

DENTON COUNTY, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2013



DENTON COUNTY AUDITOR

DENTON COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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



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

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DENTON COUNTY AUDITOR

March 27, 2014

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, 2013.

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, 2013 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 unmodified opinion that Denton County's financial statements for the fiscal year ended September 30, 2013 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 it 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 694,050 according to the most recent estimates of the North Central Texas Council of Governments. The County of Denton is empowered to levy a property tax on both real and personal property located within its boundaries.

Policy-making authority is vested in the Commissioners Court, consisting of the County Judge and four County Commissioners. The Commissioners Court is responsible, among other things, for adopting the budget and for setting 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 approximately 694,050 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 60% since the 2000 census and by nearly 120% since the 1990 census. During the same period, the County's tax base has grown from \$10 billion in 1990 to over \$56 billion in 2013.

As with the nation as a whole, job cutbacks were felt in Denton County in both manufacturing and service industries. Our September, 2013, unemployment rate of 5.4% does compare favorably with the 6.3% statewide rate, and with the 7.2% national rate. During the 2013 year, the County had over \$1.35 billion in new property added to the tax rolls. This is a 22% increase in new construction in the County compared to the previous year, but it is considerably less than prior years. Also, in 2013, approximately 5,000 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. New housing 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 completed. 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 nine 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. The continuing high inflation in health care costs, and County's implementation of Government Accounting Standards Board Statement 45 have created added emphasis on the cost of Other Post-Employment Benefits (OPEB) in connection with the County's employee health insurance program. Efforts to more clearly understand the impact of these future costs have centered on more in-depth analysis of the county's policies regarding eligibility for OPEB and the levels of OPEB granted for employees' service to the County. Hopefully, fine tuning of these policies will result in the preservation of employee benefits and in reductions in future costs to the county.

Major Initiatives. Continued implementation of the facilities and transportation improvements identified in the Capital Improvement Plan was the major priority of County management in 2013. Using funding from the 2009 and 2010 Permanent Improvement Bond issues, the County completed construction of Phase II of a multi-step plan to develop a new administrative complex on property in Denton owned by the County. Construction on the three buildings included in Phase II of the Administrative Complex was completed by early in the 2013 fiscal year. Construction was begun on the County's law enforcement center and juvenile detention center, and completion of these projects is expected in 2014. 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 2010 and 2012 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 2014 fiscal year.

AWARDS AND ACKNOWLEDGMENTS

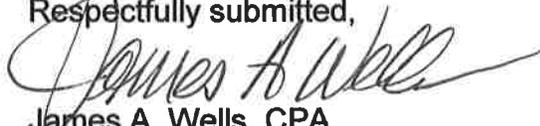
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Denton County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2012. This was the twenty-second consecutive year that the government 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, 2012. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including serving as a policy document, a financial plan, an operations guide, and as 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

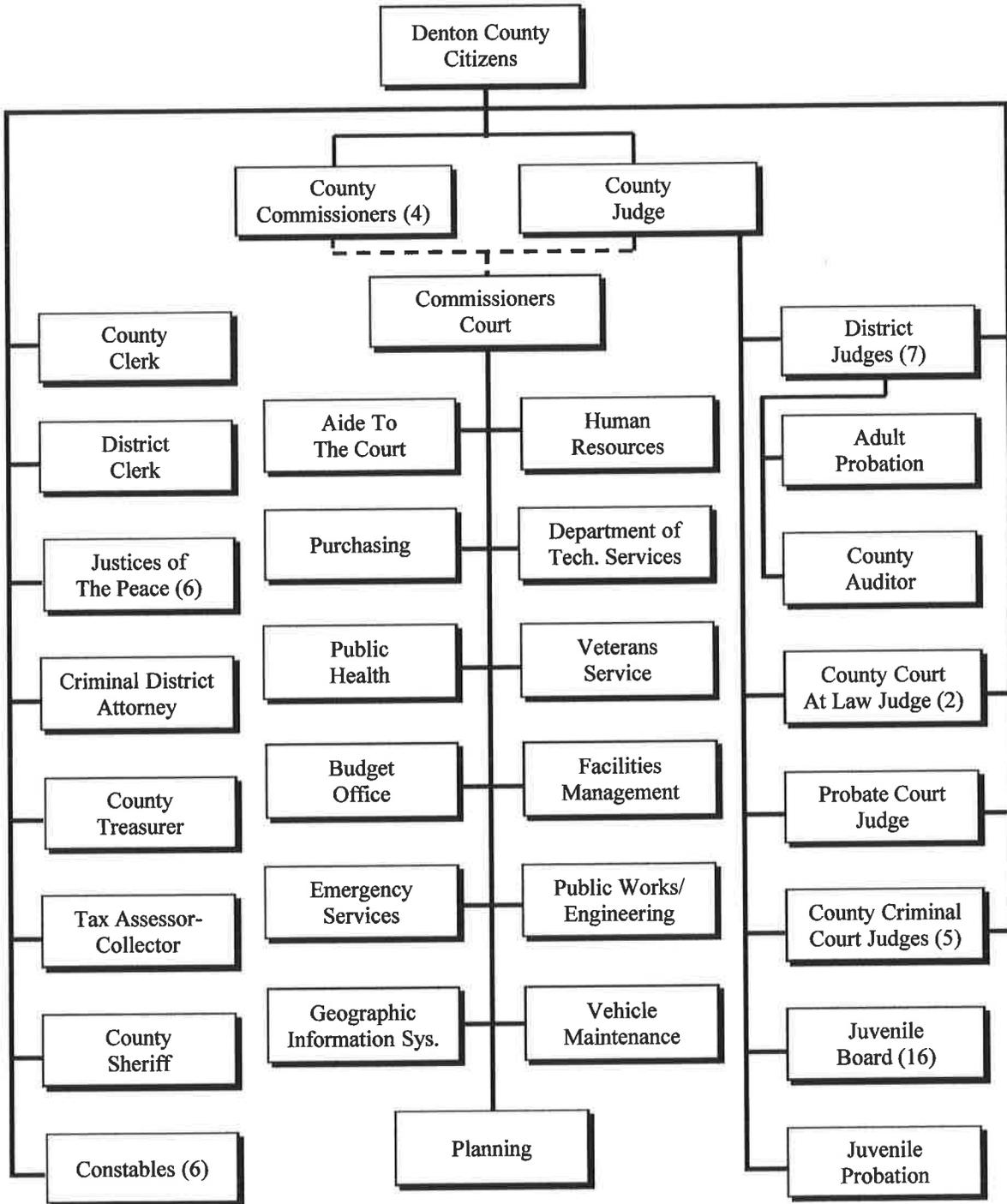
**Denton County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

DENTON COUNTY ORGANIZATIONAL CHART



DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2013

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

Sherry Shipman	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

William B. Travis	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
Michelle French	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.
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INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the Denton County, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Funding Progress for the employees' retirement system and other post-employment benefit plans on pages 4–15 and 60 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denton County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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, Non-Profit Organizations, and the State of Texas Uniform Grant Management Standards*, and is also not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014, on our consideration of the Denton County, Texas' 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* in considering Denton County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
March 27, 2014

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, 2013. 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 and deferred outflows, at the close of the most recent fiscal year by \$(126,616,537) (*net position*). Of this amount \$17,229,999 is restricted for specific purposes. Unrestricted net position is \$(318,822,424).
- As of the close of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$287,380,203, an increase of \$15,028,132 in comparison with the prior year. Of this total amount, \$33,575,223 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 \$33,590,723 or 28.30 percent of the total general fund expenditures.
- Denton County's total bonded debt increased by \$42,330,000 (7.64 percent) during the current fiscal year. The key factors in this increase are that the County issued \$109,795,000 in new bonded debt in 2013 while over \$17 million in previously issued debt was retired during the year. \$49,725,000 in previously issued bonds was refinanced at lower interest rates to save the County almost \$4,800,000 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 position presents information on all of Denton County's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 16-17 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 38 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 2009 Permanent Improvement Bond Fund, the 2010 PI Bond Project Fund, 2012 PI Bond Fund, and the 2013 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 18-24 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 to 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 25-27 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 28 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 29-59 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* and combining and individual fund statements for the Debt Service Fund and the Special Revenue Funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Denton County, liabilities exceeded assets and deferred outflows of resources by \$126,616,537 at the close of the most recent fiscal year.

The largest portion of Denton County's net position 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 position. 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 Position

The County's net position for the fiscal years ended September 30, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 320,067,266	\$ 302,731,359
Capital assets (net of depreciation)	<u>228,690,114</u>	<u>205,191,799</u>
Total assets	<u>548,757,380</u>	<u>507,923,158</u>
Current and other liabilities	23,377,055	19,865,604
Long-term liabilities	<u>651,996,862</u>	<u>601,307,586</u>
Total Liabilities	<u>675,373,917</u>	<u>621,173,190</u>
Net position:		
Net investment in capital assets	174,975,888	151,726,144
Restricted	17,229,999	16,398,831
Unrestricted	<u>(318,822,424)</u>	<u>(281,375,007)</u>
Total net position	<u>\$ (126,616,537)</u>	<u>\$ (113,250,032)</u>

About 3.14% 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 position decreased by \$7.4 million, excluding a prior period adjustment during the current fiscal year. Key components of this decrease include the following:

- Unrestricted net position decreased by nearly \$25.3 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 position during 2013.
- An increase in net position in the internal service fund of \$4.49 million due to increased plan premiums and a decrease in overall claims paid in 2013.
- A reporting requirement for debt in government-wide statements is that the principal debt payments of \$17,740,000 are expenditures in the traditional fund statements and a reduction of debt (which increases net position) in the government-wide financial statements.

- Investments increased by \$20.1 million primarily due to the issuance of over \$70 million in new bonded debt, and to the expenditure of \$54 million of proceeds from previously issued permanent improvement bonds.
- Net position was also decreased by \$5.97 million due to required adjustment to ending position in FY 2012. This was necessary due to a reporting error in the county's criminal justice computer system.

Governmental activities. Governmental activities, which are the County's only activities, decreased Denton County's net position by \$7,391,400. Key elements of this decrease are as follows:

	<u>2013</u>	<u>2012</u>
Revenues:		
Net Program Revenues:		
Charges for services	\$ 24,126,115	\$ 23,412,290
Operating grants and contributions	26,912,531	25,669,604
Capital grants and contributions	673,691	820,766
General Revenues:		
Property taxes	155,505,737	149,738,540
Unrestricted investment earnings	536,010	584,091
Total revenues	<u>207,754,084</u>	<u>200,225,291</u>
Expenses:		
General government	20,755,105	21,506,924
Judicial	20,043,132	19,717,321
Legal	12,414,856	12,186,816
Financial management	6,586,692	6,499,141
Public Facilities	10,907,349	10,263,736
Public Safety	70,230,759	67,781,949
Health and welfare	9,333,897	10,814,737
Conservation	357,272	366,965
Contractual	3,079,664	3,016,238
Roads Maintenance	38,433,544	39,807,090
Interest on long-term debt	23,003,214	23,323,098
Total expenses	<u>215,145,484</u>	<u>215,284,015</u>
Changes in net position	(7,391,400)	(15,058,724)
Net position - beginning	<u>(113,250,029)</u>	<u>(98,191,305)</u>
Prior Period Adjustment	<u>(5,975,108)</u>	
Net position - ending	<u>\$ (126,616,537)</u>	<u>\$ (113,250,029)</u>

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

- Property tax revenues increased by \$5.67 million (3.7%) during the year. This increase is the result of increases to the tax base that totaled \$1.3 billion and a 1.15% increase in the effective tax rate. Taxes were increased to fund salary and benefit increases for county employees and for increased debt service.
- Both charges for services and grants and contributions increased by significant amounts as the county's increased population and stronger economy resulted in an increased demand for county services.
- Total expenses were almost unchanged year. Increases in spending in the judiciary system and in public safety due were offset by declines in government, health and road maintenance expenses. The county continues to increase efficiency of service provision to offset increases in mandated costs such as in the criminal justice system. Also, 2013 was the fifth 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 \$9.35 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 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, *unassigned 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 \$287,380,203, an increase of \$15.0 million in comparison with the prior year. Approximately 12.4 percent of this total amount (\$33.58 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 \$253,683,080 and non-spendable fund balance of \$121,900*. 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 \$33,590,723, while total fund balance was \$33,712,622. 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 28.78% of total general fund expenditures, and total fund balance represents 28.88% of that same amount.

The fund balance of Denton County's general fund increased by \$4.5 million during the current fiscal year, even though \$4.1 million was transferred to other governmental funds. Key factors that enabled the County to increase the level of fund balance are as follows:

- Total revenues from taxes increased over the prior year by \$5.6 million. Taxes increased due a slight increase in the tax rate, and because of an increase in taxable property. Fees and licenses and permits also increased by \$2.5 million as demand for services continued to increase and a new County Clerk Records Archive fee was in effect for its first full year.
- Expenditures in the General Fund increased by \$2.2 million (1.8%) over prior year totals. Spending has increased only slowly in the recent past. County management continued to hold the line on spending but did grant employee raises averaging 2.5%. Only 8 new employees were funded in the 2013 adopted budget.
- Fund balances in capital projects funds remained stable as spending from debt proceeds was offset by the County's issuance of \$55 million in new debt during the year. Numerous road and building construction projects that were initiated in prior years continued, and several new projects were begun.

The debt service fund has a total fund balance of \$2,870,387 all of which will be used 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 \$1,343,000 increase in appropriations), and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances (\$533,000), and,
- The appropriation of funds received during the budget year from grant programs (\$800,000)

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

- Property tax revenue exceeded budget by 2.0% (\$1.9 million) due to higher than expected collection rates and to increased penalties and interest on collections of delinquent taxes.
- Licenses, intergovernmental revenue, and fees of office exceeded budgeted amounts by between 8% and 16% due to increases in vehicle sales, mixed beverage taxes, grant programs and communications contract fees, and an increase in demand for services.
- Due to interest rates that remained at historic lows throughout the year, investment income was under budget almost 50%.
- Total general fund expenditures were 95.1% 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 General Governmental areas of the budget. Salary, operational expenditures, and insurance savings offset increased expenditures for employee health insurance, prisoner related expenses, and court related expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Denton County's investment in capital assets for its governmental activities as of September 30, 2013 totals almost \$229,000,000 (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 \$24 million, financed by road bonds.
- A project to construct a road and bridge service center in Commissioner Precinct 1 was completed. This project had a cost of \$2.45 million and was 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. Construction of Phase I was completed in FY 2011. Construction of the three separate Phase II buildings was completed in 2013, with a

construction cost of over \$29 million. Phase II provided new office space for the Adult Probation, Technology Services, Elections, and Public Facilities departments.

- 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 2013. The plan is updated annually by the County. Design and construction for the jail expansion, juvenile probation expansion, and Lewisville government center expansion projects in this plan continued during in fiscal 2013.

Denton County's Capital Assets

Governmental Activities:	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Land	\$ 11,722,666	\$ -	\$ 11,722,666
Buildings and Improvements	165,997,914	32,960,167	133,037,747
Machinery & Equipment	43,027,910	30,899,088	12,128,822
Infrastructure	179,329,986	141,335,847	37,994,139
Construction in Progress	33,806,540	-	33,806,540
Total	<u>\$ 433,885,016</u>	<u>\$ 205,195,102</u>	<u>\$ 228,689,914</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 \$596,245,000. Article 3, Section 52e of the Texas Constitution establishes the County's outstanding debt limit at an amount no greater than 25% of its real property valuation.

Denton County's total bonded debt increased by \$42,330,000 (7.64 percent) during the current fiscal year. Denton County issued bonds and notes totaling \$109,795,000 and a total of \$17,740,000 in debt was retired. The County also refunded \$49,725,000 in existing debt as part of the larger bond issuance.

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 5.5 percent, which is slightly improved over the rate of 5.6 percent a year ago. The County's rate does compare favorably to the state's average unemployment rate of 6.4 percent and the national average rate of 7.2 percent.
- New construction and improvements to the County's tax rolls provided an additional \$3.7 million in property tax revenues for 2014 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 4% were approved for county employees in the FY 2014 budget. This is the largest raise in more than 5 years.
- Increases in costs for health and dental care eased in 2013. Because of this, the increase in the County's funding to the employee benefit plan for 2014 was only \$683,000 (\$362 per employee per year). This is the smallest annual increase in budgeted health insurance in over 5 years.
- A \$3.2 million expenditure increase for debt service was included in the 2014 budget due to the new bonded debt issued in 2013. In preparation for opening the jail and juvenile detention expansions, budgetary funding was approved for 82 new employees county-wide. This is the highest number of new positions approved in the last decade.
- The County's tax base increased by \$2.62 billion for 2014. This increase was the result of over \$1.3 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 2014 fiscal year.

At the end of the current fiscal year, fund balances in the governmental funds totaled \$287.4 million. Denton County has appropriated \$15 million of this amount for spending in the 2014 fiscal year budget. \$3 million of fund balance in the Capital Improvement Fund is appropriated for expenditures in 2014. This is a decision of County management to fund certain capital expenditures from reserve funds and to forego issuing debt for them. Almost \$2.0 million in the Debt Service Fund is appropriated for 2014. It is expected that conservative revenue budgets and the historical spending of less than 100% of budgeted expenditures will serve to make the actual decrease in fund balance far less than budgeted.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

Denton County, Texas
STATEMENT OF NET POSITION

September 30, 2013

Governmental
Activities

ASSETS

Cash	\$	11,519,659
Investments		300,579,774
Receivables:		-
Taxes		2,468,518
Accrued Interest		2,732
Other Receivables		237,546
Fines Receivable		5,561,680
Less Allowance for Uncollectables		(3,040,467)
Due from Other Governments		1,600,852
Inventories		121,900
Deferred Charges		1,015,072
Capital Assets:		
Land		11,722,666
Buildings		165,997,914
Depreciation on Buildings		(32,960,167)
Equipment		43,027,910
Depreciation on Equipment		(30,899,088)
Infrastructure		179,329,986
Depreciation on Infrastructure		(141,335,847)
Construction in Progress		33,806,740
TOTAL ASSETS	\$	<u>548,757,380</u>

LIABILITIES

Accounts Payable		14,140,330
Wages Payable		1,952,899
Interest Payable		4,592,681
Due to Other Governments		1,283,703
Other Payables		-
Unearned Revenue		1,407,443
Non Current Liabilities:		
Due within One Year		23,691,308
Due in More than One Year		628,305,554
TOTAL LIABILITIES		<u>675,373,917</u>

NET POSITION

Net Investment in Capital Assets		174,975,888
Restricted for Road and Bridge		5,557,055
Restricted for Records Management		2,546,607
Restricted for Juvenile Probation		646,496
Restricted for Indigent Health		5,431,796
Restricted for Law Enforcement		848,424
Restricted for Technology & Security		682,332
Restricted for Other Purposes		1,517,289
Unrestricted		(318,822,424)
Total Net Position	\$	<u>(126,616,537)</u>

See the notes to the financial statement.

Denton County, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ 20,755,105	\$ 9,079,110	\$ 6,296,673	\$ (5,379,322)
Judicial	20,043,132	7,703,704	1,203,672	(11,135,756)
Legal	12,414,856	128,964	379,311	(11,906,581)
Financial	6,586,692	3,606,175	-	(2,980,517)
Public Facilities	10,907,349	-	-	(10,907,349)
Public Safety	70,230,759	2,983,238	5,035,824	(61,538,006)
Health & Welfare	9,333,897	589,339	4,676,980	(4,067,578)
Conservation	357,272	-	-	(357,272)
Contractual	3,079,664	-	953,172	(2,126,492)
Road Maintenance	38,433,544	35,585	6,554,860	(31,843,099)
Interest on Long-Term Debt	23,003,214	-	1,812,039	(21,191,175)
Total	\$ 215,145,484	\$ 24,126,115	\$ 26,912,531	\$ (163,433,147)
				155,505,737
				536,010
				156,041,747
				(7,391,400)
				(113,250,029)
				(5,975,108)
				\$ (126,616,537)

General Revenues:	
Property Taxes	155,505,737
Investment Earnings	536,010
Total General Revenues	156,041,747
Change in Net Position	(7,391,400)
Net Position - Beginning	(113,250,029)
Prior Period Adjustment	(5,975,108)
Net Position - Ending	\$ (126,616,537)

See the notes to the financial statements.

Denton County, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

ASSETS	General Fund	Debt Service	2009 PI Bond		2010 PI Bond		2012 PI Bond		2013 PI Bond		Total	
			Project Fund	60,745 \$	74,687,779 \$	81,065,017 \$	50,574,964 \$	Project Fund	503,593	1,522,465	43,527,006	Governmental
Cash	\$ 1,202,127	\$ 14,464	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,800,102
Investments	37,597,139	2,872,843	10,255,025	74,687,779	81,065,017	50,574,964	1,522,465	43,527,006				300,579,774
Receivables:												
Taxes	1,534,866	642,658	-	-	-	-	290,994	32				2,468,518
Accrued Interest	2,700	-	-	-	-	-	-	-				2,732
Other Receivables	225,582	-	-	-	-	-	13,061	114,413				238,643
Due from Other Funds	341,289	-	1,100	-	-	-	-	668,821				456,802
Due from Other Governments	932,030	-	-	-	-	-	-	-				1,600,852
Inventories	121,900	-	-	-	-	-	-	-				121,900
TOTAL ASSETS	\$ 41,957,633	\$ 3,529,965	\$ 10,256,425	\$ 74,748,525	\$ 81,065,017	\$ 50,574,964	\$ 46,136,793					\$ 308,269,323
LIABILITIES AND FUND EQUITY												
Accounts Payable	2,727,885	-	199,999	5,755,737	2,277,354	503,593	1,837,171	359,247				13,301,739
Wages Payable	1,593,652	-	-	-	-	-	-	-				1,952,899
Interest Payable	-	16,920	-	-	-	-	-	-				16,920
Due to Other Funds	8,634	-	-	1,100	-	-	447,067	1,210				456,802
Due to Other Governments	1,283,590	-	-	-	-	-	-	-				1,284,800
Other Payables	-	-	-	-	-	-	-	-				-
Deferred Revenues	2,631,251	642,658	-	-	-	-	602,053	3,246,747				3,875,961
TOTAL LIABILITIES	8,245,011	659,578	199,999	5,756,837	2,277,354	503,593	3,246,747					20,889,120
EQUITY												
Fund Balances:												
Nonspendable	121,900	-	-	-	-	-	-	-				121,900
Restricted	-	2,870,387	10,056,426	68,991,687	78,787,663	50,071,372	42,905,545	(15,500)				253,683,080
Unassigned	33,590,723	-	-	-	-	-	-	-				33,575,223
TOTAL FUND EQUITY	33,712,622	2,870,387	10,056,426	68,991,687	78,787,663	50,071,372	42,890,045					287,380,203
TOTAL LIABILITIES, EQUITY	\$ 41,957,633	\$ 3,529,965	\$ 10,256,425	\$ 74,748,525	\$ 81,065,017	\$ 50,574,964	\$ 46,136,793					

Amounts reported for governmental activities in the statement of net position 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 position.

Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

See the notes to the financial statements.

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2013

	General Fund	Debt Service	2009 PI Bond Project Fund	2010 PI Bond Project Fund	2012 PI Bond Project Fund	2013 PI Bond Project Fund	Nonmajor Governmental	Total Governmental Funds
REVENUES								
Taxes	\$ 96,328,002	\$ 40,753,198	\$ -	\$ -	\$ -	\$ -	\$ 18,458,710	\$ 155,539,909
Licenses and Permits	2,937,701	-	-	-	-	-	6,295,809	9,233,511
Intergovernmental	7,759,037	1,812,039	-	-	-	-	7,889,669	17,460,745
Fees of Office	14,097,132	-	-	-	-	-	3,759,083	17,856,216
Fines	3,390,803	-	-	-	-	-	3,390,803	3,390,803
Interest	104,320	21,740	17,620	152,095	141,870	69,200	536,010	536,010
Miscellaneous	1,775,192	-	-	-	-	-	919,633	2,695,026
TOTAL REVENUES	126,392,186	42,586,978	17,620	152,095	141,870	29,164	37,392,304	\$ 206,712,218
EXPENDITURES								
Current:								
General Government	17,183,765	-	-	-	-	-	2,486,446	19,670,211
Judicial	18,219,574	-	-	-	-	-	1,233,766	19,453,340
Legal	11,777,276	-	-	-	-	-	196,827	11,974,103
Financial	6,116,399	-	-	-	-	-	6,116,399	6,116,399
Public Facilities	8,378,900	-	-	-	-	-	8,378,900	8,378,900
Public Safety	53,529,634	-	-	-	-	-	12,659,932	66,189,566
Health and Welfare	84,761	-	-	-	-	-	8,927,031	9,011,793
Conservation	337,415	-	-	-	-	-	337,415	337,415
Contract Services	3,079,664	-	-	-	-	-	3,079,664	3,079,664
Roads	-	-	-	-	-	-	-	-
Capital Outlay	-	-	9,038,718	21,902,677	15,315,084	747,766	11,132,456	11,132,456
Debt Service:								
Principal Retirement	-	17,740,000	-	-	-	-	-	17,740,000
Interest & Service Charges	-	25,817,362	-	-	-	-	-	25,817,362
TOTAL EXPENDITURES	118,707,389	43,557,362	9,038,718	21,902,677	15,315,084	747,766	44,180,998	253,449,993
Excess (Deficiency) of Revenues Over Expenditures	7,684,797	(970,385)	(9,021,098)	(21,750,582)	(15,173,213)	(718,601)	(6,788,694)	(46,737,775)
Other Financing Sources (Uses):								
Issuance of Debt	-	53,680,000	-	-	-	46,190,000	9,925,000	109,795,000
Bond Premium	-	198,717	-	-	-	4,599,973	674,848	5,473,539
Sale of Surplus Property	926,821	-	-	-	-	-	445,082	1,371,903
Capital Lease Financing	-	-	-	-	-	-	-	-
Transfers In	34,915	-	-	-	2,256,240	-	2,248,637	4,539,792
Transfers Out	(4,140,477)	-	-	-	-	-	(1,551,757)	(5,692,234)
Refunding Bonds Issued	-	-	-	-	-	-	-	-
Refunding Bond Discount	-	-	-	-	-	-	-	-
Payments to Escrow Agent	-	(63,722,092)	-	-	-	-	-	(63,722,092)
Total Other Financing Sources (Uses)	(3,178,741)	156,625	(9,021,098)	(21,750,582)	2,256,240	50,789,973	11,741,811	61,765,907
NET CHANGE IN FUND BALANCES	4,506,056	(813,759)	(9,021,098)	(21,750,582)	(12,916,973)	50,071,372	4,953,117	15,028,132
FUND BALANCE - BEGINNING	29,206,566	3,684,146	19,077,524	90,742,270	91,704,636	-	37,936,929	272,352,071
FUND BALANCE - ENDING	\$ 33,712,622	\$ 2,870,387	\$ 10,056,426	\$ 68,991,687	\$ 78,787,663	\$ 50,071,372	\$ 42,890,045	\$ 287,380,203

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, 2013

Amounts reported for governmental activities in the statement of activities (p. 17) are different because:

Net change in fund balances - total governmental funds (p. 19) \$ 15,028,132

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. 23,804,254

The net effect of various miscellaneous transactions (deletions) involving capital assets. (305,939)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (24,099)

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). (10,013,826)

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 long-term debt and related items. (40,368,249)

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. 4,488,327

Change in net position of governmental activities (p. 17) \$ (7,391,400)

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, 2013

	Budget Amounts			Variance Positive(Negative) With Final Budget
	Original	Revised	Actual	
<u>REVENUES</u>				
TAXES	\$ 94,440,774	\$ 94,440,774	\$ 96,328,002	\$ 1,887,228
LICENSES AND PERMITS	2,520,000	2,520,000	2,937,701	417,701
INTERGOVERNMENTAL	4,862,762	6,755,806	7,759,037	1,003,231
FEES OF OFFICE	12,954,500	12,954,500	14,097,132	1,142,632
FINES	3,540,000	3,540,000	3,390,803	(149,197)
INTEREST	201,000	201,000	104,320	(96,680)
MISCELLANEOUS	1,633,464	1,663,440	1,775,192	111,752
TOTAL REVENUES	<u>120,152,500</u>	<u>122,075,520</u>	<u>126,392,186</u>	<u>4,316,666</u>

EXPENDITURES

GENERAL GOVERNMENT

COMMISSIONERS COURT	118,401	117,401	117,015	386
COMMISSIONER, PRECINCT #1	217,172	221,222	217,086	4,136
COMMISSIONER, PRECINCT #2	221,880	221,880	220,742	1,138
COMMISSIONER, PRECINCT #3	230,794	231,794	231,534	260
COMMISSIONER, PRECINCT #4	221,421	224,508	224,032	476
COUNTY JUDGE	335,577	335,577	334,450	1,127
BAIL BOND BOARD	3,129	3,129	1,641	1,488
COUNTY CLERK	3,674,987	3,670,525	3,516,172	154,353
HUMAN RESOURCES	950,354	952,104	939,805	12,299
PURCHASING DEPARTMENT	905,442	905,501	897,824	7,677
VEHICLE MAINTENANCE DEPARTMENT	349,685	367,606	354,372	13,234
NON-DEPARTMENTAL	6,309,827	3,769,560	1,747,236	2,022,324
FINANCIAL INFORMATION SYSTEMS	98,160	98,160	83,896	14,264
INFORMATION SERVICES	2,328,519	2,527,828	2,540,358	(12,530)
PRINT/MAIL DEPARTMENT	329,392	329,392	305,130	24,262
PUBLIC WKS/GEOGRAPHIC INFO SYS	402,200	444,829	440,993	3,836
DEPT OF PUBLIC WORKS/PLANNING	416,622	416,717	406,703	10,014
HIST COMM HOT FUNDS GRANT	25,000	2,961	2,961	-
CHOS/BAYLESS-SELBY MUSEUM 2013	83,188	108,570	103,037	5,533
OFFICE OF HISTORY & CULTURE	369,639	376,407	374,527	1,880
RECORDS MANAGEMENT DEPARTMENT	269,697	275,833	263,148	12,685
CHOS/BAYLESS SELBY GRANT 2010	32,215	38,444	37,529	915
VETERANS SERVICE OFFICE	386,269	386,269	384,349	1,920
ELECTIONS ADMINISTRATION DEPT	1,336,214	1,382,860	1,333,670	49,190
CIVIL SERVICE COMMISSION	11,075	11,075	606	10,469
COUNTY WIDE TECHNOLOGY	2,008,750	2,163,674	2,104,947	58,727
Total General Government	<u>21,635,609</u>	<u>19,583,826</u>	<u>17,183,765</u>	<u>2,400,062</u>

JUDICIAL

JUDICIARY AND COURT SUPPORT	375,415	370,915	336,213	34,702
16TH DISTRICT COURT	701,329	913,793	998,495	(84,702)
158TH DISTRICT COURT	695,182	955,482	935,769	19,713
211TH DISTRICT COURT	712,503	850,750	871,291	(20,541)
362ND DISTRICT COURT	709,147	934,894	889,474	45,420

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)
For the Year Ended September 30, 2013

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Revised</u>		<u>Positive(Negative) With Final Budget</u>
367TH DISTRICT COURT	710,880	843,200	883,836	(40,636)
393RD DISTRICT CT - FAMILY LAW	555,217	644,047	626,263	17,784
431ST DISTRICT COURT	566,058	566,058	434,082	131,976
COUNTY COURT AT LAW NO. 1	626,374	627,773	499,179	128,594
COUNTY CRIMINAL COURT #2	617,135	643,534	633,387	10,147
COUNTY COURT AT LAW #2 / CIVIL	388,295	389,739	377,199	12,540
PROBATE COURT	1,628,175	1,632,433	1,544,416	88,017
COUNTY CRIMINAL COURT #1	619,164	661,108	664,541	(3,433)
COUNTY CRIMINAL COURT #3	612,766	624,210	628,982	(4,772)
COUNTY CRIMINAL COURT #4	607,072	723,471	697,928	25,543
COUNTY CRIMINAL COURT #5	679,315	680,714	626,735	53,979
DISTRICT CLERK	1,667,597	1,679,807	1,672,452	7,355
COUNTY COURT ADMINISTRATOR	94,107	94,107	93,874	233
JUSTICE OF THE PEACE, PCT 1	492,643	492,803	489,106	3,697
JUSTICE OF THE PEACE, PCT 2	336,066	336,141	322,860	13,281
JUSTICE OF THE PEACE, PCT 3	460,887	460,928	447,210	13,718
JUSTICE OF THE PEACE, PCT 4	335,037	335,037	333,581	1,456
JUSTICE OF THE PEACE, PCT 5	502,311	502,311	492,993	9,318
JUSTICE OF THE PEACE, PCT 6	379,687	379,687	373,154	6,533
JUVENILE CASE MANAGER	54,348	54,348	47,331	7,017
DISTRICT COURT ADMINISTRATOR	184,899	184,899	184,454	445
JURY AND GRAND JURY	183,604	186,637	165,120	21,517
JUSTICE INFORMATION SYSTEM	702,342	769,986	743,481	26,505
DEATH INVESTIGATIONS/MED EXMNR	848,224	854,606	859,317	(4,711)
COLLECTIONS DEPARTMENT	361,194	365,291	346,852	18,439
Total Judicial	17,406,973	18,758,709	18,219,574	539,135
LEGAL				
CRIMINAL DISTRICT ATTORNEY	9,634,729	9,660,490	9,533,056	127,434
CRIMINAL DA - CPS DIVISION	777,624	777,624	742,840	34,784
CRIMINAL DA - CIVIL DIVISION	1,491,329	1,502,418	1,501,381	1,037
Total Legal	11,903,682	11,940,532	11,777,276	163,256
FINANCIAL				
COUNTY AUDITOR	1,228,745	1,228,745	1,217,322	11,423
COUNTY TREASURER	603,333	603,333	597,262	6,071
TAX ASSESSOR-COLLECTOR	3,995,771	4,006,724	3,824,839	181,885
BUDGET DIRECTOR	527,296	540,886	476,976	63,910
Total Financial	6,355,145	6,379,688	6,116,399	263,289
PUBLIC FACILITIES				
CARROLL BLDG-CO ADMINISTRATION	216,079	480,457	219,295	261,162
DENTON COUNTY COURTS BUILDING	532,842	634,237	554,841	79,396
CONSTRUCTION MANAGEMENT	341,777	341,777	304,578	37,199
DA ANNEX	33,655	33,655	20,637	13,018
COURTHOUSE ON THE SQUARE	156,256	156,256	111,357	44,899

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)
For the Year Ended September 30, 2013

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Revised</u>		<u>Positive(Negative) With Final Budget</u>
EMERGENCY MANAGEMENT FACILITY	121,964	121,964	103,301	18,663
DENTON COUNTY STORAGE BUILDING	20,815	20,815	14,735	6,080
HISTORICAL PARK FACILITIES	24,225	24,225	9,813	14,412
HISTORICAL PARKS PROJECTS	7,464	7,464	2,016	5,448
COURTHOUSE ANNEX	40,936	40,936	25,856	15,080
MARY & JIM HORN GOVT CENTER	185,723	183,164	122,586	60,578
LOOP 288 - ELECTIONS/TECHNOLOGY	142,548	142,548	131,319	11,229
LOOP 288 - FACILITIES/TABC/PARKS	50,865	38,515	23,583	14,932
LOOP 288 - CSCD	66,433	55,433	34,740	20,693
LEE WALKER GOVERNMENT CENTER	64,999	64,999	42,897	22,102
CPS-LEWISVILLE	26,204	26,204	15,535	10,669
LOOP 288 - PHASE I	163,365	133,365	118,393	14,972
LOOP 288 - CENTRAL PLANT	400,982	303,332	247,271	56,061
ELECTIONS STORAGE BUILDING	11,189	8,473	6,040	2,433
SANDY JACOBS GOVERNMENT CENTER	55,971	77,043	48,231	28,812
STEVEN E COPELAND GOVT CENTER	103,837	139,837	127,850	11,987
THE COLONY ANNEX	41,649	41,649	31,550	10,099
SANGER ANNEX	21,518	21,518	13,910	7,608
DENTON CO GOVT CENTER - DENTON	108,429	65,429	50,070	15,359
CHARLIE COLE BUILDING	420,176	385,376	339,585	45,791
LAW ENFORCEMENT FACILITY	2,524,164	2,530,869	2,210,701	320,168
EAST OAK STREET FACILITIES	6,510	3,033	1,300	1,733
FACILITIES MANAGEMENT	2,636,319	2,733,223	2,452,904	280,319
COUNTY LEASED BUILDINGS	143,016	144,516	137,768	6,748
VEHICLE MAINTENANCE FACILITY	27,292	29,543	26,419	3,124
OPERATIONS-RECYCLING DEPT	66,595	65,995	64,486	1,509
TELEPHONE DEPARTMENT	819,739	819,803	765,335	54,468
Total Public Facilities	9,583,536	9,875,653	8,378,900	1,496,753

PUBLIC SAFETY

COUNTY JAIL	24,021,250	24,022,494	24,006,747	15,747
JAIL HEALTH DEPARTMENT	3,701,077	3,701,727	3,708,636	(6,909)
SHERIFF'S COMMUNICATIONS DVSN	2,841,253	2,814,569	2,779,634	34,935
SHERIFF	13,587,455	13,487,883	12,982,855	505,029
DISD SCHOOL RESOURCE OFFICER	-	92,064	78,629	13,435
SHERIFF'S MENTAL HEALTH UNIT	805,498	810,431	760,969	49,462
SHERIFF'S RESERVE UNIT	68,305	54,538	46,620	7,918
VEHICLE EMISSIONS ENF GRANT	-	-	58,860	(58,860)
DCTA INTERLOCAL CONTRACT	-	86,249	79,207	7,042
SCHOOL RESOURCE OFFICER	-	340,089	304,904	35,185
COPPER CANYON INTERLOCAL CNTRT	-	182,574	160,701	21,873
CSCD (GENERAL FUND)	304,467	304,467	255,161	49,306
JUVENILE ACCOUNTABILITY GRANT	-	73,243	71,461	1,782
DENTON CO FRESHWATER CONTRACT	-	170,123	158,035	12,088
PALOMA CREEK	-	87,886	83,345	4,541
CONSTABLE, PCT. 1	750,458	764,877	701,737	63,140
CONSTABLE, PCT. 2	678,992	691,653	702,660	(11,007)
CONSTABLE, PCT. 3	658,355	659,033	652,742	6,291
CONSTABLE, PCT. 4	696,449	738,432	711,999	26,433
CONSTABLE, PCT. 5	605,850	618,264	572,905	45,359

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)
For the Year Ended September 30, 2013

	Budget Amounts		Actual	Variance Positive(Negative) With Final Budget
	Original	Revised		
CONSTABLE, PCT. 6	660,986	665,282	628,675	36,607
FIRE AND AMBULANCE SERVICES	2,131,125	2,206,125	2,287,230	(81,105)
NWISD ASAP	-	3,799	-	3,799
DEPARTMENT OF PUBLIC SAFETY	199,776	200,835	189,558	11,277
ALCOHOLIC BEVERAGE COMMISSION	3,075	3,075	2,843	232
GAME WARDEN	5,630	5,645	3,282	2,363
2004/2011 HOMELAND SEC GRANT	17,030	435,440	428,633	6,807
DEPT OF EMERGENCY SERVICES	1,089,147	1,112,273	1,086,305	25,968
2003/2010 HOMELAND SEC GRANT	-	182,339	25,302	157,037
Total Public Safety	<u>52,826,178</u>	<u>54,515,409</u>	<u>53,529,634</u>	<u>985,775</u>
HEALTH & WELFARE				
CHILD PROTECTIVE SERVICES	<u>88,121</u>	<u>88,553</u>	<u>84,761</u>	<u>3,792</u>
Total Health & Welfare	<u>88,121</u>	<u>88,553</u>	<u>84,761</u>	<u>3,792</u>
CONSERVATION				
COUNTY EXTENSION	<u>439,849</u>	<u>439,849</u>	<u>337,415</u>	<u>102,434</u>
Total Conservation	<u>439,849</u>	<u>439,849</u>	<u>337,415</u>	<u>102,434</u>
INTERGOVERNMENTAL				
CONTRACT SERVICES	<u>3,240,789</u>	<u>3,240,789</u>	<u>3,079,664</u>	<u>161,125</u>
Total Intergovernmental	<u>3,240,789</u>	<u>3,240,789</u>	<u>3,079,664</u>	<u>161,125</u>
TOTAL EXPENDITURES	<u>123,479,882</u>	<u>124,823,008</u>	<u>118,707,389</u>	<u>6,115,620</u>
Excess of Revenues over Expenditures	<u>(3,327,382)</u>	<u>(2,747,488)</u>	<u>7,684,797</u>	<u>10,432,286</u>
Other Financing Sources and Uses:				
Sale of Surplus Property	45,000	824,398	926,821	102,423
Transfers In	37,000	71,915	34,915	(37,000)
Transfers Out	<u>(2,188,637)</u>	<u>(4,140,477)</u>	<u>(4,140,477)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(2,106,637)</u>	<u>(3,244,164)</u>	<u>(3,178,741)</u>	<u>65,423</u>
Net Change in Fund Balances	<u>(5,434,019)</u>	<u>(5,991,652)</u>	<u>4,506,056</u>	<u>10,497,708</u>
Fund Balances - Beginning	<u>29,206,566</u>	<u>29,206,566</u>	<u>29,206,566</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 23,772,547</u>	<u>\$ 23,214,914</u>	<u>\$ 33,712,622</u>	<u>\$ 10,497,708</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2013

**Governmental
Activities Internal
Service Fund**

ASSETS

Current Assets:

Cash	\$ 8,719,557
Investments	-
Receivables:	
Stop Loss Insurance	-
Accrued Interest	-
Other Assets	-
Due from Other Funds	-
Due from Other Governments	-
TOTAL ASSETS	<u>\$ 8,719,557</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 838,591
Due to Other Funds	-
Due to Other Governments	-
Other Payables	-
Due to Beneficiaries	-
Deferred Revenues	-
TOTAL LIABILITIES	<u>838,591</u>

NET POSITION

Unrestricted	<u>7,880,966</u>
TOTAL NET POSITION	<u>\$ 7,880,966</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF REVENUES, EXPENSES
AND CHANGES FUND NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2013

Governmental
Activities Internal
Service Fund

OPERATING REVENUES

Charges for Services	\$ 24,431,592
Other Revenue	<u>125,880</u>

TOTAL OPERATING REVENUES	<u>24,557,472</u>
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OPERATING EXPENSES

Incurred Claims	17,791,711
Estimated Claims	838,591
Administrative Expenses	2,351,399
Reinsurance Premiums	<u>244,227</u>

TOTAL OPERATING EXPENSES	<u>21,225,928</u>
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OPERATING INCOME (LOSS)	<u>3,331,544</u>
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NONOPERATING REVENUES(EXPENSES)

Interest Revenue	<u>4,341</u>
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INCOME BEFORE TRANSFERS	<u>3,335,885</u>
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Transfers From Other Funds	<u>1,152,442</u>
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CHANGES IN NET POSITION	<u>4,488,327</u>
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TOTAL NET POSITION - BEGINNING	<u>3,392,639</u>
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TOTAL NET POSITION - ENDING	<u><u>\$ 7,880,966</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, 2013

**Governmental
Activities Internal
Service Fund**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for Services	\$ 24,431,592
Receipts from Reinsurance and Refunds	280,346
Payments for Claims	(18,633,507)
Payments for Administrative Services	(2,595,627)
Payments for Reinsurance	-
Net Cash Provided by Operating Activities	<u>3,482,804</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Transfer of Funds	1,152,442
Repayment of Interfund Loans	-
Net Cash Provided by Noncapital Financing Activities	<u>1,152,442</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Revenue	<u>4,341</u>
Net Cash Provided by Investing Activities	<u>4,341</u>

Net Increase (Decrease) in Cash 4,639,587

Cash, Beginning of Year 4,079,970
Cash, End of Year \$ 8,719,557

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

Operating Income	<u>\$ 3,331,544</u>
(Increase) Decrease in Other Assets	154,466
Increase (Decrease) in Accounts Payable	(3,206)
Increase (Decrease) in Other Payables	-
Total Adjustments	<u>151,260</u>
Net Cash Provided (Used) by Operations	<u>\$ 3,482,804</u>

See the notes to the financial statements.

Denton County, Texas
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 11,370,207
Investments	17,660,657
Accrued Interest	-
Other Assets	157,337
Due from Other Funds	21
Due from Other Govts	-
	<hr/>
TOTAL ASSETS	<u>\$ 29,188,222</u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 190,678
Due to Other Funds	1,119
Due to Other Governments	12,539,240
Due to Beneficiaries	16,457,185
	<hr/>
TOTAL LIABILITIES	<u>29,188,222</u>
 NET ASSETS	 <u>\$ -</u>

See the notes to the financial statements.

Denton County, Texas

Notes to the Financial Statements September 30, 2013

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 position 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 2009 Permanent Improvement Bond Project Fund, the 2010 PI Bond Project Fund, the 2012 PI Bond Project Fund, and the 2013 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 be 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 *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 certain technology projects, building construction and renovation to continue implementing our capital improvement plan, and various transportation improvement projects throughout the County.

The *2012 Permanent Improvement Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for certain additional technology projects, building construction and renovation to continue implementing our capital improvement plan, and various transportation improvement projects throughout the County.

The *2013 Permanent Improvement Bond Project Fund* is used to account for the receipt and expenditure of voter approved debt proceeds for certain additional 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.

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.

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.

D. Assets, Liabilities, and Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 "due to/from other funds" (i.e., the current portion of inter-fund loans).

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, and they consist of expendable supplies and vehicle repair parts. 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. The costs of prepaid items are recorded as expenditures/expenses 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. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

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

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.

8. Net Investment in Capital Assets

A portion of Denton County's net position represents its net investment in its various capital assets. Ordinarily, this investment is computed by as the remainder of the total of its capital assets net of accumulated depreciation minus its capital-related borrowings. Often all of a government's long-term debt is capital-related.

Since much of Denton County's borrowings are used to finance capital assets that are owned by other governments, the portion of our debt that is not related to county-owned assets must be removed from the above equation. For 2013, a total of \$328,931,577 does not relate to county-owned assets. This debt represents significant portions of the County's 2005 PI bonds, 2007 PI Bonds, 2009 PI Bonds, 2010 PI Bonds, 2012 PI Bonds, and 2013 PI Bonds outstanding.

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 position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statements of net position. 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 (\$656,572,623) difference are as follows:

Bonds Payable	\$ (596,245,000)
Capital Leases Payable	(1,424,508)
Unamortized Bond Premium	(12,319,898)
Accrued Interest Payable	(4,575,761)
Other Post-Employment Benefits	(33,905,954)
Compensated Absences	<u>(8,101,502)</u>
Net adjustments to reduce fund balance to arrive at net position	\$ <u>(656,572,623)</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 a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position 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 \$23,804,254 difference are as follows:

Capital Outlay	\$ 37,196,952
Depreciation Expense	<u>(13,392,698)</u>
Net adjustments to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 23,804,254</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 (\$40,368,249) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ -
Issuance general obligation bonds and tax notes	(56,115,000)
Refunding bonds	(53,680,000)
Bond premium	(5,473,539)
Bond discount	-
Bond interest accrual	2,814,150
Debt repayments:	
General obligation debt	17,740,000
Capital lease payments	624,048
Bond premium amortization	-
Payments to escrow agent	<u>53,722,092</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (40,368,249)</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 (\$10,013,826) difference are as follows:

Compensated absences	\$ (663,503)
Other post-employment benefits	<u>(9,350,323)</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>\$ (10,013,826)</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, 2013, encumbrances of approximately \$1.85 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 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	\$ 118,707,389
Capital lease acquisitions	-
General Fund expenditures, budgetary basis	<u>\$ 118,707,389</u>

B. Excess of expenditures over appropriations

For the year ended September 30, 2013, expenditures exceeded appropriations in the Medicaid DSRIP Program Fund by \$108,460. This is due to a late requirement to make an intergovernmental transfer of over \$150,000 to the State of Texas in order to qualify for additional Medicaid program funds.

C. Deficit fund equity

As of September 30, 2013, the District Attorney Check Fee Fund had a negative fund balance of (\$15,500). 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.

D. Prior Period Adjustment

Due to reporting inaccuracies in the County's criminal justice computer system, the amounts of court fines receivable has been over-reported in prior years. Correction of these reported totals required that the County's beginning net position on the county-wide statements be decreased by \$5,975,108.

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, 2013, 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	\$ -	-
Local Government Investment Pools	<u>303,433,081</u>	<u>0.22</u>
Total Fair Value	<u>\$ 303,433,081</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 \$30,526,964, and the bank balance was \$14,200,161. Of the bank balance, \$516,486 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 2013, the County's tax rate for general governmental services was 20.923 cents per \$100 of assessed value, and the interest and sinking fund rate was 7.364 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	\$	1,534,866
	Debt Service Fund		642,658
	Other Nonmajor Governmental Funds		290,994
Unearned:			
	Grants Payable and Other		1,407,443
	Deferred Revenues		-
Total Deferred		\$	<u>3,875,961</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 10,580,662	\$ 1,368,964	\$ (226,960)	\$ 11,722,666
Construction in Progress	<u>44,629,827</u>	<u>33,192,916</u>	<u>(44,016,003)</u>	<u>33,806,740</u>
Total Capital Assets, Not Being Depreciated	<u>55,210,489</u>	<u>34,561,880</u>	<u>(44,242,963)</u>	<u>45,529,406</u>
Capital Assets, Being Depreciated:				
Buildings	126,931,394	39,444,681	(378,161)	165,997,914
Machinery and Equipment	41,662,540	3,408,999	(2,043,629)	43,027,910
Infrastructure	<u>175,532,591</u>	<u>3,797,395</u>	<u>-</u>	<u>179,329,986</u>
Total Capital Assets Being Depreciated	<u>344,126,525</u>	<u>46,651,075</u>	<u>(2,421,790)</u>	<u>388,355,810</u>
Less Accumulated Depreciation For:				
Buildings	(30,739,141)	(2,485,545)	264,519	(32,960,167)
Machinery and Equipment	(29,349,400)	(3,627,980)	2,078,292	(30,899,088)
Infrastructure	<u>(134,056,674)</u>	<u>(7,279,173)</u>	<u>-</u>	<u>(141,335,847)</u>
Total Accumulated Depreciation	<u>(194,145,215)</u>	<u>(13,392,698)</u>	<u>2,342,811</u>	<u>(205,195,102)</u>
Total Capital Assets Being Depreciated, Net	<u>149,981,310</u>	<u>33,258,377</u>	<u>(78,979)</u>	<u>183,160,708</u>
Total Capital Assets, Net	\$ <u>205,191,799</u>	\$ <u>67,820,257</u>	\$ <u>(44,321,942)</u>	\$ <u>228,690,114</u>

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

Governmental Activities:	
General Government	\$ 1,150,686
Judicial	44,113
Legal	656
Financial	127,372
Public Facilities	2,515,900
Public Safety	1,512,225
Health & Welfare	31,673
Conservation	-
Road Maintenance	8,010,073
 Total Depreciation Expense	 <u>\$ 13,392,698</u>

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

	<u>Project</u> <u>Authorization</u>	<u>Expended</u> <u>To Date</u>	<u>Commitment</u>	<u>Further</u> <u>Financing</u> <u>Required</u>
2009 PI Bond Fund	\$ 104,275,000	\$ 94,445,744	\$ 6,055,000	\$ -
2010 PI Bond Fund	137,895,000	67,840,849	40,134,000	-
2012 PI Bond Fund	95,860,000	19,492,921	22,930,900	-
2012 Tax Note Fund	10,100,350	3,301,676	-	-
2013 PI Bond Fund	95,860,000	747,760	-	-
2013 Tax Note Fund	10,100,350	789,165	-	-

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2013 is as follows:

Due From:

Due To:	<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>Total</u>
General Fund					\$ 341,289	\$ 341,289
2009 PI Bond Fund				1,100		1,100
Nonmajor Governmental Funds	-	-	-	-	-	-
	<u>8,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,779</u>	<u>114,413</u>
Total	\$ 8,634	\$ -	\$ -	\$ 1,100	\$ 447,068	\$ 456,802

Interfund transfers:

Transfer Out:	Transfer In:				<u>Total</u>
	<u>General Fund</u>	<u>2012 PI Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
General Fund		\$ 779,398	\$ 2,208,637	\$ 1,152,442	\$ 4,140,477
Capital Replacement		-			-
2012 PI Bond					-
Nonmajor Governmental Funds	34,915	1,476,842	40,000	-	1,551,757
Total	\$ 34,915	\$ 2,256,240	\$ 2,248,637	\$ 1,152,442	\$ 5,692,234

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.

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

\$3,039,065 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, 2013 is as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 536,688
2015	476,842
2016 & thereafter	<u>476,842</u>
Total minimum lease payments	\$ 1,490,372
Less: Amount representing interest	<u>(65,864)</u>
Present value of net future minimum lease payments	<u>\$ 1,424,508</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 10/01/12</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 09/30/13</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.	\$ 3,360,000	\$ -	\$ 165,000	\$ 3,195,000	\$ 205,000
\$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.	17,600,000	-	14,770,000	2,830,000	910,000
\$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.	20,550,000	-	20,550,000	-	-
\$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	840,000	-	840,000	-	-
\$19,315,000 2006 Permanent Improvement Refunding Bonds due in varying amounts through 2026 at an average interest rate of 4.63% issued to refinance previously issued bonds.	18,965,000	-	18,725,000	240,000	55,000
\$102,515,000 2007 Permanent Improvement Bonds due in varying amounts through 2032 at an average rate of 4.3547% for road and building projects.	91,680,000	-	2,985,000	88,695,000	3,105,000

\$6,440,000 2007 Tax Notes due in varying amounts through 2014 at an average interest rate of 3.8468% for computer and building projects.	2,065,000	-	1,010,000	1,055,000	1,055,000
\$15,400,000 2008 Permanent Improvement Bonds due in varying amounts through 2028 at an average interest rate of 4.429% for building projects.	13,715,000	-	600,000	13,115,000	625,000
\$8,50,000 2008 Tax Notes due in varying amounts through 2015 at an average interest rate of 3.0484% for technology and building projects.	3,970,000	-	1,275,000	2,695,000	1,320,000
\$104,275,000 2009 Permanent Improvement Bonds due in varying amounts through 2034 at an average interest rate of 4.47447% for roads and various building projects.	103,565,000	-	370,000	103,195,000	380,000
\$23,280,000 2010 Permanent Improvement Refunding Bonds due in varying amounts 2026 at an average interest rate of 3.60% to refinance previously issued bonds.	22,970,000	-	175,000	22,795,000	175,000
\$137,895,000 2010 Permanent Improvement Bonds, Series A&B, due in varying amounts through 2024 at an average interest rate of 3.548% for buildings and roads.	130,690,000	-	3,790,000	126,900,000	3,980,000
\$15,905,000 2011 Permanent Improvement Refunding Bonds, due in varying amounts through 2020 at an average interest rate of 2.1296% to refinance previously issued bonds.	15,720,000	-	865,000	14,855,000	2,635,000

\$9,730,000 2012 Tax Notes
 due in varying amounts through
 2019 at an average interest rate of
 1.4419% for technology and building
 projects.

9,730,000 - 750,000 8,980,000 965,000

\$94,495,000 2012 Permanent
 Improvement and Refunding Bonds,
 due in varying amounts through 2031
 at an average interest rate of 3.762%
 to refinance previously issued bonds.
 and for buildings and roads.

98,495,000 - - 98,495,000 -

\$ 63,345,000 2013 Permanent
 Improvement and Refunding Bonds,
 due in varying amounts through 2035
 at a true interest cost of 3.1895 %
 to refinance previously issued bonds.
 and for buildings and roads.

- 63,345,000 - 63,345,000 4,750,000

\$36,525,000 2013 General Obligation
 Refunding Bonds, Taxable Series 2013
 due in varying amounts through 2026
 at a true interest cost of 2.3253%
 to refinance previously issued bonds.

- 36,525,000 595,000 35,930,000 -

\$9,925,000 2013 Tax Notes
 due in varying amounts through 2020
 at an average interest rate of 0.8128%
 to fund various technology projects.

- 9,925,000 - 9,925,000 1,320,000

Total General Obligation					
Bonds Payable	553,915,000	109,795,000	67,465,000	596,245,000	21,480,000
Unrealized Loss/Bond Premium	13,350,400	1,333,495	2,363,997	12,319,898	864,470
Compensated Absences	7,437,999	676,785	13,282	8,101,502	810,150
Other Post-employment Benefits	24,555,631	10,875,473	1,525,150	33,905,954	-
Capital Leases	<u>2,048,556</u>	<u>-</u>	<u>624,048</u>	<u>1,424,508</u>	<u>536,688</u>
TOTAL	<u>\$ 601,307,586</u>	<u>\$ 122,680,753</u>	<u>\$ 71,991,477</u>	<u>\$ 651,996,862</u>	<u>\$ 23,691,308</u>

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 21,480,000	\$ 25,402,275	\$ 46,882,275
2015	21,075,000	24,817,492	45,892,492
2016	20,985,000	24,012,754	44,997,754
2017	23,055,000	23,401,553	46,456,553
2018	24,145,000	22,748,588	46,893,588
2019-2023	135,100,000	99,761,610	234,861,610
2024-2028	161,255,000	68,910,002	230,165,002
2029-2033	157,760,000	28,665,709	186,425,709
2034-2035	<u>31,390,000</u>	<u>2,210,913</u>	<u>33,600,913</u>
Total	<u>\$ 596,245,000</u>	<u>\$ 319,930,896</u>	<u>\$ 916,175,896</u>

All of the County's long-term debt issues are subject to the arbitrage regulations of the Federal government. Per these regulations, portions of the County's investment earnings on debt proceeds may be subject to rebate to the Federal government.

In April, 2013, Denton County issued \$63,345,000 of permanent improvement and refunding bonds, \$36,525,000 in taxable refunding bonds, and \$9,925,000 of tax notes. Of this total, \$53,680,000 in refunding bonds was issued to provide resources to redeem at their call date \$17,155,000 of previously issued 2005A permanent improvement bonds, \$13,900,000 of 2005 general obligation refunding bonds, and \$18,670,000 of 2006 PI refunding 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 \$1,784,574. The refunding was undertaken to reduce future debt service payments. The refunding transaction resulted in a reduction of \$4,785,761 in the County's aggregate future debt service payments, and an economic gain to the County of \$4,604,267.

In April, 2012, Denton County issued \$98,495,000 of permanent improvement and refunding bonds. Of this total, \$11,665,000 in refunding bonds was issued to provide resources to redeem at their call date \$12,335,000 of previously issued 2005 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 net carrying amount of the old debt exceeded the reacquisition price by \$461,168. 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 refunding transaction resulted in a reduction of \$1,608,474 in the County's aggregate future debt service payments, and an economic gain to the County of \$1,184,574.

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, 2013 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 \$2,000,000 in authorized but un-issued permanent improvement bonds as of September 30, 2013. The \$2 million in bonds was approved for purchasing voting equipment. Of the total amount of bonds authorized in the election, the County issued \$31,450,000 of authorized 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; \$45,145,527 of road bonds were issued in the 2010 bond sale and; \$10,359,473 of road bonds were issued in the 2012 bond sale. Due to the receipt of significant grant funding for voting equipment since 2004, the County has no plans to issue the remaining authorized bonds.

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. \$59,551,781 of the road bonds and \$36,676,432 of the facilities bonds were issued in the 2012 bond sale. In the 2013 bond sale, \$40,120,000 of the road bonds and \$10,450,000 of the facilities bonds were issued (taking into account that the bond premium received counts partially against the total authorization). As of September 30, 2013, a total of \$174,866,062 of the bonds approved in the 2008 election was authorized but unissued.

G. Fund Balance

As of September 30, 2013, 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	\$ 121,900	\$ -	\$ -	\$ -	\$ 121,900
Restricted:					
Road and bridge				5,557,055	5,557,055
County records management				2,546,607	2,546,607
Juvenile probation				646,496	646,496
Indigent care and public health				5,431,796	5,431,796
Law enforcement				848,424	848,424
Technology and security				682,332	682,332
Other Statutorily Restricted Funds				1,517,289	1,517,289
Retirement of Long Term Debt		2,870,387	-	-	2,870,387
Capital Asset Acquisition	-	-	207,907,149	25,675,546	233,582,695
Committed:					
Encumbrances	-	-	-	-	-
Assigned:					
Other	-	-	-	-	-
Unassigned:	33,590,722	-	-	(15,500)	33,575,222
Total Governmental Fund Balance	\$ 33,712,622	\$ 2,870,387	\$ 207,907,149	\$ 42,890,045	\$ 287,380,203

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 2013, a total of \$21,225,928 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 \$838,591 on September 30, 2013. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2013</u>	<u>2012</u>
Unpaid Claims, beginning of fiscal year	\$ 841,797	\$ 126,620
Incurring Claims (including incurred but not reported)	18,630,302	20,307,289
Claim payments	(18,633,508)	(19,592,112)
Unpaid Claims, end of fiscal year	<u>\$ 838,591</u>	<u>\$ 841,797</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. Other post-employment benefits (OPEB) include 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, 2013, 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 0% to 68%.

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, 2013, the County paid \$2,326,160 for OPEB payments by the plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$801,010, or approximately 34.44% 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.

	Amount
Annual Required Contribution (ARC)	\$ 10,983,751
Interest on Net OPEB Obligation	982,225
Adjustment to Annual Required Contribution	<u>(1,090,503)</u>
Annual OPEB Expense	10,875,473
Contributions Made	<u>(1,525,150)</u>
Change in Net OPEB Obligation	9,350,323
Net OPEB Obligation - Beginning of Year	<u>24,555,631</u>
Net OPEB Obligation - End of Year	<u>\$ 33,905,954</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 2013 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of OPEB Cost Contributed	Net OPEB Obligation
9/30/2011	\$ 9,233,254	12.20%	\$ 16,227,139
9/30/2012	9,197,509	9.45%	24,555,631
9/30/2013	10,875,473	14.02%	33,905,954

Funding Status and Funding Progress

As of October 1, 2012, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$92,309,826 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 \$74,797,155, and the ratio of the UAAL to the covered payroll was 123.4%.

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.

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, 2012, 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 8% initially reducing by 0.5% per year, reaching 5.0% in 2019 and thereafter. The inflation rate, which is included in the healthcare cost trend rate computation, is 3.5%. The UAAL is being amortized

as a level percentage of payroll on an open basis. The remaining amortization period at September 30, 2013 was 25 years.

VI. EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

Denton County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 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 10.72% for the months of the accounting year in 2012, and 11.15% for the months of the accounting year in 2013.

The deposit rate payable by the employee members of the plan for calendar years 2012 and 2013 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, 2013, the annual pension cost for the TCDRS plan for its employees was \$8,571,529 and the actual contributions were \$8,571,529.

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, 2011 and December 31, 2012 using the entry age actuarial cost method. These form a basis for determining the contribution rates for calendar years 2012 and 2013. The actuarial assumptions used included (a) 8% investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4%. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20.0 years. The December 31, 2012 actuarial valuation is the most recent valuation.

D. Actuarial Valuation Information

Actuarial valuation date	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2012</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Asset valuation method			
Subdivision Accumulation Fund	10-yr smoothed value	10-yr smoothed value	10-yr smoothed value
Employee Savings Fund	Fund value	Fund value	Fund value
Actuarial assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.40%	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

<u>Accounting Year Ending</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/2011	\$	7,528,004	100%	\$ -
9/30/2012		7,815,693	100%	-
9/30/2013		8,571,529	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. Funded Status

As of December 31, 2012, the most recent actuarial valuation date, the plan was 82.59% funded. The actuarial accrued liability for benefits was \$231,520,792, and the actuarial value of assets was \$191,217,740, resulting in an unfunded actuarial accrued liability (UAAL) of \$40,303,052. The covered payroll (annual payroll of active employees covered by the plan), was \$74,497,155, and the ratio of the UAAL to the covered payroll was 54.10%.

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Denton County, Texas
Required Supplementary Information
Employees Retirement System
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)
12/31/2010	\$ 169,744,875	\$ 201,747,553	\$ 32,002,678	84.14%	\$ 72,861,544	43.92%
12/31/2011	180,983,483	216,453,276	35,469,793	83.61%	73,222,414	48.44%
12/31/2012	191,217,740	231,520,792	40,303,052	82.59%	74,497,155	54.10%

Other Post-employment Benefits Plan
Schedule of Funding Progress

Fiscal Year	Actuarial Valuation Date	Actuarial Value Assets - (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a % of Payroll (b-a)/c
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%
2013	10/1/2012	-	92,309,826	92,309,826	0.0%	74,497,155	123.4%

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.

Medicaid DSRIP Program

To account for the receipt and expenditure of Medicaid funds to be used specifically for the County's disease prevention and management initiatives.

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

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.

2008 PI Bond Project Fund:

To account for the receipt and expenditure of Permanent Improvement Bond proceeds issued to fund the construction of the County's health services facility.

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.

2012 Tax Note Fund:

To account for the receipt and expenditure of Tax Note proceeds issued for to fund the construction of the Precinct 4 government center and to fund a video visitation center and pre-construction expenses for expansion of the County jail.

2013 Tax Note Fund:

To account for the receipt and expenditure of Tax Note proceeds issued to fund the technology improvements, construction of the Precinct 2 government center, and the remodeling of the pre-trial portion of the County jail.

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
ASSETS				
Cash	\$ 168,152	\$ 92,544	\$ 53,642	\$ 2
Investments	6,321,756	39,891	1,014,242	257,457
Receivables				
Taxes	84,174	-	125,632	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	4,300	-
Due from Other Funds	2,830	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 6,576,912	\$ 132,434	\$ 1,197,816	\$ 257,459
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 854,920	\$ -	\$ 271,736	\$ 2,097
Wages Payable	79,072	-	152,815	-
Due to Other Funds	1,691	-	1,137	-
Due to Other Governments	-	-	-	-
Deferred Revenues	84,174	-	125,632	-
TOTAL LIABILITIES	1,019,857	-	551,320	2,097
FUND BALANCES				
Restricted	5,557,055	132,434	646,496	255,362
Unassigned	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,576,912	\$ 132,434	\$ 1,197,816	\$ 257,459

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
\$ 37,956	\$ 77,791	\$ 85,487	\$ 137,996	\$ 29,539	\$ 69,391	\$ 41,228
1,810,347	1,285,014	208,039	2,178,499	-	132,568	-
36,029	45,159	-	-	-	-	-
-	2	-	-	-	-	-
-	500	-	-	-	-	-
-	105,712	-	-	-	-	-
-	162,457	-	-	-	-	-
<u>\$ 1,884,332</u>	<u>\$ 1,676,634</u>	<u>\$ 293,526</u>	<u>\$ 2,316,496</u>	<u>\$ 29,539</u>	<u>\$ 201,959</u>	<u>\$ 41,228</u>
\$ 201,165	\$ 109,614	\$ 20,703	\$ 49,505	\$ 1,204	\$ 12,179	\$ 1,597
3,149	62,605	2,484	5,649	-	-	-
278	1,232	-	5,565	-	-	-
-	1,210	-	-	-	-	-
36,029	62,496	-	-	-	-	-
<u>240,622</u>	<u>237,157</u>	<u>23,186</u>	<u>60,719</u>	<u>1,204</u>	<u>12,179</u>	<u>1,597</u>
1,643,710	1,439,477	270,339	2,255,777	28,335	189,780	39,631
-	-	-	-	-	-	-
<u>\$ 1,884,332</u>	<u>\$ 1,676,634</u>	<u>\$ 293,526</u>	<u>\$ 2,316,496</u>	<u>\$ 29,539</u>	<u>\$ 201,959</u>	<u>\$ 41,228</u>

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

SPECIAL REVENUE	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fee Fund
ASSETS				
Cash	\$ 113,289	\$ 7,423	\$ 85,496	\$ -
Investments	799,207	30,024	118,631	-
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	30	-	-
Other Receivables	-	-	-	-
Due from Other Funds	375	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 912,871	\$ 37,477	\$ 204,127	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 32,875	\$ -	\$ 12,144	\$ -
Wages Payable	-	-	5,369	1,894
Due to Other Funds	-	-	-	13,606
Due to Other Governments	-	-	-	-
Deferred Revenues	100,149	-	-	-
TOTAL LIABILITIES	133,024	-	17,512	15,500
FUND BALANCES				
Restricted	779,847	37,477	186,615	-
Unassigned	-	-	-	(15,500)
TOTAL LIABILITIES AND FUND BALANCES	\$ 912,871	\$ 37,477	\$ 204,127	\$ -

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
\$ 29,406	\$ -	\$ 5,410	\$ 79,478	\$ -	\$ 84,018
1,030,947	-	2,151,800	281,781	-	20,649
-	-	-	-	-	-
-	-	-	-	-	-
-	8,261	-	-	-	-
-	-	5,430	-	66	-
-	389,932	-	-	116,433	-
<u>\$ 1,060,353</u>	<u>\$ 398,193</u>	<u>\$ 2,162,639</u>	<u>\$ 361,259</u>	<u>\$ 116,499</u>	<u>\$ 104,667</u>

\$ 45,102	\$ 13,849	\$ 34,970	\$ -	\$ 4,434	\$ -
-	28,355	-	-	6,141	452
-	329,268	-	-	94,129	-
-	-	-	-	-	-
193,573	-	-	-	-	-
<u>238,675</u>	<u>371,471</u>	<u>34,970</u>	<u>-</u>	<u>104,705</u>	<u>452</u>
821,677	26,722	2,127,669	361,259	11,794	104,215
-	-	-	-	-	-
<u>\$ 1,060,353</u>	<u>\$ 398,193</u>	<u>\$ 2,162,639</u>	<u>\$ 361,259</u>	<u>\$ 116,499</u>	<u>\$ 104,667</u>

Continued

Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

SPECIAL REVENUE	JP Court Security Fund	Fire Code Enforcement Fund	Medicaid DSRIP Program	TOTAL Special Revenue Funds
ASSETS				
Cash	\$ 103,534	\$ 31,427	\$ 189,239	\$ 1,522,447
Investments	-	3,691	-	17,684,543
Receivables				
Taxes	-	-	-	290,994
Accrued Interest	-	-	-	32
Other Receivables	-	-	-	13,061
Due from Other Funds	-	-	-	114,413
Due from Other Governments	-	-	-	668,821
TOTAL ASSETS	\$ 103,534	\$ 35,119	\$ 189,239	\$ 20,294,311
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 576	\$ 1,433	\$ 132	\$ 1,670,235
Wages Payable	-	4,725	6,537	359,247
Due to Other Funds	-	15	146	447,067
Due to Other Governments	-	-	-	1,210
Deferred Revenues	-	-	-	602,053
TOTAL LIABILITIES	576	6,173	6,816	3,079,811
FUND BALANCES				
Restricted	102,958	28,946	182,423	17,230,000
Unassigned	-	-	-	(15,500)
TOTAL LIABILITIES AND FUND BALANCES	\$ 103,534	\$ 35,119	\$ 189,239	\$ 20,294,311



Denton County, Texas
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

CAPITAL PROJECTS	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund	2008 PI Bond Project Fund
<u>ASSETS</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	973,807	95,517	395,498	48,051
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
TOTAL ASSETS	\$ 973,807	\$ 95,517	\$ 395,498	\$ 48,051
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 14,250	\$ 19,042
Wages Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenues	-	-	-	-
TOTAL LIABILITIES	-	-	14,250	19,042
<u>FUND BALANCES</u>				
Restricted	973,807	95,517	381,248	29,008
Unassigned	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 973,807	\$ 95,517	\$ 395,498	\$ 48,051

Capital Replacement Fund	2007 Road Bond Project Fund	2012 Tax Note Project Fund	2013 Tax Note Project Fund	TOTAL Capital Projects Funds	TOTAL Nonmajor Governmental Funds
\$ 6,308,395	\$ -	\$ 17	\$ -	\$ 18	\$ 1,522,465
	1,364,677	6,899,452	9,757,068	25,842,464	43,527,006
-	-	-	-	-	-
-	-	-	-	-	290,994
-	-	-	-	-	32
-	-	-	-	-	13,061
-	-	-	-	-	114,413
-	-	-	-	-	668,821
<u>\$ 6,308,396</u>	<u>\$ 1,364,677</u>	<u>\$ 6,899,469</u>	<u>\$ 9,757,068</u>	<u>\$ 25,842,482</u>	<u>\$ 46,136,793</u>
\$ 69,506	\$ 48,700	\$ -	\$ 15,439	\$ 166,936	\$ 1,837,171
-	-	-	-	-	359,247
-	-	-	-	-	447,067
-	-	-	-	-	1,210
-	-	-	-	-	602,053
<u>69,506</u>	<u>48,700</u>	<u>-</u>	<u>15,439</u>	<u>166,936</u>	<u>3,246,747</u>
6,238,891	1,315,977	6,899,469	9,741,629	25,675,546	42,905,545
-	-	-	-	-	(15,500)
<u>\$ 6,308,396</u>	<u>\$ 1,364,677</u>	<u>\$ 6,899,469</u>	<u>\$ 9,757,068</u>	<u>\$ 25,842,482</u>	<u>\$ 46,136,793</u>

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2013

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
REVENUES				
Taxes	\$ 5,338,779	\$ -	\$ 7,969,027	\$ -
Licenses and Permits	6,295,809	-	-	-
Intergovernmental	259,051	221,136	2,332,092	278,252
Fees of Office	-	20,119	71,956	-
Fines	-	-	-	-
Interest	8,576	143	3,314	469
Miscellaneous	35,585	-	2,982	-
TOTAL REVENUES	11,937,800	241,399	10,379,371	278,721
EXPENDITURES				
General Government	-	-	-	296,992
Judicial	-	398,924	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	10,875,884	-
Health and Welfare	-	-	-	-
Roads	11,132,456	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	11,132,456	398,924	10,875,884	296,992
Excess (Deficiency) of Revenues Over Expenditures	805,344	(157,525)	(496,513)	(18,272)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	15,257	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	142,637	-	-
Transfers Out	(30,444)	-	-	(4,471)
Total Other Financing	(15,187)	142,637	-	(4,471)
NET CHANGE IN FUND BALANCES	790,156	(14,888)	(496,513)	(22,743)
FUND BALANCES AT BEGINNING OF YEAR	4,766,898	147,323	1,143,009	278,105
FUND BALANCES AT END OF YEAR	\$ 5,557,055	\$ 132,434	\$ 646,496	\$ 255,362

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
\$ 2,285,811	\$ 2,865,092	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,644,040	-	-	-	-	-
-	529,300	367,868	1,689,870	24,783	294,261	-
-	-	-	-	-	-	-
1,992	1,850	361	2,966	9	71	42
-	-	19,075	-	-	-	-
<u>2,287,803</u>	<u>5,040,282</u>	<u>387,304</u>	<u>1,692,836</u>	<u>24,792</u>	<u>294,331</u>	<u>42</u>
-	-	365,608	1,823,846	-	-	-
-	-	-	-	18,864	326,622	-
-	-	-	-	-	-	-
-	-	-	-	-	-	55,895
1,656,972	4,402,550	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,656,972</u>	<u>4,402,550</u>	<u>365,608</u>	<u>1,823,846</u>	<u>18,864</u>	<u>326,622</u>	<u>55,895</u>
630,831	637,732	21,696	(131,010)	5,928	(32,290)	(55,853)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	20,000	-	-	-	46,000	-
-	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,000</u>	<u>-</u>
<u>630,831</u>	<u>657,732</u>	<u>21,696</u>	<u>(131,010)</u>	<u>5,928</u>	<u>13,710</u>	<u>(55,853)</u>
1,012,879	781,745	248,644	2,386,787	22,407	176,071	95,484
<u>\$ 1,643,710</u>	<u>\$ 1,439,477</u>	<u>\$ 270,339</u>	<u>\$ 2,255,777</u>	<u>\$ 28,335</u>	<u>\$ 189,780</u>	<u>\$ 39,631</u>

Continued

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2013

SPECIAL REVENUE	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	22,500
Fees of Office	-	-	335,168	26,680
Fines	-	-	-	-
Interest	1,867	6,702	145	-
Miscellaneous	561,073	-	-	-
TOTAL REVENUES	562,940	6,702	335,312	49,180
EXPENDITURES				
General Government	-	-	-	-
Judicial	-	-	337,503	-
Legal	-	-	-	94,938
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	1,466,038	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	1,466,038	-	337,503	94,938
Excess (Deficiency) of Revenues Over Expenditures	(903,098)	6,702	(2,191)	(45,758)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	40,000
Transfers Out	-	-	-	-
Total Other Financing	-	-	-	40,000
NET CHANGE IN FUND BALANCES	(903,098)	6,702	(2,191)	(5,758)
FUND BALANCES AT BEGINNING OF YEAR	1,682,945	30,775	188,805	(9,742)
FUND BALANCES AT END OF YEAR	\$ 779,847	\$ 37,477	\$ 186,615	\$ (15,500)

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,859,912	244,364	-	524,668	-
-	-	47,038	59,591	-	89,552
-	-	-	-	-	-
1,157	-	3,160	246	-	54
301,119	-	-	-	-	-
<u>302,276</u>	<u>1,859,912</u>	<u>294,562</u>	<u>59,837</u>	<u>524,668</u>	<u>89,606</u>
-	-	-	-	-	-
-	-	-	83,929	-	64,976
101,889	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,859,912	256,282	-	523,251	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>101,889</u>	<u>1,859,912</u>	<u>256,282</u>	<u>83,929</u>	<u>523,251</u>	<u>64,976</u>
<u>200,387</u>	<u>-</u>	<u>38,280</u>	<u>(24,092)</u>	<u>1,417</u>	<u>24,631</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(40,000)	-	-	-	-	-
<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>160,387</u>	<u>-</u>	<u>38,280</u>	<u>(24,092)</u>	<u>1,417</u>	<u>24,631</u>
<u>661,290</u>	<u>26,722</u>	<u>2,089,390</u>	<u>385,351</u>	<u>10,377</u>	<u>79,584</u>
<u>\$ 821,677</u>	<u>\$ 26,722</u>	<u>\$ 2,127,669</u>	<u>\$ 361,259</u>	<u>\$ 11,794</u>	<u>\$ 104,215</u>

Continued

Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2013

SPECIAL REVENUE	JP Court Security Fund	Fire Code Enforcement Fund	Medicaid DSRIP Program	TOTAL SPECIAL REV September 30, 2013
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 18,458,710
Licenses and Permits	-	-	-	6,295,809
Intergovernmental	-	-	410,464	7,796,478
Fees of Office	14,796	188,100	-	3,759,083
Fines	-	-	-	-
Interest	56	32	24	33,234
Miscellaneous	-	-	-	919,833
TOTAL REVENUES	14,852	188,132	410,488	37,263,148
EXPENDITURES				
General Government	-	-	-	2,486,446
Judicial	2,949	-	-	1,233,766
Legal	-	-	-	196,827
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	262,115	-	12,659,932
Health and Welfare	-	-	228,065	8,927,031
Roads	-	-	-	11,132,456
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	2,949	262,115	228,065	36,636,458
Excess (Deficiency) of Revenues Over Expenditures	11,903	(73,983)	182,423	626,689
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	15,257
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	248,637
Transfers Out	-	-	-	(74,915)
Total Other Financing	-	-	-	188,979
NET CHANGE IN FUND BALANCES	11,903	(73,983)	182,423	815,668
FUND BALANCES AT BEGINNING OF YEAR	91,056	102,928	-	16,398,832
FUND BALANCES AT END OF YEAR	\$ 102,958	\$ 28,946	\$ 182,423	\$ 17,214,500



Denton County, Texas
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2013

	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund	2008 PI Bond Project Fund
CAPITAL PROJECTS				
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	1,580	154	1,134	78
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,580	154	1,134	78
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	3,915	-	532,373	19,042
TOTAL EXPENDITURES	3,915	-	532,373	19,042
Excess (Deficiency) of Revenues Over Expenditures	(2,335)	154	(531,239)	(18,964)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(2,335)	154	(531,239)	(18,964)
FUND BALANCES AT BEGINNING OF YEAR	976,142	95,363	912,486	47,973
FUND BALANCES AT END OF YEAR	\$ 973,807	\$ 95,517	\$ 381,248	\$ 29,008

Capital Replacement Fund	2007 Road Bond Project Fund	2012 Tax Note Project Fund	2013 Tax Note Project Fund	TOTAL Capital Projects September 30, 2013	TOTAL Special Revenue & Capital Projects September 30, 2013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,458,710
-	-	-	-	-	6,295,809
-	93,191	-	-	93,191	7,889,669
-	-	-	-	-	3,759,083
-	-	-	-	-	-
9,145	2,433	15,647	5,795	35,966	69,200
-	-	-	-	-	919,833
<u>9,145</u>	<u>95,624</u>	<u>15,647</u>	<u>5,795</u>	<u>129,156</u>	<u>37,392,304</u>
-	-	-	-	-	2,486,446
-	-	-	-	-	1,233,766
-	-	-	-	-	196,827
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	12,659,932
-	-	-	-	-	8,927,031
-	-	-	-	-	11,132,456
-	-	-	-	-	-
<u>2,313,020</u>	<u>584,400</u>	<u>3,227,776</u>	<u>864,014</u>	<u>7,544,539</u>	<u>7,544,539</u>
<u>2,313,020</u>	<u>584,400</u>	<u>3,227,776</u>	<u>864,014</u>	<u>7,544,539</u>	<u>44,180,998</u>
<u>(2,303,875)</u>	<u>(488,776)</u>	<u>(3,212,129)</u>	<u>(858,219)</u>	<u>(7,415,383)</u>	<u>(6,788,694)</u>
-	-	-	9,925,000	9,925,000	9,925,000
-	-	-	674,848	674,848	674,848
429,825	-	-	-	429,825	445,082
-	-	-	-	-	-
2,000,000	-	-	-	2,000,000	2,248,637
(1,476,842)	-	-	-	(1,476,842)	(1,551,757)
<u>952,983</u>	<u>-</u>	<u>-</u>	<u>10,599,848</u>	<u>11,552,832</u>	<u>11,741,811</u>
<u>(1,350,891)</u>	<u>(488,776)</u>	<u>(3,212,129)</u>	<u>9,741,629</u>	<u>4,137,449</u>	<u>4,953,117</u>
<u>7,589,782</u>	<u>1,804,753</u>	<u>10,111,598</u>	<u>-</u>	<u>21,538,097</u>	<u>37,936,929</u>
<u>\$ 6,238,891</u>	<u>\$ 1,315,977</u>	<u>\$ 6,899,469</u>	<u>\$ 9,741,629</u>	<u>\$ 25,675,546</u>	<u>\$ 42,890,045</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, 2013

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ 5,134,494	\$ 5,134,494	\$ 5,338,779	\$ 204,285
Licenses and Permits	5,880,000	5,880,000	6,295,809	415,809
Intergovernmental	145,000	145,000	259,051	114,051
Fees of Office	5,000	5,000	-	(5,000)
Fines	-	-	-	-
Interest	12,000	12,000	8,576	(3,424)
Miscellaneous	-	34,618	35,585	967
TOTAL REVENUES	<u>11,176,494</u>	<u>11,211,112</u>	<u>11,937,800</u>	<u>726,688</u>
 <u>EXPENDITURES</u>				
ROADS	<u>12,218,162</u>	<u>13,242,743</u>	<u>11,132,456</u>	<u>2,110,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,041,668)</u>	<u>(2,031,631)</u>	<u>805,344</u>	<u>2,836,975</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	1,000	1,000	15,257	14,257
Transfers In	-	-	-	-
Transfers Out	-	(30,444)	(30,444)	-
Total Other Financing Sources	<u>1,000</u>	<u>(29,444)</u>	<u>(15,187)</u>	<u>14,257</u>
Net Change in Fund Balances	<u>(1,040,668)</u>	<u>(2,061,075)</u>	<u>790,156</u>	<u>2,851,231</u>
 FUND BALANCES - BEGINNING	<u>4,766,898</u>	<u>4,766,898</u>	<u>4,766,898</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ 3,726,230</u>	<u>\$ 2,705,823</u>	<u>\$ 5,557,055</u>	<u>\$ 2,851,231</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, 2013

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	235,000	235,000	221,136	(13,864)
Fees of Office	19,000	19,000	20,119	1,119
Fines	-	-	-	-
Interest	1,000	1,000	143	(857)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>255,000</u>	<u>255,000</u>	<u>241,399</u>	<u>(13,601)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>400,500</u>	<u>400,500</u>	<u>398,924</u>	<u>1,576</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(145,500)</u>	<u>(145,500)</u>	<u>(157,525)</u>	<u>(12,025)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	142,637	142,637	142,637	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>142,637</u>	<u>142,637</u>	<u>142,637</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,863)</u>	<u>(2,863)</u>	<u>(14,888)</u>	<u>(12,025)</u>
FUND BALANCES - BEGINNING	<u>147,323</u>	<u>147,323</u>	<u>147,323</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 144,460</u>	<u>\$ 144,460</u>	<u>\$ 132,434</u>	<u>\$ (12,025)</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, 2013

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ 7,678,379	\$ 7,678,379	\$ 7,969,027	\$ 290,648
Licenses and Permits	-	-	-	-
Intergovernmental	2,998,500	3,016,938	2,332,092	(684,846)
Fees of Office	70,000	70,000	71,956	1,956
Fines	-	-	-	-
Interest	6,000	6,000	3,314	(2,686)
Miscellaneous	2,000	2,000	2,982	982
TOTAL REVENUES	<u>10,754,879</u>	<u>10,773,317</u>	<u>10,379,371</u>	<u>(393,946)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>11,021,981</u>	<u>11,043,893</u>	<u>10,875,884</u>	<u>168,009</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(267,102)</u>	<u>(270,576)</u>	<u>(496,513)</u>	<u>(225,937)</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>(267,102)</u>	<u>(270,576)</u>	<u>(496,513)</u>	<u>(225,937)</u>
 FUND BALANCES - BEGINNING	 <u>1,143,009</u>	 <u>1,143,009</u>	 <u>1,143,009</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 875,907</u>	<u>\$ 872,433</u>	<u>\$ 646,496</u>	<u>\$ (225,937)</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,198,589	\$ 2,198,589	\$ 2,285,811	\$ 87,222
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	3,000	3,000	1,992	(1,008)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>2,201,589</u>	<u>2,201,589</u>	<u>2,287,803</u>	<u>86,214</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>2,503,652</u>	<u>2,504,099</u>	<u>1,656,972</u>	<u>847,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(302,063)</u>	<u>(302,510)</u>	<u>630,831</u>	<u>933,341</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>(302,063)</u>	<u>(302,510)</u>	<u>630,831</u>	<u>933,341</u>
FUND BALANCES - BEGINNING	<u>1,012,879</u>	<u>1,012,879</u>	<u>1,012,879</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 710,816</u>	<u>\$ 710,369</u>	<u>\$ 1,643,710</u>	<u>\$ 933,341</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,761,094	\$ 2,761,094	\$ 2,865,092	\$ 103,998
Licenses and Permits	-	-	-	-
Intergovernmental	1,066,645	1,492,436	1,644,040	151,604
Fees of Office	515,000	515,000	529,300	14,300
Fines	-	-	-	-
Interest	6,000	6,000	1,850	(4,150)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>4,348,739</u>	<u>4,774,530</u>	<u>5,040,282</u>	<u>265,752</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>4,377,671</u>	<u>4,828,516</u>	<u>4,402,550</u>	<u>425,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,932)</u>	<u>(53,986)</u>	<u>637,732</u>	<u>691,718</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	20,000	20,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(28,932)</u>	<u>(33,986)</u>	<u>657,732</u>	<u>691,718</u>
FUND BALANCES - BEGINNING	<u>781,745</u>	<u>781,745</u>	<u>781,745</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 752,813</u>	<u>\$ 747,759</u>	<u>\$ 1,439,477</u>	<u>\$ 691,718</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	371,000	371,000	367,868	(3,132)
Fines	-	-	-	-
Interest	1,200	1,200	361	(839)
Miscellaneous	15,000	15,000	19,075	4,075
TOTAL REVENUES	<u>387,200</u>	<u>387,200</u>	<u>387,304</u>	<u>104</u>
<u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>396,078</u>	<u>396,168</u>	<u>365,608</u>	<u>30,560</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,878)</u>	<u>(8,968)</u>	<u>21,696</u>	<u>30,664</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>(8,878)</u>	 <u>(8,968)</u>	 <u>21,696</u>	 <u>30,664</u>
 FUND BALANCES - BEGINNING	 <u>248,644</u>	 <u>248,644</u>	 <u>248,644</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 239,766</u>	 <u>\$ 239,676</u>	 <u>\$ 270,339</u>	 <u>\$ 30,664</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, 2013

<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	1,432,000	1,432,000	1,689,870	257,870
Fines	-	-	-	-
Interest	20,000	20,000	2,966	(17,034)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>1,452,000</u>	<u>1,452,000</u>	<u>1,692,836</u>	<u>240,836</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>2,431,540</u>	<u>2,443,440</u>	<u>1,823,846</u>	<u>619,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(979,540)</u>	<u>(991,440)</u>	<u>(131,010)</u>	<u>860,430</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>(979,540)</u>	<u>(991,440)</u>	<u>(131,010)</u>	<u>860,430</u>
 FUND BALANCES - BEGINNING	 <u>2,386,787</u>	 <u>2,386,787</u>	 <u>2,386,787</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,407,247</u>	<u>\$ 1,395,347</u>	<u>\$ 2,255,777</u>	<u>\$ 860,430</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, 2013

<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	18,500	18,500	24,783	6,283
Fines	-	-	-	-
Interest	50	50	9	(41)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>18,550</u>	<u>18,550</u>	<u>24,792</u>	<u>6,242</u>
 <u>EXPENDITURES</u>				
GENERAL GOVERNMENT	<u>28,053</u>	<u>28,053</u>	<u>18,864</u>	<u>9,189</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,503)</u>	<u>(9,503)</u>	<u>5,928</u>	<u>15,431</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>(9,503)</u>	<u>(9,503)</u>	<u>5,928</u>	<u>15,431</u>
 FUND BALANCES - BEGINNING	 <u>22,407</u>	 <u>22,407</u>	 <u>22,407</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 12,904</u>	<u>\$ 12,904</u>	<u>\$ 28,335</u>	<u>\$ 15,431</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	275,000	275,000	294,261	19,261
Fines	-	-	-	-
Interest	1,000	1,000	71	(929)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>276,000</u>	<u>276,000</u>	<u>294,331</u>	<u>18,331</u>
<u>EXPENDITURES</u>				
JUDICIAL	<u>366,723</u>	<u>373,851</u>	<u>326,622</u>	<u>47,229</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(90,723)</u>	<u>(97,851)</u>	<u>(32,290)</u>	<u>65,561</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	46,000	46,000	46,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>46,000</u>	<u>46,000</u>	<u>46,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(44,723)</u>	<u>(51,851)</u>	<u>13,710</u>	<u>65,561</u>
FUND BALANCES - BEGINNING	<u>176,071</u>	<u>176,071</u>	<u>176,071</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 131,348</u>	<u>\$ 124,220</u>	<u>\$ 189,780</u>	<u>\$ 65,561</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, 2013

<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	-	-	-	-
Fines	-	-	-	-
Interest	2,000	2,000	1,867	(133)
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>561,073</u>	<u>461,073</u>
TOTAL REVENUES	<u>102,000</u>	<u>102,000</u>	<u>562,940</u>	<u>460,940</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>270,000</u>	<u>1,944,646</u>	<u>1,466,038</u>	<u>478,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(168,000)</u>	<u>(1,842,646)</u>	<u>(903,098)</u>	<u>939,548</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>(168,000)</u>	<u>(1,842,646)</u>	<u>(903,098)</u>	<u>939,548</u>
 FUND BALANCES - BEGINNING	 <u>1,682,945</u>	 <u>1,682,945</u>	 <u>1,682,945</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,514,945</u>	<u>\$ (159,701)</u>	<u>\$ 779,847</u>	<u>\$ 939,548</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	8,000	8,000	6,702	(1,298)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>8,000</u>	<u>8,000</u>	<u>6,702</u>	<u>(1,298)</u>
 <u>EXPENDITURES</u>				
FINANCIAL	<u>19,224</u>	<u>19,224</u>	<u>-</u>	<u>19,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,224)</u>	<u>(11,224)</u>	<u>6,702</u>	<u>17,926</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>(11,224)</u>	 <u>(11,224)</u>	 <u>6,702</u>	 <u>17,926</u>
 FUND BALANCES - BEGINNING	 <u>30,775</u>	 <u>30,775</u>	 <u>30,775</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 19,551</u>	 <u>\$ 19,551</u>	 <u>\$ 37,477</u>	 <u>\$ 17,926</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	310,000	310,000	335,168	25,168
Fines	-	-	-	-
Interest	750	750	145	(606)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>310,750</u>	<u>310,750</u>	<u>335,312</u>	<u>24,562</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>367,666</u>	<u>374,891</u>	<u>337,503</u>	<u>37,388</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(56,916)</u>	<u>(64,141)</u>	<u>(2,191)</u>	<u>61,950</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>(56,916)</u>	<u>(64,141)</u>	<u>(2,191)</u>	<u>61,950</u>
 FUND BALANCES - BEGINNING	 <u>188,805</u>	 <u>188,805</u>	 <u>188,805</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 131,889</u>	<u>\$ 124,664</u>	<u>\$ 186,615</u>	<u>\$ 61,950</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, 2013

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	22,500	22,500	22,500	-
Fees of Office	50,000	50,000	26,680	(23,320)
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>72,500</u>	<u>72,500</u>	<u>49,180</u>	<u>(23,320)</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>107,916</u>	<u>107,916</u>	<u>94,938</u>	<u>12,978</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(35,416)</u>	<u>(35,416)</u>	<u>(45,758)</u>	<u>(10,342)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	40,000	40,000	40,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
 Net Change in Fund Balances	<u>4,584</u>	<u>4,584</u>	<u>(5,758)</u>	<u>(10,342)</u>
 FUND BALANCES - BEGINNING	<u>(9,742)</u>	<u>(9,742)</u>	<u>(9,742)</u>	<u>-</u>
 FUND BALANCES - ENDING	<u>\$ (5,158)</u>	<u>\$ (5,158)</u>	<u>\$ (15,500)</u>	<u>\$ (10,342)</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, 2013

<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	-	-	-	-
Fines	-	-	-	-
Interest	1,500	1,500	1,157	(343)
Miscellaneous	<u>55,000</u>	<u>98,237</u>	<u>301,119</u>	<u>202,882</u>
TOTAL REVENUES	<u>56,500</u>	<u>99,737</u>	<u>302,276</u>	<u>202,539</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>165,996</u>	<u>209,233</u>	<u>101,889</u>	<u>107,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(109,496)</u>	<u>(109,496)</u>	<u>200,387</u>	<u>309,883</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(149,496)</u>	<u>(149,496)</u>	<u>160,387</u>	<u>309,883</u>
 FUND BALANCES - BEGINNING	 <u>661,290</u>	 <u>661,290</u>	 <u>661,290</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 511,794</u>	<u>\$ 511,794</u>	<u>\$ 821,677</u>	<u>\$ 309,883</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	240,000	240,000	244,364	4,364
Fees of Office	51,000	51,000	47,038	(3,962)
Fines	-	-	-	-
Interest	4,000	4,000	3,160	(840)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>295,000</u>	<u>295,000</u>	<u>294,562</u>	<u>(438)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>256,282</u>	<u>256,282</u>	<u>256,282</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,718</u>	<u>38,718</u>	<u>38,280</u>	<u>(438)</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>38,718</u>	<u>38,718</u>	<u>38,280</u>	<u>(438)</u>
FUND BALANCES - BEGINNING	<u>2,089,390</u>	<u>2,089,390</u>	<u>2,089,390</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,128,108</u>	<u>\$ 2,128,108</u>	<u>\$ 2,127,669</u>	<u>\$ (438)</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	68,000	68,000	59,591	(8,409)
Fines	-	-	-	-
Interest	1,200	1,200	246	(954)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>69,200</u>	<u>69,200</u>	<u>59,837</u>	<u>(9,363)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>230,262</u>	<u>230,540</u>	<u>83,929</u>	<u>146,611</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(161,062)</u>	<u>(161,340)</u>	<u>(24,092)</u>	<u>137,248</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>(161,062)</u>	<u>(161,340)</u>	<u>(24,092)</u>	<u>137,248</u>
 FUND BALANCES - BEGINNING	 <u>385,351</u>	 <u>385,351</u>	 <u>385,351</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 224,289</u>	<u>\$ 224,011</u>	<u>\$ 361,259</u>	<u>\$ 137,248</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	978,491	524,668	(453,823)
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>978,491</u>	<u>524,668</u>	<u>(453,823)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>-</u>	<u>978,491</u>	<u>523,251</u>	<u>455,240</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,417</u>	<u>1,417</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>1,417</u>	<u>1,417</u>
FUND BALANCES - BEGINNING	<u>10,377</u>	<u>10,377</u>	<u>10,377</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 10,377</u>	<u>\$ 10,377</u>	<u>\$ 11,794</u>	<u>\$ 1,417</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	75,000	75,000	89,552	14,552
Fines	-	-	-	-
Interest	600	600	54	(546)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>75,600</u>	<u>75,600</u>	<u>89,606</u>	<u>14,006</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>92,740</u>	<u>92,740</u>	<u>64,976</u>	<u>27,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,140)</u>	<u>(17,140)</u>	<u>24,631</u>	<u>41,771</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>(17,140)</u>	 <u>(17,140)</u>	 <u>24,631</u>	 <u>41,771</u>
 FUND BALANCES - BEGINNING	 <u>79,584</u>	 <u>79,584</u>	 <u>79,584</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 62,444</u>	 <u>\$ 62,444</u>	 <u>\$ 104,215</u>	 <u>\$ 41,771</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, 2013

<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	14,796	(1,204)
Fines	-	-	-	-
Interest	750	750	56	(694)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>16,750</u>	<u>16,750</u>	<u>14,852</u>	<u>(1,898)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>11,267</u>	<u>11,267</u>	<u>2,949</u>	<u>8,318</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,483</u>	<u>5,483</u>	<u>11,903</u>	<u>6,420</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>5,483</u>	<u>5,483</u>	<u>11,903</u>	<u>6,420</u>
 FUND BALANCES - BEGINNING	 <u>91,056</u>	 <u>91,056</u>	 <u>91,056</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 96,539</u>	<u>\$ 96,539</u>	<u>\$ 102,958</u>	<u>\$ 6,420</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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	210,000	210,000	188,100	(21,900)
Fines	-	-	-	-
Interest	1,000	1,000	32	(968)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>211,000</u>	<u>211,000</u>	<u>188,132</u>	<u>(22,868)</u>
 <u>EXPENDITURES</u>				
PUBLIC SAFETY	<u>273,677</u>	<u>273,677</u>	<u>262,115</u>	<u>11,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(62,677)</u>	<u>(62,677)</u>	<u>(73,983)</u>	<u>(11,306)</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>(62,677)</u>	<u>(62,677)</u>	<u>(73,983)</u>	<u>(11,306)</u>
 FUND BALANCES - BEGINNING	 <u>102,928</u>	 <u>102,928</u>	 <u>102,928</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 40,251</u>	<u>\$ 40,251</u>	<u>\$ 28,946</u>	<u>\$ (11,306)</u>

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEDICAID DSRIP PROGRAM
 For the Year Ended September 30, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	119,605	410,464	290,859
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	24	24
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	119,605	410,488	290,883
<u>EXPENDITURES</u>				
HEALTH & WELFARE	-	119,605	228,065	(108,460)
Excess (Deficiency) of Revenues Over Expenditures	-	-	182,423	182,423
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	-	182,423	182,423
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ 182,423	\$ 182,423

Denton County, Texas
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL REPLACEMENT FUND
 For the Year Ended September 30, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	10,000	10,000	9,145	(855)
Miscellaneous	-	-	-	-
TOTAL REVENUES	10,000	10,000	9,145	(855)
<u>EXPENDITURES</u>				
PUBLIC FACILITIES	5,921,074	4,788,061	2,313,020	2,475,041
Excess (Deficiency) of Revenues Over Expenditures	(5,911,074)	(4,778,061)	(2,303,875)	2,474,186
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	429,825	429,825
Transfers In	2,000,000	2,000,000	2,000,000	-
Transfers Out	-	(1,476,842)	(1,476,842)	-
Total Other Financing Sources	2,000,000	523,158	952,983	429,825
Net Change in Fund Balances	(3,911,074)	(4,254,903)	(1,350,891)	2,904,012
FUND BALANCES - BEGINNING	7,589,782	7,589,782	7,589,782	-
FUND BALANCES - ENDING	\$ 3,678,708	\$ 3,334,879	\$ 6,238,891	\$ 2,904,012

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, 2013

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 39,250,000	\$ 39,352,124	\$ 40,753,198	\$ 1,401,074
Intergovernmental	1,894,448	1,894,448	1,812,039	(82,409)
Interest	35,000	35,000	21,740	(13,260)
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>41,179,448</u>	<u>41,281,572</u>	<u>42,586,978</u>	<u>1,305,406</u>
 <u>EXPENDITURES</u>				
DEBT SERVICE				
Principal Retirement	17,145,000	17,740,000	17,740,000	-
Interest	26,192,440	25,699,189	25,655,544	43,645
Bank Charges	16,000	173,000	161,818	11,182
TOTAL EXPENDITURES	<u>43,353,440</u>	<u>43,612,189</u>	<u>43,557,362</u>	<u>54,827</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,173,992)</u>	<u>(2,330,617)</u>	<u>(970,385)</u>	<u>1,360,232</u>
Other Financing Sources (Uses):				
Bond Proceeds	-	53,680,000	53,680,000	-
Bond Premium	-	198,717	198,717	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-
Refunding Bond Discount	-	-	-	-
Payments to Escrow Agent	-	(53,722,092)	(53,722,092)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>156,625</u>	<u>156,625</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,173,992)</u>	<u>(2,173,992)</u>	<u>(813,759)</u>	<u>1,360,232</u>
FUND BALANCES - BEGINNING	<u>3,684,146</u>	<u>3,684,146</u>	<u>3,684,146</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,510,154</u>	<u>\$ 1,510,154</u>	<u>\$ 2,870,387</u>	<u>\$ 1,360,232</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
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2013

	<u>Texas Adult Probation</u>	<u>County Clerk Agency</u>	<u>District Clerk Agency</u>	<u>Tax Collector Agency</u>
<u>ASSETS</u>				
Cash	\$ 328,104	\$ 903,825	\$4,935,670	\$ 2,580,558
Investments	2,565,659	8,236,681	-	5,904,313
Accrued Interest	-	-	-	-
Other Assets	157,337	-	-	-
Due from Other Funds	21	-	-	-
Due from Other Govts	-	-	-	-
TOTAL ASSETS	<u>\$ 3,051,121</u>	<u>\$ 9,140,506</u>	<u>\$4,935,670</u>	<u>\$ 8,484,871</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts Payable	\$ 110,208	\$ -	\$ -	\$ -
Due to Other Funds	1,097	-	-	-
Due to Other Governments	2,835,821	-	-	8,484,871
Due to Beneficiaries	103,995	9,140,506	4,935,670	-
TOTAL LIABILITIES	<u>3,051,121</u>	<u>9,140,506</u>	<u>4,935,670</u>	<u>8,484,871</u>

(Continued)

Denton County, Texas
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2013

	<u>Justices of the Peace Agency</u>	<u>Sheriff Agency</u>	<u>Treatment Alternatives to Incarceration</u>	<u>Other Agency</u>
<u>ASSETS</u>				
Cash	\$ 58,925	\$ 2,193,325	\$ 124,779	\$ 24,764
Investments	-	-	-	-
Accrued Interest	-	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u>58,925</u>	<u>2,193,325</u>	<u>124,779</u>	<u>24,764</u>
TOTAL ASSETS	<u>\$ 58,925</u>	<u>\$ 2,193,325</u>	<u>\$ 124,779</u>	<u>\$ 24,764</u>

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 7,293	\$ -
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	117,486	-
Due to Beneficiaries	<u>58,925</u>	<u>2,193,325</u>	<u>-</u>	<u>24,764</u>
TOTAL LIABILITIES	<u>58,925</u>	<u>2,193,325</u>	<u>124,779</u>	<u>24,764</u>

<u>Community Corrections Grant</u>	<u>Housing Finance Authority</u>	<u>TOTAL September 30, 2013</u>
\$ 220,257	\$ -	\$ 11,370,207
287,648	666,356	17,660,657
-	-	-
-	-	157,337
-	-	21
-	-	-
<u>\$ 507,905</u>	<u>\$ 666,356</u>	<u>\$ 29,188,222</u>

\$ 73,177	\$ -	\$ 190,678
22	-	1,119
434,706	666,356	12,539,240
-	-	16,457,185
<u>507,905</u>	<u>666,356</u>	<u>29,188,222</u>

(Continued)

Denton County, Texas
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2013

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TEXAS ADULT PROBATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 3,126,063	\$ 4,424,633	\$ 4,656,933	\$ 2,893,763
Accrued Interest	-	-	-	\$ -
Other Receivables	270,361	157,337	270,361	\$ 157,337
Due from Other Funds	16	21	16	\$ 21
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 3,396,440</u>	<u>\$ 4,581,991</u>	<u>\$ 4,927,310</u>	<u>\$ 3,051,121</u>
<u>Liabilities</u>				
Accounts Payable	\$ 93,750	\$ 110,208	\$ 93,750	\$ 110,208
Due to Other Funds	-	1,097	-	1,097
Due to Other Govts	3,075,371	2,835,822	3,075,371	2,835,822
Due to Beneficiaries	227,320	103,995	227,320	103,995
Total Liabilities	<u>\$ 3,396,440</u>	<u>\$ 3,051,122</u>	<u>\$ 3,396,441</u>	<u>\$ 3,051,121</u>
<u>COUNTY CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 4,053,174	\$ 6,844,855	\$ 1,757,524	\$ 9,140,506
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 4,053,174</u>	<u>\$ 6,844,855</u>	<u>\$ 1,757,524</u>	<u>\$ 9,140,506</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	4,053,174	6,844,855	1,757,524	9,140,506
Total Liabilities	<u>\$ 4,053,174</u>	<u>\$ 6,844,855</u>	<u>\$ 1,757,524</u>	<u>\$ 9,140,506</u>

Denton County, Texas
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2013 - (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>DISTRICT CLERK AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 3,805,793	\$ 11,983,054	\$ 10,853,178	\$ 4,935,670
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 3,805,793</u>	<u>\$ 11,983,054</u>	<u>\$ 10,853,178</u>	<u>\$ 4,935,670</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	3,805,793	11,983,054	10,853,178	4,935,670
Total Liabilities	<u>\$ 3,805,793</u>	<u>\$ 11,983,054</u>	<u>\$ 10,853,178</u>	<u>\$ 4,935,670</u>
<u>TAX COLLECTOR AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 7,956,929	\$ 5,799,614	\$ 5,271,671	\$ 8,484,871
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 7,956,929</u>	<u>\$ 5,799,614</u>	<u>\$ 5,271,671</u>	<u>\$ 8,484,871</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	7,956,929	5,799,614	5,271,671	8,484,871
Due to Beneficiaries	-	-	-	-
Total Liabilities	<u>\$ 7,956,929</u>	<u>\$ 5,799,614</u>	<u>\$ 5,271,671</u>	<u>\$ 8,484,871</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY ASSETS AND LIABILITIES**
 For the Year Ended September 30, 2013 - (Continued)

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>JUSTICES OF THE PEACE AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 146,665	\$ 119,551	\$ 207,291	\$ 58,925
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 146,665</u>	<u>\$ 119,551</u>	<u>\$ 207,291</u>	<u>\$ 58,925</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	146,665	119,551	207,291	58,925
Total Liabilities	<u>\$ 146,665</u>	<u>\$ 119,551</u>	<u>\$ 207,291</u>	<u>\$ 58,925</u>
<u>SHERIFF AGENCY FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 1,975,185	\$ 3,599,037	\$ 3,380,897	\$ 2,193,325
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
Total Assets	<u>\$ 1,975,185</u>	<u>\$ 3,599,037</u>	<u>\$ 3,380,897</u>	<u>\$ 2,193,325</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	1,975,185	3,599,037	3,380,897	2,193,325
Total Liabilities	<u>\$ 1,975,185</u>	<u>\$ 3,599,037</u>	<u>\$ 3,380,897</u>	<u>\$ 2,193,325</u>

Denton County, Texas
**COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY ASSETS AND LIABILITIES**
 For the Year Ended September 30, 2013 - (Continued)

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>TREATMENT ALTERNATIVES TO INCARCERATION FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 115,438	\$ 171,000	\$ 161,659	\$ 124,779
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 115,438</u>	<u>\$ 171,000</u>	<u>\$ 161,659</u>	<u>\$ 124,779</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,283	\$ 7,293	\$ 1,283	\$ 7,293
Due to Other Funds	0	-	-	0
Due to Other Govts	114,155	117,486	114,155	117,486
Due to Beneficiaries	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 115,438</u>	<u>\$ 124,779</u>	<u>\$ 115,438</u>	<u>\$ 124,779</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 26,427	\$ 142	\$ 1,805	\$ 24,764
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 26,427</u>	<u>\$ 142</u>	<u>\$ 1,805</u>	<u>\$ 24,764</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	26,427	142	1,805	24,764
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 26,427</u>	<u>\$ 142</u>	<u>\$ 1,805</u>	<u>\$ 24,764</u>

Denton County, Texas
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2013 - (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>COMMUNITY CORRECTIONS GRANT FUND</u>				
<u>Assets</u>				
Cash and Investments	\$ 349,672	\$ 676,362	\$ 518,129	\$ 507,905
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 349,672</u>	<u>\$ 676,362</u>	<u>\$ 518,129</u>	<u>\$ 507,905</u>
<u>Liabilities</u>				
Accounts Payable	\$ 7,003	\$ 73,177	\$ 7,003	\$ 73,177
Due to Other Funds	16	22	16	22
Due to Other Govts	342,653	434,706	342,653	434,707
Due to Beneficiaries	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 349,672</u>	<u>\$ 507,905</u>	<u>\$ 349,672</u>	<u>\$ 507,905</u>

DENTON CO. HOUSING FINANCE AUTHORITY

<u>Assets</u>				
Cash and Investments	\$ 665,725	\$ 631	\$ -	\$ 666,356
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 665,725</u>	<u>\$ 631</u>	<u>\$ -</u>	<u>\$ 666,356</u>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	665,725	631	-	666,356
Due to Beneficiaries	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 665,725</u>	<u>\$ 631</u>	<u>\$ -</u>	<u>\$ 666,356</u>

Denton County, Texas
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
For the Year Ended September 30, 2013 - (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Investments	\$ 22,221,070	\$ 33,618,880	\$ 26,809,086	\$ 29,030,864
Accrued Interest	-	-	-	-
Other Receivables	270,361	157,337	270,361	157,337
Due from Other Funds	16	21	16	21
Due from Other Govts	-	-	-	-
 Total Assets	 <u>\$ 22,491,447</u>	 <u>\$ 33,776,238</u>	 <u>\$ 27,079,463</u>	 <u>\$ 29,188,222</u>
<u>Liabilities</u>				
Accounts Payable	\$ 102,036	\$ 190,678	\$ 102,036	\$ 190,678
Due from Other Funds	16	1,119	16	1,119
Due to Other Govts	12,154,833	9,188,260	8,803,850	12,539,240
Due to Beneficiaries	<u>10,234,564</u>	<u>22,650,635</u>	<u>16,428,014</u>	<u>16,457,185</u>
 Total Liabilities	 <u>\$ 22,491,447</u>	 <u>\$ 32,030,691</u>	 <u>\$ 25,333,916</u>	 <u>\$ 29,188,222</u>



Denton County, Texas STATISTICAL SECTION

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

Contents	Page
Financial Trends	107
<p>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</p>	
Revenue Capacity	115
<p>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</p>	
Debt Capacity	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>	
Demographic and Economic Information	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>	
Operating Information	125
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</p>	



Denton County, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net Investment										
in Capital Assets	\$ 47,175	\$ 3,106,131	\$(16,887,256)	\$ 24,226,615	\$ (24,508,897)	\$ 51,706,932	\$ 61,110,870	\$ 74,403,152	\$ 151,726,144	\$ 174,975,888
Restricted	18,969,657	52,791,479	23,903,118	1,762,394	81,521,678	132,678,303	2,885,780	3,945,274	16,398,834	17,229,999
Unrestricted	16,765,325	(29,457,518)	6,283,298	(43,560,202)	(87,942,285)	(240,699,693)	(134,205,155)	(176,539,731)	(281,375,007)	(318,822,424)
Total Governmental										
ActivitiesNet Assets	\$35,782,157	\$26,440,092	\$ 13,299,160	\$ (17,571,193)	\$ (30,929,504)	\$ (56,314,458)	\$ (70,208,505)	\$ (98,191,305)	\$ (113,250,029)	\$ (126,616,537)

Denton County, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 18,927,727	\$ 18,070,687	\$ 20,550,672	\$ 20,239,625	\$ 21,886,488	\$ 25,423,663	\$ 22,448,078	\$ 21,168,674	\$ 21,506,924	\$ 20,755,105
Judicial	13,224,021	13,575,518	14,077,729	14,447,760	15,761,539	16,896,832	17,863,484	18,652,589	19,717,321	20,043,132
Legal	8,701,903	9,369,366	9,582,964	9,969,544	10,374,151	11,390,916	11,694,350	11,838,684	12,186,816	12,414,856
Financial	4,257,381	4,601,210	4,793,627	5,057,253	5,455,359	5,870,757	6,183,733	6,271,248	6,499,141	6,586,692
Public Facilities	7,109,603	7,790,801	9,175,352	9,346,732	11,173,330	9,874,556	8,929,229	9,736,681	10,263,736	10,907,349
Public Safety	42,228,993	43,683,225	47,391,000	51,123,763	55,289,950	57,604,549	62,775,641	64,954,843	67,781,949	70,230,759
Health & Welfare	7,761,268	8,356,444	7,710,692	8,188,748	8,780,134	9,047,425	10,857,064	10,452,903	10,814,737	9,333,897
Conservation	328,000	331,562	366,525	388,464	382,928	402,165	403,151	389,137	366,965	357,272
Contractual	1,656,576	1,931,240	2,613,005	2,742,028	2,889,226	2,919,721	3,096,886	3,138,482	3,016,238	3,079,664
Road Maintenance	19,098,447	28,535,173	48,700,356	57,587,194	42,482,251	53,742,924	44,795,191	57,727,274	39,807,090	38,433,544
Interest on Long-Term Debt	5,828,359	7,420,818	8,060,826	10,731,274	12,741,940	17,049,993	18,429,675	21,610,150	23,323,098	23,003,214
Total Expenses	\$129,122,278	\$143,666,044	\$173,022,748	\$189,822,385	\$187,217,297	\$210,223,502	\$207,476,482	\$225,940,665	\$215,284,015	\$215,145,484
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 8,915,157	\$ 9,340,831	\$ 11,981,245	\$ 11,939,818	\$ 11,351,076	\$ 12,486,126	\$ 11,506,447	\$ 6,456,968	\$ 8,696,505	\$ 9,079,110
Judicial	7,989,420	8,288,906	8,502,443	7,437,513	7,897,731	8,412,057	8,188,936	8,396,361	7,907,526	7,703,704
Legal	305,188	273,141	317,082	272,495	249,847	214,541	205,698	174,607	202,073	128,964
Financial	1,887,946	2,139,101	2,372,728	2,250,727	2,501,426	2,651,479	2,687,310	2,830,176	3,031,553	3,606,175
Public Facilities										

Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety	1,997,676	2,185,140	2,174,767	2,756,883	3,069,553	2,856,124	3,539,579	3,487,747	2,978,680	2,983,238
Health & Welfare	529,622	535,586	521,971	530,757	499,755	545,316	554,314	578,712	517,340	589,339
Conservation	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	701,229	-	-	70,969	-	-	-
Road Maintenance	171,264	504,915	285,643	148,658	184,188	209,627	50,971	78,785	78,613	35,585
Interest on LT Debt	-	-	458,864	-	-	-	-	-	-	-
Operating Grants and Contributions	25,537,006	23,304,951	22,121,655	23,006,262	24,213,178	26,939,977	23,700,837	26,601,978	25,669,604	26,912,531
Capital Grants and Contributions	1,756,443	25,037	7,278,309	1,699,313	1,659,011	2,603,865	6,864,345	3,574,713	820,766	673,691
Total Governmental Activities	49,089,722	46,597,608	56,014,707	50,743,655	51,625,765	56,919,112	57,369,406	52,180,047	49,902,660	51,712,337
Program Revenues										
Net (Expense) Revenues	\$ (80,032,556)	\$ (97,068,436)	\$ (117,008,041)	\$ (139,078,730)	\$ (135,591,532)	\$ (153,304,390)	\$ (150,107,076)	\$ (173,760,618)	\$ (165,381,355)	\$ (163,433,147)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes	\$ 83,435,160	\$ 92,736,399	\$ 98,184,935	\$ 102,971,687	\$ 116,604,155	\$ 126,731,978	\$ 135,631,477	\$ 145,198,935	\$ 149,738,540	\$ 155,505,737
Grants and Contributions	-	-	304,543	458,864	-	-	-	-	-	-
Not Restricted to Specific Programs	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883	584,091	536,010
Investment Earnings										
Total General Revenues	\$ 84,077,051	\$ 95,483,275	\$ 103,867,109	\$ 111,325,855	\$ 122,233,221	\$ 127,919,436	\$ 136,213,029	\$ 145,777,818	\$ 150,322,631	\$ 156,041,747
Change in Net Assets										
Total	\$ 4,044,495	\$ (1,585,161)	\$ (13,140,932)	\$ (27,752,875)	\$ (13,358,311)	\$ (25,384,954)	\$ (13,894,047)	\$ (27,982,800)	\$ (15,058,724)	\$ (7,391,400)

Denton County, Texas

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

**Last Ten Fiscal Years
(Accrual Basis of Accounting)**

Fiscal Year	Property Tax	Mixed Beverage Tax ¹	Total
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
2012	149,738,540	1,199,295	150,937,835
2013	155,505,737	1,392,506	156,898,243

¹Mixed 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 (1)
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Unspendable								\$ 169,201	\$ 174,599	\$ 121,900
Unassigned								26,104,123	29,031,968	33,590,723
Reserved	\$ 97,859	\$ 37,046	\$ 61,640	\$ 92,943	\$ 114,819	\$ 148,828	\$ 148,842	-	-	-
Unreserved	9,050,956	14,086,405	19,800,836	28,405,455	27,919,875	27,920,689	27,576,709	-	-	-
Total General Fund	\$ 9,148,815	\$14,123,451	\$19,862,476	\$ 28,498,398	\$ 28,034,694	\$ 28,069,517	\$ 27,725,551	\$ -	\$ 29,206,567	\$ 33,712,623
All Other Governmental Funds										
Restricted								\$ 192,582,386	\$243,145,504	\$253,683,080
Unassigned								-	-	(15,500)
Reserved	\$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	8,041,412	9,909,531	13,558,740	15,781,422	18,017,608	16,837,540	16,214,411	-	-	-
Total Other Government Funds	\$26,547,641	\$62,663,964	\$37,400,218	\$104,099,856	\$ 99,424,467	\$149,367,015	\$ 242,581,186	\$ 192,582,386	\$243,145,504	\$253,667,580

(1) In 2011, Denton County began reporting fund balances in accordance with GASB 54 which eliminated the "reserved" and "unreserved" classifications and added the classifications currently in use.

Denton County, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 83,298,140	\$ 93,082,213	\$ 97,874,084	\$ 102,817,039	\$ 116,739,752	\$ 126,074,805	\$ 135,942,713	\$ 145,542,071	\$ 149,920,815	\$ 155,539,909
Licenses and Permits	6,752,493	7,194,834	7,758,334	7,852,591	8,297,596	8,233,555	7,629,567	7,799,093	8,405,245	9,233,511
Intergovernmental	16,372,322	14,289,352	20,274,142	16,439,161	17,311,000	19,054,846	17,073,469	19,995,175	17,721,352	17,460,745
Fees of Office	11,638,824	12,023,895	14,630,109	15,316,787	14,541,990	14,193,459	13,996,584	14,157,361	16,238,582	17,856,216
Fines	3,595,541	3,990,834	3,972,218	4,248,548	4,146,764	4,055,003	3,714,723	3,261,993	3,516,408	3,390,802
Interest	641,891	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883	584,091	536,010
Miscellaneous	5,589,253	2,432,420	2,334,125	2,293,177	2,268,943	3,075,482	3,106,380	2,575,024	2,699,436	2,695,025
TOTAL REVENUES	127,888,464	135,760,424	152,220,643	156,862,607	168,935,111	175,874,608	182,044,988	193,909,601	199,085,929	206,712,218
EXPENDITURES										
General Government	15,733,351	14,907,386	18,444,192	16,324,038	18,075,340	20,835,435	18,784,462	20,146,877	20,969,405	19,670,211
Judicial	12,887,895	13,563,108	14,101,568	14,592,331	15,786,201	16,556,969	17,380,563	17,936,192	19,009,616	19,453,340
Legal	8,873,192	9,424,002	9,567,546	10,016,699	10,442,389	11,019,055	11,160,581	11,263,089	11,527,906	11,974,103
Financial	4,173,579	4,592,659	4,800,460	5,140,333	5,468,113	5,635,737	6,086,083	5,995,898	5,883,164	6,116,399
Public Facilities	6,308,020	6,233,156	7,470,383	7,550,034	9,469,904	7,966,051	6,935,320	7,558,632	7,690,697	8,378,900
Public Safety	40,877,926	44,019,109	48,830,293	50,368,806	53,951,828	57,504,414	59,317,313	60,822,280	62,870,685	66,189,566
Health & Welfare	7,669,045	8,295,745	7,716,209	8,246,526	8,800,056	8,979,763	10,485,601	10,085,558	10,329,198	9,011,793
Conservation	324,708	331,543	370,952	388,181	389,404	383,833	391,098	373,690	347,594	337,415
Contract Services	1,656,576	1,940,935	2,613,005	2,732,336	2,889,226	2,919,721	3,096,886	3,138,482	3,016,238	3,079,664
Roads	7,596,115	8,438,164	8,395,599	9,610,528	10,690,649	12,062,578	10,730,918	10,788,387	10,356,891	11,132,456
Intergovernmental	5,930,076	14,561,953	35,764,228	42,887,800	855,974	92,579	64,378	33,000	-	-
Capital Outlay	4,186,102	4,158,822	6,427,134	5,084,720	38,398,326	56,928,543	50,845,643	53,782,791	59,130,419	54,548,784

Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Service:										
Principal Retirement	7,910,000	9,445,000	9,565,000	10,097,831	11,843,736	15,555,270	16,765,733	18,880,000	19,680,000	17,740,000
Interest & Service Charge	6,540,424	6,060,580	9,214,874	8,282,552	14,023,885	14,851,837	17,152,856	22,890,901	21,365,306	25,817,362
TOTAL EXPENDITURES	130,667,009	145,972,162	183,281,443	191,322,715	201,085,032	231,291,786	229,197,435	243,695,778	252,177,119	253,449,993

Excess of Revenues over (under) expenditures	(2,778,545)	(10,211,738)	(31,060,800)	(34,460,108)	(32,149,920)	(55,417,178)	(47,152,447)	(49,786,178)	(53,091,190)	(46,737,775)
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OTHER FUNDING SOURCES (USES)

Issuance of Debt	4,125,000	50,000,000	11,865,000	108,955,000	23,900,000	104,275,000	137,895,000	15,905,000	108,225,000	56,115,000
Bond Premium	-	2,866,219	-	441,000	267,662	1,519,549	2,491,260	1,343,259	10,433,442	5,473,539
Sale of Surplus Property	-	-	-	-	353,757	-	-	240,320	177,568	1,371,902
Capital Lease Financing	119,956	599,842	62,879	399,668	2,489,407	-	533,878	228,693	2,276,495	-
Transfers In	3,624,441	1,161,457	1,617,322	3,887,220	4,375,385	5,447,182	4,293,160	4,081,508	4,448,235	4,539,792
Transfers Out	(5,124,441)	(1,911,457)	(2,117,322)	(3,887,220)	(4,375,385)	(5,847,182)	(4,693,160)	(6,331,508)	(6,348,235)	(5,692,234)
Refunding Bonds Issued	27,235,647	51,830,000	19,315,000	-	-	-	23,280,000	-	-	53,680,000
Refunding Bond Discount	-	-	(528,875)	-	-	-	-	-	-	-
Payments to Escrow Agt	(26,939,647)	(53,243,364)	(18,677,925)	-	-	-	(23,777,486)	(17,132,120)	(12,624,956)	(53,722,092)

TOTAL OTHER FINANCING SOURCES (USES)	3,040,956	51,302,697	11,536,079	109,795,668	27,010,826	105,394,549	140,022,652	(1,664,847)	106,587,549	61,765,907
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NET CHANGE IN FUND BALANCES	\$ 262,411	\$ 41,090,959	\$ (19,524,721)	\$ 75,335,560	\$ (5,139,095)	\$ 49,977,371	\$ 92,870,205	\$ (51,451,025)	\$ 53,496,359	\$ 15,028,132
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DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	13.6%	13.9%	15.4%	9.7%	13.2%	13.9%	16.5%	18.4%	17.3%	20.1%
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Denton County, Texas

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Mixed Beverage Tax ¹	Total
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
2012	149,920,815	1,199,295	151,120,110
2013	155,539,909	1,392,506	156,932,415

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

Denton County, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended September 30	Real Property			Other	Personal Property	Less:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property				Tax Exempt Real Property					
2004	\$ 23,487,874,992	\$ 3,789,976,691	\$ 3,224,862,043	\$ 3,873,684,339	\$ 1,171,447,950	\$33,204,950,115	0.24717	\$ 33,204,950,115	100.00%		
2005	25,153,598,645	4,105,080,500	3,873,892,077	4,229,771,539	1,291,112,384	36,071,230,377	0.25480	36,071,230,377	100.00%		
2006	27,011,065,226	4,544,999,060	3,929,476,860	5,301,761,092	1,456,690,424	39,330,611,814	0.24648	39,330,611,814	100.00%		
2007	29,740,164,928	5,207,650,890	8,148,783,424	3,983,340,835	3,203,434,282	43,876,505,795	0.23192	43,876,505,795	100.00%		
2008	32,339,953,553	6,730,833,980	11,128,310,614	5,119,287,446	6,435,930,007	48,882,455,586	0.23589	48,882,455,586	100.00%		
2009	35,370,529,725	7,685,551,410	14,622,614,897	5,493,135,842	9,914,568,266	53,257,263,608	0.23577	53,257,263,608	100.00%		
2010	34,023,281,341	7,708,027,368	12,825,800,942	4,477,889,643	5,088,997,965	53,946,001,329	0.24980	53,946,001,329	100.00%		
2011	36,388,973,004	7,211,355,948	9,225,513,044	5,751,350,438	5,559,376,920	53,017,815,514	0.27390	53,017,815,514	100.00%		
2012	36,474,424,930	7,643,824,158	9,661,492,578	5,751,350,438	5,681,118,965	53,849,973,139	0.27736	53,849,973,139	100.00%		
2013	39,055,589,388	7,476,279,462	8,168,625,277	5,543,089,865	6,133,624,980	54,109,959,012	0.28287	54,109,959,012	100.00%		

Denton County, Texas
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2013

<u>Taxpayer</u>	<u>2013</u>			<u>2004</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.	\$ 637,258,030	1	1.18%	\$ 544,624,780	1	1.64%
Oncor Electric Delivery Co.	175,768,253	2	0.32%	133,296,889	3	
Verizon Southwest	120,508,280	3	0.22%	165,147,624	2	0.50%
Amerisource Bergen Drug Corp	119,030,688	4	0.22%			
Burlington Resources Oil & Gas	116,276,340	5	0.21%	106,944,590	4	0.32%
Quicksilver Resources Inc.	107,448,720	6	0.20%			
Bell Helicopter Textron	102,138,689	7	0.19%			
Digital Lewisville LLC	98,400,000	8	0.18%			
CoServ Electric Co-op	88,726,190	9	0.16%	59,779,250	8	0.18%
Sysco Food Services of Dallas	87,145,664	1	0.16%			
Albertsons, Inc.				76,419,510	5	0.23%
Southwest Property LP				72,058,933	6	0.22%
Randall's Food Markets				61,091,053	7	0.18%
Edward B. Frankel Trust				58,082,119	9	0.17%
Edward B. Frankel Trust				57,292,530	10	0.17%
	<u>\$ 1,652,700,854</u>		<u>3.05%</u>	<u>\$ 1,334,737,278</u>		<u>4.01%</u>

Note: 2013 Total Assessed valuation of \$54,109,959,012 per Denton Central Appraisal District.

2004 Total Assessed valuation of \$33,204,950,115 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)	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ENTITY									
Denton County-total	100.00 %	<u>0.24648</u>	<u>0.23192</u>	<u>0.23589</u>	<u>0.23577</u>	<u>0.24980</u>	<u>0.27390</u>	<u>0.27736</u>	<u>0.28287</u>
County-M&O component rate		0.20481	0.19279	0.18383	0.18443	0.18773	0.19990	0.20566	0.20923
County-Debt component rate		<u>0.04167</u>	<u>0.03913</u>	<u>0.05206</u>	<u>0.05134</u>	<u>0.06207</u>	<u>0.07400</u>	<u>0.07170</u>	<u>0.07364</u>
<u>Cities</u>									
Argyle	100.00	0.40324	0.38592	0.38500	0.38500	0.38500	0.39750	0.39750	0.39750
Aubrey	100.00	0.52640	0.52624	0.56240	0.52624	0.60101	0.60101	0.61040	0.63031
Bartonville	100.00	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294
Carrollton	35.62	0.63288	0.63290	0.61788	0.61788	0.61787	0.61788	0.61788	0.61788
The Colony	100.00	0.72000	0.71500	0.69750	0.68800	0.68800	0.68550	0.68300	0.68300
Copper Canyon	100.00		0.17027	0.19027	0.19027	0.30171	0.30171	0.30171	0.30171
Corinth	100.00	0.55698	0.55698	0.55698	0.57698	0.59292	0.59292	0.59135	0.59135
Dallas	0.83	0.74170	0.72920	0.74790	0.74790	0.74790	0.79700	0.79700	0.79700
Denton	100.00	0.60815	0.62652	0.66652	0.66652	0.66652	0.68975	0.68975	0.68975
Double Oak	100.00	0.22000	0.22000	0.22481	0.22481	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	0.44489		0.45000	0.45000	0.46500	0.46500	0.46191	0.46191
Hackberry	100.00	0.52298	0.52298	0.57984	0.57984	0.43235	0.47535	0.47663	0.48566
Hickory Creek	100.00	0.34020	0.34020	0.44562	0.44562	0.42429	0.42429	0.42429	0.42429
Highland Village	100.00	0.56963	0.56963	0.56963	0.56963	0.56963	0.56963	0.56963	0.56963
Justin	100.00	0.42969	0.42969	0.49900	0.54921	0.54921	0.64261	0.64261	0.64261
Krugerville	100.00	0.23780	0.23780	0.26962	0.26962	0.35171	0.35171	0.37000	0.40000
Krum	100.00	0.49158	0.53983	0.58983	0.59983	0.63386	0.63386	0.63386	0.63386
Lake Dallas	100.00	0.64935	0.67000	0.69000	0.71000	0.71000	0.71000	0.71000	0.71000
Lewisville	99.92	0.45050	0.45679	0.44050	0.44021	0.44021	0.44021	0.44021	0.44021
Little Elm	100.00	0.39902	0.47000	0.53580	0.56996	0.63449	0.66530	0.66497	0.66497
Northlake	100.00	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500	0.29500
Oak Point	100.00	0.58900	0.57900	0.57900	0.57900	0.57326	0.57326	0.57300	0.57300
Pilot Point	100.00	0.50000	0.59000	0.59000	0.64000	0.68000	0.68000	0.68000	0.68000
Ponder	100.00	0.27782	0.31652	0.31652	0.33000	0.36064	0.36064	0.41241	0.45351
Roanoke	100.00	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.34751
Sanger	100.00		0.59046	0.59960	0.62000	0.62000	0.63305	0.63305	0.63305
Shady Shores	100.00	0.33212	0.33212	0.31990	0.31070	0.31372	0.31372	0.31278	0.31463
Trophy Club	100.00	0.43051	0.43051	0.43510	0.47000	0.47000	0.51500	0.53000	0.51854
<u>School Districts:</u>									
Argyle	100.00	1.91950	1.76943	1.41005	1.41005	1.41005	1.44005	1.46005	1.48005

	Percent								
	Applicable to Denton County	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ENTITY									
School Districts									
<u>(Continued)</u>									
Aubrey	100.00	1.8380	1.6666	1.3981	1.48560	1.50000	1.54000	1.54000	1.54000
Carrollton-F. Branch	20.48	1.8259	1.6830	1.3670	1.36230	1.34220	1.34690	1.35680	1.33060
Celina	4.67	1.7800	1.5190	1.5190	1.54000	1.54000	1.64000	1.64000	1.64000
Denton	100.00	1.7640	1.7640	1.4340	1.49000	1.53000	1.53000	1.53000	1.53000
Frisco	14.02	1.5800		1.3500	1.35000	1.39000	1.39000	1.42000	1.46000
Krum	99.16	1.7250	1.5955	1.3655	1.36550	1.44000	1.48000	1.54000	1.52000
Lake Dallas	100.00		1.7900	1.5200	1.65000	1.67000	1.67000	1.67000	1.67000
Lewisville	100.00	1.7700	1.6400	1.3700	1.38000	1.40870	1.42670	1.42670	1.45300
Little Elm	100.00	1.8400	1.7400	1.4600	1.53000	1.54000	1.54000	1.54000	1.54000
Northwest	71.46	1.6730	1.6650	1.3351	1.35500	1.35500	1.37500	1.37500	1.37500
Pilot Point	88.41	1.7442	1.6300	1.3000	1.39000	1.37000	1.37000	1.37000	1.37000
Ponder	100.00	1.5526	1.5526	1.2282	1.32212	1.30902	1.32489	1.34461	1.35329
Prosper	1.03					1.63000	1.63000	1.67000	1.67000
Sanger	100.00	1.7800	1.6500	1.3400	1.37000	1.36000	1.36000	1.37207	1.37207
Slidell	26.90	1.5293	1.3706	1.1300	1.16000	1.14000	1.14000	1.14000	1.12000
<u>Special Districts</u>									
Denton Co. Levy Imp					0.16500	0.16500	0.16350	0.16350	0.20700
Denton Co. RUD							0.17000	0.11000	0.10000
Trophy Club MUD 1	100.00	0.3100	0.2990	0.2792	0.26423	0.00000	0.00000	0.00000	0.13339
Providence Village WCID					1.00000	1.00000	1.00000	1.00000	1.00000
Clear Creek Waters	100.00			0.0652	0.06520	0.06120	0.06120	0.05000	0.05000
Corinth MUD #1	100.00	0.3100		0.3100	0.21000	0.15000	0.15000	0.00000	0.00000
DC Fresh Water Supp.#1-B		1.0000	0.9500	0.9000	0.90000	0.90000	0.90000	0.88000	0.88000
DC Fresh Water Supp.#1-C		0.54	0.9500	0.9000	0.90000	0.90000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#1-D				0.9000	0.90000	0.90000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#6							1.00000	1.00000	1.00000
DC Fresh Water Supp.#1-E		1.0000		0.9000	0.90000	0.90000	0.90000	0.90000	0.90000
DC Fresh Water Supp.#10					1.00000	1.00000	1.00000	1.00000	1.00000
DC Fresh Water Supp.#8-A					1.00000	1.00000	1.00000	1.00000	1.00000
DC Fresh Water Supp.#8-B					1.00000	1.00000	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. 118

- (2) Source: Municipal Advisory Council of Texas

Denton County, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date ⁽¹⁾	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 82,260,759	\$ 81,000,786	98.5%	\$ 1,186,662	\$ 82,187,448	99.9%
2005	92,199,957	90,828,110	98.5%	1,270,006	92,098,116	99.9%
2006	97,413,372	95,770,632	98.3%	1,554,816	97,325,448	99.9%
2007	102,454,270	100,548,087	98.1%	1,799,680	102,347,767	99.9%
2008	115,678,347	114,144,213	98.7%	1,379,538	115,523,751	99.9%
2009	125,854,142	124,349,930	98.8%	1,271,986	125,621,916	99.8%
2010	134,882,292	133,632,700	99.1%	996,778	134,629,478	99.8%
2011	145,406,291	144,186,320	99.2%	855,533	145,041,853	99.7%
2012	149,446,020	148,619,170	99.4%	462,412	149,081,582	99.8%
2013	155,425,206	154,663,495	99.5%	-	154,663,495	99.5%

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

Denton County, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income¹</u>	<u>Per Capita²</u>	<u>Population</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
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
2012	553,915,000	2,048,556	555,963,556	2.50%	813.99	683,010
2013	608,564,898	1,424,508	609,989,406	2.70%	878.88	694,050

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

¹See the Schedule of Demographic and Economic Statistics on page 125 for personal income and population data .

Denton County, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>	<u>Population (1)</u>
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
2012	553,915,000	3,684,146	550,230,854	1.04	805.60	683,010
2013	608,564,898	-	608,564,898	1.07	876.83	694,050

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 115 for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics on page 125.



Denton County, Texas

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

September 30, 2013

	Net Bonded Debt at September 30, 2013	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County (2)
<u>DIRECT DEBT</u>			
Denton County	\$ 596,245,000	100.00%	\$ <u>608,564,898</u>
<u>OVERLAPPING DEBT</u>			
<u>Cities:</u>			
Argyle	7,080,000	100.00	7,080,000
Aubrey	5,583,000	100.00	5,583,000
Bartonville	570,000	100.00	570,000
Carrollton	155,755,000	49.84	77,628,292
The Colony	83,875,000	100.00	83,875,000
Copper Canyon	1,695,000	100.00	1,695,000
Corinth	27,530,000	100.00	27,530,000
Dallas	1,691,244,734	0.96	16,235,949
Denton	-	100.00	-
Flower Mound	123,855,000	97.83	123,855,000
Fort Worth	847,295,000	2.55	21,606,023
Frisco	578,575,000	36.62	211,874,165
Hickory Creek	6,480,000	100.00	6,480,000
Highland Village	30,045,000	100.00	30,045,000
Justin	8,705,000	100.00	8,705,000
Krum	6,980,000	100.00	6,980,000
Lake Dallas	5,180,000	100.00	5,180,000
Lewisville	103,475,000	99.17	102,616,158
Little Elm	75,435,000	100.00	75,435,000
Northlake	1,790,000	100.00	1,790,000
Pilot Point	4,280,000	100.00	4,280,000
Plano	312,855,000	3.55	11,106,353
Ponder	2,820,000	100.00	2,820,000
Prosper	50,880,000	8.26	4,202,688
Roanoke	35,415,000	94.35	33,414,053
Sanger	15,220,000	100.00	15,220,000
Trophy Club	13,222,000	92.19	12,189,362

Notes:

(1) Source: Municipal Advisory Council of Texas

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Amounts were determined using the portion of each entity's taxable value that is located within the county and dividing it by the entity's total value.

	Net Bonded Debt at September 30, 2013	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
School Districts:			
Argyle	52,214,339	100.00	52,214,339
Aubrey	52,125,148	100.00	52,125,148
Carrollton-			
Farmers Branch	331,290,000	19.36	64,137,744
Celina	58,043,253	6.54	3,796,029
Denton	631,577,937	100.00	631,577,937
Frisco	1,353,110,843	27.49	371,970,171
Krum	45,645,532	99.72	45,517,725
Lake Dallas	90,742,581	100.00	90,742,581
Lewisville	1,113,538,429	99.50	1,107,970,737
Little Elm	141,436,817	100.00	141,436,817
Northwest	626,683,840	44.12	276,492,910
Pilot Point	19,003,268	81.73	15,531,371
Ponder	26,120,000	100.00	26,120,000
Prosper	243,176,557	7.48	18,189,606
Sanger	25,206,111	100.00	25,206,111
Slidell	1,930,000	20.72	399,896
Special Districts:			
Trophy Club M.U.D.#1	6,015,000	71.36	4,292,304
DC LID #1	9,780,000	93.46	9,140,388
DC Fresh Water Supp #1-B	13,330,000	100.00	13,330,000
DC Fresh Water Supp #1-F	23,931,000	100.00	23,931,000
DC Fresh Wtr Supp #11-A	27,829,730	100.00	27,829,730
DC Fresh Water Supp #11-B	2,630,000	100.00	2,630,000
DC Fresh Wtr Supp #6	58,619,086	100.00	58,619,086
DC Fresh Wtr Supp #7	45,654,730	100.00	45,654,730
DC Fresh Wtr Supp #8-A	9,693,376	100.00	9,693,376
DC Fresh Wtr Supp #8-B	11,765,000	100.00	11,765,000
DC Fresh Wtr Supp #10	42,126,668	100.00	42,126,668
TOTAL OVERLAPPING DEBT			<u>\$4,070,437,445</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$4,679,002,343</u></u>

Denton County, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 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	\$ 11,869,881	\$ 12,166,391
Total Net Debt Applicable to Limit	133,816	129,568	168,697	172,799	271,797	283,559	371,433	493,273	473,929	550,231	611,476
Legal Debt Margin	\$ 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	\$ 11,319,650	\$ 11,554,915
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.95%	1.69%	2.04%	1.95%	2.73%	2.32%	3.11%	3.99%	4.01%	4.64%	5.03%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value of Real Property	\$ 48,665,562
Debt Limit (25% of Total Real Property Value)	12,166,391
Debt Applicable to Limit	608,565
General Obligations Bonds	2,911
Less: Amount Set Aside for Repayment of General Obligation Debt	611,476
Total Net Debt Application to Limit	\$ 11,554,915
Legal Debt Margin	

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

Denton County, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income ¹	Median Age ¹	Education Level in Years of Formal Schooling ¹	School Enrollment ¹	Unemployment Rate ²
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	14.0	187,564	4.0%
2008	614,650	-	-	-	-	193,381	4.4%
2009	628,300	19,984,338	31,807	33.0	-	186,013	7.7%
2010	637,750	20,053,411	31,444	-	14.3	212,297	7.1%
2011	662,614	20,851,800	31,469	32.3	-	-	7.8%
2012	683,010	25,773,805	-	33.3	-	-	5.6%
2013	694,050	-	-	-	-	-	5.5%

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of North Texas	7,762	1	1.12%	5,900	1	1.12%
Lewisville ISD	6,325	2	0.91%	4,500	2	0.85%
Wal-Mart	3,900	3	0.56%			
Denton Ind. School District	3,255	4	0.47%	2,000	5	0.38%
Centex Home Equity	2,600	5	0.37%			
Frito Lay Co	2,500	6	0.36%	2,436	3	0.46%
American Airlines	2,154	7	0.31%	2,350	4	0.44%
Peterbilt Motors	2,100	8	0.30%	1,200	9	0.23%
Northwest ISD	1,636	9	0.24%			
Denton State School	1,500	10	0.22%	1,350	8	0.26%
Horizon Health				1,500	6	0.28%
Denton County				1,379	7	0.26%
City of Denton				<u>1,200</u>	<u>10</u>	<u>0.23%</u>
	<u>33,732</u>		<u>4.86%</u>	<u>23,815</u>		<u>4.50%</u>

Source: Texas Workforce Commission

Denton County, Texas

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	Full-Time Equivalent Employees as of Beginning of Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	158.0	159.5	164.0	168.5	166.0	168.0	167.0	169.5	168.5	174.0
Judicial	122.5	124.0	123.0	126.5	133.0	133.5	135.5	140.0	140.0	142.0
Legal	116.0	118.0	118.0	116.0	117.0	119.0	118.5	119.5	119.5	120.5
Financial	80.0	80.5	80.5	81.5	86.5	87.5	88.5	88.0	88.0	88.0
Public Facilities	29.5	30.5	30.5	30.0	30.0	32.0	31.0	31.0	31.0	34.0
Public Safety	686.5	710.0	712.0	758.0	767.0	796.0	808.0	811.0	812.5	808.5
Health & Welfare	58.0	53.0	70.5	74.5	54.5	55.0	57.0	49.0	55.5	63.5
Conservation	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Roads	80.5	80.5	81.0	74.5	80.0	81.0	80.0	80.0	80.0	80.0
Total	1,340.0	1,365.0	1,388.5	1,438.5	1,443.0	1,481.0	1,494.5	1,497.0	1,504.0	1,519.5

Source: Denton County Budget Office

Denton County, Texas

OPERATING INDICATORS BY FUNCTION

Function	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
General Government											
County Clerk:											
Number of Criminal Cases Filed	11,200	11,185	9,650	10,087	11,000	11,500	9,840	11,500	-	-	
Number of Civil Cases Filed	2,182	2,567	3,141	4,697	5,021	5,100	6,079	6,354	4,650	4,850	
Human Resources											
Applications Accepted	15,237	12,233	10,830	10,087	9,640	11,394	9,200	14,284	13,920	15,937	
Jobs Posted	441	458	258	270	200	172	140	197	295	306	
Purchasing											
Purchase Orders Issued	8,801	8,963	8,231	8,543	9,050	9,443	9,800	8,707	8,500	8,345	
Competitive Bids/Contract Renewals	59	48	43	53	61	49	55	58	60	70	
Information Services/County Technology											
New Applications Built or Created	-	-	-	-	-	-	8	16	10	-	
Elections Administration											
New Registrations	35,072	26,143	35,000	27,926	60,025	37,445	45,000	-	-	28,156	
Elections Held	35	23	77	52	48	40	44	32	45	47	
Judicial											
District Courts											
Criminal Cases Disposed	3,055	2,530	2,601	2,304	2,450	2,725	3,225	3,095	4,392	-	
Divorce/Family Cases Disposed	4,782	4,157	5,702	8,860	8,228	6,374	6,884	5,734	5,146	-	
County Courts											
Juvenile Cases Disposed	1,424	1,421	1,169	1,262	1,514	1,600	1,600	2,107	2,100	-	
Criminal Cases Disposed	9,639	8,646	9,325	10,464	10,525	12,874	12,800	9,896	9,910	-	
District Clerk											
Civil, Family and Tax Cases Filed	8,990	9,688	9,381	9,981	10,586	9,605	9,730	9,341	8,188	-	
Documents Processed Through E-filing	-	-	-	-	-	-	-	5,540	11,406	-	

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Justices of the Peace										
Civil Cases Filed	7,475	7,456	7,779	9,469	12,366	12,054	7,199	-	7,855	-
Criminal Cases Filed	37,193	36,097	34,510	25,950	25,467	24,516	21,163	-	24,060	-
Legal										
Criminal District Attorney										
Misdemeanor Cases Under Indictment Cases Filed	9,382	9,326	11,359	11,727	11,034	12,897	13,000	-	9,849	-
Total Jury Trials	237	224	200	153	190	204	-	186	230	-
Financial										
County Auditor										
Accounts Payable Checks Processed	18,134	17,000	17,000	17,000	19,200	20,000	21,000	16,383	19,892	20,185
County Treasurer										
Payroll Checks Processed	36,371	38,611	38,732	39,000	39,500	44,223	46,000	42,000	42,815	45,155
Tax Assessor/Collector										
County Tax Accounts	254,048	254,048	270,929	284,302	315,062	321,000	0	-	391,740	389,415
Property Tax Parcels - all entities							515,500	-	465,000	403,660
Automobile Registrations	416,726	448,147	474,564	474,561	498,440	519,102	520,000	538,376	539,000	-
Budget Department										
Budget Amendments Processed	248	234	251	239	265	275	70	518	314	317
Public Safety										
County Jail										
Average Daily Jail Population	897	897	1,019	1,103	1,100	1,140	1,190	1,190	1,200	-
Prisoners Booked						14,900	15,100	11,983	11,700	-
Sheriff										
E-911 Calls Received	54,517	73,696	62,100	80,121	63,845	67,027	69,976	70,074	75,091	-
Officer Responses to Public Requests	-	-	-	-	-	154,639	161,659	191,801	255,095	-
Health & Welfare										
Immunizations Administered	20,126	19,799	14,939	17,950	16,930	22,092	24,000	14,476	16,000	19,585
Primary Health Care Visits	8,226	8,883	7,714	8,987	10,468	10,802	11,000	8,293	8,400	7,651
Roads										
Work Orders Completed	730	472	332	709	480	564	360	-	-	-
Miles of Roads Overlayed	14	23	10	14	18	21	15	12	15	-
Miles of Roads Constructed	-	-	-	-	-	-	-	5	15	-

Source: Denton County Budget Office

Denton County, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Number of Buildings					8	8	9	9	9	9
Judicial										
Number of Buildings					3	3	3	3	3	3
Financial										
Number of Buildings					1	1	1	1	1	1
Public Safety										
Number of Buildings					7	7	7	7	7	7
Number of Jail Beds					1,400	1,496	1,600	1,600	1,600	1,500
Juvenile Detention Beds					102	102	102	102	102	102
Number of Sheriff Vehicles					200	200	200	200	210	-
Health and Welfare										
Number of Buildings					2	2	3	3	2	1
Roads										
Number of Buildings					3	3	3	3	3	3
Miles of Road					612	612	625	625	617	617
Number of Bridges					62	62	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 2013 Annual Audit -

Denton County's combined financial statements for 2013 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 2013 annual audit.

Overview of Grant Audit Requirements -

The scope of the County's fiscal year 2013 grant audit includes the requirements of the Office of Management and Budget's Circular A-133 and the State of Texas' Uniform Grant Management Standards. These documents establish audit requirements for state and local governments and Indian tribe governments that receive federal and state assistance. They provide for independent audits of financial operations, including compliance with certain provisions of federal and state 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 and the State of Texas' Uniform Grant Management Standards.

**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 2013 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, 2013**

(1) ORGANIZATION AND ACCOUNTING POLICIES:

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

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

Basis of Presentation -

The accompanying financial statements represent grants included in conformity with OMB Circular A-133 and the State of Texas' Uniform Grants Management Standards. 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 2013 totaled approximately \$1,686,529

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, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number
U.S. Dept. of Health and Human Services, Center for Disease Control & Prevention Passed through the Texas Department of State Health Services:		
Public Health Emergency Preparedness 2014	93.069	2014-001099-00
Public Health Emergency Preparedness 2013	93.069	2013-041405-003
Public Health Emergency Preparedness 2012	93.069	2012-038705-001
Pub. Health Preparedness Discretionary Grant	93.069	2013-041405-002
2014 Medical Assistance Program	93.069	2014-001098-00
2013 Medical Assistance Program	93.069	2013-041405-001
2012 Medical Assistance Program	93.069	2011-038529-001
2012 Preparedness/Risk Based Funding	93.069	2012-040268
2014 Federal TB Prevention Grant	93.116	2014-001387-00
2013 Federal TB Prevention Grant	93.116	2013-041405
2012 Federal TB Prevention Grant	93.116	2012-040157
2014 Immunization Program Grant	93.268	2014-000006-00
2013 Immunization Program Grant	93.268	2013-041405-005
2013 Cardiovascular Disease Services Grant	93.945	2013-042881-001
U. S. Department of Agriculture Passed through the Texas Department of State Health Services		
2013 Special Supplemental Food Program for Women, Infants and Children	10.557	2013-042717
2012 Special Supplemental Food Program for Women, Infants and Children	10.557	2012-039992
Total Texas Department of State Health Services		
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Family and Protective Services:		

<u>Program or Award Amount</u>	<u>Balance *</u> <u>October 1,</u> <u>2012</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>2013</u>
\$ 460,890	\$ -	\$ -	\$ 29,192	\$ 29,192
542,703	29,705	432,692	486,288	83,301
579,829	74,811	74,811	-	-
75,000	-	13,000	13,000	-
108,871	-	-	3,913	3,913
141,182	-	65,996	127,521	61,525
121,013	33,192	33,192	-	-
57,266	11,960	17,208	9,188	3,940
50,089	-	-	2,530	2,530
78,653	-	68,310	78,319	10,009
52,437	8,547	8,547	-	-
280,147	-	-	37,711	37,711
280,147	33,834	280,147	246,313	-
15,000	-	15,000	15,000	-
1,859,912	-	1,469,980	1,859,912	389,932
2,213,080	476,842	476,842	-	-
<u>6,916,219</u>	<u>668,891</u>	<u>2,955,725</u>	<u>2,908,887</u>	<u>622,053</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number
2013 CPS IV-E County Legal Services Grant	93.658	23940189
2012 CPS IV-E County Legal Services Grant	93.658	23940189
2013 Title IV-E Child Welfare Services Grant	93.658	23940188
2012 Title IV-E Child Welfare Services Grant	93.658	23940188
 Total Texas Department of Family and Protective Services		
 U. S. Dept. of Health and Human Services Passed through the Office of the Attorney General - Child Support Office:		
2013 Title IV-D Filing Fees and Court Costs Grant	93.563	-
 U.S. Department of Justice Passed through the Office of the Governor - Criminal Justice Division:		
Victim Notification Grant - 2013	16.576	1224237
 Total Office of the Governor - Criminal Justice Division		
 U.S. Dept. of Health and Human Services Passed through the Texas Juvenile Probation Commission		
2013 Title IV-E Administrative Costs Grant	93.658	TJPC-E-2013-9220
 Total Texas Juvenile Probation Commission		
 U.S. Department of Homeland Security Passed through the Office of the Governor:		

Program or Award Amount	Balance * October 1, 2012	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2013
91,860	-	91,860	91,860	-
190,134	28,791	72,709	43,918	-
-	-	-	-	-
<u>6,545</u>	<u>6,545</u>	<u>6,532</u>	<u>(13)</u>	<u>-</u>
<u>288,539</u>	<u>35,336</u>	<u>171,101</u>	<u>135,765</u>	<u>-</u>
<u>63,532</u>	<u>-</u>	<u>63,532</u>	<u>63,532</u>	<u>-</u>
<u>29,174</u>	<u>-</u>	<u>29,174</u>	<u>29,174</u>	<u>-</u>
<u>29,174</u>	<u>-</u>	<u>29,174</u>	<u>29,174</u>	<u>-</u>
<u>82,260</u>	<u>-</u>	<u>82,260</u>	<u>82,260</u>	<u>-</u>
<u>82,260</u>	<u>-</u>	<u>82,260</u>	<u>82,260</u>	<u>-</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number
State Homeland Security Grant 2012	97.008	2012-SS-00018-S01
State Homeland Security Grant 2011	97.067	EMW-2011-SS-00019
State Homeland Security Grant 2010	97.008	2010-SS-T0-0008
U.S. Department of Homeland Security Passed Through the Texas Department of Public Safety:		
2013 Disaster Relief Grant	97.036	-
Total U.S. Department of Homeland Security:		
U.S. Department of Justice		
Passed through the Office of the Governor:		
State Criminal Alien Assistance Grant 2013	16.606	2010-AP-BX-0261
Juvenile Accountability Incentive Block Grant 02	16.523	JB-10-J20-24335-02
Juvenile Accountability Incentive Block Grant	16.523	JB-10-J20-24335-01
2012 Edward Byrne Justice Assistance Grant	16.738	2012-DJ-BX-0906
2011 Edward Byrne Justice Assistance Grant	16.738	2011-DJ-BX-3008
Total Department of Justice		
US Department of Transportation		
Passed through the Tx. Dept of Transportation:		
2012 STEP SPEED Grant	20.600	2012-DentonCo-S-1YG
Total Department of Transportation		
Total Federal Assistance		

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

Program or Award Amount	Balance * October 1, 2012	Receipts or Revenue Recognized	Disbursements/ Expenditures	Balance * September 30, 2013
192,352	-	-	25,302	25,302
659,900	-	261,807	649,632	387,825
522,140	133,507	132,264	(1,243)	-
<u>13,196</u>	<u>-</u>	<u>13,196</u>	<u>13,196</u>	<u>-</u>
<u>1,387,588</u>	<u>133,507</u>	<u>407,267</u>	<u>686,887</u>	<u>413,127</u>
217,394	-	217,394	217,394	-
27,171	-	21,700	27,171	5,471
34,063	5,215	5,215	-	-
41,622	-	41,610	41,610	-
49,818	-	48,274	48,274	-
<u>370,068</u>	<u>5,215</u>	<u>334,193</u>	<u>334,449</u>	<u>5,471</u>
<u>16,321</u>	<u>-</u>	<u>4,348</u>	<u>4,348</u>	<u>-</u>
<u>16,321</u>	<u>-</u>	<u>4,348</u>	<u>4,348</u>	<u>-</u>
<u>\$ 9,153,701</u>	<u>\$ 842,949</u>	<u>\$ 4,047,600</u>	<u>\$ 4,245,302</u>	<u>\$ 1,040,651</u>

Denton County, Texas

SCHEDULE OF EXPENDITURE OF STATE AWARDS
For the Fiscal Year Ended September 30, 2013

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>
Texas Department of State Health Services:			
2014 Primary Health Care Grant		2014-044369-001	\$ 181,797
2013 Primary Health Care Grant		2013-041903-001	181,797
2014 Tuberculosis Services Grant		2013-001412-00	107,838
2013 Tuberculosis Services Grant		2013-041405-007	102,087
2012 Tuberculosis Services Grant		2012-039045	111,955
2013 Chronic Disease Prevention Grant		2013-042881-001B	15,000
2014 OPHP Local Public Health System Grant		2014-000026-00	48,798
2013 OPHP Local Public Health System Grant		2013-04105-004	48,798
2012 OPHP Local Public Health System Grant		2012-039506-001	<u>60,244</u>
Total Texas Dept. of State Health Services			<u>858,314</u>
Texas Commission on Environmental Quality:			
2014 Emissions Enforcement Grant		582-8-89952	232,186
2012 Regional High Emitting Vehicle Asst. Grant		582-12-20274	<u>251,742</u>
Total Texas Comm on Environ. Quality			<u>483,928</u>
Texas Task Force on Indigent Defense:			
Indigent Defense Formula Grant		212-12-061	<u>390,365</u>
Total State Assistance			<u>\$ 1,732,607</u>

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

Balance * October 1, <u>2012</u>	Receipts or Revenue <u>Recognized</u>	Disbursements/ <u>Expenditures</u>	Balance * September 30, <u>2013</u>
\$ -	\$ -	\$ 18,305	\$ 18,305
13,324	165,714	168,473	16,083
-	-	7,279	7,279
7,106	102,087	94,981	-
7,440	7,440	-	-
-	15,000	15,000	-
-	-	3,669	3,669
3,843	58,811	56,401	1,433
<u>2,308</u>	<u>2,308</u>	<u>-</u>	<u>-</u>
<u>34,021</u>	<u>351,360</u>	<u>364,108</u>	<u>46,769</u>
-	232,186	14,363	(217,823)
<u>-</u>	<u>251,742</u>	<u>251,742</u>	<u>-</u>
<u>-</u>	<u>483,928</u>	<u>266,105</u>	<u>(217,823)</u>
<u>-</u>	<u>390,365</u>	<u>390,365</u>	<u>-</u>
<u>\$ 34,021</u>	<u>\$ 1,225,653</u>	<u>\$ 1,020,578</u>	<u>\$ (171,054)</u>



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

**INDEPENDENT AUDITORS' 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise Denton County, Texas' basic financial statements, and have issued our report thereon dated March 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Denton County, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Denton County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Denton County, Texas' internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Denton County, Texas' financial statements are free from 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*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
March 27, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS
UNIFORM GRANT MANAGEMENT STANDARDS**

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

Report on Compliance for Each Major Federal and State Program

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 Denton County, Texas' major federal and state programs for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Denton County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 Non-Profit Organizations*, and the State of Texas *Uniform Grant Management Standards*. Those standards, OMB Circular A-133, and the State of Texas *Uniform Grant Management Standards* 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Denton County, Texas' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Denton County, Texas, complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of Denton County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Denton County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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, Texas' 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas
March 27, 2014

DENTON COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unmodified

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 Unmodified

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) #93.069	Name of Federal Program or Cluster: Center for Disease Control and Prevention- Public Health Emergency Preparedness Public Health Preparedness Discretionary Grant Medical Assistance Program Preparedness / Risk Based Funding
#97.067, #97.008 State	State Homeland Security Grant 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, 2013

None

