514</u>	<u>3,348</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,862)</u>	<u>(16,862)</u>	<u>(17,240)</u>	<u>(378)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	15,000	15,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,862)</u>	<u>(1,862)</u>	<u>(2,240)</u>	<u>(378)</u>
 FUND BALANCES - BEGINNING	 <u>5,924</u>	 <u>5,924</u>	 <u>5,924</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,062</u>	<u>\$ 4,062</u>	<u>\$ 3,684</u>	<u>\$ (378)</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	290,000	290,000	263,413	(26,587)
Fines	-	-	-	-
Interest	1,200	1,200	144	(1,056)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>291,200</u>	<u>291,200</u>	<u>263,556</u>	<u>(27,644)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>336,000</u>	<u>338,010</u>	<u>288,251</u>	<u>49,759</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,800)</u>	<u>(46,810)</u>	<u>(24,694)</u>	<u>22,116</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	45,000	45,000	45,000	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
 Net Change in Fund Balances	<u>200</u>	<u>(1,810)</u>	<u>20,306</u>	<u>22,116</u>
 FUND BALANCES - BEGINNING	<u>181,408</u>	<u>181,408</u>	<u>181,408</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ 181,608</u>	<u>\$ 179,598</u>	<u>\$ 201,713</u>	<u>\$ 22,116</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	2,000	2,000	2,824	824
Miscellaneous	40,000	40,000	396,679	356,679
<b>TOTAL REVENUES</b>	<u>42,000</u>	<u>42,000</u>	<u>399,503</u>	<u>357,503</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>235,000</u>	<u>455,027</u>	<u>244,877</u>	<u>210,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(193,000)</u>	<u>(413,027)</u>	<u>154,625</u>	<u>567,652</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	11,647	11,647
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>11,647</u>	<u>11,647</u>
<b>Net Change in Fund Balances</b>	<u>(193,000)</u>	<u>(413,027)</u>	<u>166,272</u>	<u>579,299</u>
 <b>FUND BALANCES - BEGINNING</b>	 <u>1,719,689</u>	 <u>1,719,689</u>	 <u>1,719,689</u>	 <u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,526,689</u>	<u>\$ 1,306,662</u>	<u>\$ 1,885,961</u>	<u>\$ 579,299</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	14,000	14,000	9,524	(4,476)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>14,000</u>	<u>14,000</u>	<u>9,524</u>	<u>(4,476)</u>
 <u>EXPENDITURES</u>				
FINANCIAL	<u>25,633</u>	<u>55,633</u>	<u>186</u>	<u>55,447</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,633)</u>	<u>(41,633)</u>	<u>9,338</u>	<u>50,971</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(11,633)</u>	<u>(41,633)</u>	<u>9,338</u>	<u>50,971</u>
 FUND BALANCES - BEGINNING	 <u>47,334</u>	 <u>47,334</u>	 <u>47,334</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 35,701</u>	<u>\$ 5,701</u>	<u>\$ 56,671</u>	<u>\$ 50,971</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	315,000	315,000	316,406	1,406
Fines	-	-	-	-
Interest	1,500	1,500	211	(1,289)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>316,500</u>	<u>316,500</u>	<u>316,617</u>	<u>117</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>321,272</u>	<u>321,272</u>	<u>293,708</u>	<u>27,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,772)</u>	<u>(4,772)</u>	<u>22,909</u>	<u>27,681</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(4,772)</u>	<u>(4,772)</u>	<u>22,909</u>	<u>27,681</u>
 FUND BALANCES - BEGINNING	 <u>157,824</u>	 <u>157,824</u>	 <u>157,824</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 153,052</u>	<u>\$ 153,052</u>	<u>\$ 180,732</u>	<u>\$ 27,681</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	34,450	34,450	29,605	(4,845)
Fees of Office	60,000	60,000	38,961	(21,039)
Fines	-	-	-	-
Interest	100	100	6	(94)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>94,550</u>	<u>94,550</u>	<u>68,572</u>	<u>(25,978)</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>99,792</u>	<u>99,792</u>	<u>88,450</u>	<u>11,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,242)</u>	<u>(5,242)</u>	<u>(19,877)</u>	<u>(14,635)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(5,242)</u>	<u>(5,242)</u>	<u>(19,877)</u>	<u>(14,635)</u>
 FUND BALANCES - BEGINNING	 <u>12,091</u>	 <u>12,091</u>	 <u>12,091</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,849</u>	<u>\$ 6,849</u>	<u>\$ (7,786)</u>	<u>\$ (14,635)</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	1,500	1,500	755	(745)
Miscellaneous	45,000	59,885	181,708	121,823
<b>TOTAL REVENUES</b>	<u>46,500</u>	<u>61,385</u>	<u>182,463</u>	<u>121,078</u>
 <u>EXPENDITURES</u>				
LEGAL	151,998	166,883	14,910	151,973
Excess (Deficiency) of Revenues Over Expenditures	<u>(105,498)</u>	<u>(105,498)</u>	<u>167,553</u>	<u>273,051</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	7,441	7,441
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>7,441</u>	<u>7,441</u>
<b>Net Change in Fund Balances</b>	<u>(105,498)</u>	<u>(105,498)</u>	<u>174,994</u>	<u>280,492</u>
 <b>FUND BALANCES - BEGINNING</b>	 <u>409,200</u>	 <u>409,200</u>	 <u>409,200</u>	 <u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 303,702</u>	<u>\$ 303,702</u>	<u>\$ 584,194</u>	<u>\$ 280,492</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	290,000	290,000	289,579	(421)
Fees of Office	49,000	49,000	49,139	139
Fines	-	-	-	-
Interest	15,000	15,000	5,033	(9,967)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>354,000</u>	<u>354,000</u>	<u>343,750</u>	<u>(10,250)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>455,001</u>	<u>455,001</u>	<u>446,100</u>	<u>8,901</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(101,001)</u>	<u>(101,001)</u>	<u>(102,350)</u>	<u>(1,349)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(101,001)</u>	<u>(101,001)</u>	<u>(102,350)</u>	<u>(1,349)</u>
 FUND BALANCES - BEGINNING	 <u>2,333,854</u>	 <u>2,333,854</u>	 <u>2,333,854</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,232,853</u>	<u>\$ 2,232,853</u>	<u>\$ 2,231,504</u>	<u>\$ (1,349)</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	75,000	75,000	61,865	(13,135)
Fines	-	-	-	-
Interest	2,250	2,250	381	(1,869)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>77,250</u>	<u>77,250</u>	<u>62,245</u>	<u>(15,005)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>219,655</u>	<u>236,252</u>	<u>99,395</u>	<u>136,857</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(142,405)</u>	<u>(159,002)</u>	<u>(37,149)</u>	<u>121,853</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(142,405)</u>	<u>(159,002)</u>	<u>(37,149)</u>	<u>121,853</u>
 <b>FUND BALANCES - BEGINNING</b>	 <u>454,583</u>	 <u>454,583</u>	 <u>454,583</u>	 <u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 312,178</u>	<u>\$ 295,581</u>	<u>\$ 417,434</u>	<u>\$ 121,853</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	1,350,259	800,602	(549,657)
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>1,350,259</u>	<u>800,602</u>	<u>(549,657)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>-</u>	<u>1,350,259</u>	<u>785,530</u>	<u>564,729</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>15,072</u>	<u>15,072</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>15,072</u>	<u>15,072</u>
 FUND BALANCES - BEGINNING	<u>(6,443)</u>	<u>(6,443)</u>	<u>(6,443)</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ (6,443)</u>	<u>\$ (6,443)</u>	<u>\$ 8,629</u>	<u>\$ 15,072</u>

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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	45,000	45,000	49,435	4,435
Fines	-	-	-	-
Interest	600	600	29	(571)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>45,600</u>	<u>45,600</u>	<u>49,464</u>	<u>3,864</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>53,557</u>	<u>53,906</u>	<u>30,064</u>	<u>23,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,957)</u>	<u>(8,306)</u>	<u>19,400</u>	<u>27,706</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(7,957)</u>	<u>(8,306)</u>	<u>19,400</u>	<u>27,706</u>
 FUND BALANCES - BEGINNING	 <u>24,625</u>	 <u>24,625</u>	 <u>24,625</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 16,668</u>	<u>\$ 16,319</u>	<u>\$ 44,025</u>	<u>\$ 27,706</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	16,000	16,000	15,276	(724)
Fines	-	-	-	-
Interest	750	750	113	(637)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>16,750</u>	<u>16,750</u>	<u>15,389</u>	<u>(1,361)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>10,986</u>	<u>10,986</u>	<u>519</u>	<u>10,467</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,764</u>	<u>5,764</u>	<u>14,871</u>	<u>9,107</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 <u>5,764</u>	 <u>5,764</u>	 <u>14,871</u>	 <u>9,107</u>
 FUND BALANCES - BEGINNING	 <u>63,404</u>	 <u>63,404</u>	 <u>63,404</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 69,168</u>	 <u>\$ 69,168</u>	 <u>\$ 78,275</u>	 <u>\$ 9,107</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	230,000	230,000	189,980	(40,021)
Fines	-	-	-	-
Interest	1,000	1,000	130	(870)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>231,000</u>	<u>231,000</u>	<u>190,109</u>	<u>(40,891)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>271,034</u>	<u>271,253</u>	<u>252,926</u>	<u>18,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,034)</u>	<u>(40,253)</u>	<u>(62,816)</u>	<u>(22,563)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(40,034)</u>	<u>(40,253)</u>	<u>(62,816)</u>	<u>(22,563)</u>
 FUND BALANCES - BEGINNING	 <u>255,022</u>	 <u>255,022</u>	 <u>255,022</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 214,988</u>	<u>\$ 214,769</u>	<u>\$ 192,205</u>	<u>\$ (22,563)</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, 2011

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	12,457	12,457
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	2,500	2,500	5,450	2,950
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,500</u>	<u>2,500</u>	<u>17,907</u>	<u>15,407</u>
 <u>EXPENDITURES</u>				
<b>PUBLIC FACILITIES</b>	<u>2,829,464</u>	<u>3,269,806</u>	<u>844,809</u>	<u>2,424,997</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,826,964)</u>	<u>(3,267,306)</u>	<u>(826,902)</u>	<u>2,440,404</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	3,000,000	3,000,000	3,000,000	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>173,036</u>	<u>(267,306)</u>	<u>2,173,098</u>	<u>2,440,404</u>
<b>FUND BALANCES - BEGINNING</b>	<u>4,358,461</u>	<u>4,358,461</u>	<u>4,358,461</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,531,497</u>	<u>\$ 4,091,155</u>	<u>\$ 6,531,559</u>	<u>\$ 2,440,404</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, 2011

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 37,700,000	\$ 37,700,000	\$ 39,570,202	\$ 1,870,202
Intergovernmental	1,941,810	1,941,810	1,941,809	(1)
Interest	75,000	75,000	24,814	(50,186)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>39,716,810</u>	<u>39,716,810</u>	<u>41,536,826</u>	<u>1,820,016</u>
 <u>EXPENDITURES</u>				
<b>DEBT SERVICE</b>				
Principal Retirement	18,880,000	18,880,000	18,880,000	-
Interest	22,771,908	22,771,908	22,771,901	7
Bank Charges	16,000	132,140	119,001	13,139
<b>TOTAL EXPENDITURES</b>	<u>41,667,908</u>	<u>41,784,048</u>	<u>41,770,901</u>	<u>13,147</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,951,098)</u>	<u>(2,067,238)</u>	<u>(234,076)</u>	<u>1,833,162</u>
 Other Financing Sources (Uses):				
Bond Proceeds	-	116,140	15,905,000	(15,788,860)
Bond Premium	-	-	1,343,259	(1,343,259)
Transfers In	-	-	266,676	266,676
Transfers Out	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-
Refunding Bond Discount	-	-	-	-
Payments to Escrow Agent	-	-	(17,132,120)	17,132,120
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>116,140</u>	<u>382,815</u>	<u>266,677</u>
 Net Change in Fund Balances	 <u>(1,951,098)</u>	 <u>(1,951,098)</u>	 <u>148,740</u>	 <u>2,099,839</u>
<b>FUND BALANCES - BEGINNING</b>	<u>3,627,333</u>	<u>3,627,333</u>	<u>3,627,333</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,676,235</u>	<u>\$ 1,676,235</u>	<u>\$ 3,776,073</u>	<u>\$ 2,099,839</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, 2011**

	<u>Texas Adult Probation</u>	<u>County Clerk Agency</u>	<u>District Clerk Agency</u>	<u>Tax Collector Agency</u>
<b><u>ASSETS</u></b>				
Cash	\$ 328,829	\$ 1,075,757	\$3,876,300	\$ 13,440
Investments	2,783,951	4,274,122	-	6,102,880
Accrued Interest	14	-	-	-
Other Assets	173,784	-	-	-
Due from Other Funds	479	-	-	-
Due from Other Govts	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$3,287,057</u></b>	<b><u>\$ 5,349,879</u></b>	<b><u>\$3,876,300</u></b>	<b><u>\$ 6,116,321</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 12,461	\$ -	\$ -	\$ -
Wages Payable	75,545	-	-	-
Due to Other Funds	5,852	-	-	-
Due to Other Governments	2,822,594	-	-	6,116,321
Due to Beneficiaries	370,605	5,349,879	3,876,300	-
<b>TOTAL LIABILITIES</b>	<b><u>3,287,057</u></b>	<b><u>5,349,879</u></b>	<b><u>3,876,300</u></b>	<b><u>6,116,321</u></b>

**Denton County, Texas**  
**STATEMENT OF FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2011**

	<u>Justices of the Peace Agency</u>	<u>Sheriff Agency</u>	<u>Treatment Alternatives to Incarceration</u>	<u>Other Agency</u>
<b><u>ASSETS</u></b>				
Cash	\$ 128,490	\$ 1,823,765	\$ 91,216	\$ 34,620
Investments	-	-	3	-
Accrued Interest	-	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>128,490</u>	<u>1,823,765</u>	<u>91,219</u>	<u>34,620</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 128,490</u></b>	<b><u>\$ 1,823,765</u></b>	<b><u>\$ 91,219</u></b>	<b><u>\$ 34,620</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 1,283	\$ -
Wages Payable	-	-	-	-
Due to Other Funds	-	-	451	-
Due to Other Governments	-	-	89,485	-
Due to Beneficiaries	128,490	1,823,765	-	34,620
	<u>128,490</u>	<u>1,823,765</u>	<u>91,219</u>	<u>34,620</u>
<b>TOTAL LIABILITIES</b>	<b><u>128,490</u></b>	<b><u>1,823,765</u></b>	<b><u>91,219</u></b>	<b><u>34,620</u></b>

**Denton County, Texas  
STATEMENT OF FIDUCIARY  
ASSETS AND LIABILITIES  
AGENCY FUNDS  
September 30, 2011**

	<u>Community Corrections Grant</u>	<u>Housing Finance Authority</u>	<u>TOTAL September 30, 2011</u>
<b><u>ASSETS</u></b>			
Cash	\$ 176,112	\$ 664,968	\$ 8,213,497
Investments	250,222	-	13,411,178
Accrued Interest	-	-	14
Other Assets	-	-	173,784
Due from Other Funds	4,729	-	5,208
Due from Other Govts	-	-	-
	<u>\$ 431,062</u>	<u>\$ 664,968</u>	<u>\$ 21,803,681</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 12,190	\$ -	\$ 25,934
Wages Payable	-	-	75,545
Due to Other Funds	28	-	6,331
Due to Other Governments	418,844	664,968	10,112,212
Due to Beneficiaries	-	-	11,583,658
	<u>431,062</u>	<u>664,968</u>	<u>21,803,681</u>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>TEXAS ADULT PROBATION FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 3,244,708	\$ 4,394,241	\$ 4,526,168	\$ 3,112,780
Accrued Interest	4,465	14	4,465	\$ 14
Other Receivables	17,327	173,784	17,327	\$ 173,784
Due from Other Funds	1	479	1	\$ 479
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 3,266,501</u></b>	<b><u>\$ 4,568,518</u></b>	<b><u>\$ 4,547,961</u></b>	<b><u>\$ 3,287,057</u></b>

**Liabilities**

Accounts Payable	\$ 208,673	\$ 88,006	\$ 208,673	\$ 88,006
Due to Other Funds	284,375	5,852	284,375	5,852
Due to Other Govts	2,571,689	2,822,594	2,571,689	2,822,594
Due to Beneficiaries	201,764	370,605	201,764	370,605
<b>Total Liabilities</b>	<b><u>\$ 3,266,501</u></b>	<b><u>\$ 3,287,057</u></b>	<b><u>\$ 3,266,501</u></b>	<b><u>\$ 3,287,057</u></b>

**COUNTY CLERK AGENCY FUND**

**Assets**

Cash and Investments	\$ 13,258,994	\$ 39,336,396	\$ 47,245,511	\$ 5,349,879
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 13,258,994</u></b>	<b><u>\$ 39,336,396</u></b>	<b><u>\$ 47,245,511</u></b>	<b><u>\$ 5,349,879</u></b>

**Liabilities**

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	13,258,994	39,336,396	47,245,511	5,349,879
<b>Total Liabilities</b>	<b><u>\$ 13,258,994</u></b>	<b><u>\$ 39,336,396</u></b>	<b><u>\$ 47,245,511</u></b>	<b><u>\$ 5,349,879</u></b>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011 - (Continued)**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>DISTRICT CLERK AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 4,302,423	\$ 11,838,119	\$ 12,264,242	\$ 3,876,300
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,302,423</u></b>	<b><u>\$ 11,838,119</u></b>	<b><u>\$ 12,264,242</u></b>	<b><u>\$ 3,876,300</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	4,302,423	11,838,119	12,264,242	3,876,300
<b>Total Liabilities</b>	<b><u>\$ 4,302,423</u></b>	<b><u>\$ 11,838,119</u></b>	<b><u>\$ 12,264,242</u></b>	<b><u>\$ 3,876,300</u></b>
<b><u>TAX COLLECTOR AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 9,445,385	\$ 58,407,039	\$ 61,736,103	\$ 6,116,321
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 9,445,385</u></b>	<b><u>\$ 58,407,039</u></b>	<b><u>\$ 61,736,103</u></b>	<b><u>\$ 6,116,321</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	9,445,385	58,407,039	61,736,103	6,116,321
Due to Beneficiaries	-	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 9,445,385</u></b>	<b><u>\$ 58,407,039</u></b>	<b><u>\$ 61,736,103</u></b>	<b><u>\$ 6,116,321</u></b>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011 - (Continued)**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>JUSTICES OF THE PEACE AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 89,605	\$ 90,207	\$ 51,323	\$ 128,490
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>89,605</u>	<u>90,207</u>	<u>51,323</u>	<u>128,490</u>
<b>Total Assets</b>	<b><u>\$ 89,605</u></b>	<b><u>\$ 90,207</u></b>	<b><u>\$ 51,323</u></b>	<b><u>\$ 128,490</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	89,605	90,207	51,323	128,490
	<u>89,605</u>	<u>90,207</u>	<u>51,323</u>	<u>128,490</u>
<b>Total Liabilities</b>	<b><u>\$ 89,605</u></b>	<b><u>\$ 90,207</u></b>	<b><u>\$ 51,323</u></b>	<b><u>\$ 128,490</u></b>
<b><u>SHERIFF AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 1,456,685	\$ 4,039,694	\$ 3,672,614	\$ 1,823,765
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>1,456,685</u>	<u>4,039,694</u>	<u>3,672,614</u>	<u>1,823,765</u>
<b>Total Assets</b>	<b><u>\$ 1,456,685</u></b>	<b><u>\$ 4,039,694</u></b>	<b><u>\$ 3,672,614</u></b>	<b><u>\$ 1,823,765</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	1,456,685	4,039,694	3,672,614	1,823,765
	<u>1,456,685</u>	<u>4,039,694</u>	<u>3,672,614</u>	<u>1,823,765</u>
<b>Total Liabilities</b>	<b><u>\$ 1,456,685</u></b>	<b><u>\$ 4,039,694</u></b>	<b><u>\$ 3,672,614</u></b>	<b><u>\$ 1,823,765</u></b>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011 - (Continued)**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>TREATMENT ALTERNATIVES TO INCARCERATION FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 58,622	\$ 180,435	\$ 147,838	\$ 91,219
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	9,435.00	-	9,435.00	-
Due from Other Govts	-	-	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Assets	<u>\$ 68,057</u>	<u>\$ 180,435</u>	<u>\$ 157,273</u>	<u>\$ 91,219</u>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 1,283	\$ 1,283	\$ 1,283	\$ 1,283
Due to Other Funds	1	451	1	451
Due to Other Govts	66,773	89,485	66,773	89,485
Due to Beneficiaries	-	-	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Liabilities	<u>\$ 68,057</u>	<u>\$ 91,219</u>	<u>\$ 68,057</u>	<u>\$ 91,219</u>
<b><u>OTHER AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 15,351	\$ 226,982	\$ 207,713	\$ 34,620
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Assets	<u>\$ 15,351</u>	<u>\$ 226,982</u>	<u>\$ 207,713</u>	<u>\$ 34,620</u>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	15,351	226,982	207,713	34,620
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Liabilities	<u>\$ 15,351</u>	<u>\$ 226,982</u>	<u>\$ 207,713</u>	<u>\$ 34,620</u>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011 - (Continued)**

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b><u>COMMUNITY CORRECTIONS GRANT FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 3,411	\$ 937,186	\$ 514,264	\$ 426,334
Accrued Interest	-	-	-	-
Other Receivables	40	-	40	-
Due from Other Funds	282,394	4,729	282,394	4,729
Due from Other Govts	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 285,845</u>	<u>\$ 941,915</u>	<u>\$ 796,698</u>	<u>\$ 431,062</u>

**Liabilities**

Accounts Payable	\$ 3,732	\$ 12,190	\$ 3,732	\$ 12,190
Due to Other Funds	8,984	28	8,984	28
Due to Other Govts	273,129	418,844	273,129	418,844
Due to Beneficiaries	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 285,845</u>	<u>\$ 431,062</u>	<u>\$ 285,845</u>	<u>\$ 431,062</u>

**DENTON CO. HOUSING FINANCE AUTHORITY**

**Assets**

Cash and Investments	\$ 664,119	\$ 849	\$ -	\$ 664,968
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 664,119</u>	<u>\$ 849</u>	<u>\$ -</u>	<u>\$ 664,968</u>

**Liabilities**

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	664,119	849	-	664,968
Due to Beneficiaries	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 664,119</u>	<u>\$ 849</u>	<u>\$ -</u>	<u>\$ 664,968</u>

**Denton County, Texas**  
**STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2011 - (Continued)**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 32,539,304	\$ 119,451,149	\$ 130,365,776	\$ 21,624,676
Accrued Interest	4,465	14	4,465	14
Other Receivables	17,367	173,784	17,367	173,784
Due from Other Funds	291,830	5,208	291,830	5,208
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u><u>\$ 32,852,966</u></u></b>	<b><u><u>\$ 119,630,154</u></u></b>	<b><u><u>\$ 130,679,438</u></u></b>	<b><u><u>\$ 21,803,682</u></u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 213,688	\$ 101,479	\$ 213,688	\$ 101,479
Due from Other Funds	293,360	6,331	293,360	6,331
Due to Other Govts	13,021,095	61,738,811	64,647,694	10,112,212
Due to Beneficiaries	19,324,823	55,902,003	63,643,167	11,583,659
<b>Total Liabilities</b>	<b><u><u>\$ 32,852,966</u></u></b>	<b><u><u>\$ 117,748,624</u></u></b>	<b><u><u>\$ 128,797,909</u></u></b>	<b><u><u>\$ 21,803,681</u></u></b>



## **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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	106
<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>	
<b>Revenue Capacity</b>	114
<p>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	119
<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>	
<b>Demographic and Economic Information</b>	124
<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>	
<b>Operating Information</b>	127
<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 Years<sup>1</sup>

(Accrual Basis of Accounting)

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental										
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	\$ 74,403,152
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	3,945,274
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)	(176,539,731)
Total Governmental										
Activities/Net Assets	\$ -	\$ 30,439,491	\$ 35,782,157	\$ 26,440,092	\$ 13,299,160	\$ (17,571,193)	\$ (30,929,504)	\$ (56,314,458)	\$ (70,208,505)	\$ (98,191,305)

<sup>1</sup>Ten 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 Years<sup>1</sup>  
(Accrual Basis of Accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
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	\$ 21,168,674
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	18,652,589
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	11,838,684
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	6,271,248
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	9,736,681
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	64,954,843
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	10,452,903
Conservation	-	340,075	328,000	331,562	366,525	388,464	382,928	402,165	403,151	389,137
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	3,138,482
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	57,727,274
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	21,610,150
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$130,952,572</b>	<b>\$129,122,278</b>	<b>\$ 143,666,044</b>	<b>\$ 173,022,748</b>	<b>\$ 189,822,385</b>	<b>\$ 187,217,297</b>	<b>\$ 210,223,502</b>	<b>\$ 207,476,482</b>	<b>\$ 225,940,665</b>

**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	\$ 6,456,968
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	8,396,361
Legal	-	289,158	305,188	273,141	317,082	272,495	249,847	214,541	205,698	174,607
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	2,830,176
Public Facilities	-	-	-	-	-	-	-	-	-	-

**Fiscal Year**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	3,487,747
Health & Welfare	-	434,294	529,622	535,586	521,971	530,757	499,755	545,316	554,314	578,712
Conservation	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	701,229	-	-	70,969	-
Road Maintenance	-	93,408	171,264	504,915	285,643	148,658	184,188	209,627	50,971	78,785
Interest on LT Debt	-	-	-	-	458,864	-	-	-	-	-
Operating Grants and Contributions	-	18,715,701	25,537,006	23,304,951	22,121,655	23,006,262	24,213,178	26,939,977	23,700,837	26,601,978
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	3,574,713
<b>Total Governmental Activities</b>										
Program Revenues	-	40,110,038	49,089,722	46,597,608	56,014,707	50,743,655	51,625,765	56,919,112	57,369,406	52,180,047
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)	\$ (173,760,618)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes	\$ -	\$ 75,787,467	\$ 83,435,160	\$ 92,736,399	\$ 98,184,935	\$ 102,971,687	\$ 116,604,155	\$ 126,731,978	\$ 135,631,477	\$ 145,198,935
Grants and Contributions										
Not Restricted to Specific Programs	-	1,179,946	-	-	304,543	458,864	-	-	-	-
Investment Earnings	-	982,048	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883
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	\$ 145,777,818
<b>Change in Net Assets</b>										
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)	\$ (27,982,800)

<sup>1</sup>Ten 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 Years<sup>1</sup>  
(Accrual Basis of Accounting)

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Fiscal Year	Property Tax	Mixed Beverage Tax <sup>2</sup>	Total
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
2011	145,198,935	1,301,024	146,499,959

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

<sup>2</sup>Mixed 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										\$ 169,201
Unspendable										26,104,123
Unassigned										-
Reserved	\$ 23,288	\$ 39,804	\$ 97,859	\$ 37,046	\$ 61,640	\$ 92,943	\$ 114,819	\$ 148,828	\$ 148,842	
Unreserved	<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	<u>\$ 5,037,472</u>	<u>\$ 5,261,024</u>	<u>\$ 9,148,815</u>	<u>\$ 14,123,451</u>	<u>\$ 19,862,476</u>	<u>\$ 28,498,398</u>	<u>\$ 28,034,694</u>	<u>\$ 28,069,517</u>	<u>\$ 27,725,551</u>	<u>\$ 26,273,324</u>
All Other Governmental Funds										
Restricted										\$192,582,386
Reserved	\$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>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	<u>\$38,940,284</u>	<u>\$30,173,021</u>	<u>\$26,547,641</u>	<u>\$62,663,964</u>	<u>\$37,400,218</u>	<u>\$104,099,856</u>	<u>\$ 99,424,467</u>	<u>\$ 149,367,015</u>	<u>\$ 242,581,186</u>	<u>\$192,582,386</u>

Denton County, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES</b>										
Taxes	\$ 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	\$ 145,542,071
Licenses and Permits	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	7,799,093
Intergovernmental	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	19,995,175
Fees of Office	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	14,157,361
Fines	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	3,261,993
Interest	1,885,944	981,863	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883
Miscellaneous	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	2,575,024
<b>TOTAL REVENUES</b>	<b>104,600,448</b>	<b>115,054,181</b>	<b>127,888,464</b>	<b>135,760,424</b>	<b>152,220,643</b>	<b>156,862,607</b>	<b>168,935,111</b>	<b>175,874,608</b>	<b>182,044,988</b>	<b>193,909,601</b>
<b>EXPENDITURES</b>										
General Government	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	\$ 20,146,877
Judicial	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	17,936,192
Legal	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	11,263,089
Financial	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	5,995,898
Public Facilities	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	7,558,632
Public Safety	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	60,822,280
Health & Welfare	6,062,458	7,153,262	7,689,045	8,295,745	7,716,209	8,246,526	8,800,056	8,979,763	10,485,601	10,085,558
Conservation	343,215	334,882	324,708	331,543	370,952	388,181	389,404	383,833	391,098	373,690
Contract Services	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	3,138,482
Roads	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	10,788,387
Intergovernmental	-	11,717,001	5,930,076	14,561,953	35,764,228	42,887,800	855,974	92,579	64,378	33,000
Capital Outlay	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	53,782,791

**Fiscal Year**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Debt Service:</b>										
Principal Retirement	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	18,880,000
Interest & Service Charge	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	22,890,901
<b>TOTAL EXPENDITURES</b>	<b>128,866,380</b>	<b>128,550,087</b>	<b>130,667,009</b>	<b>145,972,162</b>	<b>183,281,443</b>	<b>191,322,715</b>	<b>201,085,032</b>	<b>231,291,786</b>	<b>229,197,435</b>	<b>243,695,778</b>
Excess of Revenues over (under) expenditures	(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)	(49,786,178)
<b>OTHER FUNDING SOURCES (USES)</b>										
Issuance of Debt	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	15,905,000
Bond Premium	-	-	-	2,866,219	-	441,000	267,662	1,519,549	2,491,260	1,343,259
Sale of Surplus Property	-	-	-	-	-	-	353,757	-	-	240,320
Capital Lease Financing	1,458,048	670,677	119,956	599,842	62,879	399,668	2,489,407	-	533,878	228,693
Transfers In	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	4,081,508
Transfers Out	(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)	(6,331,508)
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)	(17,132,120)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,863,225</b>	<b>4,952,207</b>	<b>3,040,956</b>	<b>51,302,697</b>	<b>11,536,079</b>	<b>109,795,668</b>	<b>27,010,826</b>	<b>105,394,549</b>	<b>140,022,652</b>	<b>(1,664,847)</b>
<b>NET CHANGE IN FUND BALANCES</b>										
	<b>\$ (20,402,707)</b>	<b>\$ (8,543,699)</b>	<b>\$ 262,411</b>	<b>\$ 41,090,959</b>	<b>\$ (19,524,721)</b>	<b>\$ 75,335,560</b>	<b>\$ (5,139,095)</b>	<b>\$ 49,977,371</b>	<b>\$ 92,870,205</b>	<b>\$ (51,451,025)</b>

<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>										
	15.0%	14.1%	13.6%	13.9%	15.4%	9.7%	13.2%	13.9%	16.5%	18.4%

Denton County, Texas

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

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Fiscal Year	Property Tax	Mixed Beverage Tax <sup>1</sup>	Total
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
2011	145,542,071	1,301,024	146,843,095

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<sup>1</sup>Mixed 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	Property							
2002	18,563,905,276	3,020,670,675	3,006,131,739	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	3,134,101,277	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	3,224,862,043	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	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	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	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	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	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	12,825,800,942	4,477,889,643	5,088,997,965	53,946,001,329	0.24980	53,946,001,329	100.00%
2011	36,388,973,004	7,211,355,948	9,225,513,044	9,225,513,044	5,751,350,438	5,559,376,920	53,017,815,514	0.27390	53,017,815,514	100.00%

**Denton County, Texas**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**September 30, 2011**

<u>Taxpayer</u>	<u>2011</u>			<u>2002</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.	\$ 868,798,840	1	1.64%	\$225,293,580	1	0.85%
Quicksilver Resources, Inc.	158,256,166	2	0.30%	-		
Oncor Electric Delivery Co.	157,425,450	3	0.30%	121,225,190	3	0.46%
Verizon Southwest	132,855,360	4	0.25%	168,037,158	2	0.63%
Burlington Resources Oil & Gas	130,268,980	5	0.25%			
Bell Helicopter Textron	106,616,811	6	0.20%			
Encana Oil & Gas (USA)	104,286,960	7	0.20%			
Cardinal Health 411, Inc.	98,289,021	8	0.19%			
CoServ Electric Co-op	87,922,580	9	0.17%	48,607,549	9	0.18%
JW Operating Company	86,488,810	10	0.16%			
Albertson's Inc.				82,436,532	4	0.31%
J C Penney Co., Inc.				56,797,455	5	0.21%
Teachers Ins & Annuity Assn.				54,318,529	6	0.20%
Rayzor Ranch LP				51,934,686	7	0.20%
Frito Lay				50,390,750	8	0.19%
Wal-Mart Distribution Center				<u>46,627,899</u>	<u>10</u>	<u>0.18%</u>
	<u>\$ 1,931,208,978</u>		<u>3.64%</u>	<u>\$905,669,328</u>		<u>3.41%</u>

Note: 2011 Total Assessed valuation of \$53,017,815,514 per Denton Central Appraisal District.

2002 Total Assessed valuation of \$26,597,572,619 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)	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENTAL ENTITY</b>									
Denton County	100.00 %	0.24717	0.25480	0.24648	0.23192	0.23589	0.23577	0.24980	0.27390
<u>Cities</u>									
Argyle	100.00	0.39250	0.40324	0.40324	0.38592	0.38500	0.38500	0.38500	0.39750
Aubrey	100.00	0.55545	0.52624	0.52640	0.52624	0.56240	0.52624	0.60101	0.60101
Bartonville	100.00	0.17806	0.17944	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294
Carrollton	35.62	0.59930	0.59930	0.63288	0.63290	0.61788	0.61788	0.61787	0.61788
The Colony	100.00	0.72000	0.72000	0.72000	0.71500	0.69750	0.68800	0.68800	0.68550
Copper Canyon	100.00		0.17027		0.17027	0.19027	0.19027	0.30171	0.30171
Corinth	100.00	0.54975	0.56060	0.55698	0.55698	0.55698	0.57698	0.59292	0.59292
Dallas	0.83	0.69980	0.71970	0.74170	0.72920	0.74790	0.74790	0.74790	0.79700
Denton	100.00	0.59815	0.59815	0.60815	0.62652	0.66652	0.66652	0.66652	0.68975
Double Oak	100.00	0.22000	0.22000	0.22000	0.22000	0.22481	0.22481	0.22481	0.22481
Flower Mound	100.00	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970	0.44970
Frisco	11.64	0.43200	0.42296	0.44489		0.45000	0.45000	0.46500	0.46500
Hackberry	100.00	0.57996	0.51392	0.52298	0.52298	0.57984	0.57984	0.43235	0.47535
Hickory Creek	100.00	0.31939	0.34020	0.34020	0.34020	0.44562	0.44562	0.42429	0.42429
Highland Village	100.00		0.56963	0.56963	0.56963	0.56963	0.56963	0.56963	0.56963
Justin	100.00	0.42969	0.42969	0.42969	0.42969	0.49900	0.54921	0.54921	0.64261
Krugerville	100.00	0.23780	0.23780	0.23780	0.23780	0.26962	0.26962	0.35171	0.35171
Krum	100.00	0.23217	0.35137	0.49158	0.53983	0.58983	0.59983	0.63386	0.63386
Lake Dallas	100.00	0.57980	0.63185	0.64935	0.67000	0.69000	0.71000	0.71000	0.71000
Lakewood Village	100.00	0.25000	0.25000	0.25000	0.25000	0.25000	0.24500	0.25000	0.25000
Lewisville	99.92	0.45050	0.45050	0.45050	0.45679	0.44050	0.44021	0.44021	0.44021
Little Elm	100.00	0.35750	0.39902	0.39902	0.47000	0.53580	0.56996	0.63449	0.66530
Marshall Creek	100.00	0.60212	0.60212		0.68821	0.59876	0.00000	0.00000	0.00000
Northlake	100.00	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500
Oak Point	100.00	0.59900	0.58900	0.58900	0.57900	0.57900	0.57900	0.57326	0.57326
Pilot Point	100.00	0.46331	0.50000	0.50000	0.59000	0.59000	0.64000	0.68000	0.68000
Ponder	100.00	0.22949	0.22949	0.27782	0.31652	0.31652	0.33000	0.36064	0.36064
Roanoke	100.00	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512
Sanger	100.00	0.59260	0.57083		0.59046	0.59960	0.62000	0.62000	0.63305
Shady Shores	100.00	0.34000	0.33210	0.33212	0.33212	0.31990	0.31070	0.31372	0.31372
Trophy Club	100.00	0.37751	0.43051	0.43051	0.43051	0.43510	0.47000	0.47000	0.51500
<u>School Districts:</u>									
Argyle	100.00	1.82220	1.91950	1.91950	1.76943	1.41005	1.41005	1.41005	1.44005

	Percent								
	Applicable to								
	Denton County	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENTAL ENTITY</b>									
<b>School Districts</b>									
<u>(Continued)</u>									
Aubrey	100.00	1.8081	1.8388	1.8380	1.6666	1.3981	1.48560	1.50000	1.54000
Carrollton-F. Branch	20.48	1.7358	1.7824	1.8259	1.6830	1.3670	1.36230	1.34220	1.34690
Celina	4.67	1.7500	1.7800	1.7800	1.5190	1.5190	1.54000	1.54000	1.64000
Denton	100.00	1.8640	1.8640	1.7640	1.7640	1.4340	1.49000	1.53000	1.53000
Frisco	14.02	1.5575	1.6300	1.5800		1.3500	1.35000	1.39000	1.39000
Krum	99.16	1.6660	1.7250	1.7250	1.5955	1.3655	1.36550	1.44000	1.48000
Lake Dallas	100.00	1.7400	1.8600		1.7900	1.5200	1.65000	1.67000	1.67000
Lewisville	100.00	1.7700	1.7700	1.7700	1.6400	1.3700	1.38000	1.40870	1.42670
Little Elm	100.00	1.7300	1.8200	1.8400	1.7400	1.4600	1.53000	1.54000	1.54000
Northwest	71.46	1.8193	1.8193	1.6730	1.6650	1.3351	1.35500	1.35500	1.37500
Pilot Point	88.41	1.7755	1.7755	1.7442	1.6300	1.3000	1.39000	1.37000	1.37000
Ponder	100.00	1.7930	1.7600	1.5526	1.5526	1.2282	1.32212	1.30902	1.32489
Prosper	1.03	1.9515	1.9753					1.63000	1.63000
Sanger	100.00	1.6900	1.8000	1.7800	1.6500	1.3400	1.37000	1.36000	1.36000
Slidell	26.90	1.4821	1.7000	1.5293	1.3706	1.1300	1.16000	1.14000	1.14000
<u>Special Districts</u>									
Denton Co. Levy Imp							0.16500	0.16500	0.16350
Trophy Club MUD 1	46.68	0.2800	0.2800			0.2300	0.22500	0.19500	0.19500
Trophy Club MUD 2	100.00	0.3390	0.3490	0.3100	0.2990	0.2792	0.26423	0.00000	0.00000
Providence Village WCID							1.00000	1.00000	1.00000
Clear Creek Watersh	100.00	0.0118	0.0350			0.0652	0.06520	0.06120	0.06120
Corinth MUD #1	100.00	0.3100	0.3100	0.3100		0.3100	0.21000	0.15000	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	0.9500	0.9000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#1-C				0.54	0.9500	0.9000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#1-D				1.0000	0.9500	0.9000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#1-E				1.0000		0.9000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#10							1.00000	1.00000	1.00000
DC Fresh Water Supp.#8-A							1.00000	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. 117

(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		Collections in Subsequent Years	Total Collections to Date <sup>(1)</sup>	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 67,007,264	\$ 65,833,992	98.2%	\$ 1,102,048	\$ 66,936,040	99.9%
2003	74,597,046	73,502,543	98.5%	1,084,367	74,586,910	100.0%
2004	82,281,411	81,000,786	98.4%	1,195,027	82,195,813	99.9%
2005	92,218,626	90,828,110	98.5%	1,267,921	92,096,031	99.9%
2006	97,430,271	95,770,632	98.3%	1,531,767	97,302,399	99.9%
2007	102,382,937	100,548,087	98.2%	1,666,030	102,214,117	99.8%
2008	115,535,941	114,144,213	98.8%	1,174,347	115,318,560	99.8%
2009	125,564,650	124,349,930	99.0%	961,293	125,311,223	99.8%
2010	134,757,111	133,632,700	99.2%	572,168	134,204,868	99.6%
2011	145,151,042	144,186,320	99.3%	-	144,186,320	99.3%

(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 Income<sup>1</sup></u>	<u>Per Capita<sup>2</sup></u>	<u>Population</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
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
2011	477,705,000	956,645	478,661,645	2.30%	722.38	662,614

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

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 124 for personal income and population data .

**Denton County, Texas**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>	<b>Population (¹)</b>
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
2011	477,705,000	3,776,073	473,928,927	0.89	715.24	662,614

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

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 114 for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 124.



**Denton County, Texas**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**September 30, 2011**

	Net Bonded Debt at September 30, 2011	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<b><u>DIRECT DEBT</u></b>			
Denton County	\$ 477,705,000	100.00%	\$ <u>477,705,000</u>
<b><u>OVERLAPPING DEBT</u></b>			
<b><u>Cities:</u></b>			
Argyle	6,290,000	100.00	6,290,000
Aubrey	6,284,952	100.00	6,284,952
Bartonville	940,000	100.00	940,000
Carrollton	176,255,438	50.53	89,061,873
The Colony	97,590,000	100.00	97,590,000
Copper Canyon	2,000,000	100.00	2,000,000
Corinth	25,886,822	100.00	25,886,822
Dallas	1,798,332,086	0.97	17,443,821
Denton	116,432,069	100.00	116,432,069
Flower Mound	120,905,000	100.00	120,905,000
Frisco	344,165,000	36.00	123,899,400
Hackberry	150,000	100.00	150,000
Hickory Creek	6,665,000	100.00	6,665,000
Highland Village	20,670,730	100.00	20,670,730
Justin	4,922,066	100.00	4,922,066
Krugerville	318,550	100.00	318,550
Krum	6,482,167	100.00	6,482,167
Lake Dallas	5,794,222	100.00	5,794,222
Lewisville	56,964,764	99.17	56,491,956
Little Elm	36,900,000	100.00	36,900,000
Northlake	2,020,000	100.00	2,020,000
Oak Point	600,000	100.00	600,000
Pilot Point	5,277,434	100.00	5,277,434
Ponder	3,330,000	100.00	3,330,000
Roanoke	27,237,841	100.00	27,237,841
Sanger	12,885,000	100.00	12,885,000
Trophy Club	11,221,000	91.61	10,279,558

Notes:

(1) Source: Municipal Advisory Council of Texas

	Net Bonded Debt at September 30, 2011	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<b>School Districts:</b>			
Argyle	54,201,664	100.00	54,201,664
Aubrey	52,912,750	100.00	52,912,750
Carrollton-			
Farmers Branch	323,160,000	19.12	61,788,192
Celina	108,294,493	6.30	6,822,553
Denton	581,803,085	100.00	581,803,085
Frisco	1,247,258,098	27.17	338,880,025
Krum	47,066,507	99.61	46,882,948
Lake Dallas	96,106,458	100.00	96,106,458
Lewisville	992,000,824	100.00	992,000,824
Little Elm	128,031,591	100.00	128,031,591
Northwest	595,496,474	44.12	262,733,044
Pilot Point	18,735,325	78.88	14,778,424
Ponder	30,505,000	100.00	30,505,000
Prosper	232,371,753	7.84	18,217,945
Sanger	27,589,696	100.00	27,589,696
Slidell	2,165,000	23.97	518,951
<b>Special Districts:</b>			
Trophy Club M.U.D.#1	8,755,931	71.13	6,228,094
Denton Co. RUD #1	8,590,000	99.28	8,528,152
DC Fresh Water Supp #1	83,625,000	100.00	83,625,000
DC Fresh Water Supp #1-B	14,077,500	97.94	13,787,504
DC Fresh Water Supp #1-D	25,194,785	100.00	25,194,785
DC Fresh Water Supp #1-E	23,151,689	100.00	23,151,689
DC Fresh Wtr Supp #11-A	16,137,468	100.00	16,137,468
DC Fresh Wtr Supp #6	57,549,361	100.00	57,549,361
DC Fresh Wtr Supp #7	2,652,952	100.00	2,652,952
DC Fresh Wtr Supp #8-B	12,773,057	100.00	12,773,057
DC Fresh Wtr Supp #10	30,537,436	100.00	30,537,436
<b>TOTAL OVERLAPPING DEBT</b>			<u><b>\$3,800,697,109</b></u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u><b>\$4,278,402,109</b></u></u>

**Denton County, Texas**

**LEGAL DEBT MARGIN INFORMATION**

**Last Ten Fiscal Years**

(Amounts Expressed in Thousands)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$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	\$11,816,616
Total Net Debt Applicable to	134,979	133,816	129,568	168,697	172,799	271,797	283,559	371,433	493,273	473,929
Legal Debt Margin	\$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	\$11,342,687
Total Net Debt Applicable to the Limit as a Percentage of Debt	2.22%	1.95%	1.69%	2.04%	1.95%	2.73%	2.32%	3.11%	3.99%	4.01%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed Value of Real Property	\$ 47,266,465
Debt Limit (25% of Total Real Property Value)	11,816,616
Debt Applicable to Limit	
General Obligations Bonds	477,705
Less: Amount Set Aside for Repayment of General Obligation Debt	(3,776)
Total Net Debt Application to Limit	473,929
Legal Debt Margin	\$ 11,342,687

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 <sup>1</sup>	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education		School Enrollment <sup>1</sup>	Unemployment Rate <sup>2</sup>
					Level in Years of Formal Schooling <sup>1</sup>	Formal Schooling <sup>1</sup>		
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	33.0	16.6	186,013	-	7.7%
2010	637,750	20,053,411	31,444	-	-	-	-	7.1%
2011	662,614	20,851,800	31,469	32.3	-	-	-	7.8%

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>2002</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	1.07%	6,995	1	1.47%
Lewisville ISD	4,500	2	0.68%			
Frito Lay	2,436	3	0.37%			
American Airlines	2,350	4	0.35%			
Texas Women's University	2,200	5	0.33%	900	8	0.19%
Denton Ind. School District	2,000	6	0.30%	2,000	2	0.42%
Horizon Health	1,500	7	0.23%			
Denton State School	1,473	8	0.22%	1,380	4	0.29%
Xerox Corporation	1,400	9	0.21%			
Denton County	1,400	10	0.21%	1,225	5	0.26%
Boeing Electronics				1,700	3	0.36%
Peterbilt Motors				1,200	7	0.25%
City of Denton				1,200	6	0.25%
Denton Regional Medical Center				850	9	0.18%
FEMA				750	10	0.16%
	<u>26,359</u>		<u>3.98%</u>	<u>17,450</u>		<u>3.83%</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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	152.5	154.5	158.0	159.5	164.0	168.5	166.0	168.0	167.0	169.5
Judicial	121.5	122.5	122.5	124.0	123.0	126.5	133.0	133.5	135.5	140.0
Legal	115.5	117.0	116.0	118.0	118.0	116.0	117.0	119.0	118.5	119.5
Financial	74.5	76.5	80.0	80.5	80.5	81.5	86.5	87.5	88.5	88.0
Public Facilities	27.5	27.5	29.5	30.5	30.5	30.0	30.0	32.0	31.0	31.0
Public Safety	625.0	628.0	686.5	710.0	712.0	758.0	767.0	796.0	808.0	811.0
Health & Welfare	49.0	51.5	58.0	53.0	70.5	74.5	54.5	55.0	57.0	49.0
Conservation	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Roads	82.0	82.0	80.5	80.5	81.0	74.5	80.0	81.0	80.0	80.0
<b>Total</b>	<b>1,256.5</b>	<b>1,268.5</b>	<b>1,340.0</b>	<b>1,365.0</b>	<b>1,388.5</b>	<b>1,438.5</b>	<b>1,443.0</b>	<b>1,481.0</b>	<b>1,494.5</b>	<b>1,497.0</b>

Source: Denton County Budget Office



Criminal Cases Filed	31,242	30,967	37,193	36,097	34,510	25,950	25,467	24,516	21,163	-
Legal										
Criminal District Attorney										
Misdemeanor Cases Under Indictment	6,889	6,716								
Cases Filed			9,382	9,326	11,359	11,727	11,034	12,897	13,000	-
Total Jury Trials		227	237	224	200	153	190	204	-	186
Financial										
County Auditor										
Accounts Payable Checks Processed	19,654	20,118	18,134	17,000	17,000	17,000	19,200	40,000	42,000	16,383
County Treasurer										
Payroll Checks Processed	35,102	36,992	36,371	38,611	38,732	39,000	39,500	44,223	46,000	42,000
Tax Assessor/Collector										
County Tax Accounts	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	385,962	400,781	416,726	448,147	474,564	474,561	498,440	519,102	520,000	504,295
Budget Department										
Budget Amendments Processed	253	257	248	234	251	239	265	275	70	518
Public Safety										
County Jail										
Average Daily Jail Population	725	770	897	897	1,019	1,103	1,100	1,140	1,190	1,190
Prisoners Booked								14,900	15,100	13,800
Sheriff										
E-911 Calls Received	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	18,472	26,910	20,126	19,799	14,939	17,950	16,930	22,092	24,000	16,000
Primary Health Care Visits	5,370	7,574	8,226	8,883	7,714	8,987	10,468	10,802	11,000	-
Roads										
Work Orders Completed	1,017	-	730	472	332	709	480	564	360	-
Miles of Roads Overlayed	15	-	14	23	10	14	18	21	15	15
Miles of Roads Constructed										5

Source: Denton County Budget Office

## Denton County, Texas

### CAPITAL ASSET STATISTICS BY FUNCTION

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Number of Buildings							8	8	9	9
Judicial										
Number of Buildings							3	3	3	3
Financial										
Number of Buildings							1	1	1	1
Public Safety										
Number of Buildings							7	7	7	7
Number of Jail Beds							1,400	1,496	1,600	1,600
Juvenile Detention Beds							102	102	102	102
Number of Sheriff Vehicles							200	200	200	210
Health and Welfare										
Number of Buildings							2	2	3	2
Roads										
Number of Buildings							3	3	3	3
Miles of Road							612	612	625	617
Number of Bridges							62	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 2011 Annual Audit -**

Denton County's combined financial statements for 2011 which present the County's various fund types 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 2011 annual audit.

### **Overview of Grant Audit Requirements -**

The scope of the County's fiscal year 2011 grant audit includes the requirements of the Office of Management and Budget's Circular A-133. This document establishes audit requirements for state and local governments and Indian tribe governments that receive federal assistance. It provides for independent audits of financial operations, including compliance with certain provisions of federal laws and regulations. The requirements are established to ensure that audits are made on an organization-wide basis, rather than on a grant-by-grant basis. Such audits are to determine whether:

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

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

### **Purpose and Contents of This Report -**

This report was prepared to provide grantor agencies with certain financial information which they need to properly administer funds granted to the County. Financial schedules included herein present the County's grant revenues, expenditures and amounts due to/from funding sources in accordance with generally accepted accounting principles for state and local

government units. However, this report does not present the financial position of the County. Individual grants presented in this report are those which were considered by the auditors in performing their audit tests in conformity with OMB Circular A-133.

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

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

**Overview of Grant Financial Information -**

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

Prior year revenue and expenditures amounts are not covered by the fiscal year 2011 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, 2011**

**(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 2011 totaled approximately \$2,143,250

**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 EXPENDITURE OF FEDERAL AWARDS**  
**For the Fiscal Year Ended September 30, 2011**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Program or Award Amount</b>
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- 2012 Investigations and Technical Asst.	93.069	2012-038705-001	\$ 465,174
Center for Disease Control and Prevention- 2011 Investigations and Technical Asst.	93.069	2010-035370-001	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- 2010 Discretionary Funds Grant	93.283	2010-035045	146,614
Center for Disease Control and Prevention- 2012 Medical Assistance Program	93.283	2011-038529-001	121,013
2011 Medical Assistance Program	93.283	2010-035413-001	161,126
2010 Medical Assistance Program	93.283	2010-028073	138,815
2011 Federal TB Prevention Grant	93.283	2011-037501	80,170
2010 Federal TB Prevention Grant	93.283	2010-034507-001	74,502
2010 Community Preparedness Grant	93.283	2010-033320	2,012,345
2012 Immunization Program Grant	93.268	2012-039515-001	280,147
2011 Immunization Program Grant	93.268	2011-035923	280,147
2011 Emergency Response Grant	93.069	2011-037436	330,721
U. S. Department of Agriculture Passed through the Texas Department of State Health Services			
2011 Special Supplement Food Program for Women, Infants and Children	10.557	2011-037172	2,078,984
2010 Special Supplement Food Program for Women, Infants and Children	10.557	2010-033294-001	<u>2,134,330</u>
Total Texas Department of State Health Services			<u>9,412,258</u>

<u>Balance *</u> <u>October 1,</u> <u>2010</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>2011</u>
\$ -	\$ -	\$ 61,991	\$ 61,991
53,886	519,313	465,427	-
7,960	7,960	-	-
46,084	142,984	96,900	-
-	-	-	-
-	134,435	134,435	-
48,814	48,814	-	-
-	25,528	42,300	16,772
9,348	36,457	27,109	-
13,440	13,440	-	-
-	-	30,878	30,878
30,855	280,147	249,292	-
-	258,712	258,712	-
-	1,776,643	2,213,358	436,715
<u>466,582</u>	<u>466,582</u>	<u>-</u>	<u>-</u>
<u>676,969</u>	<u>3,711,015</u>	<u>3,580,402</u>	<u>546,356</u>

**Denton County, Texas**

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2011**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Program or Award Amount</b>
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Family and Protective Services:			
2011 CPS IV-E Legal Services Grant	93.658	2010-033424	167,448
2011 Foster Care Title IV-E Grant	93.658	-	13,706
2010 Foster Care Title IV-E Grant	93.658	-	<u>49,099</u>
Total Texas Department of Family and Protective Services			<u>230,253</u>
U.S. Dept. of Agriculture Passed through the Texas Department of Agriculture			
2011 National School Lunch Program Grant	10.555	-	<u>97,860</u>
Total Texas Department of Agriculture			<u>97,860</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>82,952</u>
U.S. Department of Justice Passed through the Office of the Governor - Criminal Justice Division:			
Prosecution Enhancement Grant-14	16.588	WF-10-V30-13432-13	40,000
Prosecution Enhancement Grant-13	16.588	WF-10-V30-13432-12	40,000
Victim Notification Grant-11	16.576	1120740	30,710
Family Violence Expansion Grant-14	16.588	WF-10-V30-13433-13	80,000
Family Violence Expansion Grant-13	16.588	WF-10-V30-13433-12	<u>80,000</u>

<b>Balance *</b> <b>October 1,</b> <b>2010</b>	<b>Receipts</b> <b>or Revenue</b> <b>Recognized</b>	<b>Disbursements/</b> <b>Expenditures</b>	<b>Balance *</b> <b>September 30,</b> <b>2011</b>
-	167,448	167,448	-
-	13,706	13,706	-
<u>15,486</u>	<u>15,486</u>	<u>-</u>	<u>-</u>
<u>15,486</u>	<u>196,640</u>	<u>181,154</u>	<u>-</u>
<u>-</u>	<u>97,860</u>	<u>97,860</u>	<u>-</u>
<u>-</u>	<u>97,860</u>	<u>97,860</u>	<u>-</u>
<u>-</u>	<u>82,952</u>	<u>82,952</u>	<u>-</u>
-	40,000	40,000	-
2,575	2,575	-	-
-	30,710	30,710	-
-	80,000	80,000	-
<u>5,359</u>	<u>5,359</u>	<u>-</u>	<u>-</u>

**Denton County, Texas**

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2011**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Program or Award Amount</b>
Total Office of the Governor - Criminal Justice Division			<u>270,710</u>
Federal Department of Homeland Security Passed Through the Texas Department of Public Safety:			
2011 Disaster Relief Grant	97.036	-	<u>3,795</u>
Total Federal Dept. of Homeland Security			<u>3,795</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>218,346</u>
Total Texas Juvenile Probation Commission			<u>218,346</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:			

<b>Balance *</b> <b>October 1,</b> <b>2010</b>	<b>Receipts</b> <b>or Revenue</b> <b>Recognized</b>	<b>Disbursements/</b> <b>Expenditures</b>	<b>Balance *</b> <b>September 30,</b> <b>2011</b>
<u>7,934</u>	<u>158,644</u>	<u>150,710</u>	<u>-</u>
<u>-</u>	<u>3,795</u>	<u>3,795</u>	<u>-</u>
<u>-</u>	<u>3,795</u>	<u>3,795</u>	<u>-</u>
<u>-</u>	<u>218,346</u>	<u>218,346</u>	<u>-</u>
<u>-</u>	<u>218,346</u>	<u>218,346</u>	<u>-</u>
22,000	-	44,755	66,755
101,157	502,968	401,811	-
10,471	10,471	-	-
<u>133,628</u>	<u>513,439</u>	<u>446,566</u>	<u>66,755</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**For the Fiscal Year Ended September 30, 2011**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Program or Award Amount</b>
State Criminal Alien Assistance Grant 2011	16.606	2010-AP-BX-0261	354,020
Juvenile Accountability Incentive Block Grt-11	16.523	JB-08-J20-13373-11	26,484
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
2010 Edward Byrne Justice Assistance Grant	16.580	2010-DJ-BX-1387	72,640
2009 Edward Byrne Justice Assistance Grant	16.580	2009-DJ-BX-1387	<u>77,524</u>
 Total Department of Justice			<u>1,158,580</u>
 National Highway Traffic Safety Administration			
Passed through the Dept of Transportation:			
2011 STEP SPEED Grant	20.600	2010-DentonCo-S-MYG	24,258
2010 STEP SPEED Grant	20.600	2010-DentonCo-S-MYG	<u>38,105</u>
 Total Natl Highway Traffic Safety Admin.			<u>62,363</u>
 U.S. Elections Assistance Commission:			
Passed Through the Texas Secretary of State:			
2003 Help America Vote Act Grant	39.011		<u>328,767</u>
 Total Federal Assistance			<u>\$ 13,270,233</u>

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

<b>Balance *</b> <b>October 1,</b> <b>2010</b>	<b>Receipts</b> <b>or Revenue</b> <b>Recognized</b>	<b>Disbursements/</b> <b>Expenditures</b>	<b>Balance *</b> <b>September 30,</b> <b>2011</b>
-	354,020	354,020	-
4,687	4,687	-	-
185,562	257,142	106,222	34,642
69,949	69,949	-	-
-	13,056	70,903	57,847
-	25,464	25,464	-
<u>260,198</u>	<u>724,318</u>	<u>556,609</u>	<u>92,489</u>
-	24,258	24,258	-
<u>11,492</u>	<u>11,492</u>	<u>-</u>	<u>-</u>
<u>11,492</u>	<u>35,750</u>	<u>24,258</u>	<u>-</u>
-	-	328,767	328,767
<u>\$ 1,105,707</u>	<u>\$ 5,742,759</u>	<u>\$ 5,671,419</u>	<u>\$ 1,034,367</u>

**Denton County, Texas**

**SCHEDULE OF EXPENDITURE OF STATE AWARDS  
For the Fiscal Year Ended September 30, 2011**

<b>State Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Program or Award Amount</b>
Texas Department of State Health Services:			
2012 Primary Health Care Grant		2012-039389	\$ 125,108
2011 Primary Health Care Grant		2011-036897	198,726
2012 Tuberculosis Services Grant		2012-039045	102,087
2011 Tuberculosis Services Grant		2011-035290	106,256
2010 Tuberculosis Services Grant		2010-032861	102,968
2011 Chronic Disease Prevention Grant		2011-035581	40,000
2010 Chronic Disease Prevention Grant		2010-034655	40,000
2012 OPHP Local Public Health System Grant		2012-039506-001	48,798
2011 OPHP Local Public Health System Grant		2011-035565-001	60,244
Total Texas Dept. of State Health Services			824,187
Texas Commission on Environmental Quality:			
2011 Regional High Emitting Vehicle Asst. Grant		Denton 2011	2,100,158
Regional High Emitting Vehicle Asst. Grant		Denton 2006	4,162,028
Total Texas Comm on Environ. Quality			6,262,186
Texas Task Force on Indigent Defense:			
Indigent Defense Formula Grant		Denton 2011	323,414
Total State Assistance			\$ 7,409,787

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

<b>Balance *</b> <b>October 1,</b> <b><u>2010</u></b>	<b>Receipts</b> <b>or Revenue</b> <b><u>Recognized</u></b>	<b>Disbursements/</b> <b><u>Expenditures</u></b>	<b>Balance *</b> <b>September 30,</b> <b><u>2011</u></b>
\$ -	\$ -	\$ 4,011	\$ 4,011
-	198,717	198,717	-
-	-	13,672	13,672
-	106,256	106,256	-
8,338	8,338	-	-
-	31,046	39,797	8,751
11,494	11,494	-	-
-	-	7,878	7,878
-	60,244	60,244	-
<u>19,832</u>	<u>416,095</u>	<u>430,575</u>	<u>34,312</u>
	2,100,158	2,100,158	-
<u>30,541</u>	<u>-</u>	<u>(30,541)</u>	<u>-</u>
<u>30,541</u>	<u>2,100,158</u>	<u>2,069,617</u>	<u>-</u>
<u>-</u>	<u>323,414</u>	<u>323,414</u>	<u>-</u>
<u>\$ 50,373</u>	<u>\$ 2,839,667</u>	<u>\$ 2,823,606</u>	<u>\$ 34,312</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 Denton County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the State of Texas Uniform Grants Management Standards that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2011. Denton County Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Denton County Texas' management. Our responsibility is to express an opinion on Denton County Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, 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 Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Denton County Texas' compliance with those requirements.

In our opinion, Denton County Texas, complied, in all material respects, with the compliance 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, 2011.

## Internal Control Over Compliance

Management of Denton County, Texas, 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 Texas' 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 and the State of Texas Uniform Grant Management Standards, 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, 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 27, 2012

**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 Denton County, Texas, as of and for the year ended September 30, 2011, which collectively comprise Denton County, Texas' basic financial statements and have issued our report thereon dated March 27, 2012. 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 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 27, 2012

**DENTON COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**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 and State 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
#16.606	State Criminal Alien Assistance Grant
#16.803	Justice Assistance Grant - ARRA
#39.011	Help America Vote Grant
#93.658	Foster Care - Title IV-E
State	Regional High Emitting Vehicles Assistance Grant
State	Indigent Defense Formula 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? Yes

Auditee qualified as low-risk auditee for state single audit? Yes

**Findings Related 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, 2011**

None

