

# **DENTON COUNTY, TEXAS**

## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended**

**September 30, 2014**



**DENTON COUNTY AUDITOR**

**DENTON COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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



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

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b><u>PAGE</u></b>
Letter of Transmittal	I
Certificate of Achievement	VI
Organizational Chart	VII
Directory of Principal Officials	VIII
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	20
Statement of Net Position - Proprietary Fund	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	25
Statement of Cash Flows - Proprietary Fund	26
Statement of Fiduciary Net Position - Agency Funds	27
Notes to the Financial Statements	28
 <b>Required Supplementary Information:</b>	

Employees Retirement System - Schedule of Funding Progress	56
<b>Combining and Individual Fund Statements and Schedules:</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Road and Bridge Special Revenue Fund	73
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Jury Special Revenue Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Juvenile Probation Special Revenue Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Indigent Care Special Revenue Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Health Special Revenue Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Law Library Special Revenue Fund	78
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - County Clerk Records Special Revenue Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Courty & District Court Technology Special Revenue Fund	80
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Courthouse Security Special Revenue Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Sheriff's Forfeiture Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual - Vehicle Inventory Tax Interest Fund	83
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Records Management Special Revenue Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Attorney Check Fee Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Attorney Forfeiture Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Health Care Relief Special Revenue Fund	87

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - JP Court Technology Special Revenue Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Health Preparedness Grant Special Revenue Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - District Clerk Records Management Fund	90
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - JP Court Security Fund	91
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Fire Code Enforcement Fund	92
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Medicaid DSRIP Program	93
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Replacement Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	95
Combining Statement of Fiduciary Assets and Liabilities Agency Funds	96
Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds	99

**STATISTICAL SECTION**

Net Position by Component	105
Changes in Net Position	106
Fund Balances of Governmental Funds	108
Changes in Fund Balances of Governmental Funds	109
Assessed Value and Estimated Actual Value of Taxable Property	111
Principal Property Taxpayers	112
Property Tax Rates - Direct and Overlapping Governments Last Eight Fiscal Years	113
Property Tax Levies and Collections	115
Ratios of Outstanding Debt by Type	116

Ratios of Net General Bonded Debt Outstanding	117
Computation of Direct and Overlapping Debt	118
Legal Debt Margin Information	120
Demographic and Economic Statistics	121
Principal Employers	122
Full-time Equivalent County Government Employees by Function	123
Operating Indicators by Function	124
Capital Asset Statistics by Function	126

### **SINGLE AUDIT SECTION**

Preface	127
Notes to Grant Financial Statements	129
Schedule of Expenditure of Federal Awards - For the Fiscal Year Ended September 30, 2014	130
Schedule of Expenditure of State Awards - For the Fiscal Year Ended September 30, 2014	136

### **AUDITOR'S REPORTS ON GRANT FINANCIAL STATEMENTS**

Independent Auditor's 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	138
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	140
Schedule of Findings and Questioned Costs	142
Summary Schedule of Prior Year Audit Findings	143



## DENTON COUNTY AUDITOR

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March 27, 2015

**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, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Pattillo, Brown & Hill, L.L.P., Certified Public Accountants, have issued an unmodified (clean) opinion on Denton County's financial statements for the year ended September 30, 2014. The independent auditor's report is located at the front 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report, and it provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal, and it should be read in conjunction with it.

## **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 713,200 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 713,000 citizens, it is the ninth most populous county in the state. Major cities in the County include Denton which is the county seat, Lewisville, Flower Mound and Carrollton. Denton County's many advantages include climate, access to transportation, a young, skilled workforce, and its educational facilities.

Denton County continues to experience strong growth in population and in its economic base. The population has grown by almost 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 almost \$58 billion in 2014.

Denton County's economy and employment picture have rebounded strongly since the 2008 recession. Our September, 2014, unemployment rate of 4.5% compares favorably with the 5.0% statewide rate, and with the 5.7% national rate. During the 2014 year, the County had over \$1.80 billion in new property added to the tax rolls. This is a 33% increase in new construction in the County compared to the previous year, and it is almost equal to our pre-recession tax base growth. Also, in 2014, 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, and construction has rebounded from the 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 been 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 ten 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 County's debt management policy sets out the parameters followed by the County for issuing debt. The policy prescribes the types of debt that the County will issue and the preferred method, competitive sales, for issuing debt. It also sets limits for total debt and for annual debt service expenditures. The policy also sets benchmarks to be used when considering opportunities to refund, or refinance, existing debt. The refunding policy has been used as a guide in nine transactions over the last decade, and it has helped the county reduce future debt service payments by almost \$15,000,000.

**Major Initiatives.** Continued implementation of the facilities and transportation improvements identified in the Capital Improvement Plan was the major priority of County management in 2014. Construction continued on the County's law enforcement center, and the juvenile detention center was completed in 2014 at a total cost of almost \$19 million. New projects initiated in 2014 included government centers in Frisco, Lewisville and Flower Mound.

A major portion of the funding from the 2013 and 2014 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 2015 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, 2013. This was the twenty-third 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, 2013. 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,

A handwritten signature in black ink that reads "James A. Wells". The signature is written in a cursive style with a long, sweeping underline.

James A. Wells, CPA  
Denton County Auditor



Government Finance Officers Association

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

Presented to

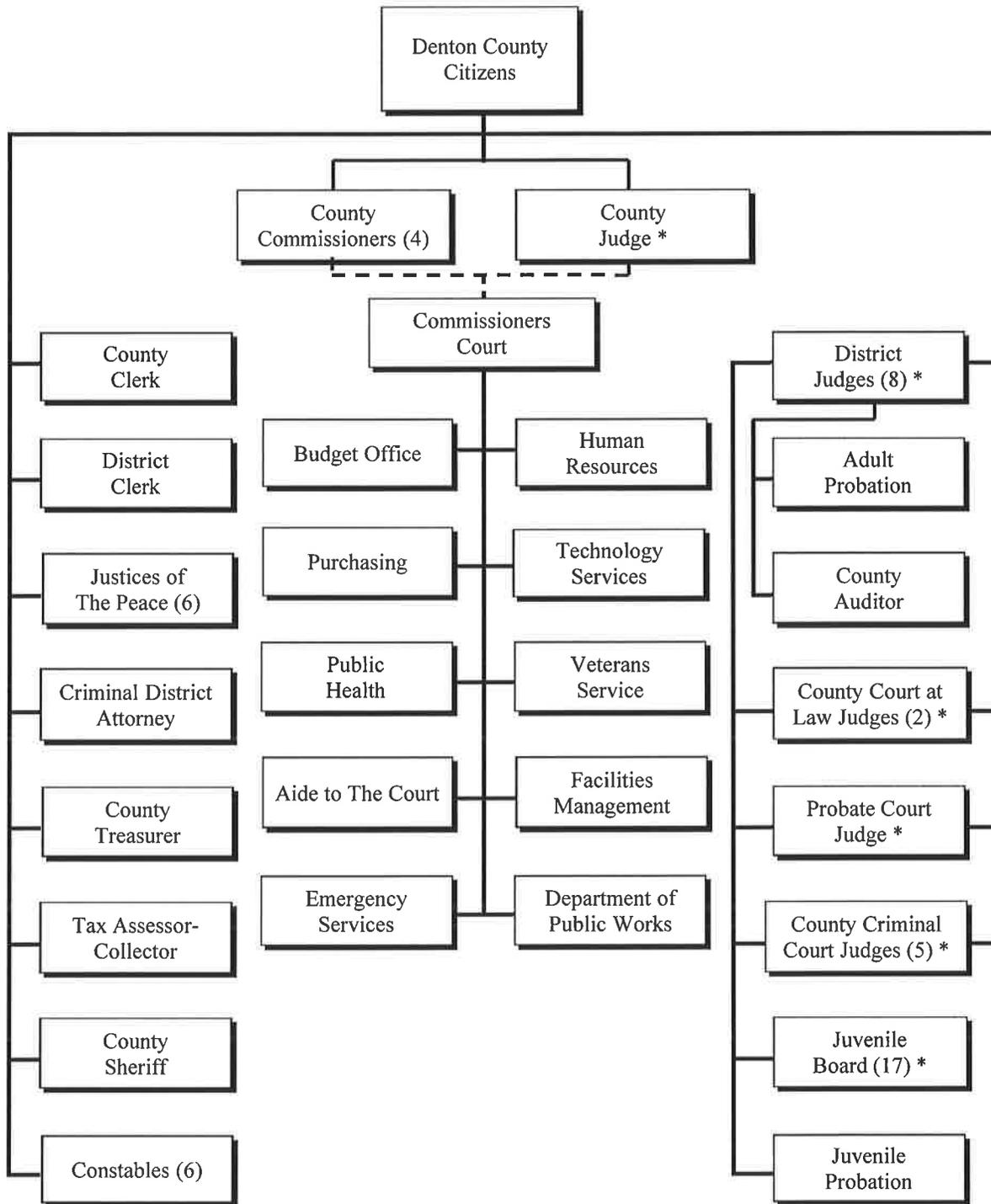
**Denton County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

# DENTON COUNTY ORGANIZATIONAL CHART



\* Members of Juvenile Board

DENTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

September 30, 2014

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Commissioners Court

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

Judicial

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.



P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## 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, 2014, 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, 2014, 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.

### ***Change in Accounting Principle***

As discussed in Note III to the financial statements, in 2014 the County adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

### ***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 4-14 and 56 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, 2015, 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, 2015

## 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, 2014. 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 \$(127,043,027) (*net position*). Of this amount \$18,237,107 is restricted for specific purposes. Unrestricted net position is \$(345,818,075).
- As of the close of the current fiscal year, Denton County's governmental funds reported combined ending fund balances of \$287,292,810, a decrease of \$(87,393) in comparison with the prior year. Of this total amount, \$37,280,558 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 \$37,289,484 or 29.91 percent of the total general fund expenditures.
- Denton County's total bonded debt increased by \$18,730,000 (3.1 percent) during the current fiscal year. The key factors in this increase are that the County issued \$40,210,000 in new bonded debt in 2014 while over \$21 million in previously issued debt was retired during the year.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Denton County's finances, in a manner similar to a private-sector business.

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 15-16 of this report.

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

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

Because the focus for governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Denton County maintains 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the 2010 PI Bond Project Fund, 2012 PI Bond Fund, the 2013 PI Bond Fund, and the 2014 PI Bond Fund, all of which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

**Proprietary fund.** Denton County maintains one type of proprietary fund. The *internal service fund* is an accounting device used to accumulate and 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 24-26 of this report.

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

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

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

The notes to the financial statement can be found on pages 28-55 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 \$127,043,027 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, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 319,840,704	\$ 320,067,266
Capital assets (net of depreciation)	<u>253,265,319</u>	<u>228,690,114</u>
Total assets	<u>573,106,023</u>	<u>548,757,380</u>
Deferred outflows of resources	<u>6,468,699</u>	<u>-</u>
Current and other liabilities	19,405,493	23,377,055
Long-term liabilities	<u>687,212,253</u>	<u>651,996,862</u>
Total Liabilities	<u>706,617,746</u>	<u>675,373,917</u>
Net position:		
Net investment in capital assets	200,537,941	174,975,888
Restricted	18,237,107	17,229,999
Unrestricted	<u>(345,818,075)</u>	<u>(318,822,424)</u>
Total net position	<u>\$ (127,043,027)</u>	<u>\$ (126,616,537)</u>

About 3.18% 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 increased by \$588,582, excluding a prior period adjustment during the current fiscal year. Key components of this increase include the following:

- Unrestricted net position decreased by nearly \$38 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 a greater increase in net position during 2014.
- An increase in net position in the internal service fund of \$3.67 million is due to increased plan premiums and a smaller increase in overall claims paid in 2014.
- A reporting requirement for debt in government-wide statements is that the principal debt payments of \$21,480,000 are expenditures in the traditional fund statements and a reduction of debt (which increases net position) in the government-wide financial statements.
- Capital assets increased by \$25 million as the County continued implementing its adopted capital improvement plan. The County made significant improvements to county buildings and infrastructure in 2014.
- Net position was decreased by \$1.015 million due to required adjustment to ending position in FY 2013. This was necessary due to Governmental Accounting Standards Board Statement 65 which requires that issuance costs relating to bonds and notes, which had previously been capitalized and amortized over the life of the related debt, be expensed in the year incurred.

**Governmental activities.** Governmental activities, which are the County's only activities, increased Denton County's net position by \$588,582. Key elements of this increase are as follows:

	<u>2014</u>	<u>2013</u>
Revenues:		
Net Program Revenues:		
Charges for services	\$ 24,029,212	\$ 24,126,115
Operating grants and contributions	30,051,949	26,912,531
Capital grants and contributions	293,872	673,691
General Revenues:		
Property taxes	165,644,534	155,505,737
Unrestricted investment earnings	346,610	536,010
Total revenues	<u>220,366,177</u>	<u>207,754,084</u>
Expenses:		
General government	25,138,657	20,755,105
Judicial	21,147,853	20,043,132
Legal	12,965,216	12,414,856
Financial management	6,652,765	6,586,692
Public Facilities	12,180,426	10,907,349
Public Safety	71,202,091	70,230,759
Health and welfare	11,255,219	9,333,897
Conservation	387,494	357,272
Contractual	3,148,163	3,079,664
Roads Maintenance	31,121,422	38,433,544
Interest on long-term debt	24,578,290	23,003,214
Total expenses	<u>219,777,595</u>	<u>215,145,484</u>
Changes in net position	588,582	(7,391,400)
Net position - beginning	<u>(126,616,537)</u>	<u>(113,250,029)</u>
Prior Period Adjustment	<u>(1,015,072)</u>	<u>(5,975,108)</u>
Net position - ending	<u>\$ (127,043,027)</u>	<u>\$ (126,616,537)</u>

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

- Property tax revenues increased by \$10.1 million (6.1%) during the year. This increase is the result of increases to the tax base that totaled \$1.8 billion and a 2.85% increase in the effective tax rate. Taxes were increased to fund salary and benefit increases for county employees; to fund the opening of jail and juvenile detention expansion; and for increased debt service.
- Charges for services increased by a significant amount as the county's increased population and stronger economy resulted in an increased

demand for county services. Also, statutory changes authorized an increase in the fees for document management and archiving.

- Total expenses increased by only 2.1% during the year. Increases in spending general government and public health were offset by declines in 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, 2014 was the sixth 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 \$9.3 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 \$287,292,810, a decrease of less than \$100,000 in comparison with the prior year. Approximately 12.9 percent of this total amount (\$37.3 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 \$249,864,286* and *non-spendable fund balance of \$147,966*. 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 \$37,289,484, while total fund balance was \$37,437,450. 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 29.90% of total general fund expenditures, and total fund balance represents 30.02% of that same amount.

The fund balance of Denton County's general fund increased by \$3.7 million during the current fiscal year, even though \$4.4 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 \$5.1 million. Taxes increased due to a 2.5% increase in the tax rate, and because of an increase in taxable property. No other types of General Fund revenues showed significant increases from 2013.
- Expenditures in the General Fund increased by almost \$6 million (5.0%) over prior year totals. Spending increased due to higher salary and benefit personnel costs and due to the County adding over 50 new employees to staff the jail and juvenile detention expansions.
- Fund balances in capital projects funds remained stable as spending from debt proceeds was offset by the County's issuance of \$40 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 \$2,763,689 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 \$2,452,000 increase in appropriations), and were primarily for the following:

- The re-appropriation of funds for prior year-end encumbrances (\$730,000), and,
- The appropriation of funds received during the budget year from grant programs (\$1,906,000)

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

- Property tax revenue exceeded budget by 2.4% (\$2.3 million) due to higher than expected collection rates and to increased penalties and interest on collections of delinquent taxes.
- Licenses and intergovernmental revenues exceeded budgeted amounts by over 17% due to increases in vehicle sales, mixed beverage taxes, grant programs and communications contract fees.
- Total general fund expenditures were 95.0% 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 Safety, 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, 2014 totals over \$253 million (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 \$23 million, financed by road bonds.
- A project to construct an expansion of the county jail was initiated in 2013 and continued in 2014. This project has a cost of almost \$30 million and is being funded by the 2012 PI Bond Fund.
- The replacement and upgrade of the Sheriff's communication system was begun in 2014. The system is vital for receiving calls for assistance and dispatching the appropriate officers throughout the county. This project has a budget of almost \$10 million, and it is funded by the 2014 Tax Note Fund.
- 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 2014. The plan is updated annually by the County. Design and construction for the jail expansion, juvenile probation expansion, Frisco government center, and Lewisville government center expansion projects in this plan continued during fiscal 2014.

## Denton County's Capital Assets

Governmental Activities:	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Land	\$ 11,446,362	\$ -	\$ 11,446,362
Buildings and Improvements	181,430,881	35,728,923	145,701,958
Machinery & Equipment	43,788,512	32,859,839	10,928,673
Infrastructure	181,952,486	144,026,273	37,926,213
Construction in Progress	47,262,113	-	47,262,113
Total	<u>\$ 465,880,354</u>	<u>\$ 212,615,035</u>	<u>\$ 253,265,319</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 \$614,975,000. 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 \$18,730,000 (3.14 percent) during the current fiscal year. Denton County issued bonds and notes totaling \$40,210,000, and a total of \$21,480,000 in debt was retired.

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 4.5 percent, which is significantly improved over the rate of 5.5 percent a year ago. The County's rate compare favorably to the state's average unemployment rate of 5.0 percent and the national average rate of 5.7 percent.
- New construction and improvements to the County's tax rolls provided an additional \$5.5 million in property tax revenues for 2015 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 2015 budget.
- Increases in costs for health and dental care continued to ease in 2014. Because of this, the increase in the County's funding to the employee benefit plan for 2015 was only \$525 per employee per year. This is the second year in a row where only a small annual increase in budgeted health insurance was required.
- A \$2.5 million expenditure increase for debt service was included in the 2015 budget due to the new bonded debt issued in 2014. In preparation for the full operations of the jail and juvenile detention expansions, and for a new district court, budgetary funding was approved for 31 new employees county-wide.
- The County's tax base increased by \$6 billion for 2015. This increase was the result of over \$1.8 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 2015 fiscal year.

At the end of the current fiscal year, fund balances in the governmental funds totaled \$287.3 million. Denton County has appropriated \$18 million of this amount for spending in the 2015 fiscal year budget. \$4 million of fund balance in the Capital Improvement Fund is appropriated for expenditures in 2015. This is a decision of County management to fund certain capital expenditures from reserve funds and to forego issuing debt for them. Over \$1.5 million in the Debt Service Fund is appropriated for 2015. 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, 2014**

**Governmental**  
**Activities**

**ASSETS**

Cash	\$	17,393,420
Investments		293,749,928
Receivables:		
Taxes		3,241,213
Accrued Interest		12,750
Other Receivables		136,909
Fines Receivable		7,564,300
Less Allowance for Uncollectables		(4,759,193)
Due from Other Governments		2,353,410
Inventories		147,966
Capital Assets:		
Land		11,446,362
Buildings		181,430,881
Depreciation on Buildings		(35,728,923)
Equipment		43,788,512
Depreciation on Equipment		(32,859,839)
Infrastructure		181,952,486
Depreciation on Infrastructure		(144,026,273)
Construction in Progress		47,262,113
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>573,106,023</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Charge on Refundings		6,468,699
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**LIABILITIES**

Accounts Payable		9,615,719
Wages Payable		2,352,568
Interest Payable		4,486,085
Due to Other Governments		1,215,649
Unearned Revenue		1,735,472
Non Current Liabilities:		
Due within One Year		26,088,370
Due in More than One Year		661,123,883
<b>TOTAL LIABILITIES</b>		<b>706,617,746</b>

**NET POSITION**

Net Investment in Capital Assets		200,537,941
Restricted for Road and Bridge		6,127,070
Restricted for Records Management		2,110,623
Restricted for Juvenile Probation		1,320,932
Restricted for Indigent Health		5,236,664
Restricted for Law Enforcement		1,011,334
Restricted for Technology & Security		624,755
Restricted for Other Purposes		1,805,729
Unrestricted		(345,818,075)
Total Net Position	\$	(127,043,027)

See the notes to the financial statement.

**Denton County, Texas**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating			Governmental Activities
			Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
General Government	\$ 25,138,657	\$ 9,649,495	\$ 6,481,470		\$ (9,007,692)	
Judicial	21,147,853	7,626,112	1,635,460		(11,886,281)	
Legal	12,965,216	103,712	402,734		(12,458,770)	
Financial	6,652,765	3,272,157	-		(3,380,608)	
Public Facilities	12,180,426	-	-	293,872	(12,180,426)	
Public Safety	71,202,091	2,867,143	5,857,670		(62,183,406)	
Health & Welfare	11,255,219	454,984	6,379,171		(4,421,064)	
Conservation	387,494	-	-		(387,494)	
Contractual	3,148,163	-	1,160,990		(1,987,173)	
Road Maintenance	31,121,422	55,609	6,377,354		(24,688,459)	
Interest on Long-Term Debt			1,757,100		(22,821,190)	
<b>Total</b>	<b>\$ 219,777,595</b>	<b>\$ 24,029,212</b>	<b>\$ 30,051,949</b>	<b>\$ 293,872</b>	<b>\$ (165,402,562)</b>	
General Revenues:					165,644,534	
Property Taxes					346,610	
Investment Earnings					165,991,144	
Total General Revenues					588,582	
Change in Net Position					(126,616,537)	
Net Position - Beginning					(1,015,072)	
Prior Period Adjustment						
Net Position - Ending					\$ (127,043,027)	

See the notes to the financial statements.

Denton County, Texas  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2014

ASSETS	General Fund	Debt Service	2010 PI Bond		2012 PI Bond		2013 PI Bond		2014 PI Bond		Total	
			Project Fund	-\$	Project Fund	-\$	Project Fund	-\$	Project Fund	-\$	Nonmajor Governmental	Governmental
Cash	\$ 1,332,538	\$ 10,707	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 3,054,593	\$ 4,997,838		
Investments	41,471,924	1,813,174	52,091,364	59,254,830	49,129,058	29,695,125			60,294,453	293,749,928		
Receivables:												
Taxes	2,003,560	876,757	-	-	-	-	-	-	360,896	3,241,213		
Accrued Interest	10,150	-	-	-	-	1,820	-	-	780	12,750		
Other Receivables	107,038	-	-	11,050	-	-	-	-	18,821	136,909		
Due from Other Funds	411,129	92,771	-	-	-	-	-	-	107,266	611,166		
Due from Other Governments	700,513	878,077	-	-	-	-	-	-	774,820	2,353,410		
Inventories	147,966	-	-	-	-	-	-	-	-	147,966		
<b>TOTAL ASSETS</b>	<b>\$ 46,184,819</b>	<b>\$ 3,671,485</b>	<b>\$ 52,091,364</b>	<b>\$ 59,265,879</b>	<b>\$ 49,729,058</b>	<b>\$ 29,696,946</b>	<b>\$ -</b>	<b>\$ 64,611,630</b>	<b>\$ -</b>	<b>\$ 305,251,181</b>		
<b>LIABILITIES AND FUND EQUITY</b>												
Accounts Payable	2,365,362	400	194,982	2,783,899	1,858,443	-	-	-	1,568,577	8,771,663		
Wages Payable	1,892,048	-	-	-	-	-	-	-	460,520	2,352,568		
Interest Payable	-	30,640	-	-	-	-	-	-	-	30,640		
Due to Other Funds	2,530	-	-	-	-	-	-	-	608,636	611,166		
Due to Other Governments	1,214,549	-	-	-	-	-	-	-	1,100	1,215,649		
Unearned Revenue	1,269,318	-	-	-	-	-	-	-	466,154	1,735,472		
<b>TOTAL LIABILITIES</b>	<b>6,743,808</b>	<b>31,040</b>	<b>194,982</b>	<b>2,783,899</b>	<b>1,858,443</b>	<b>-</b>	<b>-</b>	<b>3,104,987</b>	<b>3,104,987</b>	<b>14,717,158</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable Revenue - Property Taxes	2,003,560	876,757	-	-	-	-	-	-	360,896	3,241,213		
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,003,560</b>	<b>876,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,896</b>	<b>3,241,213</b>		
<b>EQUITY</b>												
Fund Balances:												
Nonspendable	147,966	-	-	-	-	-	-	-	-	147,966		
Restricted	-	2,763,689	51,896,382	56,481,981	47,870,616	29,696,946	-	-	61,154,673	249,864,286		
Unassigned	37,289,484	-	-	-	-	-	-	-	(8,926)	37,280,558		
<b>TOTAL FUND EQUITY</b>	<b>37,437,450</b>	<b>2,763,689</b>	<b>51,896,382</b>	<b>56,481,981</b>	<b>47,870,616</b>	<b>29,696,946</b>	<b>-</b>	<b>61,145,747</b>	<b>61,145,747</b>	<b>287,292,810</b>		
<b>TOTAL LIABILITIES, EQUITY</b>	<b>\$ 46,184,819</b>	<b>\$ 3,671,485</b>	<b>\$ 52,091,364</b>	<b>\$ 59,265,879</b>	<b>\$ 49,729,058</b>	<b>\$ 29,696,946</b>	<b>\$ -</b>	<b>\$ 64,611,630</b>	<b>\$ -</b>	<b>\$ 305,251,181</b>		

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

253,265,319

12,515,017

11,551,525

(691,667,698)

(127,043,027)

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

	General Fund	Debt Service	2010 PI Bond Project Fund	2012 PI Bond Project Fund	2013 PI Bond Project Fund	2014 PI Bond Project Fund	Nonmajor Governmental	Total Governmental Funds
<b>REVENUES</b>								
Taxes	\$ 101,433,787	\$ 44,928,365	\$ -	\$ -	\$ -	\$ -	\$ 18,509,689	\$ 164,871,840
Licenses and Permits	3,597,147	-	-	-	-	-	6,160,402	9,757,549
Intergovernmental	8,441,258	1,757,100	55,178	-	-	-	10,097,909	20,351,445
Fees of Office	12,768,423	-	-	-	-	-	4,713,685	17,482,108
Fines	3,127,188	-	-	-	-	-	-	3,127,188
Interest	68,455	11,733	82,080	66,425	54,877	4,791	58,249	346,610
Miscellaneous	2,350,598	-	-	-	-	-	921,633	3,272,231
<b>TOTAL REVENUES</b>	<b>131,786,855</b>	<b>46,697,198</b>	<b>137,258</b>	<b>66,425</b>	<b>54,877</b>	<b>4,791</b>	<b>40,461,566</b>	<b>\$ 219,208,971</b>
<b>EXPENDITURES</b>								
Current:								
General Government	18,875,314	-	-	-	-	-	3,660,282	22,535,596
Judicial	19,313,650	-	-	-	-	-	1,341,936	20,655,585
Legal	12,304,311	-	-	-	-	-	234,476	12,538,786
Financial	6,299,816	-	-	-	-	-	12,290	6,312,107
Public Facilities	9,017,878	-	-	-	-	-	-	9,017,878
Public Safety	55,255,258	-	-	-	-	-	12,157,505	67,412,762
Health and Welfare	87,471	-	-	-	-	-	10,820,258	10,907,729
Conservation	378,764	-	-	-	-	-	-	378,764
Contract Services	3,148,163	-	-	-	-	-	-	3,148,163
Roads	-	-	-	-	-	-	-	-
Capital Outlay	-	-	18,135,163	22,372,107	2,855,633	137,845	10,369,531	52,569,247
Debt Service:								
Principal Retirement	-	21,480,000	-	-	-	-	-	21,480,000
Interest & Service Charges	-	25,416,667	-	-	-	-	-	25,416,667
<b>TOTAL EXPENDITURES</b>	<b>124,680,625</b>	<b>46,896,667</b>	<b>18,135,163</b>	<b>22,372,107</b>	<b>2,855,633</b>	<b>137,845</b>	<b>47,664,777</b>	<b>262,742,815</b>
Excess (Deficiency) of Revenues Over Expenditures	7,106,231	(199,469)	(17,997,905)	(22,305,682)	(2,800,756)	(133,054.11)	(7,203,211)	(43,533,844)
Other Financing Sources (Uses):								
Issuance of Debt	-	-	-	-	-	29,245,000	10,965,000	40,210,000
Bond Premium	-	-	-	-	-	585,000	315,000	900,000
Sale of Surplus Property	142,068	-	-	-	-	-	1,402,502	1,544,570
Capital Lease Financing	791,882	-	-	-	-	-	-	791,882
Transfers In	30,688	92,771	902,599	-	600,000	-	4,808,443	6,434,501
Transfers Out	(4,346,042)	-	-	-	-	-	(2,068,459)	(6,434,501)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,381,404)</b>	<b>92,771</b>	<b>902,599</b>	<b>-</b>	<b>600,000</b>	<b>29,830,000</b>	<b>15,402,486</b>	<b>43,446,452</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,724,827</b>	<b>(106,698)</b>	<b>(17,095,306)</b>	<b>(22,305,682)</b>	<b>(2,200,756)</b>	<b>29,696,946</b>	<b>8,199,275</b>	<b>(87,393)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>33,712,622</b>	<b>2,870,387</b>	<b>68,991,687</b>	<b>78,787,663</b>	<b>50,071,372</b>	<b>-</b>	<b>52,946,471</b>	<b>287,380,203</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 37,437,450</b>	<b>\$ 2,763,689</b>	<b>\$ 51,896,382</b>	<b>\$ 56,481,981</b>	<b>\$ 47,870,616</b>	<b>\$ 29,696,946</b>	<b>\$ 61,145,747</b>	<b>\$ 287,292,810</b>

See the notes to the financial statements.

**Denton County, Texas**  
**RECONCILIATION OF THE STATEMENT OF REVENUES**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2014**

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

Net change in fund balances - total governmental funds (p. 18) \$ (87,393)

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. 26,512,334

The net effect of various miscellaneous transactions (deletions) involving capital assets. (1,937,129)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,056,589

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). (9,748,408)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of of long-term debt and related items. (18,877,970)

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. 3,670,559

Change in net position of governmental activities (p. 16) \$ 588,582

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, 2014

	<u>Budget Amounts</u>			Variance Positive(Negative) With Final Budget
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	
<u>REVENUES</u>				
TAXES	\$ 99,110,512	\$ 99,110,512	\$ 101,433,787	\$ 2,323,275
LICENSES AND PERMITS	3,060,000	3,060,000	3,597,147	537,147
INTERGOVERNMENTAL	5,258,061	7,163,719	8,441,258	1,277,539
FEES OF OFFICE	13,600,500	13,600,500	12,768,423	(832,077)
FINES	3,565,000	3,565,000	3,127,188	(437,812)
INTEREST	151,000	151,000	68,455	(82,545)
MISCELLANEOUS	1,795,500	2,000,002	2,350,598	350,596
TOTAL REVENUES	<u>126,540,573</u>	<u>128,650,733</u>	<u>131,786,855</u>	<u>3,136,122</u>

EXPENDITURES

GENERAL GOVERNMENT

COMMISSIONERS COURT	120,048	120,119	116,260	3,859
COMMISSIONER, PRECINCT #1	224,253	224,872	224,557	315
COMMISSIONER, PRECINCT #2	229,160	229,567	228,109	1,458
COMMISSIONER, PRECINCT #3	243,662	243,861	240,526	3,335
COMMISSIONER, PRECINCT #4	229,516	229,516	221,463	8,053
COUNTY JUDGE	346,544	346,936	343,558	3,378
BAIL BOND BOARD	3,129	3,129	1,294	1,835
COUNTY CLERK	3,703,678	3,688,707	3,378,427	310,280
HUMAN RESOURCES	989,006	993,154	989,422	3,732
PURCHASING DEPARTMENT	941,834	942,518	932,820	9,698
VEHICLE MAINTENANCE DEPARTMENT	363,689	371,332	355,686	15,646
NON-DEPARTMENTAL	5,406,016	3,320,701	1,884,115	1,436,586
FINANCIAL INFORMATION SYSTEMS	112,833	112,833	61,092	51,741
TECHNOLOGY SERVICES	2,888,765	2,902,310	2,840,165	62,145
PRINT/MAIL DEPARTMENT	346,839	346,839	304,871	41,968
PUBLIC WKS/GEOGRAPHIC INFO SYS	417,645	420,045	392,645	27,400
DEPT OF PUBLIC WORKS/PLANNING	440,911	441,133	435,161	5,972
CHOS/BAYLESS-SELBY MUSEUM 2013	-	12,160	-	12,160
OFFICE OF HISTORY & CULTURE	416,696	467,024	459,223	7,801
RECORDS MANAGEMENT DEPARTMENT	280,566	289,524	278,509	11,015
CHOS/BAYLESS SELBY GRANT 2010	107,712	108,570	78,209	30,361
VETERANS SERVICE OFFICE	402,693	402,693	388,430	14,263
ELECTIONS ADMINISTRATION DEPT	1,512,213	1,537,289	1,502,888	34,401
CIVIL SERVICE COMMISSION	4,900	4,900	2,268	2,632
COUNTY WIDE TECHNOLOGY	2,406,066	2,561,526	2,423,734	137,792
Total General Government	<u>22,138,374</u>	<u>20,321,258</u>	<u>18,083,432</u>	<u>2,237,826</u>

JUDICIAL

JUDICIARY AND COURT SUPPORT	372,554	372,554	360,413	12,141
16TH DISTRICT COURT	705,707	874,999	886,016	(11,017)
158TH DISTRICT COURT	706,791	909,947	901,828	8,119
211TH DISTRICT COURT	720,233	1,034,233	997,993	36,240
362ND DISTRICT COURT	719,210	855,549	857,068	(1,519)
367TH DISTRICT COURT	720,008	784,981	802,430	(17,449)

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)  
For the Year Ended September 30, 2014

	<u>Budget Amounts</u>			Variance
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	<u>Positive(Negative) With Final Budget</u>
393RD DISTRICT CT - FAMILY LAW	563,736	679,145	642,592	36,553
431ST DISTRICT COURT	575,788	590,788	589,428	1,360
COUNTY COURT AT LAW NO. 1	652,832	654,005	544,016	109,989
COUNTY CRIMINAL COURT #2	643,576	689,786	690,480	(694)
COUNTY COURT AT LAW #2 / CIVIL	415,128	415,128	399,369	15,759
PROBATE COURT	1,768,429	1,768,609	1,622,620	145,989
COUNTY CRIMINAL COURT #1	646,690	704,708	698,776	5,932
COUNTY CRIMINAL COURT #3	753,978	753,988	711,389	42,599
COUNTY CRIMINAL COURT #4	631,465	747,677	707,842	39,835
COUNTY CRIMINAL COURT #5	706,101	727,327	662,547	64,780
DISTRICT CLERK	1,726,563	1,725,827	1,674,795	51,032
COUNTY COURT ADMINISTRATOR	98,035	98,035	96,943	1,092
JUSTICE OF THE PEACE, PCT 1	512,344	512,596	458,861	53,735
JUSTICE OF THE PEACE, PCT 2	334,075	334,312	332,364	1,948
JUSTICE OF THE PEACE, PCT 3	462,856	462,856	458,964	3,892
JUSTICE OF THE PEACE, PCT 4	349,502	349,502	348,874	628
JUSTICE OF THE PEACE, PCT 5	519,195	519,233	511,648	7,585
JUSTICE OF THE PEACE, PCT 6	391,009	391,009	378,864	12,145
JUVENILE CASE MANAGER	58,420	58,420	41,582	16,838
DISTRICT COURT ADMINISTRATOR	192,611	192,754	192,771	(17)
JURY AND GRAND JURY	177,668	181,445	170,401	11,044
JUSTICE INFORMATION SYSTEM	1,359,125	1,346,551	1,319,549	27,002
DEATH INVESTIGATIONS/MED EXMNR	863,183	879,013	898,314	(19,301)
COLLECTIONS DEPARTMENT	372,206	395,595	354,913	40,682
<b>Total Judicial</b>	<b>18,719,018</b>	<b>20,010,572</b>	<b>19,313,650</b>	<b>696,922</b>
<b>LEGAL</b>				
CRIMINAL DISTRICT ATTORNEY	10,042,520	10,075,145	9,993,521	81,624
CRIMINAL DA - CPS DIVISION	800,726	800,726	772,628	28,098
CRIMINAL DA - CIVIL DIVISION	1,579,879	1,579,879	1,538,162	41,717
<b>Total Legal</b>	<b>12,423,125</b>	<b>12,455,750</b>	<b>12,304,311</b>	<b>151,439</b>
<b>FINANCIAL</b>				
COUNTY AUDITOR	1,278,602	1,278,602	1,209,928	68,674
COUNTY TREASURER	628,355	628,276	617,568	10,708
TAX ASSESSOR-COLLECTOR	4,051,986	4,201,455	4,001,723	199,732
BUDGET DIRECTOR	549,017	549,017	470,598	78,419
<b>Total Financial</b>	<b>6,507,960</b>	<b>6,657,350</b>	<b>6,299,816</b>	<b>357,534</b>
<b>PUBLIC FACILITIES</b>				
CARROLL BLDG-CO ADMINISTRATION	216,036	467,644	421,969	45,675
DENTON COUNTY COURTS BUILDING	596,612	760,762	581,083	179,679
CONSTRUCTION MANAGEMENT	327,830	328,053	314,746	13,307
DA ANNEX	28,500	31,070	23,810	7,260
COURTHOUSE ON THE SQUARE	167,445	167,445	125,347	42,098
EMERGENCY MANAGEMENT FACILITY	126,048	126,548	107,552	18,996

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)  
For the Year Ended September 30, 2014

	<u>Budget Amounts</u>			Variance
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	<u>Positive(Negative) With Final Budget</u>
DENTON COUNTY STORAGE BUILDING	20,740	20,740	13,400	7,340
HISTORICAL PARK FACILITIES	19,450	30,765	20,761	10,004
HISTORICAL PARKS PROJECTS	7,464	1,411	892	519
COURTHOUSE ANNEX	38,314	38,319	14,064	24,255
PRECINCT 3 GOVT CENTER	73,131	43,131	-	43,131
MARY & JIM HORN GOVT CENTER	151,550	173,547	115,866	57,681
LOOP 288 - ELECTIONS/TECHNOLOGY	134,290	251,388	237,249	14,140
LOOP 288 - FACILITIES/TABC/PARKS	41,299	41,374	32,392	8,982
LOOP 288 - CSCD	61,816	61,841	47,864	13,977
LEE WALKER GOVERNMENT CENTER	61,303	62,303	50,504	11,799
CPS-LEWISVILLE	25,522	27,391	16,879	10,512
LOOP 288 - PHASE I	127,215	139,993	122,322	17,671
LOOP 288 - CENTRAL PLANT	392,327	294,912	268,510	26,403
SANDY JACOBS GOVERNMENT CENTER	79,765	79,775	41,901	37,874
STEVEN E COPELAND GOVT CENTER	102,314	136,320	124,956	11,364
THE COLONY ANNEX	37,058	38,109	31,059	7,050
SANGER ANNEX	20,500	3,591	-	3,591
DENTON CO GOVT CENTER - DENTON	67,860	26,906	24,448	2,458
CHARLIE COLE BUILDING	374,451	385,666	307,669	77,997
LAW ENFORCEMENT FACILITY	2,706,884	2,730,032	2,403,732	326,300
FACILITIES MANAGEMENT	2,664,312	2,871,713	2,601,551	270,162
COUNTY LEASED BUILDINGS	145,301	145,301	134,081	11,220
VEHICLE MAINTENANCE FACILITY	27,625	27,625	22,492	5,133
OPERATIONS-RECYCLING DEPT	76,804	78,926	70,028	8,898
TELEPHONE DEPARTMENT	817,780	767,674	740,753	26,921
Total Public Facilities	9,737,546	10,360,275	9,017,878	1,342,397

PUBLIC SAFETY

COUNTY JAIL	25,543,659	25,589,654	25,229,202	360,452
JAIL HEALTH DEPARTMENT	4,418,180	4,422,629	4,068,666	353,963
SHERIFF'S COMMUNICATIONS DVSN	2,400,726	2,411,418	2,329,842	81,576
SHERIFF	13,277,439	13,485,539	13,237,581	247,958
DISD SCHOOL RESOURCE OFFICER	-	95,414	83,829	11,585
SHERIFF'S MENTAL HEALTH UNIT	799,925	804,603	779,007	25,596
SHERIFF'S RESERVE UNIT	56,534	61,897	48,469	13,428
VEHICLE EMISSIONS ENF GRANT	-	232,186	229,206	2,980
DCTA INTERLOCAL CONTRACT	-	87,333	82,322	5,011
SCHOOL RESOURCE OFFICER	-	363,868	290,563	73,305
COPPER CANYON INTERLOCAL CNTRT	-	190,321	170,830	19,491
CSCD (GENERAL FUND)	313,636	336,485	313,412	23,073
JUVENILE ACCOUNTABILITY GRANT	-	76,810	77,638	(828)
DENTON CO FRESHWATER CONTRACT	-	188,900	149,581	39,319
PALOMA CREEK	-	95,334	90,804	4,530
CONSTABLE, PCT. 1	899,351	911,077	841,496	69,581
CONSTABLE, PCT. 2	751,035	756,443	741,595	14,848
CONSTABLE, PCT. 3	723,775	726,532	724,268	2,264
CONSTABLE, PCT. 4	684,520	726,963	698,602	28,361
CONSTABLE, PCT. 5	654,737	698,399	652,245	46,154
CONSTABLE, PCT. 6	690,754	703,503	691,827	11,676
FIRE AND AMBULANCE SERVICES	2,191,125	2,239,125	2,167,423	71,702

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Continued)  
For the Year Ended September 30, 2014

	Budget Amounts		Actual	Variance Positive(Negative) With Final Budget
	Original	Revised		
NWISD ASAP	-	3,799	3,579	220
DEPARTMENT OF PUBLIC SAFETY	198,520	199,579	194,952	4,627
ALCOHOLIC BEVERAGE COMMISSION	2,275	2,275	2,130	145
GAME WARDEN	4,058	4,233	3,603	630
DEPT OF EMERGENCY SERVICES	1,080,286	1,096,596	1,058,704	37,892
2006/2013 HOMELAND SEC GRANT	-	191,604	137,565	54,039
2005/2012 HOMELAND SEC GRANT	-	157,030	156,315	715
<b>Total Public Safety</b>	<b>54,690,535</b>	<b>56,859,549</b>	<b>55,255,258</b>	<b>1,604,291</b>
<b>HEALTH &amp; WELFARE</b>				
CHILD PROTECTIVE SERVICES	88,121	91,409	87,471	3,938
<b>Total Health &amp; Welfare</b>	<b>88,121</b>	<b>91,409</b>	<b>87,471</b>	<b>3,938</b>
<b>CONSERVATION</b>				
COUNTY EXTENSION	421,235	421,328	378,764	42,564
<b>Total Conservation</b>	<b>421,235</b>	<b>421,328</b>	<b>378,764</b>	<b>42,564</b>
<b>INTERGOVERNMENTAL</b>				
CONTRACT SERVICES	3,203,313	3,203,313	3,148,163	55,150
<b>Total Intergovernmental</b>	<b>3,203,313</b>	<b>3,203,313</b>	<b>3,148,163</b>	<b>55,150</b>
<b>TOTAL EXPENDITURES</b>	<b>127,929,227</b>	<b>130,380,804</b>	<b>123,888,743</b>	<b>6,492,061</b>
Excess of Revenues over Expenditures	(1,388,654)	(1,730,071)	7,898,113	9,628,184
Other Financing Sources and Uses:				
Sale of Surplus Property	45,000	45,000	142,068	97,068
Transfers In	-	30,688	30,688	-
Transfers Out	(3,746,042)	(4,346,042)	(4,346,042)	-
<b>Total Other Financing Sources and Uses</b>	<b>(3,701,042)</b>	<b>(4,270,354)</b>	<b>(4,173,286)</b>	<b>97,068</b>
<b>Net Change in Fund Balances</b>	<b>(5,089,696)</b>	<b>(6,000,425)</b>	<b>3,724,827</b>	<b>9,725,252</b>
Fund Balances - Beginning	33,712,622	33,712,622	33,712,622	-
Fund Balances - Ending	\$ 28,622,926	\$ 27,712,197	\$ 37,437,450	\$ 9,725,252

See the notes to the financial statements.

**Denton County, Texas**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**September 30, 2014**

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

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**ASSETS**

Current Assets:	
Cash	\$ 12,395,581
Investments	-
Receivables:	
Stop Loss Insurance	-
Accrued Interest	-
Other Assets	-
Due from Other Funds	-
Due from Other Governments	-
<b>TOTAL ASSETS</b>	<b>\$ 12,395,581</b>

**LIABILITIES**

Current Liabilities:	
Accounts Payable	\$ 844,056
Due to Other Funds	-
Due to Other Governments	-
Other Payables	-
Due to Beneficiaries	-
Deferred Revenues	-
<b>TOTAL LIABILITIES</b>	<b>844,056</b>

**NET POSITION**

Unrestricted	<u>11,551,525</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>11,551,525</u></b>

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, 2014**

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

**OPERATING REVENUES**

Charges for Services	\$ 26,126,236
Other Revenue	<u>                  -</u>

TOTAL OPERATING REVENUES	<u>26,126,236</u>
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**OPERATING EXPENSES**

Incurred Claims	17,936,214
Estimated Claims	844,056
Administrative Expenses	3,038,689
Reinsurance Premiums	<u>639,803</u>

TOTAL OPERATING EXPENSES	<u>22,458,762</u>
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OPERATING INCOME (LOSS)	<u>3,667,474</u>
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**NONOPERATING REVENUES(EXPENSES)**

Interest Revenue	<u>3,085</u>
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INCOME BEFORE TRANSFERS	<u>3,670,559</u>
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Transfers From Other Funds	<u>                  -</u>
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CHANGES IN NET POSITION	<u>3,670,559</u>
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TOTAL NET POSITION - BEGINNING	<u>7,880,966</u>
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TOTAL NET POSITION - ENDING	<u><u>\$ 11,551,525</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, 2014**

**Governmental  
Activities Internal  
Service Fund**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts for Services	\$ 26,126,236
Receipts from Reinsurance and Refunds	-
Payments for Claims	(18,774,805)
Payments for Administrative Services	(3,678,492)
Payments for Reinsurance	-
Net Cash Provided by Operating Activities	<u>3,672,939</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

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

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Revenue	<u>3,085</u>
Net Cash Provided by Investing Activities	<u>3,085</u>

Net Increase (Decrease) in Cash 3,676,024

Cash, Beginning of Year 8,719,557  
Cash, End of Year \$ 12,395,581

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

Operating Income	<u>\$ 3,667,474</u>
(Increase) Decrease in Other Assets	-
Increase (Decrease) in Accounts Payable	5,465
Increase (Decrease) in Other Payables	-
Total Adjustments	<u>5,465</u>
Net Cash Provided (Used) by Operations	<u>\$ 3,672,939</u>

See the notes to the financial statements.

**Denton County, Texas**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2014**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash	\$ 10,180,858
Investments	25,464,855
Accrued Interest	-
Other Assets	294,399
Due from Other Funds	4
Due from Other Govts	-
	<hr/>
TOTAL ASSETS	<u>\$ 35,940,116</u>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	\$ 139,859
Due to Other Funds	4
Due to Other Governments	11,690,274
Due to Beneficiaries	24,109,979
	<hr/>
TOTAL LIABILITIES	<u>35,940,116</u>
 NET ASSETS	 <u>\$ -</u>

See the notes to the financial statements.

# Denton County, Texas

## Notes to the Financial Statements September 30, 2014

### 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 2010 Permanent Improvement Bond Project Fund, the 2012 PI Bond Project Fund, the 2013 PI Bond Project Fund, and the 2014 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 *2010 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 *2012 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 *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.

The *2014 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.

#### **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.

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 obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report separate sections for deferred outflows and inflows of resources. This elements, *deferred outflows and inflows of resources*, represents a consumption of net position and an acquisition of net position that apply to a future period and so will *not* be recognized as flows of resources (expenditure/revenue) until then. The County only has one item that qualifies for reporting in each of these categories. The deferred outflow is the deferred charge on refundings, reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflow *unavailable revenue*, specifically property taxes, is reported only in the governmental funds balance sheet, and it is recognized as an inflow when the amounts are available to the County.

## **8. Net Position Flow Assumption**

The County will fund outlays from both restrict and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted in the government-wide statements, a flow assumption must be about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted.

## **9. Fund Balance Classification**

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) they are legally or contractually required to be maintained

intact. Nonspendable items are not expected to be converted to cash, or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which the constraints that have been placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or (b) imposed by law through constitutional provisions or by enabling legislation.

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

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

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

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

## **9. 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 2014, a total of \$346,054,180 does not relate to county-owned assets. This debt represents significant portions of the County's 2007 PI Bonds, 2009 PI Bonds, 2010 PI Bonds, 2012 PI Bonds, 2013 PI Bonds, and 2014 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 (\$691,667,698) difference are as follows:

Bonds Payable	\$ (614,975,000)
Capital Leases Payable	(1,510,853)
Unamortized Bond Premium	(18,970,536)
Accrued Interest Payable	(4,455,445)
Other Post-Employment Benefits	(43,195,501)
Compensated Absences	<u>(8,560,363)</u>
Net adjustments to reduce fund balance to arrive at net position	\$ <u>(691,667,698)</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 \$26,512,334 difference are as follows:

Capital Outlay	\$ 37,038,654
Depreciation Expense	<u>(10,526,320)</u>
Net adjustments to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 26,512,334</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 (\$18,877,968) difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (791,882)
Issuance general obligation bonds and tax notes	(40,210,000)
Refunding bonds	-
Bond premium	(900,000)
Bond discount	-
Bond interest accrual	838,377
Debt repayments:	
General obligation debt	21,480,000
Capital lease payments	705,537
Bond premium amortization	-
Payments to escrow agent	<u>-</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ (18,877,968)</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 (\$9,478,408) difference are as follows:

Compensated absences	\$ (458,861)
Other post-employment benefits	<u>(9,289,547)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds to arrive at changes in net assets of govern- mental activities</i>	<u>\$ (9,748,408)</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, 2014, encumbrances of approximately \$1.825 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	\$ 124,680,625
Capital lease acquisitions	(791,882)
General Fund expenditures, budgetary basis	<u>\$ 123,888,743</u>

**B. Excess of expenditures over appropriations**

For the year ended September 30, 2014, expenditures did not exceed appropriations in any budgeted funds.

**C. Deficit fund equity**

As of September 30, 2014, the District Attorney Check Fee Fund had a negative fund balance of (\$8,926). 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**

The County's beginning net position was restated due to the implementation of Governmental Accounting Standards Board Statement 65. Debt issuance costs, which were previously capitalized as assets and amortized over the repayment term of the related debt, are now expensed in the year of debt issuance. This accounting change required the following adjustment:

	Governmental Activities
Net Position, Oct. 1, 2013, previously stated	\$ (126,616,537)
Restatement due to implementation of GASB 65	<u>(1,015,072)</u>
Net Position, Oct. 1, 2013, restated	<u>\$ (127,631,609)</u>

#### 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, 2014, Denton County had the following investments:

U.S. Treasuries and Agencies	\$ 11,997,300	1.00
Commercial Paper	6,000,000	0.50
Local Government Investment Pools	<u>274,239,484</u>	<u>0.22</u>
Total Fair Value	<u>\$ 292,236,784</u>	<u>0.24</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, the Stonecastle, 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 \$37,624,235, and the bank balance was \$39,784,203. Of the bank balance, \$673,356 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 2014, the County’s tax rate for general governmental services was 20.784 cents per \$100 of assessed value, and the interest and sinking fund rate was 7.771 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 deferred inflows of resources 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 revenues and deferred inflows of resources reported in the governmental funds were as follows:

Property taxes receivable:		
General Fund	\$	2,003,560
Debt Service Fund		876,757
Other Nonmajor Governmental Funds		360,896
Unearned:		
Unearned Revenues - General Fund		1,269,318
Unearned Revenues - Non Major Funds		<u>466,154</u>
Total	\$	<u>4,976,686</u>

### C. Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 11,722,666	\$ -	\$ (276,304)	\$ 11,446,362
Construction in Progress	<u>33,806,740</u>	<u>34,414,606</u>	<u>(20,959,233)</u>	<u>47,262,113</u>
Total Capital Assets, Not Being Depreciated	<u>45,529,406</u>	<u>34,414,606</u>	<u>(21,235,537)</u>	<u>58,708,475</u>
Capital Assets, Being Depreciated:				
Buildings	165,997,914	17,161,697	(1,728,730)	181,430,881
Machinery and Equipment	43,027,910	3,799,084	(3,038,482)	43,788,512
Infrastructure	<u>179,329,986</u>	<u>2,622,500</u>	<u>-</u>	<u>181,952,486</u>
Total Capital Assets Being Depreciated	<u>388,355,810</u>	<u>23,583,281</u>	<u>(4,767,212)</u>	<u>407,171,879</u>
Less Accumulated Depreciation For:				
Buildings	(32,960,167)	(3,468,151)	699,395	(35,728,923)
Machinery and Equipment	(30,899,088)	(3,917,338)	1,956,587	(32,859,839)
Infrastructure	<u>(141,335,847)</u>	<u>(2,690,426)</u>	<u>-</u>	<u>(144,026,273)</u>
Total Accumulated Depreciation	<u>(205,195,102)</u>	<u>(10,075,915)</u>	<u>2,655,982</u>	<u>(212,615,035)</u>
Total Capital Assets Being Depreciated, Net	<u>183,160,708</u>	<u>13,507,366</u>	<u>(2,111,230)</u>	<u>194,556,844</u>
Total Capital Assets, Net	\$ <u>228,690,114</u>	\$ <u>47,921,972</u>	\$ <u>(23,346,767)</u>	\$ <u>253,265,319</u>

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

Governmental Activities:	
General Government	1,858,356
Judicial	31,848
Legal	656
Financial	126,400
Public Facilities	3,353,996
Public Safety	1,293,523
Health & Welfare	19,698
Conservation	-
Road Maintenance	<u>3,391,438</u>
Total Depreciation Expense	<u>\$ 10,075,915</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>Financing</u> <u>Required</u>
2010 PI Bond Fund	\$ 137,895,000	\$ 85,976,012	\$ 40,134,000	\$ -
2012 PI Bond Fund	95,860,000	41,865,028	22,930,900	-
2012 Tax Note Fund	10,100,350	3,301,676	-	-
2013 PI Bond Fund	95,860,000	3,603,393	-	-
2013 Tax Note Fund	10,100,350	914,139	-	-
2014 PI Bond Fund	29,250,000	2,038,911	-	-
2014 Tax Note Fund	<u>11,200,000</u>	<u>4,705,838</u>	<u>5,024,000</u>	<u>-</u>
Total	<u>\$ 390,265,700</u>	<u>\$ 142,404,997</u>	<u>\$ 68,088,900</u>	<u>\$ -</u>

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

The composition of interfund balances as of September 30, 2014 is as follows:

**Due From:**

<b>Due To:</b>	General Fund	Debt Service Fund	2009 PI Bond Fund	2010 Road Bond Fund	Non Major Governmental Funds	Total
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 411,129	\$ 411,129
Debt Service Fund	-	-	-	-	92,771	92,771
Nonmajor Governmental Funds	2,530	-	-	-	104,736	107,266
<b>Total</b>	<b>\$ 2,530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 608,636</b>	<b>\$ 611,166</b>

Interfund transfers:

**Transfer In:**

<b>Transfer Out:</b>	General Fund	Debt Service Fund	2010 PI Bond	2013 PI Bond	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ -	\$ -	\$ 600,000	\$ 3,746,042	\$ 4,346,042
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	30,688	92,771	902,599	-	1,062,401	2,088,459
<b>Total</b>	<b>\$ 30,688</b>	<b>\$ 92,771</b>	<b>\$ 902,599</b>	<b>\$ 600,000</b>	<b>\$ 4,808,443</b>	<b>\$ 6,434,501</b>

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 \$3,297,000 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, 2014 is as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 681,335
2016	681,335
2017 & thereafter	<u>204,493</u>
Total minimum lease payments	\$ 1,567,163
Less: Amount representing interest	<u>(56,310)</u>
Present value of net future minimum lease payments	<u>\$ 1,510,853</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.

<u>Description</u>	<u>Balance at</u> <u>10/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>09/30/14</u>	<u>Due Within</u> <u>One Year</u>
\$26,567,570 1999 Permanent Impr & Ref Bonds, due in varying amounts through 2019 at an average interest rate of 5.12% for road projects.	\$ 3,195,000	\$ -	\$ 205,000	\$ 2,990,000	\$ 1,290,000
\$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.	2,830,000	-	910,000	1,920,000	1,920,000

\$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.	240,000	-	55,000	185,000	60,000
\$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.	88,695,000	-	3,105,000	85,590,000	3,230,000
\$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.	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.	13,115,000	-	625,000	12,490,000	650,000
\$8,500,000 2008 Tax Notes due in varying amounts through 2015 at an average interest rate of 3.0484% for technology and building projects.	2,695,000	-	1,320,000	1,375,000	1,375,000
\$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.	103,195,000	-	380,000	102,815,000	390,000
\$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.	22,795,000	-	175,000	22,620,000	1,905,000

\$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.	126,900,000	-	3,980,000	122,920,000	4,060,000
\$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.	14,855,000	-	2,635,000	12,220,000	955,000
\$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.	8,980,000	-	965,000	8,015,000	1,330,000
\$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	-	4,750,000	58,595,000	2,570,000
\$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.	35,930,000	-	-	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	-	1,320,000	8,605,000	1,340,000

\$29,245,000 2014 Permanent Improvement Bonds due in varying amounts through 2039 at an average interest rate of 3.49% for various road projects.

-	29,245,000	-	29,245,000	825,000
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\$10,965,000 2014 Tax Notes due in varying amounts through 2021 at an average interest rate of 1.41% to fund building and technology projects.

-	10,965,000	-	10,965,000	1,475,000
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Total General Obligation

Bonds Payable	596,245,000	40,210,000	21,480,000	614,975,000	23,375,000
Bond Premium	19,185,127	900,000	1,114,591	18,970,536	1,176,000
Compensated Absences	8,101,502	490,333	31,472	8,560,363	856,036
Other Post-employment Benefits	33,905,954	10,834,243	1,544,696	43,195,501	-
Capital Leases	1,424,508	791,882	705,537	1,510,853	681,334
<b>TOTAL</b>	<b>\$ 658,862,091</b>	<b>\$ 53,226,458</b>	<b>\$ 24,876,296</b>	<b>\$ 687,212,253</b>	<b>\$ 26,088,370</b>

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>
2015	\$ 23,375,000	\$ 26,029,782	\$ 49,404,782
2016	23,325,000	25,185,817	48,510,817
2017	25,445,000	24,527,816	49,972,816
2018	26,580,000	23,827,051	50,407,051
2019	28,465,000	22,940,347	51,405,347
2020-2024	146,815,000	98,801,939	245,616,939
2025-2029	173,715,000	64,996,876	238,711,876
2030-2034	147,445,000	23,561,552	171,006,552
2035-2039	19,810,000	1,606,371	21,416,371
<b>Total</b>	<b>\$ 614,975,000</b>	<b>\$ 311,477,551</b>	<b>\$ 926,452,551</b>

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

In prior years, Denton County has issued permanent improvement refunding bonds to defease previously issued general obligation bonds in order to achieve an economic gain by lowering future debt service obligations. The proceeds of the new bonds were placed in irrevocable trust accounts in order to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At September 30, 2014, \$63,640,000 of defeased bonds remain 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 2005. \$87,515,000 of road and building bonds was issued in 2007. \$15,400,000 of building bonds was issued in April 2008; \$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), and in June, 2014, \$29,245,000 in road bonds was issued. As of September 30, 2014, a total of \$145,181,062 of the bonds approved in the 2008 election was authorized but unissued.

## G. Fund Balance

As of September 30, 2014, 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	\$ 147,966	\$ -	\$ -	\$ -	\$ 147,966
Restricted:					
Road and bridge	-	-	-	6,127,070	6,127,070
County records management	-	-	-	2,110,623	2,110,623
Juvenile probation	-	-	-	1,320,932	1,320,932
Indigent care and public health	-	-	-	6,059,739	6,059,739
Law enforcement	-	-	-	1,011,334	1,011,334
Technology and security	-	-	-	624,755	624,755
Other statutorily restricted funds	-	-	-	1,830,235	1,830,235
Retirement of long term debt	-	2,763,689	-	-	2,763,689
Capital asset acquisition	-	-	185,945,925	42,069,984	228,015,909
Committed:					
Encumbrances	-	-	-	-	-
Assigned:					
Other	-	-	-	-	-
Unassigned:	37,289,484	-	-	(8,926)	37,280,558
Total Governmental Fund Balance	\$ 37,437,450	\$ 2,763,689	\$ 185,945,925	\$ 61,145,746	\$ 287,292,810

## 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 2014, a total of \$22,458,762 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 \$844,056 on September 30, 2014. Changes in the balances of claims liabilities during the past year are as follows:

	<u>2014</u>	<u>2013</u>
Unpaid Claims, beginning of fiscal year	\$ 838,591	\$ 841,797
Incurred Claims (including incurred but not reported)	18,780,270	18,630,302
Claim payments	(18,774,805)	(18,633,508)
Unpaid Claims, end of fiscal year	<u>\$ 844,056</u>	<u>\$ 838,591</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, 2014, 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, 2014, the County paid \$2,367,248 for OPEB payments by the plan, consisting of both County and retiree contributions. Retiree Plan members receiving benefits contributed \$822,552, or approximately 34.75% of total cost through their required contribution.

**Annual OPEB Cost and Net OPEB Obligation**

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

	<b>Amount</b>
Annual Required Contribution (ARC)	\$ 10,983,751
Interest on Net OPEB Obligation	1,356,238
Adjustment to Annual Required Contribution	<u>(1,505,746)</u>
Annual OPEB Expense	10,834,243
Contributions Made	<u>(1,544,696)</u>
Change in Net OPEB Obligation	9,289,547
Net OPEB Obligation - Beginning of Year	<u>33,905,954</u>
Net OPEB Obligation - End of Year	<u>\$ 43,195,501</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 2014 are as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage Of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2012	\$ 9,197,509	9.45%	\$ 24,555,631
9/30/2013	10,875,473	9.45%	33,905,954
9/30/2014	10,834,243	14.02%	43,195,501

### **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, 2014 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 656 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 11.15% for the months of the accounting year in 2013, and 11.75% for the months of the accounting year in 2014.

The deposit rate payable by the employee members of the plan for calendar years 2013 and 2014 was 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, 2014, the annual pension cost for the TCDRS plan for its employees was \$9,204,539 and the actual contributions were \$9,204,539.

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, 2012 and December 31, 2013 using the entry age actuarial cost method. These form a basis for determining the contribution rates for calendar years 2013 and 2014. The actuarial assumptions used included (a) 8% investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9%. Both (a) and (b) included an inflation component of 3.0%. 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, 2013 was 20.0 years. The December 31, 2013 actuarial valuation is the most recent valuation.

### D. Actuarial Valuation Information

Actuarial valuation date	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</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	5-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%	4.90%
Inflation	3.50%	3.50%	3.00%
Cost of living adjustments	0.00%	0.00%	0.00%
(1) includes inflation at the stated rate			

## E. Trend Information

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2012	\$ 7,815,693	100%	\$ -
9/30/2013	8,571,529	100%	-
9/30/2014	9,204,538	100%	-

## F. Funded Status

As of December 31, 2013, the most recent actuarial valuation date, the plan was 84.41% funded. The actuarial accrued liability for benefits was \$247,475,258, and the actuarial value of assets was \$208,905,389, resulting in an unfunded actuarial accrued liability (UAAL) of \$38,569,869. The covered payroll (annual payroll of active employees covered by the plan), was \$76,707,032, and the ratio of the UAAL to the covered payroll was 50.28%.

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)
12/31/2011	\$ 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%
12/31/2013	208,905,389	247,475,258	38,569,869	84.41%	76,707,032	50.28%

**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)	UAAL 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	123.9%



## **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 of various road projects in the County.

### **2009 Road Bond Project Fund:**

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

### **2014 Tax Note Fund:**

To account for the receipt and expenditure of Tax Note proceeds issued to fund various technology improvements, primarily the replacement of the Sheriff's communication system.

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2014

<b>SPECIAL REVENUE</b>	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
<b>ASSETS</b>				
Cash	\$ 313,450	\$ 162,719	\$ 49,818	\$ 73,544
Investments	6,746,117	19,906	1,659,705	121,321
Receivables				
Taxes	87,794	-	183,040	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	9,860	-
Due from Other Funds	2,530	-	-	-
Due from Other Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,149,891</b>	<b>\$ 182,625</b>	<b>\$ 1,902,423</b>	<b>\$ 194,865</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 834,298	\$ -	\$ 200,589	\$ 8,102
Wages Payable	99,652	-	195,928	-
Due to Other Funds	1,078	-	1,933	-
Due to Other Governments	-	-	-	-
Unearned Revenues	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>935,028</b>	<b>-</b>	<b>398,451</b>	<b>8,102</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	87,794	-	183,040	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>87,794</b>	<b>-</b>	<b>183,040</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	6,127,070	182,625	1,320,932	186,764
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>6,127,070</b>	<b>182,625</b>	<b>1,320,932</b>	<b>186,764</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,149,891</b>	<b>\$ 182,625</b>	<b>\$ 1,902,423</b>	<b>\$ 194,865</b>

Indigent Care Fund	Public Health Fund	Law Library Fund	County Clerk Records Mgmt Fund	County & District Technology Fund	Courthouse Security Fund	Sheriff's Training Fund
\$ -	\$ 263,858	\$ 154,999	\$ 137,531	\$ 49,699	\$ 59,719	\$ 63,527
2,001,658	810,785	208,237	1,839,857	-	82,602	-
44,059	46,003	-	-	-	-	-
-	-	-	-	-	-	-
-	500	-	-	-	-	-
-	101,736	-	-	-	3,000	-
-	251,802	-	-	-	-	-
<u>\$ 2,045,717</u>	<u>\$ 1,474,684</u>	<u>\$ 363,236</u>	<u>\$ 1,977,388</u>	<u>\$ 49,699</u>	<u>\$ 145,321</u>	<u>\$ 63,527</u>
\$ 82,590	\$ 80,918	\$ 5,946	\$ 52,845	\$ 545	\$ 9,874	\$ -
3,736	80,308	2,969	5,744	-	-	-
55,423	1,434	-	6,597	-	-	-
-	1,100	-	-	-	-	-
-	-	-	-	-	-	-
<u>141,749</u>	<u>163,760</u>	<u>8,915</u>	<u>65,186</u>	<u>545</u>	<u>9,874</u>	<u>-</u>
44,059	46,003	-	-	-	-	-
44,059	46,003	-	-	-	-	-
1,859,909	1,264,921	354,322	1,912,202	49,155	135,448	63,527
-	-	-	-	-	-	-
<u>1,859,909</u>	<u>1,264,921</u>	<u>354,322</u>	<u>1,912,202</u>	<u>49,155</u>	<u>135,448</u>	<u>63,527</u>
<u>\$ 2,045,717</u>	<u>\$ 1,474,684</u>	<u>\$ 363,236</u>	<u>\$ 1,977,388</u>	<u>\$ 49,699</u>	<u>\$ 145,321</u>	<u>\$ 63,527</u>

Continued

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2014

<b>SPECIAL REVENUE</b>	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fee Fund
<b>ASSETS</b>				
Cash	\$ 218,849	\$ 15,300	\$ 70,648	\$ -
Investments	799,967	30,053	38,656	-
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	35	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,018,816</b>	<b>\$ 45,387</b>	<b>\$ 109,304</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 61	\$ 10,000	\$ 12,441	\$ -
Wages Payable	-	-	6,469	2,272
Due to Other Funds	-	-	-	6,654
Due to Other Governments	-	-	-	-
Unearned Revenues	77,636	-	-	-
<b>TOTAL LIABILITIES</b>	<b>77,697</b>	<b>10,000</b>	<b>18,910</b>	<b>8,926</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	941,120	35,387	90,395	-
Unassigned	-	-	-	(8,926)
<b>TOTAL FUND BALANCES</b>	<b>941,120</b>	<b>35,387</b>	<b>90,395</b>	<b>(8,926)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,018,816</b>	<b>\$ 45,387</b>	<b>\$ 109,304</b>	<b>\$ -</b>

District Attorney Forfeiture Fund	Women, Infants, and Children Fund	Health Care Relief Fund	JP Court Technology Fund	Public Health Preparedness Grant	District Clerk Records Mgmt Fund	JP Court Security Fund
\$ 182,468	\$ -	\$ 133,290	\$ 47,074	\$ -	\$ 88,021	\$ 116,392
1,275,905	-	1,990,747	281,873	-	20,656	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,461	-	-	-	-	-
-	-	-	-	-	-	-
-	368,579	-	-	154,440	-	-
<u>\$ 1,458,374</u>	<u>\$ 377,040</u>	<u>\$ 2,124,036</u>	<u>\$ 328,947</u>	<u>\$ 154,440</u>	<u>\$ 108,677</u>	<u>\$ 116,392</u>
\$ 5,223	\$ 1,522	\$ 38,970	\$ 2,187	\$ 12,641	\$ -	\$ -
-	38,875	-	-	6,622	651	-
150	309,622	-	-	128,773	-	3,000
-	-	-	-	-	-	-
388,518	-	-	-	-	-	-
<u>393,890</u>	<u>350,018</u>	<u>38,970</u>	<u>2,187</u>	<u>148,036</u>	<u>651</u>	<u>3,000</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,064,483	27,022	2,085,067	326,760	6,403	108,026	113,392
-	-	-	-	-	-	-
<u>1,064,483</u>	<u>27,022</u>	<u>2,085,067</u>	<u>326,760</u>	<u>6,403</u>	<u>108,026</u>	<u>113,392</u>
<u>\$ 1,458,374</u>	<u>\$ 377,040</u>	<u>\$ 2,124,036</u>	<u>\$ 328,947</u>	<u>\$ 154,440</u>	<u>\$ 108,677</u>	<u>\$ 116,392</u>

Continued

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2014

<b>SPECIAL REVENUE</b>	Fire Code Enforcement Fund	Medicaid DSRIP Program	TOTAL Special Revenue Funds
<b>ASSETS</b>			
Cash	\$ 13,700	\$ 839,986	\$ 3,054,593
Investments	-	-	17,928,045
Receivables			
Taxes	-	-	360,896
Accrued Interest	-	-	35
Other Receivables	-	-	18,821
Due from Other Funds	-	-	107,266
Due from Other Governments	-	-	774,820
<b>TOTAL ASSETS</b>	<b>\$ 13,700</b>	<b>\$ 839,986</b>	<b>\$ 22,244,477</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 269	\$ 5,159	\$ 1,364,179
Wages Payable	5,642	11,653	460,520
Due to Other Funds	1,102	98	515,865
Due to Other Governments	-	-	1,100
Unearned Revenues	-	-	466,154
<b>TOTAL LIABILITIES</b>	<b>7,013</b>	<b>16,911</b>	<b>2,807,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	-	-	360,896
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>360,896</b>
<b>FUND BALANCES</b>			
Restricted	6,687	823,075	19,084,690
Unassigned	-	-	(8,926)
<b>TOTAL FUND BALANCES</b>	<b>6,687</b>	<b>823,075</b>	<b>19,075,763</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,700</b>	<b>\$ 839,986</b>	<b>\$ 22,244,477</b>



Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2014

<b>CAPITAL PROJECTS</b>	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	956,518	68,756	273,353	24,015
Receivables				
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 956,518</b>	<b>\$ 68,756</b>	<b>\$ 273,353</b>	<b>\$ 24,015</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,050	\$ -	\$ -	\$ -
Wages Payable	-	-	-	-
Due to Other Funds	-	68,756	-	24,015
Due to Other Governments	-	-	-	-
Unearned Revenues	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,050</b>	<b>68,756</b>	<b>-</b>	<b>24,015</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>FUND BALANCES</u>				
Restricted	955,468	-	273,353	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>955,468</b>	<b>-</b>	<b>273,353</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 956,518</b>	<b>\$ 68,756</b>	<b>\$ 273,353</b>	<b>\$ 24,015</b>

Capital Replacement Fund	2007 Road Bond Project Fund	2009 PI Bond Project Fund	2012 Tax Note Project Fund	2013 Tax Note Project Fund	2014 Tax Note Project Fund	TOTAL Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,551,463	991,578	9,534,529	6,799,100	8,523,250	6,643,847	42,366,408
-	-	-	-	-	-	-
-	-	-	-	-	745	745
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,551,463</u>	<u>\$ 991,578</u>	<u>\$ 9,534,529</u>	<u>\$ 6,799,100</u>	<u>\$ 8,523,250</u>	<u>\$ 6,644,592</u>	<u>\$ 42,367,153</u>
\$ -	\$ 54,930	\$ 46,843	\$ 10,160	\$ 22,447	\$ 68,970	\$ 204,399
-	-	-	-	-	-	-
-	-	-	-	-	-	92,771
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	54,930	46,843	10,160	22,447	68,970	297,170
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,551,463	936,648	9,487,686	6,788,940	8,500,804	6,575,622	42,069,984
-	-	-	-	-	-	-
<u>8,551,463</u>	<u>936,648</u>	<u>9,487,686</u>	<u>6,788,940</u>	<u>8,500,804</u>	<u>6,575,622</u>	<u>42,069,984</u>
<u>\$ 8,551,463</u>	<u>\$ 991,578</u>	<u>\$ 9,534,529</u>	<u>\$ 6,799,100</u>	<u>\$ 8,523,250</u>	<u>\$ 6,644,592</u>	<u>\$ 42,367,153</u>

Continued

Denton County, Texas  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2014

<b>CAPITAL PROJECTS</b>	<b>TOTAL Nonmajor Governmental Funds</b>
<u>ASSETS</u>	
Cash	\$ 3,054,593
Investments	60,294,453
Receivables	-
Taxes	360,896
Accrued Interest	780
Other Receivables	18,821
Due from Other Funds	107,266
Due from Other Governments	<u>774,820</u>
 TOTAL ASSETS	 <u><u>\$ 64,611,630</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,568,577
Wages Payable	460,520
Due to Other Funds	608,636
Due to Other Governments	1,100
Unearned Revenues	<u>466,154</u>
 TOTAL LIABILITIES	 <u>3,104,987</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable Revenue - Property Taxes	<u>360,896</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>360,896</u>
 <u>FUND BALANCES</u>	
Restricted	61,154,673
Unassigned	<u>(8,926)</u>
 TOTAL FUND BALANCES	 <u>61,145,747</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 64,611,630</u></u>

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

SPECIAL REVENUE	Road & Bridge Fund	Jury Fund	Juvenile Probation Fund	Voter Registration Fund
<b>REVENUES</b>				
Taxes	\$ 4,502,806	\$ -	\$ 9,387,769	\$ -
Licenses and Permits	6,160,402	-	-	-
Intergovernmental	216,952	216,972	2,845,535	94,893
Fees of Office	-	23,848	62,325	-
Fines	-	-	-	-
Interest	5,176	91	1,481	178
Miscellaneous	37,017	41,172	148	61,092
<b>TOTAL REVENUES</b>	<b>10,922,353</b>	<b>282,083</b>	<b>12,297,257</b>	<b>156,162</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	224,760
Judicial	-	381,934	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	11,683,316	-
Health and Welfare	-	-	-	-
Roads	10,369,531	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,369,531</b>	<b>381,934</b>	<b>11,683,316</b>	<b>224,760</b>
Excess (Deficiency) of Revenues Over Expenditures	552,822	(99,851)	613,941	(68,598)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	18,593	-	60,495	-
Capital Lease Financing	-	-	-	-
Transfers In	-	150,042	-	-
Transfers Out	(1,400)	-	-	-
<b>Total Other Financing</b>	<b>17,193</b>	<b>150,042</b>	<b>60,495</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>570,015</b>	<b>50,191</b>	<b>674,436</b>	<b>(68,598)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>5,557,055</b>	<b>132,434</b>	<b>646,496</b>	<b>255,362</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 6,127,070</b>	<b>\$ 182,625</b>	<b>\$ 1,320,932</b>	<b>\$ 186,764</b>

Continued

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

<b>SPECIAL REVENUE</b>	Indigent Care Fund	Public Health Fund	Law Library Fund	County Clerk Records Mgmt Fund
<b>REVENUES</b>				
Taxes	\$ 2,259,711	\$ 2,359,404	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	1,726,924	-	-
Fees of Office	-	408,483	390,005	2,766,343
Fines	-	-	-	-
Interest	1,345	829	241	1,469
Miscellaneous	-	-	17,872	-
<b>TOTAL REVENUES</b>	<b>2,261,056</b>	<b>4,495,640</b>	<b>408,117</b>	<b>2,767,812</b>
<b>EXPENDITURES</b>				
General Government	-	-	324,135	3,111,386
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	1,949,856	4,765,197	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,949,856</b>	<b>4,765,197</b>	<b>324,135</b>	<b>3,111,386</b>
Excess (Deficiency) of Revenues Over Expenditures	311,199	(269,557)	83,982	(343,575)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	95,000	-	-
Transfers Out	(95,000)	-	-	-
Total Other Financing	(95,000)	95,000	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>216,199</b>	<b>(174,557)</b>	<b>83,982</b>	<b>(343,575)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,643,710</b>	<b>1,439,477</b>	<b>270,339</b>	<b>2,255,777</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,859,909</b>	<b>\$ 1,264,921</b>	<b>\$ 354,322</b>	<b>\$ 1,912,202</b>

County & District Technology Fund	Courthouse Security Fund	Sheriff's Training Fund	Sheriff's Forfeiture Fund	Vehicle Inventory Tax Interest Fund	Records Management Fund	District Attorney Check Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	35,841	-	-	-	15,000
23,311	259,849	-	-	-	319,137	20,613
-	-	-	-	-	-	-
20	58	24	767	10,201	45	-
-	-	-	316,923	-	-	-
<u>23,331</u>	<u>259,907</u>	<u>35,865</u>	<u>317,690</u>	<u>10,201</u>	<u>319,182</u>	<u>35,613</u>
-	-	-	-	-	-	-
2,511	360,240	-	-	-	415,402	-
-	-	-	-	-	-	99,039
-	-	-	-	12,290	-	-
-	-	11,969	187,324	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,511</u>	<u>360,240</u>	<u>11,969</u>	<u>187,324</u>	<u>12,290</u>	<u>415,402</u>	<u>99,039</u>
<u>20,820</u>	<u>(100,332)</u>	<u>23,896</u>	<u>130,366</u>	<u>(2,090)</u>	<u>(96,220)</u>	<u>(63,426)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	30,907	-	-	-
-	46,000	-	-	-	-	70,000
-	-	-	-	-	-	-
<u>-</u>	<u>46,000</u>	<u>-</u>	<u>30,907</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
<u>20,820</u>	<u>(54,332)</u>	<u>23,896</u>	<u>161,273</u>	<u>(2,090)</u>	<u>(96,220)</u>	<u>6,574</u>
<u>28,335</u>	<u>189,780</u>	<u>39,631</u>	<u>779,847</u>	<u>37,477</u>	<u>186,615</u>	<u>(15,500)</u>
<u>\$ 49,155</u>	<u>\$ 135,448</u>	<u>\$ 63,527</u>	<u>\$ 941,120</u>	<u>\$ 35,387</u>	<u>\$ 90,395</u>	<u>\$ (8,926)</u>

Continued

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

<b>SPECIAL REVENUE</b>	District Attorney Forfeiture Fund	Women, Infants, and Children Fund	Health Care Relief Fund	JP Court Technology Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	1,766,400	203,888	-
Fees of Office	-	-	46,500	56,280
Fines	-	-	-	-
Interest	832	-	2,009	117
Miscellaneous	447,410	-	-	-
<b>TOTAL REVENUES</b>	<b>448,242</b>	<b>1,766,400</b>	<b>252,397</b>	<b>56,398</b>
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Judicial	-	-	-	90,897
Legal	135,436	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	1,766,100	295,000	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>135,436</b>	<b>1,766,100</b>	<b>295,000</b>	<b>90,897</b>
Excess (Deficiency) of Revenues Over Expenditures	312,806	300	(42,603)	(34,499)
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(70,000)	-	-	-
Total Other Financing	(70,000)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>242,806</b>	<b>300</b>	<b>(42,603)</b>	<b>(34,499)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>821,677</b>	<b>26,722</b>	<b>2,127,669</b>	<b>361,259</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,064,483</b>	<b>\$ 27,022</b>	<b>\$ 2,085,067</b>	<b>\$ 326,760</b>

Public Health Preparedness Grant	District Clerk Records Mgmt Fund	JP Court Security Fund	Fire Code Enforcement Fund	Medicaid DSRIP Program	TOTAL SPECIAL REV September 30, 2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,509,689
-	-	-	-	-	6,160,402
450,460	-	-	-	2,228,705	9,801,570
-	120,417	13,949	202,625	-	4,713,685
-	-	-	-	-	-
-	60	60	12	200	25,213
-	-	-	-	-	921,633
<u>450,460</u>	<u>120,477</u>	<u>14,008</u>	<u>202,637</u>	<u>2,228,905</u>	<u>40,132,191</u>
-	-	-	-	-	3,660,282
-	87,377	3,575	-	-	1,341,936
-	-	-	-	-	234,476
-	-	-	-	-	12,290
-	-	-	-	-	-
-	-	-	274,896	-	12,157,505
455,851	-	-	-	1,588,254	10,820,258
-	-	-	-	-	10,369,531
-	-	-	-	-	-
-	-	-	-	-	-
<u>455,851</u>	<u>87,377</u>	<u>3,575</u>	<u>274,896</u>	<u>1,588,254</u>	<u>38,596,277</u>
<u>(5,391)</u>	<u>33,100</u>	<u>10,434</u>	<u>(72,259)</u>	<u>640,652</u>	<u>1,535,915</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	109,995
-	-	-	-	-	-
-	-	-	50,000	-	411,042
-	(29,288)	-	-	-	(195,688)
-	(29,288)	-	50,000	-	325,349
<u>(5,391)</u>	<u>3,812</u>	<u>10,434</u>	<u>(22,259)</u>	<u>640,652</u>	<u>1,861,263</u>
<u>11,794</u>	<u>104,215</u>	<u>102,958</u>	<u>28,946</u>	<u>182,423</u>	<u>17,214,500</u>
<u>\$ 6,403</u>	<u>\$ 108,026</u>	<u>\$ 113,392</u>	<u>\$ 6,687</u>	<u>\$ 823,075</u>	<u>\$ 19,075,763</u>



Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

	2005 Certificates of Obligation Fund	2007 Tax Note Project Fund	2008 Tax Note Project Fund	2008 PI Bond Project Fund
<b>CAPITAL PROJECTS</b>				
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	924	75	288	25
Miscellaneous	-	-	-	-
	<u>924</u>	<u>75</u>	<u>288</u>	<u>25</u>
<b>TOTAL REVENUES</b>	<u>924</u>	<u>75</u>	<u>288</u>	<u>25</u>
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	19,262	26,837	108,183	5,019
	<u>19,262</u>	<u>26,837</u>	<u>108,183</u>	<u>5,019</u>
<b>TOTAL EXPENDITURES</b>	<u>19,262</u>	<u>26,837</u>	<u>108,183</u>	<u>5,019</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,339)</u>	<u>(26,761)</u>	<u>(107,895)</u>	<u>(4,994)</u>
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	-	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(68,756)	-	(24,015)
Sources (Uses)	<u>-</u>	<u>(68,756)</u>	<u>-</u>	<u>(24,015)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(18,339)</u>	<u>(95,517)</u>	<u>(107,895)</u>	<u>(29,008)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>973,807</u>	<u>95,517</u>	<u>381,248</u>	<u>29,008</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 955,468</u>	<u>\$ -</u>	<u>\$ 273,353</u>	<u>\$ -</u>

Continued

Denton County, Texas  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2014

	Capital Replacement Fund	2007 Road Bond Project Fund	2009 PI Bond Project Fund	2012 Tax Note Project Fund
<b>CAPITAL PROJECTS</b>				
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	296,339	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	7,188	1,314	6,290	6,551
Miscellaneous	-	-	-	-
	<u>7,188</u>	<u>297,653</u>	<u>6,290</u>	<u>6,551</u>
<b>TOTAL REVENUES</b>	<b>7,188</b>	<b>297,653</b>	<b>6,290</b>	<b>6,551</b>
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Financial	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Roads	-	-	-	-
Intergovernmental	-	-	-	-
Capital Outlay	687,123	676,982	1,472,431	117,080
	<u>687,123</u>	<u>676,982</u>	<u>1,472,431</u>	<u>117,080</u>
<b>TOTAL EXPENDITURES</b>	<b>687,123</b>	<b>676,982</b>	<b>1,472,431</b>	<b>117,080</b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(679,935)</u>	<u>(379,329)</u>	<u>(1,466,141)</u>	<u>(110,529)</u>
Other Financing Sources (Uses):				
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Sale of Surplus Property	1,292,507	-	-	-
Capital Lease Financing	-	-	-	-
Transfers In	3,500,000	-	897,401	-
Transfers Out	(1,800,000)	-	-	-
Sources (Uses)	<u>2,992,507</u>	<u>-</u>	<u>897,401</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,312,572</b>	<b>(379,329)</b>	<b>(568,740)</b>	<b>(110,529)</b>
FUND BALANCES AT BEGINNING OF YEAR	<u>6,238,891</u>	<u>1,315,977</u>	<u>10,056,426</u>	<u>6,899,469</u>
FUND BALANCES AT END OF YEAR	<u>\$ 8,551,463</u>	<u>\$ 936,648</u>	<u>\$ 9,487,686</u>	<u>\$ 6,788,940</u>

2013 Tax Note Project Fund	2014 Tax Note Project Fund	TOTAL Capital Projects September 30, 2014	TOTAL Special Revenue & Capital Projects September 30, 2014
\$ -	\$ -	\$ -	\$ 18,509,689
-	-	-	6,160,402
-	-	296,339	10,097,909
-	-	-	4,713,685
-	-	-	-
8,920	1,460	33,035	58,249
-	-	-	921,633
<u>8,920</u>	<u>1,460</u>	<u>329,374</u>	<u>40,461,566</u>
-	-	-	3,660,282
-	-	-	1,341,936
-	-	-	234,476
-	-	-	12,290
-	-	-	-
-	-	-	12,157,505
-	-	-	10,820,258
-	-	-	10,369,531
-	-	-	-
<u>1,249,746</u>	<u>4,705,838</u>	<u>9,068,500</u>	<u>9,068,500</u>
<u>1,249,746</u>	<u>4,705,838</u>	<u>9,068,500</u>	<u>47,664,777</u>
<u>(1,240,826)</u>	<u>(4,704,378)</u>	<u>(8,739,125)</u>	<u>(7,203,211)</u>
-	10,965,000	10,965,000	10,965,000
-	315,000	315,000	315,000
-	-	1,292,507	1,402,502
-	-	-	-
-	-	4,397,401	4,808,443
-	-	(1,892,771)	(2,088,459)
<u>-</u>	<u>11,280,000</u>	<u>15,077,138</u>	<u>15,402,486</u>
<u>(1,240,826)</u>	<u>6,575,622</u>	<u>6,338,012</u>	<u>8,199,275</u>
<u>9,741,629</u>	<u>-</u>	<u>35,731,971</u>	<u>52,946,471</u>
<u>\$ 8,500,804</u>	<u>\$ 6,575,622</u>	<u>\$ 42,069,984</u>	<u>\$ 61,145,747</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 4,314,585	\$ 4,314,585	\$ 4,502,806	\$ 188,221
Licenses and Permits	5,690,000	5,690,000	6,160,402	470,402
Intergovernmental	180,000	180,000	216,952	36,952
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	12,000	12,000	5,176	(6,824)
Miscellaneous	-	-	37,017	37,017
<b>TOTAL REVENUES</b>	<u>10,196,585</u>	<u>10,196,585</u>	<u>10,922,353</u>	<u>725,768</u>
 <u>EXPENDITURES</u>				
<b>ROADS</b>	<u>12,352,940</u>	<u>13,081,917</u>	<u>10,369,531</u>	<u>2,712,386</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,156,355)</u>	<u>(2,885,332)</u>	<u>552,822</u>	<u>3,438,154</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	1,000	1,000	18,593	17,593
Transfers In	-	-	-	-
Transfers Out	-	(1,400)	(1,400)	-
<b>Total Other Financing Sources</b>	<u>1,000</u>	<u>(400)</u>	<u>17,193</u>	<u>17,593</u>
<b>Net Change in Fund Balances</b>	<u>(2,155,355)</u>	<u>(2,885,732)</u>	<u>570,015</u>	<u>3,455,747</u>
<b>FUND BALANCES - BEGINNING</b>	<u>5,557,055</u>	<u>5,557,055</u>	<u>5,557,055</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,401,700</u>	<u>\$ 2,671,323</u>	<u>\$ 6,127,070</u>	<u>\$ 3,455,747</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	285,000	285,000	216,972	(68,028)
Fees of Office	23,000	23,000	23,848	848
Fines	-	-	-	-
Interest	500	500	91	(409)
Miscellaneous	-	-	41,172	41,172
<b>TOTAL REVENUES</b>	<u>308,500</u>	<u>308,500</u>	<u>282,083</u>	<u>(26,417)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>475,500</u>	<u>475,500</u>	<u>381,934</u>	<u>93,566</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(167,000)</u>	<u>(167,000)</u>	<u>(99,851)</u>	<u>67,149</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	150,042	150,042	150,042	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>150,042</u>	<u>150,042</u>	<u>150,042</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(16,958)</u>	<u>(16,958)</u>	<u>50,191</u>	<u>67,149</u>
<b>FUND BALANCES - BEGINNING</b>	<u>132,434</u>	<u>132,434</u>	<u>132,434</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 115,476</u>	<u>\$ 115,476</u>	<u>\$ 182,625</u>	<u>\$ 67,149</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 8,994,238	\$ 8,994,238	\$ 9,387,769	\$ 393,531
Licenses and Permits	-	-	-	-
Intergovernmental	2,958,715	3,166,656	2,845,535	(321,121)
Fees of Office	80,000	80,000	62,325	(17,675)
Fines	-	-	-	-
Interest	6,000	6,000	1,481	(4,519)
Miscellaneous	2,000	2,000	148	(1,852)
<b>TOTAL REVENUES</b>	<b>12,040,953</b>	<b>12,248,894</b>	<b>12,297,257</b>	<b>48,363</b>
 <u>EXPENDITURES</u>				
<b>PUBLIC SAFETY</b>	<b>12,096,919</b>	<b>12,315,917</b>	<b>11,683,316</b>	<b>632,601</b>
Excess (Deficiency) of Revenues Over Expenditures	(55,966)	(67,023)	613,941	680,964
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	60,495	60,495
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>60,495</b>	<b>60,495</b>
<b>Net Change in Fund Balances</b>	<b>(55,966)</b>	<b>(67,023)</b>	<b>674,436</b>	<b>741,459</b>
<b>FUND BALANCES - BEGINNING</b>	<b>646,496</b>	<b>646,496</b>	<b>646,496</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 590,530</b>	<b>\$ 579,473</b>	<b>\$ 1,320,932</b>	<b>\$ 741,459</b>

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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 2,161,276	\$ 2,161,276	\$ 2,259,711	\$ 98,435
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	3,000	3,000	1,345	(1,655)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,164,276</u>	<u>2,164,276</u>	<u>2,261,056</u>	<u>96,780</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>2,517,447</u>	<u>2,423,111</u>	<u>1,949,856</u>	<u>473,255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(353,171)</u>	<u>(258,835)</u>	<u>311,199</u>	<u>570,034</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(95,000)	(95,000)	-
Total Other Financing Sources	<u>-</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(353,171)</u>	<u>(353,835)</u>	<u>216,199</u>	<u>570,034</u>
 FUND BALANCES - BEGINNING	 <u>1,643,710</u>	 <u>1,643,710</u>	 <u>1,643,710</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,290,539</u>	<u>\$ 1,289,875</u>	<u>\$ 1,859,909</u>	<u>\$ 570,034</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, 2014

<u>REVENUES</u>	<u>Budget (Original)</u>	<u>Budget (Revised)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes	\$ 2,255,931	\$ 2,255,931	\$ 2,359,404	\$ 103,473
Licenses and Permits	-	-	-	-
Intergovernmental	1,020,310	1,443,331	1,726,924	283,593
Fees of Office	515,000	515,000	408,483	(106,517)
Fines	-	-	-	-
Interest	3,000	3,000	829	(2,171)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>3,794,241</u>	<u>4,217,262</u>	<u>4,495,640</u>	<u>278,378</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>4,473,141</u>	<u>5,017,701</u>	<u>4,765,197</u>	<u>252,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(678,900)</u>	<u>(800,439)</u>	<u>(269,557)</u>	<u>530,882</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	95,000	95,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(678,900)</u>	<u>(705,439)</u>	<u>(174,557)</u>	<u>530,882</u>
 FUND BALANCES - BEGINNING	 <u>1,439,477</u>	 <u>1,439,477</u>	 <u>1,439,477</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 760,577</u>	<u>\$ 734,038</u>	<u>\$ 1,264,921</u>	<u>\$ 530,882</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	371,000	371,000	390,005	19,005
Fines	-	-	-	-
Interest	1,200	1,200	241	(959)
Miscellaneous	15,000	15,000	17,872	2,872
<b>TOTAL REVENUES</b>	<b>387,200</b>	<b>387,200</b>	<b>408,117</b>	<b>20,917</b>
 <u>EXPENDITURES</u>				
<b>GENERAL GOVERNMENT</b>	<b>401,628</b>	<b>403,241</b>	<b>324,135</b>	<b>79,106</b>
Excess (Deficiency) of Revenues Over Expenditures	(14,428)	(16,041)	83,982	100,023
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(14,428)</b>	<b>(16,041)</b>	<b>83,982</b>	<b>100,023</b>
<b>FUND BALANCES - BEGINNING</b>	<b>270,339</b>	<b>270,339</b>	<b>270,339</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 255,911</b>	<b>\$ 254,298</b>	<b>\$ 354,322</b>	<b>\$ 100,023</b>

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, 2014**

<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	2,632,000	2,632,000	2,766,343	134,343
Fines	-	-	-	-
Interest	10,000	10,000	1,469	(8,531)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,642,000</u>	<u>2,642,000</u>	<u>2,767,812</u>	<u>125,812</u>
 <u>EXPENDITURES</u>				
<b>GENERAL GOVERNMENT</b>	<u>3,441,480</u>	<u>3,457,431</u>	<u>3,111,386</u>	<u>346,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(799,480)</u>	<u>(815,431)</u>	<u>(343,575)</u>	<u>471,856</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(799,480)</u>	<u>(815,431)</u>	<u>(343,575)</u>	<u>471,856</u>
<b>FUND BALANCES - BEGINNING</b>	<u>2,255,777</u>	<u>2,255,777</u>	<u>2,255,777</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,456,297</u>	<u>\$ 1,440,346</u>	<u>\$ 1,912,202</u>	<u>\$ 471,856</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, 2014

<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	19,000	19,000	23,311	4,311
Fines	-	-	-	-
Interest	50	50	20	(30)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>19,050</u>	<u>19,050</u>	<u>23,331</u>	<u>4,281</u>
 <u>EXPENDITURES</u>				
<b>GENERAL GOVERNMENT</b>	<u>5,670</u>	<u>5,670</u>	<u>2,511</u>	<u>3,159</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,380</u>	<u>13,380</u>	<u>20,820</u>	<u>7,440</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>13,380</u>	<u>13,380</u>	<u>20,820</u>	<u>7,440</u>
<b>FUND BALANCES - BEGINNING</b>	<u>28,335</u>	<u>28,335</u>	<u>28,335</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 41,715</u>	<u>\$ 41,715</u>	<u>\$ 49,155</u>	<u>\$ 7,440</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, 2014**

<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	300,000	300,000	259,849	(40,151)
Fines	-	-	-	-
Interest	1,000	1,000	58	(942)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>301,000</u>	<u>301,000</u>	<u>259,907</u>	<u>(41,093)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>402,823</u>	<u>407,608</u>	<u>360,240</u>	<u>47,368</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(101,823)</u>	<u>(106,608)</u>	<u>(100,332)</u>	<u>6,276</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	46,000	46,000	46,000	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>46,000</u>	<u>46,000</u>	<u>46,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(55,823)</u>	<u>(60,608)</u>	<u>(54,332)</u>	<u>6,276</u>
<b>FUND BALANCES - BEGINNING</b>	<u>189,780</u>	<u>189,780</u>	<u>189,780</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 133,957</u>	<u>\$ 129,172</u>	<u>\$ 135,448</u>	<u>\$ 6,276</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	2,000	2,000	767	(1,233)
Miscellaneous	100,000	100,000	316,923	216,923
<b>TOTAL REVENUES</b>	<b>102,000</b>	<b>102,000</b>	<b>317,690</b>	<b>215,690</b>
 <u>EXPENDITURES</u>				
<b>PUBLIC SAFETY</b>	<b>225,000</b>	<b>341,108</b>	<b>187,324</b>	<b>153,784</b>
Excess (Deficiency) of Revenues Over Expenditures	(123,000)	(239,108)	130,366	369,474
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	30,907	30,907
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>30,907</b>	<b>30,907</b>
<b>Net Change in Fund Balances</b>	<b>(123,000)</b>	<b>(239,108)</b>	<b>161,273</b>	<b>400,381</b>
<b>FUND BALANCES - BEGINNING</b>	<b>779,847</b>	<b>779,847</b>	<b>779,847</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 656,847</b>	<b>\$ 540,739</b>	<b>\$ 941,120</b>	<b>\$ 400,381</b>

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, 2014

<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	10,201	2,201
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>8,000</u>	<u>8,000</u>	<u>10,201</u>	<u>2,201</u>
<u>EXPENDITURES</u>				
<b>FINANCIAL</b>	<u>27,238</u>	<u>27,238</u>	<u>12,290</u>	<u>14,948</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,238)</u>	<u>(19,238)</u>	<u>(2,090)</u>	<u>17,148</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(19,238)</u>	<u>(19,238)</u>	<u>(2,090)</u>	<u>17,148</u>
<b>FUND BALANCES - BEGINNING</b>	<u>37,477</u>	<u>37,477</u>	<u>37,477</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 18,239</u>	<u>\$ 18,239</u>	<u>\$ 35,387</u>	<u>\$ 17,148</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, 2014

<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	340,000	340,000	319,137	(20,863)
Fines	-	-	-	-
Interest	750	750	45	(705)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>340,750</u>	<u>340,750</u>	<u>319,182</u>	<u>(21,568)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>423,448</u>	<u>446,201</u>	<u>415,402</u>	<u>30,799</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(82,698)</u>	<u>(105,451)</u>	<u>(96,220)</u>	<u>9,231</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>(82,698)</u>	<u>(105,451)</u>	<u>(96,220)</u>	<u>9,231</u>
 FUND BALANCES - BEGINNING	 <u>186,615</u>	 <u>186,615</u>	 <u>186,615</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 103,917</u>	<u>\$ 81,164</u>	<u>\$ 90,395</u>	<u>\$ 9,231</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	22,500	22,500	15,000	(7,500)
Fees of Office	40,000	40,000	20,613	(19,387)
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>62,500</b>	<b>62,500</b>	<b>35,613</b>	<b>(26,887)</b>
 <u>EXPENDITURES</u>				
LEGAL	112,353	112,353	99,039	13,314
Excess (Deficiency) of Revenues Over Expenditures	(49,853)	(49,853)	(63,427)	(13,574)
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	65,000	70,000	70,000	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>65,000</b>	<b>70,000</b>	<b>70,000</b>	<b>-</b>
 Net Change in Fund Balances	 15,147	 20,147	 6,573	 (13,574)
 FUND BALANCES - BEGINNING	 (15,500)	 (15,500)	 (15,500)	 -
 FUND BALANCES - ENDING	 \$ (353)	 \$ 4,647	 \$ (8,927)	 \$ (13,574)

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, 2014

<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	832	(668)
Miscellaneous	55,000	87,893	447,410	359,517
<b>TOTAL REVENUES</b>	<u>56,500</u>	<u>89,393</u>	<u>448,242</u>	<u>358,849</u>
 <u>EXPENDITURES</u>				
LEGAL	<u>182,421</u>	<u>233,227</u>	<u>135,436</u>	<u>97,791</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(125,921)</u>	<u>(143,834)</u>	<u>312,806</u>	<u>456,640</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	<u>(65,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(65,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(190,921)</u>	<u>(213,834)</u>	<u>242,806</u>	<u>456,640</u>
 FUND BALANCES - BEGINNING	 <u>821,677</u>	 <u>821,677</u>	 <u>821,677</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 630,756</u>	<u>\$ 607,843</u>	<u>\$ 1,064,483</u>	<u>\$ 456,640</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	240,000	240,000	203,888	(36,112)
Fees of Office	52,000	52,000	46,500	(5,500)
Fines	-	-	-	-
Interest	4,000	4,000	2,009	(1,991)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>296,000</u>	<u>296,000</u>	<u>252,397</u>	<u>(43,603)</u>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	<u>295,000</u>	<u>295,000</u>	<u>295,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,000</u>	<u>1,000</u>	<u>(42,603)</u>	<u>(43,603)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>1,000</u>	<u>1,000</u>	<u>(42,603)</u>	<u>(43,603)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>2,127,669</u>	<u>2,127,669</u>	<u>2,127,669</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,128,669</u>	<u>\$ 2,128,669</u>	<u>\$ 2,085,067</u>	<u>\$ (43,603)</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, 2014

<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	68,000	68,000	56,280	(11,720)
Fines	-	-	-	-
Interest	1,200	1,200	117	(1,083)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>69,200</u>	<u>69,200</u>	<u>56,398</u>	<u>(12,802)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>236,859</u>	<u>236,859</u>	<u>90,897</u>	<u>145,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(167,659)</u>	<u>(167,659)</u>	<u>(34,499)</u>	<u>133,160</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>(167,659)</u>	<u>(167,659)</u>	<u>(34,499)</u>	<u>133,160</u>
 FUND BALANCES - BEGINNING	 <u>361,259</u>	 <u>361,259</u>	 <u>361,259</u>	 <u>-</u>
FUND BALANCES - ENDING	<u>\$ 193,600</u>	<u>\$ 193,600</u>	<u>\$ 326,760</u>	<u>\$ 133,160</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, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	425,559	450,460	24,901
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>425,559</b>	<b>450,460</b>	<b>24,901</b>
 <u>EXPENDITURES</u>				
HEALTH & WELFARE	-	425,559	455,851	(30,292)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(5,391)	(5,391)
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>(5,391)</b>	<b>(5,391)</b>
 <b>FUND BALANCES - BEGINNING</b>	 <b>11,794</b>	 <b>11,794</b>	 <b>11,794</b>	 <b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 11,794</b>	<b>\$ 11,794</b>	<b>\$ 6,403</b>	<b>\$ (5,391)</b>

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, 2014

<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	125,000	125,000	120,417	(4,583)
Fines	-	-	-	-
Interest	500	500	60	(440)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>125,500</u>	<u>125,500</u>	<u>120,477</u>	<u>(5,023)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>121,186</u>	<u>91,898</u>	<u>87,377</u>	<u>4,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,314</u>	<u>33,602</u>	<u>33,100</u>	<u>(502)</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(29,288)	(29,288)	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(29,288)</u>	<u>(29,288)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>4,314</u>	<u>4,314</u>	<u>3,812</u>	<u>(502)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>104,215</u>	<u>104,215</u>	<u>104,215</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 108,529</u>	<u>\$ 108,529</u>	<u>\$ 108,026</u>	<u>\$ (502)</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, 2014

<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	13,949	(2,051)
Fines	-	-	-	-
Interest	750	750	60	(690)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>16,750</u>	<u>16,750</u>	<u>14,008</u>	<u>(2,742)</u>
 <u>EXPENDITURES</u>				
JUDICIAL	<u>14,588</u>	<u>15,163</u>	<u>3,575</u>	<u>11,588</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,162</u>	<u>1,587</u>	<u>10,434</u>	<u>8,847</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,162</u>	<u>1,587</u>	<u>10,434</u>	<u>8,847</u>
<b>FUND BALANCES - BEGINNING</b>	<u>102,958</u>	<u>102,958</u>	<u>102,958</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 105,120</u>	<u>\$ 104,545</u>	<u>\$ 113,392</u>	<u>\$ 8,847</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, 2014

<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	210,000	210,000	202,625	(7,375)
Fines	-	-	-	-
Interest	1,000	1,000	12	(988)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>211,000</b>	<b>211,000</b>	<b>202,637</b>	<b>(8,363)</b>
 <u>EXPENDITURES</u>				
<b>PUBLIC SAFETY</b>	<b>280,434</b>	<b>280,434</b>	<b>274,896</b>	<b>5,538</b>
Excess (Deficiency) of Revenues Over Expenditures	(69,434)	(69,434)	(72,259)	(2,825)
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	50,000	50,000	50,000	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(19,434)</b>	<b>(19,434)</b>	<b>(22,259)</b>	<b>(2,825)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>28,946</b>	<b>28,946</b>	<b>28,946</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 9,512</b>	<b>\$ 9,512</b>	<b>\$ 6,687</b>	<b>\$ (2,825)</b>

Denton County, Texas  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 MEDICAID DSRIP PROGRAM  
 For the Year Ended September 30, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	805,509	1,759,561	2,228,705	469,144
Fees of Office	-	-	-	-
Fines	-	-	-	-
Interest	-	-	200	200
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>805,509</b>	<b>1,759,561</b>	<b>2,228,905</b>	<b>469,344</b>
<u>EXPENDITURES</u>				
HEALTH & WELFARE	800,747	1,762,342	1,588,254	174,088
Excess (Deficiency) of Revenues Over Expenditures	4,762	(2,781)	640,652	643,433
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	4,762	(2,781)	640,652	643,433
FUND BALANCES - BEGINNING	182,423	182,423	182,423	-
FUND BALANCES - ENDING	<u>\$ 187,185</u>	<u>\$ 179,642</u>	<u>\$ 823,075</u>	<u>\$ 643,433</u>

Denton County, Texas  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CAPITAL REPLACEMENT FUND  
 For the Year Ended September 30, 2014

<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	17,500	17,500	7,188	(10,312)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>17,500</u>	<u>17,500</u>	<u>7,188</u>	<u>(10,312)</u>
 <u>EXPENDITURES</u>				
<b>PUBLIC FACILITIES</b>	<u>6,577,236</u>	<u>4,879,019</u>	<u>687,123</u>	<u>4,191,896</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,559,736)</u>	<u>(4,861,519)</u>	<u>(679,935)</u>	<u>4,181,584</u>
Other Financing Sources (Uses):				
Sale of Surplus Property	-	-	1,292,507	1,292,507
Transfers In	3,500,000	3,500,000	3,500,000	-
Transfers Out	-	(1,800,000)	(1,800,000)	-
<b>Total Other Financing Sources</b>	<u>3,500,000</u>	<u>1,700,000</u>	<u>2,992,507</u>	<u>1,292,507</u>
<b>Net Change in Fund Balances</b>	<u>(3,059,736)</u>	<u>(3,161,519)</u>	<u>2,312,572</u>	<u>5,474,091</u>
<b>FUND BALANCES - BEGINNING</b>	<u>6,238,891</u>	<u>6,238,891</u>	<u>6,238,891</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,179,155</u>	<u>\$ 3,077,372</u>	<u>\$ 8,551,463</u>	<u>\$ 5,474,091</u>

## **DEBT SERVICE FUND**

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

The primary source of funding is property taxes.

Denton County, Texas  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DEBT SERVICE FUND  
 For the Year Ended September 30, 2014

<u>REVENUES</u>	Budget (Original)	Budget (Revised)	Actual	Variance Positive (Negative)
Taxes	\$ 43,064,775	\$ 43,064,775	\$ 44,928,365	\$ 1,863,590
Intergovernmental	1,894,448	1,894,448	1,757,100	(137,348)
Interest	35,000	35,000	11,733	(23,267)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>44,994,223</u>	<u>44,994,223</u>	<u>46,697,198</u>	<u>1,702,975</u>
 <u>EXPENDITURES</u>				
<b>DEBT SERVICE</b>				
Principal Retirement	21,480,000	21,480,000	21,480,000	-
Interest	25,409,806	25,409,806	25,409,805	1
Bank Charges	16,000	16,000	6,862	9,138
<b>TOTAL EXPENDITURES</b>	<u>46,905,806</u>	<u>46,905,806</u>	<u>46,896,667</u>	<u>9,139</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,911,583)</u>	<u>(1,911,583)</u>	<u>(199,469)</u>	<u>1,712,114</u>
 Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Bond Premium	-	-	-	-
Transfers In	-	-	92,771	92,771
Transfers Out	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-
Refunding Bond Discount	-	-	-	-
Payments to Escrow Agent	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>92,771</u>	<u>92,771</u>
 Net Change in Fund Balances	 <u>(1,911,583)</u>	 <u>(1,911,583)</u>	 <u>(106,698)</u>	 <u>1,804,885</u>
<b>FUND BALANCES - BEGINNING</b>	<u>2,870,387</u>	<u>2,870,387</u>	<u>2,870,387</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 958,804</u>	<u>\$ 958,804</u>	<u>\$ 2,763,689</u>	<u>\$ 1,804,885</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, 2014**

	<u>Texas Adult Probation</u>	<u>County Clerk Agency</u>	<u>District Clerk Agency</u>	<u>Tax Collector Agency</u>
<b><u>ASSETS</u></b>				
Cash	\$ 171,849	\$ 605,392	\$4,773,462	\$ 1,588,962
Investments	2,617,000	15,966,196	-	6,165,594
Accrued Interest	-	-	-	-
Other Assets	294,399	-	-	-
Due from Other Funds	4	-	-	-
Due from Other Govts	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$3,083,251</u></b>	<b><u>\$ 16,571,588</u></b>	<b><u>\$4,773,462</u></b>	<b><u>\$ 7,754,556</u></b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>				
Accounts Payable	\$ 130,779	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Governments	2,819,768	-	-	7,754,556
Due to Beneficiaries	132,705	16,571,588	4,773,462	-
<b>TOTAL LIABILITIES</b>	<b><u>3,083,251</u></b>	<b><u>16,571,588</u></b>	<b><u>4,773,462</u></b>	<b><u>7,754,556</u></b>

(Continued)

**Denton County, Texas**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2014**

	<u>Justices of the Peace Agency</u>	<u>Sheriff Agency</u>	<u>Treatment Alternatives to Incarceration</u>	<u>Other Agency</u>
<b><u>ASSETS</u></b>				
Cash	\$ 84,419	\$ 2,506,135	\$ 62,906	\$ 41,671
Investments	-	-	-	-
Accrued Interest	-	-	-	-
Other Assets	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 84,419</u></b>	<b><u>\$ 2,506,135</u></b>	<b><u>\$ 62,906</u></b>	<b><u>\$ 41,671</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 908	\$ -
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	61,998	-
Due to Beneficiaries	84,419	2,506,135	-	41,671
<b>TOTAL LIABILITIES</b>	<b><u>84,419</u></b>	<b><u>2,506,135</u></b>	<b><u>62,906</u></b>	<b><u>41,671</u></b>

<u>Community Corrections Grant</u>	<u>Housing Finance Authority</u>	<u>TOTAL September 30, 2014</u>
\$ 346,062	\$ -	\$ 10,180,858
49,485	666,580	25,464,855
-	-	-
-	-	294,399
-	-	4
-	-	-
<u>\$ 395,547</u>	<u>\$ 666,580</u>	<u>\$ 35,940,116</u>

\$ 8,172	\$ -	\$ 139,859
4	-	4
387,371	666,580	11,690,274
-	-	24,109,979
<u>395,547</u>	<u>666,580</u>	<u>35,940,116</u>

**Denton County, Texas**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2014**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>TEXAS ADULT PROBATION FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 2,893,763	\$ 4,727,465	\$ 4,832,380	\$ 2,788,849
Accrued Interest	-	-	-	-
Other Receivables	157,337	294,399	157,337	294,399
Due from Other Funds	21	4	21	4
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 3,051,121</u></b>	<b><u>\$ 5,021,868</u></b>	<b><u>\$ 4,989,738</u></b>	<b><u>\$ 3,083,251</u></b>

**Liabilities**

Accounts Payable	\$ 110,208	\$ 130,779	\$ 110,208	\$ 130,779
Due to Other Funds	1,097	-	1,097	-
Due to Other Govts	2,835,822	2,819,768	2,835,822	2,819,768
Due to Beneficiaries	103,995	132,705	103,995	132,705
<b>Total Liabilities</b>	<b><u>\$ 3,051,121</u></b>	<b><u>\$ 3,083,251</u></b>	<b><u>\$ 3,051,121</u></b>	<b><u>\$ 3,083,251</u></b>

**COUNTY CLERK AGENCY FUND**

**Assets**

Cash and Investments	\$ 9,140,506	\$ 9,649,113	\$ 2,218,030	\$ 16,571,588
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 9,140,506</u></b>	<b><u>\$ 9,649,113</u></b>	<b><u>\$ 2,218,030</u></b>	<b><u>\$ 16,571,588</u></b>

**Liabilities**

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	9,140,506	9,649,113	2,218,030	16,571,588
<b>Total Liabilities</b>	<b><u>\$ 9,140,506</u></b>	<b><u>\$ 9,649,113</u></b>	<b><u>\$ 2,218,030</u></b>	<b><u>\$ 16,571,588</u></b>

**Denton County, Texas**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>DISTRICT CLERK AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 4,935,670	\$ 8,905,416	\$ 9,067,624	\$ 4,773,462
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 4,935,670</u></b>	<b><u>\$ 8,905,416</u></b>	<b><u>\$ 9,067,624</u></b>	<b><u>\$ 4,773,462</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	4,935,670	8,905,416	9,067,624	4,773,462
<b>Total Liabilities</b>	<b><u>\$ 4,935,670</u></b>	<b><u>\$ 8,905,416</u></b>	<b><u>\$ 9,067,624</u></b>	<b><u>\$ 4,773,462</u></b>
<b><u>TAX COLLECTOR AGENCY FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 8,484,871	\$ 420,186,218	\$ 420,916,533	\$ 7,754,556
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 8,484,871</u></b>	<b><u>\$ 420,186,218</u></b>	<b><u>\$ 420,916,533</u></b>	<b><u>\$ 7,754,556</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	8,484,871	420,186,218	420,916,533	7,754,556
Due to Beneficiaries	-	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 8,484,871</u></b>	<b><u>\$ 420,186,218</u></b>	<b><u>\$ 420,916,533</u></b>	<b><u>\$ 7,754,556</u></b>

Continued

**Denton County, Texas**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>JUSTICES OF THE PEACE AGENCY FUND</u></b>				
<u>Assets</u>				
Cash and Investments	\$ 58,925	\$ 191,133	\$ 165,638	\$ 84,419
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 58,925</u></b>	<b><u>\$ 191,133</u></b>	<b><u>\$ 165,638</u></b>	<b><u>\$ 84,419</u></b>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	58,925	191,133	165,638	84,419
<b>Total Liabilities</b>	<b><u>\$ 58,925</u></b>	<b><u>\$ 191,133</u></b>	<b><u>\$ 165,638</u></b>	<b><u>\$ 84,419</u></b>
<b><u>SHERIFF AGENCY FUND</u></b>				
<u>Assets</u>				
Cash and Investments	\$ 2,193,325	\$ 3,731,713	\$ 3,418,903	\$ 2,506,135
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,193,325</u></b>	<b><u>\$ 3,731,713</u></b>	<b><u>\$ 3,418,903</u></b>	<b><u>\$ 2,506,135</u></b>
<u>Liabilities</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	2,193,325	3,731,713	3,418,903	2,506,135
<b>Total Liabilities</b>	<b><u>\$ 2,193,325</u></b>	<b><u>\$ 3,731,713</u></b>	<b><u>\$ 3,418,903</u></b>	<b><u>\$ 2,506,135</u></b>

**Denton County, Texas**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2014**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>TREATMENT ALTERNATIVES TO INCARCERATION FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 124,779	\$ 121,000	\$ 182,873	\$ 62,906
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 124,779</u></b>	<b><u>\$ 121,000</u></b>	<b><u>\$ 182,873</u></b>	<b><u>\$ 62,906</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 7,293	\$ 908	\$ 7,293	\$ 908
Due to Other Funds	-	-	-	-
Due to Other Govts	117,486	61,998	117,486	61,998
Due to Beneficiaries	-	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 124,779</u></b>	<b><u>\$ 62,906</u></b>	<b><u>\$ 124,779</u></b>	<b><u>\$ 62,906</u></b>
<b><u>OTHER AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 24,764	\$ 41,671	\$ 24,764	\$ 41,671
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 24,764</u></b>	<b><u>\$ 41,671</u></b>	<b><u>\$ 24,764</u></b>	<b><u>\$ 41,671</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	-	-	-	-
Due to Beneficiaries	24,764	41,671	24,764	41,671
<b>Total Liabilities</b>	<b><u>\$ 24,764</u></b>	<b><u>\$ 41,671</u></b>	<b><u>\$ 24,764</u></b>	<b><u>\$ 41,671</u></b>

Continued

**Denton County, Texas**  
**COMBINING STATEMENT OF CHANGES IN**  
**FIDUCIARY ASSETS AND LIABILITIES**  
**For the Year Ended September 30, 2014**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of Year</b>
<b><u>COMMUNITY CORRECTIONS GRANT FUND</u></b>				
<b><u>Assets</u></b>				
Cash and Investments	\$ 507,905	\$ 790,282	\$ 902,640	\$ 395,547
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b>\$ 507,905</b>	<b>\$ 790,282</b>	<b>\$ 902,640</b>	<b>\$ 395,547</b>

**Liabilities**

Accounts Payable	\$ 73,177	\$ 8,172	\$ 73,177	\$ 8,172
Due to Other Funds	22	4	22	4
Due to Other Govts	434,707	387,371	434,707	387,371
Due to Beneficiaries	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 507,905</b>	<b>\$ 395,547</b>	<b>\$ 507,905</b>	<b>\$ 395,547</b>

**DENTON CO. HOUSING FINANCE AUTHORITY**

**Assets**

Cash and Investments	\$ 666,356	\$ 224	\$ -	\$ 666,580
Accrued Interest	-	-	-	-
Other Receivables	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Govts	-	-	-	-
<b>Total Assets</b>	<b>\$ 666,356</b>	<b>\$ 224</b>	<b>\$ -</b>	<b>\$ 666,580</b>

**Liabilities**

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Due to Other Govts	666,356	224	-	666,580
Due to Beneficiaries	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 666,356</b>	<b>\$ 224</b>	<b>\$ -</b>	<b>\$ 666,580</b>

Denton County, Texas  
**COMBINING STATEMENT OF CHANGES IN  
 FIDUCIARY ASSETS AND LIABILITIES**  
 For the Year Ended September 30, 2014

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and Investments	\$ 29,030,864	\$ 448,344,234	\$ 441,729,384	\$ 35,645,713
Accrued Interest	-	-	-	-
Other Receivables	157,337	294,399	157,337	294,399
Due from Other Funds	21	4	21	4
Due from Other Govts	-	-	-	-
 Total Assets	 <u>\$ 29,188,222</u>	 <u>\$ 448,638,637</u>	 <u>\$ 441,886,742</u>	 <u>\$ 35,940,116</u>
<u>Liabilities</u>				
Accounts Payable	\$ 190,678	\$ 139,859	\$ 190,678	\$ 139,859
Due from Other Funds	1,119	4	1,118	4
Due to Other Govts	12,539,240	423,455,579	424,304,547	11,690,274
Due to Beneficiaries	16,457,185	22,651,749	14,998,954	24,109,979
 Total Liabilities	 <u>\$ 29,188,222</u>	 <u>\$ 446,247,191</u>	 <u>\$ 439,495,297</u>	 <u>\$ 35,940,116</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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	105
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	111
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	116
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	
<b>Demographic and Economic Information</b>	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
<b>Operating Information</b>	123
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.	



Denton County, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment										
in Capital Assets	\$ 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	\$ 200,537,941
Restricted	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	18,237,107
Unrestricted	(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)	(345,818,075)
Total Governmental										
Activities Net Assets	\$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)	\$ (127,043,027)

Denton County, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 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	\$ 25,138,657
Judicial	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	21,147,853
Legal	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	12,965,216
Financial	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	6,652,765
Public Facilities	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	12,180,426
Public Safety	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	71,202,091
Health & Welfare	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	11,255,219
Conservation	331,562	366,525	388,464	382,928	402,165	403,151	389,137	366,965	357,272	387,494
Contractual	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	3,148,163
Road Maintenance	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	31,121,422
Interest on Long-Term Debt	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	24,578,290
<b>Total Expenses</b>	<b>\$ 143,666,044</b>	<b>\$ 173,022,748</b>	<b>\$ 189,822,385</b>	<b>\$ 187,217,297</b>	<b>\$ 210,223,502</b>	<b>\$ 207,476,482</b>	<b>\$ 225,940,665</b>	<b>\$ 215,284,015</b>	<b>\$ 215,145,484</b>	<b>\$ 219,777,595</b>

**Program Revenues**

Governmental Activities:	
Charges For Services:	
General Government	\$ 9,340,831
Judicial	8,288,906
Legal	273,141
Financial	2,139,101
	\$ 11,981,245
	8,502,443
	317,082
	2,372,728
	\$ 11,939,818
	7,437,513
	272,495
	2,250,727
	\$ 11,351,076
	7,897,731
	249,847
	2,501,426
	\$ 12,486,126
	8,412,057
	214,541
	2,651,479
	\$ 11,506,447
	8,188,936
	205,698
	2,687,310
	\$ 6,456,968
	8,396,361
	174,607
	2,830,176
	\$ 8,696,505
	7,907,526
	202,073
	3,031,553
	\$ 9,079,110
	7,703,704
	128,964
	3,606,175
	\$ 9,649,495
	7,626,112
	103,712
	3,272,157

**Fiscal Year**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety	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	2,867,143
Health & Welfare	535,586	521,971	530,757	499,755	545,316	554,314	578,712	517,340	589,339	454,984
Conservation	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	701,229	-	-	70,969	-	-	-	-
Road Maintenance	504,915	285,643	148,658	184,188	209,627	50,971	78,785	78,613	35,585	55,609
Interest on LT Debt	-	458,864	-	-	-	-	-	-	-	-
Operating Grants and										
Contributions	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	30,051,949
Capital Grants and										
Contributions	25,037	7,278,309	1,699,313	1,659,011	2,603,865	6,864,345	3,574,713	820,766	673,691	293,872
Total Governmental Activities										
Program Revenues	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	54,375,033
Net (Expense) Revenues	\$ (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)	\$ (165,402,562)
<b>General Revenues and</b>										
<b>Other Changes in Net Assets</b>										
Governmental Activities:										
Property Taxes	\$ 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	\$ 165,644,534
Grants and Contributions										
Not Restricted to Specific										
Programs	-	304,543	458,884	-	-	-	-	-	-	-
Investment Earnings	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883	584,091	536,010	346,610
Total General Revenues	\$ 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	\$ 165,991,144
<b>Change in Net Assets</b>										
Total	\$ (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)	\$ 588,582

**Denton County, Texas**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years (1)**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Unspendable							\$ 169,201	\$ 174,599	\$ 121,900	\$ 147,966
Unassigned							26,104,123	29,031,968	33,590,723	37,289,484
Reserved	\$ 37,046	\$ 61,640	\$ 92,943	\$ 114,819	\$ 148,828	\$ 148,842	-	-	-	-
Unreserved	14,086,405	19,800,836	28,405,455	27,919,875	27,920,689	27,576,709	-	-	-	-
<b>Total General Fund</b>	<b>\$14,123,451</b>	<b>\$19,862,476</b>	<b>\$ 28,498,398</b>	<b>\$ 28,034,694</b>	<b>\$ 28,069,517</b>	<b>\$ 27,725,551</b>	<b>\$ -</b>	<b>\$ 29,206,567</b>	<b>\$ 33,712,623</b>	<b>\$ 37,437,450</b>
<b>All Other Governmental Funds</b>										
Restricted							\$ 192,582,386	\$243,145,504	\$253,683,080	\$249,864,287
Unassigned							-	-	(15,500)	(8,927)
Reserved	\$52,754,433	\$23,841,478	\$ 88,318,434	\$ 81,406,859	\$ 132,529,475	\$ 226,366,775	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	9,909,531	13,558,740	15,781,422	18,017,608	16,837,540	16,214,411	-	-	-	-
<b>Total Other Government Funds</b>	<b>\$62,663,964</b>	<b>\$37,400,218</b>	<b>\$104,099,856</b>	<b>\$ 99,424,467</b>	<b>\$ 149,367,015</b>	<b>\$ 242,581,186</b>	<b>\$ 192,582,386</b>	<b>\$243,145,504</b>	<b>\$253,667,580</b>	<b>\$249,855,360</b>

(1) In 2011, Denton County began reporting fund balances in according 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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes	\$ 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	\$ 164,871,840
Licenses and Permits	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	9,757,549
Intergovernmental	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	20,351,445
Fees of Office	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	17,482,108
Fines	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	3,127,188
Interest	2,746,876	5,377,631	7,895,304	5,629,066	1,187,458	581,552	578,883	584,091	536,010	346,610
Miscellaneous	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	3,272,231
<b>TOTAL REVENUES</b>	<b>135,760,424</b>	<b>152,220,643</b>	<b>156,862,607</b>	<b>168,935,111</b>	<b>175,874,608</b>	<b>182,044,988</b>	<b>193,909,601</b>	<b>199,085,929</b>	<b>206,712,218</b>	<b>219,208,971</b>
<b>EXPENDITURES</b>										
General Government	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	22,535,596
Judicial	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	20,655,585
Legal	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	12,538,786
Financial	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	6,312,107
Public Facilities	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	9,017,878
Public Safety	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	67,412,763
Health & Welfare	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	10,907,729
Conservation	331,543	370,952	388,181	389,404	383,833	391,098	373,690	347,594	337,415	378,764
Contract Services	1,940,935	2,613,005	2,732,336	2,899,226	2,919,721	3,096,886	3,138,482	3,016,238	3,079,664	3,148,163
Roads	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	10,369,531
Intergovernmental	14,561,953	35,764,228	42,887,800	855,974	92,579	64,378	33,000	-	-	-
Capital Outlay	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	52,569,248

**Fiscal Year**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Debt Service:</b>										
Principal Retirement	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	21,480,000
Interest & Service Charge	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	25,416,667
<b>TOTAL EXPENDITURES</b>	<b>145,972,162</b>	<b>183,281,443</b>	<b>191,322,715</b>	<b>201,085,032</b>	<b>231,291,786</b>	<b>229,197,435</b>	<b>243,695,778</b>	<b>252,177,119</b>	<b>253,449,993</b>	<b>262,742,816</b>
<b>Excess of Revenues</b>										
over (under) expenditures	(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)	(43,533,846)
<b>OTHER FUNDING SOURCES (USES)</b>										
Issuance of Debt	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	40,210,000
Bond Premium	2,866,219	-	441,000	267,662	1,519,549	2,491,260	1,343,259	10,433,442	5,473,539	900,000
Sale of Surplus Property	-	-	-	353,757	-	-	240,320	177,568	1,371,902	1,544,570
Capital Lease Financing	599,842	62,879	399,668	2,489,407	-	533,878	228,693	2,276,495	-	791,882
Transfers In	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	6,434,501
Transfers Out	(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)	(6,434,501)
Refunding Bonds Issued	51,830,000	19,315,000	-	-	-	23,280,000	-	-	53,680,000	-
Refunding Bond Discount	-	(528,875)	-	-	-	-	-	-	-	-
Payments to Escrow Agt	(53,243,364)	(18,677,925)	-	-	-	(23,777,486)	(17,132,120)	(12,624,956)	(53,722,092)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>51,302,697</b>	<b>11,536,079</b>	<b>109,795,668</b>	<b>27,010,826</b>	<b>105,394,549</b>	<b>140,022,652</b>	<b>(1,664,847)</b>	<b>106,587,549</b>	<b>61,765,907</b>	<b>43,446,452</b>
<b>NET CHANGE IN FUND BALANCES</b>										
	\$ 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	\$ (87,393)

**DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES**

	13.9%	15.4%	9.7%	13.2%	13.9%	16.5%	18.4%	17.3%	20.1%	20.8%
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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					
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	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	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	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	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	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	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	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	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	0.28287	54,109,959,012	100.00%
2014	42,926,652,819	10,237,178,497	4,464,314,011	7,073,384,241	7,012,511,117	57,689,018,451	0.28491	57,689,018,451	0.28491	57,689,018,451	100.00%

Denton County, Texas

PRINCIPAL PROPERTY TAXPAYERS

September 30, 2014

<u>Taxpayer</u>	2014			2005		
	<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.	\$ 703,321,830	1	1.22%	\$ 654,733,990	1	1.82%
Amerisource Bergen Drug Corp	185,032,866	2	0.32%			
Quicksilver Resources	155,733,927	3	0.27%			
Wal-Mart Real Estate Trust	149,180,147	4	0.26%	220,366,413	2	0.61
Bell Helicopter Textron	121,878,146	5	0.21%			
Burlington Resources Oil&Gas	121,809,290	6	0.21%	149,423,550	4	0.41
GTE Southwest Inc.	119,245,710	7	0.21%			
Enervest Operating LLC	102,212,200	8	0.18%			
Frankel, Edward B MD Trust	98,804,447	9	0.17%			0.18%
Digital Lewisville LLC	98,000,000	10	0.17%			
Verizon Southwest				152,811,488	3	0.42
TXU Electric Delivery Co.				137,933,610	5	0.38
JC Penney Co.				103,830,244	6	0.29
Cardinal Health 301, Inc.				91,513,885	7	0.25
TTHR Limited Ptr.				76,690,706	8	0.21
Southwest Property LP				74,612,289	9	0.21
Albertson's Inc.				<u>74,140,974</u>	<u>10</u>	<u>0.21</u>
	<u>\$ 1,855,218,563</u>		<u>3.22%</u>	<u>\$ 1,736,057,149</u>		<u>4.81%</u>

Note: 2014 Total Assessed valuation of \$57,689,018,451 per Denton Central Appraisal District.

2005 Total Assessed valuation of \$36,071,230,377 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)	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ENTITY</b>									
Denton County-total	100.00 %	<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>	<u>0.28491</u>
County-M&O component rate		0.19279	0.18383	0.18443	0.18773	0.19990	0.20566	0.20923	0.20784
County-Debt component rate		<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>0.07707</u>
<u>Cities</u>									
Argyle	100.00	0.38592	0.38500	0.38500	0.38500	0.39750	0.39750	0.39750	0.39750
Aubrey	100.00	0.52624	0.56240	0.52624	0.60101	0.60101	0.61040	0.63031	0.62113
Bartonville	100.00	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294	0.19294
Carrollton	35.62	0.63290	0.61788	0.61788	0.61787	0.61788	0.61788	0.61788	0.61787
The Colony	100.00	0.71500	0.69750	0.68800	0.68800	0.68550	0.68300	0.68300	0.67750
Copper Canyon	100.00	0.17027	0.19027	0.19027	0.30171	0.30171	0.30171	0.30171	0.29750
Corinth	100.00	0.55698	0.55698	0.57698	0.59292	0.59292	0.59135	0.59135	0.60489
Dallas	0.83	0.72920	0.74790	0.74790	0.74790	0.79700	0.79700	0.79700	0.79700
Denton	100.00	0.62652	0.66652	0.66652	0.66652	0.68975	0.68975	0.68975	0.68975
Double Oak	100.00	0.22000	0.22481	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		0.45000	0.45000	0.46500	0.46500	0.46191	0.46191	0.46191
Hackberry	100.00	0.52298	0.57984	0.57984	0.43235	0.47535	0.47663	0.48566	0.46274
Hickory Creek	100.00	0.34020	0.44562	0.44562	0.42429	0.42429	0.42429	0.42429	0.41688
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	0.49900	0.54921	0.54921	0.64261	0.64261	0.66000	0.66000
Krugerville	100.00	0.23780	0.26962	0.26962	0.35171	0.35171	0.37000	0.40000	0.40000
Krum	100.00	0.53983	0.58983	0.59983	0.63386	0.63386	0.63386	0.63386	0.63386
Lake Dallas	100.00	0.67000	0.69000	0.71000	0.71000	0.71000	0.71000	0.71000	0.70193
Lewisville	99.92	0.45679	0.44050	0.44021	0.44021	0.44021	0.44021	0.44021	0.44021
Little Elm	100.00	0.47000	0.53580	0.56996	0.63449	0.66530	0.66497	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	0.57900	0.57900	0.57900	0.57326	0.57326	0.57300	0.57300	0.57300
Pilot Point	100.00	0.59000	0.59000	0.64000	0.68000	0.68000	0.68000	0.68000	0.68000
Ponder	100.00	0.31652	0.31652	0.33000	0.36064	0.36064	0.41241	0.45351	0.53887
Roanoke	100.00	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512	0.37512
Sanger	100.00	0.59046	0.59960	0.62000	0.62000	0.63305	0.63305	0.63305	0.66500
Shady Shores	100.00	0.33212	0.31990	0.31070	0.31372	0.31372	0.31278	0.31463	0.31462
Trophy Club	100.00	0.43051	0.43510	0.47000	0.47000	0.51500	0.53000	0.51854	0.49930
<u>School Districts:</u>									
Argyle	100.00	1.76943	1.41005	1.41005	1.41005	1.44005	1.46005	1.48005	1.47505

	Percent Applicable to Denton County	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ENTITY</b>										
<b>School Districts</b>										
<u>(Continued)</u>										
Aubrey	100.00	1.8380	1.6666	1.3981	1.48560	1.50000	1.54000	1.54000	1.54000	1.51000
Carrollton-F. Branch	20.48	1.8259	1.6830	1.3670	1.36230	1.34220	1.34690	1.35680	1.33060	1.32350
Celina	4.67	1.7800	1.5190	1.5190	1.54000	1.54000	1.64000	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	1.53000
Frisco	14.02	1.5800		1.3500	1.35000	1.39000	1.39000	1.42000	1.46000	1.46000
Krum	99.16	1.7250	1.5955	1.3655	1.36550	1.44000	1.48000	1.54000	1.52000	1.54000
Lake Dallas	100.00		1.7900	1.5200	1.65000	1.67000	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	1.47700
Little Elm	100.00	1.8400	1.7400	1.4600	1.53000	1.54000	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	1.45250
Pilot Point	88.41	1.7442	1.6300	1.3000	1.39000	1.37000	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	1.38500
Prosper	1.03					1.63000	1.63000	1.67000	1.67000	1.67000
Sanger	100.00	1.7800	1.6500	1.3400	1.37000	1.36000	1.36000	1.37207	1.37207	1.37207
Slidell	26.90	1.5293	1.3706	1.1300	1.16000	1.14000	1.14000	1.14000	1.12000	1.10000
<b>Special Districts</b>										
Denton Co. Levy Imp					0.16500	0.16500	0.16350	0.16350	0.20700	0.18500
Denton Co. RUD							0.17000	0.11000	0.10000	0.00000
Trophy Club MUD 1	100.00	0.3100	0.2990	0.2792	0.26423	0.00000	0.00000	0.00000	0.13339	1.33390
Providence Village WCID					1.00000	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	0.04500
Corinth MUD #1	100.00	0.3100		0.3100	0.21000	0.15000	0.15000	0.00000	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	0.88000
DC Fresh Water Supp.#1-C		0.54	0.9500	0.9000	0.90000	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	0.90000
DC Fresh Water Supp.#6							1.00000	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	0.90000
DC Fresh Water Supp.#10					1.00000	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	1.00000
DC Fresh Water Supp.#8-B					1.00000	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.

(2) Source: Denton Central Appraisal District

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 <sup>(1)</sup>	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 92,196,668	\$ 90,828,110	98.5%	\$ 1,270,462	\$ 92,098,572	99.9%
2006	97,409,653	95,770,632	98.3%	1,556,994	97,327,626	99.9%
2007	102,452,774	100,548,087	98.1%	1,814,369	102,362,456	99.9%
2008	115,678,523	114,144,213	98.7%	1,428,698	115,572,911	99.9%
2009	126,042,884	124,349,930	98.7%	1,494,939	125,844,869	99.8%
2010	135,228,985	133,632,700	98.8%	1,252,919	134,885,619	99.7%
2011	145,749,960	144,186,320	98.9%	1,138,587	145,324,907	99.7%
2012	149,757,246	148,619,170	99.2%	757,622	149,376,792	99.7%
2013	155,676,278	154,663,495	99.3%	535,420	155,198,915	99.7%
2014	164,349,886	163,528,211	99.5%	-	163,528,211	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 Income<sup>1</sup></u>	<u>Per Capita<sup>2</sup></u>	<u>Population</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
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
2014	633,945,536	1,510,853	635,456,389	2.74%	890.99	713,200

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

<sup>1</sup>See the Schedule of Demographic & Economic Statistics on page 121 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 Value<sup>1</sup> of Property</u>	<u>Per Capita<sup>2</sup></u>	<u>Population (1)</u>
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
2014	633,945,536	-	633,945,536	1.10	888.87	713,200

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

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 111 for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 121.



**Denton County, Texas**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**September 30, 2014**

	Net Bonded Debt at September 30, 2014	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County (2)
<b><u>DIRECT DEBT</u></b>			
Denton County	\$ 635,456,389	100.00%	\$ <u>635,456,389</u>
<b><u>OVERLAPPING DEBT</u></b>			
<b><u>Cities:</u></b>			
Argyle	6,836,000	100.00	6,836,000
Aubrey	5,161,000	100.00	5,161,000
Bartonville	375,000	100.00	375,000
Carrollton	161,780,000	49.55	80,161,990
The Colony	77,730,000	100.00	77,730,000
Copper Canyon	1,620,000	100.00	1,620,000
Corinth	24,965,000	100.00	24,965,000
Dallas	1,547,227,904	0.99	15,317,556
Denton	489,715,000	100.00	489,715,000
Flower Mound	129,675,000	97.83	129,675,000
Fort Worth	786,030,000	2.41	18,943,323
Frisco	663,205,000	36.78	243,926,799
Hickory Creek	6,115,000	100.00	6,115,000
Highland Village	38,950,000	100.00	38,950,000
Justin	9,845,000	100.00	9,845,000
Krum	9,077,000	100.00	9,077,000
Lake Dallas	4,865,000	100.00	4,865,000
Lewisville	95,605,000	99.03	94,677,632
Little Elm	76,930,000	100.00	76,930,000
Northlake	6,255,000	100.00	6,255,000
Pilot Point	3,755,000	100.00	3,755,000
Plano	303,065,000	3.55	10,758,808
Ponder	2,600,000	100.00	2,600,000
Prosper	6,092,000	7.44	453,245
Roanoke	36,620,000	94.54	34,620,548
Sanger	14,010,000	100.00	14,010,000
Trophy Club	14,727,000	93.18	13,722,619

**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, 2014	Percentage Applicable to Denton County (1)	Amount Applicable to Denton County
<b>School Districts:</b>			
Argyle	86,508,373	100.00	86,508,373
Aubrey	51,675,714	100.00	51,675,714
Carrollton- Farmers Branch	304,535,000	18.73	57,039,406
Celina	65,431,545	6.26	4,096,015
Denton	750,941,832	100.00	750,941,832
Frisco	1,524,710,843	27.64	421,430,077
Krum	44,037,367	99.73	43,918,466
Lake Dallas	87,922,085	100.00	87,922,085
Lewisville	1,128,501,009	99.55	1,123,422,754
Little Elm	143,104,114	100.00	143,104,114
Northwest	737,438,319	47.48	350,135,714
Pilot Point	18,645,000	81.52	15,199,404
Ponder	24,615,000	100.00	24,615,000
Prosper	276,910,581	6.21	17,196,147
Sanger	24,200,983	100.00	24,200,983
Slidell	1,795,000	22.44	402,798
<b>Special Districts:</b>			
Trophy Club M.U.D.#1	5,520,000	72.59	4,006,968
DC LID #1	9,410,000	93.88	8,834,108
DC Fresh Water Supp #1-B	12,525,000	100.00	12,525,000
DC Fresh Water Supp #1-F	25,893,000	100.00	25,893,000
DC Fresh Wtr Supp #11-A	29,991,320	100.00	29,991,320
DC Fresh Water Supp #11-B	4,600,000	100.00	4,600,000
DC Fresh Wtr Supp #6	56,205,818	100.00	56,205,818
DC Fresh Wtr Supp #7	51,306,320	100.00	51,306,320
DC Fresh Wtr Supp #8-A	9,291,384	100.00	9,291,384
DC Fresh Wtr Supp #8-B	11,230,000	100.00	11,230,000
DC Fresh Wtr Supp #10	43,011,347	100.00	43,011,347
<b>TOTAL OVERLAPPING DEBT</b>			<u>\$4,879,765,665</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$5,515,222,054</u></u>

Denton County, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years  
(Amounts Expressed in Thousands)

	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 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	\$ 12,186,391	\$ 12,603,631
Total Net Debt Applicable to Limit	129,568	168,697	172,799	271,797	283,559	371,433	493,273	473,929	550,231	611,476	632,693
Legal Debt Margin	\$ 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	\$ 11,970,938
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.69%	2.04%	1.95%	2.73%	2.32%	3.11%	3.99%	4.01%	4.64%	5.03%	5.02%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value of Real Property	\$ 50,414,524
Debt Limit (25% of Total Real Property Value) Debt Applicable to Limit	12,603,631
General Obligations Bonds	635,456
Less: Amount Set Aside for Repayment of General Obligation Debt	(2,763)
Total Net Debt Application to Limit	632,693
Legal Debt Margin	\$ 11,970,938

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

Denton County, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Personal Income (Amounts Expressed in Thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education Level in Years of Formal Schooling <sup>1</sup>	School Enrollment <sup>1</sup>	Unemployment Rate <sup>2</sup>
2005	552,600	\$ 17,938,501	\$ 32,462	32	14	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%
2014	713,200	23,337,330	32,722	33.7	-	-	4.5%

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

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University of North Texas	8,738	1	1.23%	5,900	1	1.07%
Lewisville ISD	6,325	2	0.89%	4,500	2	0.81%
Wal-Mart	3,900	3	0.55%			
Denton Ind. School District	3,800	4	0.53%	2,000	5	0.36%
Centex Home Equity	2,600	5	0.36%			
Frito Lay Co	2,500	6	0.35%	2,436	3	0.44%
American Airlines	2,154	7	0.30%	2,350	4	0.43%
Peterbilt Motors	2,100	8	0.29%	1,200	9	0.22%
Northwest ISD	2,050	9	0.29%			
Denton State School	<u>1,700</u>	<u>10</u>	<u>0.24%</u>	1,350	8	0.24%
Horizon Health				1,500	6	0.27%
Denton County				1,365	7	0.25%
City of Denton				<u>1,200</u>	<u>10</u>	<u>0.22%</u>
	<u>35,867</u>		<u>5.03%</u>	<u>23,801</u>		<u>4.31%</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	159.5	164.0	168.5	166.0	168.0	167.0	169.5	168.5	174.0	176.0
Judicial	124.0	123.0	126.5	133.0	133.5	135.5	140.0	140.0	142.0	143.0
Legal	118.0	118.0	116.0	117.0	119.0	118.5	119.5	119.5	120.5	121.5
Financial	80.5	80.5	81.5	86.5	87.5	88.5	88.0	88.0	88.0	88.0
Public Facilities	30.5	30.5	30.0	30.0	32.0	31.0	31.0	31.0	34.0	34.0
Public Safety	710.0	712.0	758.0	767.0	796.0	808.0	811.0	812.5	808.5	873.5
Health & Welfare	53.0	70.5	74.5	54.5	55.0	57.0	49.0	55.5	63.5	57.5
Conservation	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0
Roads	<u>80.5</u>	<u>81.0</u>	<u>74.5</u>	<u>80.0</u>	<u>81.0</u>	<u>80.0</u>	<u>80.0</u>	<u>80.0</u>	<u>80.0</u>	<u>80.0</u>
<b>Total</b>	<b>1,365.0</b>	<b>1,388.5</b>	<b>1,438.5</b>	<b>1,443.0</b>	<b>1,481.0</b>	<b>1,494.5</b>	<b>1,497.0</b>	<b>1,504.0</b>	<b>1,519.5</b>	<b>1,581.5</b>

Source: Denton County Budget Office

Denton County, Texas

OPERATING INDICATORS BY FUNCTION

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
County Clerk:										
Number of Criminal Cases Filed	11,185	9,650	10,087	11,000	11,500	9,840	11,500	-	10,028	10,000
Number of Civil Cases Filed	2,567	3,141	4,697	5,021	5,100	6,079	6,354	4,650	4,446	4,500
Human Resources										
Applications Accepted	12,233	10,830	10,087	9,640	11,394	9,200	14,284	13,920	15,937	17,500
Jobs Posted	458	258	270	200	172	140	197	295	306	305
Purchasing										
Purchase Orders Issued	8,963	8,231	8,543	9,050	9,443	9,800	8,707	8,500	8,345	9,000
Competitive Bids/Contract Renewals	48	43	53	61	49	55	58	60	70	75
Information Services/County Technology										
New Applications Built or Created	-	-	-	-	-	8	16	10	15	15
Elections Administration										
New Registrations	26,143	35,000	27,926	60,025	37,445	45,000	-	-	28,156	28,000
Elections Held	23	77	52	48	40	44	32	45	47	47
Judicial										
District Courts										
Criminal Cases Disposed	2,530	2,601	2,304	2,450	2,725	3,225	3,095	4,392	-	1,078
Divorce/Family Cases Disposed	4,157	5,702	8,860	8,228	6,374	6,884	5,734	5,146	-	4,318
County Courts										
Juvenile Cases Disposed	1,421	1,169	1,262	1,514	1,600	1,600	2,107	2,100	1,134	1,988
Criminal Cases Disposed	8,646	9,325	10,464	10,525	12,874	12,800	9,896	9,910	9,901	3,210
District Clerk										
Civil, Family and Tax Cases Filed	9,688	9,381	9,981	10,586	9,605	9,730	9,341	8,188	-	13,209
Documents Processed Through E-filing	-	-	-	-	-	-	5,540	11,406	-	-

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Justices of the Peace</b>										
Civil Cases Filed	7,456	7,779	9,469	12,366	12,054	7,199	-	7,855	-	3,643
Criminal Cases Filed	36,097	34,510	25,950	25,467	24,516	21,163	-	24,060	-	6,862
<b>Legal</b>										
Criminal District Attorney										
Misdemeanor Cases Under Indictment										
Cases Filed	9,326	11,359	11,727	11,034	12,897	13,000	-	9,849	-	2,722
Total Jury Trials	224	200	153	190	204	-	186	230	-	53
Financial										
County Auditor										
Accounts Payable Checks Processed	17,000	17,000	17,000	19,200	20,000	21,000	16,383	19,892	20,185	16,383
County Treasurer										
Payroll Checks Processed	38,611	38,732	39,000	39,500	44,223	46,000	42,000	42,815	45,155	44,936
Tax Assessor/Collector										
County Tax Accounts	254,048	270,929	284,302	315,062	321,000	-	-	391,740	389,415	425,437
Property Tax Parcels - all entities						515,500	-	465,000	403,660	-
Automobile Registrations	448,147	474,564	474,561	498,440	519,102	520,000	538,376	539,000	-	576,070
Budget Department										
Budget Amendments Processed	234	251	239	265	275	70	518	314	317	300
Public Safety										
County Jail										
Average Daily Jail Population	897	1,019	1,103	1,100	1,140	1,190	1,190	1,200	-	1,150
Prisoners Booked					14,900	15,100	11,983	11,700	-	-
Sheriff										
E-911 Calls Received	73,696	62,100	80,121	63,845	67,027	69,976	70,074	75,091	-	77,737
Officer Responses to Public Requests	-	-	-	-	154,639	161,659	191,801	255,095	-	246,523
Health & Welfare										
Immunizations Administered	19,799	14,939	17,950	16,930	22,092	24,000	14,476	16,000	19,585	10,000
Primary Health Care Visits	8,883	7,714	8,987	10,468	10,802	11,000	8,293	8,400	7,651	8,000
Roads										
Work Orders Completed	472	332	709	480	564	360	-	-	-	353
Miles of Roads Overlayed	23	10	14	18	21	15	12	-	-	28

Source: Denton County Budget Office

Denton County, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of Buildings		8		8	9	9	9	9	9	11
Judicial										
Number of Buildings		3		3	3	3	3	3	3	3
Financial										
Number of Buildings		1		1	1	1	1	1	1	1
Public Safety										
Number of Buildings		7		7	7	7	7	7	7	7
Number of Jail Beds		1,400		1,496	1,600	1,600	1,600	1,600	1,500	1,500
Juvenile Detention Beds		102		102	102	102	102	102	102	102
Number of Sheriff Vehicles		200		200	200	200	200	210	-	210
Health and Welfare										
Number of Buildings		2		2	3	3	3	2	1	1
Roads										
Number of Buildings		3		3	3	3	3	3	3	3
Miles of Road		612		612	625	625	625	617	617	617
Number of Bridges		62		62	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 2014 Annual Audit -**

Denton County's combined financial statements for 2014 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 2014 annual audit.

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

The scope of the County's fiscal year 2014 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 2014 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, 2014**

**(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 2014 totaled approximately \$2,174,000.

**Basis of Accounting -**

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

**County Contribution -**

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

**(2) GRANT AUDITS:**

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

**Denton County, Texas**

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2014**

<b><u>Federal Grantor/Pass-Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass-Through Grantor's Number</u></b>
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 2015	93.069	2015-001099-00
Public Health Emergency Preparedness 2014	93.069	2014-001099-00
Public Health Emergency Preparedness 2013	93.069	2013-041405-003
2015 Medical Assistance Program	93.069	2015-001098-00
2014 Medical Assistance Program	93.069	2014-001098-00
2013 Medical Assistance Program	93.069	2013-041405-001
2012 Preparedness/Risk Based Funding	93.069	2012-040268
2015 Federal TB Prevention Grant	93.116	2015-001387-00
2014 Federal TB Prevention Grant	93.116	2014-001387-00
2013 Federal TB Prevention Grant	93.116	2013-041405
2015 Immunization Program Grant	93.268	2015-000006-00
2014 Immunization Program Grant	93.268	2014-000006-00
2014 Delivery System Reform Payment Grant	93.778	-
U. S. Department of Agriculture Passed through the Texas Department of State Health Services		
2014 Special Supplemental Food Program for Women, Infants and Children	10.557	2014-045029
2013 Special Supplemental Food Program for Women, Infants and Children	10.557	2013-042717
Total Texas Department of State Health Services		
U.S. Dept. of Health and Human Services Passed through Texas Dept. of Family and Protective Services:		

<b>Program or Award Amount</b>	<b>Balance * October 1, 2013</b>	<b>Receipts or Revenue Recognized</b>	<b>Disbursements/ Expenditures</b>	<b>Balance * September 30, 2014</b>
\$ 460,890	\$ -	\$ -	\$ 24,123	\$ 24,123
460,890	29,192	325,213	426,337	130,316
542,703	83,301	83,301	-	-
108,871	-	-	1,034	1,034
108,871	3,913	72,398	103,884	35,399
141,182	61,525	61,525	-	-
57,266	3,940	3,940	-	-
77,466	-	-	3,521	3,521
77,466	2,530	59,672	66,156	9,014
78,653	10,009	10,009	-	-
280,147	-	-	10,862	10,862
280,147	37,711	280,147	242,436	-
1,548,061	-	1,547,061	1,547,061	-
1,766,100	-	1,397,521	1,766,100	368,579
<u>1,859,912</u>	<u>389,932</u>	<u>389,932</u>	<u>-</u>	<u>-</u>
<u>7,848,625</u>	<u>622,053</u>	<u>4,230,719</u>	<u>4,191,514</u>	<u>582,848</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2014**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>
2014 CPS IV-E County Legal Services Grant	93.658	23940189
2014 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. Dept. of Health and Human Services Passed through the Texas Juvenile Probation Commission		
2014 Title IV-E Administrative Costs Grant	93.658	TJPC-E-2014-9220
Total Texas Juvenile Probation Commission		
U.S. Department of Homeland Security		
Passed through the Office of the Governor:		
State Homeland Security Grant 2013	97.067	EMW-2013-SS-00045
State Homeland Security Grant 2012	97.008	2012-SS-00018-S01
State Homeland Security Grant 2011	97.067	EMW-2011-SS-00019
U.S. Department of Homeland Security Passed Through the Texas Department of Public Safety:		
2014 Disaster Relief Grant	97.036	-
Total U.S. Department of Homeland Security:		

<b>Program or Award Amount</b>	<b>Balance * October 1, 2013</b>	<b>Receipts or Revenue Recognized</b>	<b>Disbursements/ Expenditures</b>	<b>Balance * September 30, 2014</b>
126,027	-	126,027	126,027	-
2,794	-	2,794	2,794	-
<u>128,821</u>	<u>-</u>	<u>128,821</u>	<u>128,821</u>	<u>-</u>
<u>63,532</u>	<u>-</u>	<u>53,237</u>	<u>53,237</u>	<u>-</u>
<u>39,565</u>	<u>-</u>	<u>39,565</u>	<u>39,565</u>	<u>-</u>
<u>39,565</u>	<u>-</u>	<u>39,565</u>	<u>39,565</u>	<u>-</u>
189,604	-	-	137,565	137,565
192,352	25,302	181,617	156,315	-
659,900	387,825	387,825	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,041,856</u>	<u>413,127</u>	<u>569,442</u>	<u>293,880</u>	<u>137,565</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2014**

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<b><u>Federal Grantor/Pass-Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass-Through Grantor's Number</u></b>
U.S. Department of Justice		
Passed through the Office of the Governor:		
State Criminal Alien Assistance Grant 2013	16.606	2013-AP-BX-0442
Juvenile Accountability Incentive Block Grant 03	16.523	JB-10-J20-24335-03
Juvenile Accountability Incentive Block Grant 02	16.523	JB-10-J20-24335-02
2014 Edward Byrne Justice Assistance Grant	16.738	2014-DJ-BX-1904
2013 Edward Byrne Justice Assistance Grant	16.738	2013-DJ-BX-0875
Total Department of Justice		
US Department of Transportation		
Passed through the Tx. Dept of Transportation:		
2014 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.

<u>Program or Award Amount</u>	<u>Balance *</u> <u>October 1,</u> <u>2013</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>2014</u>
231,853	-	231,853	231,853	-
16,338	-	12,504	15,976	3,472
27,171	5,471	5,471	-	-
43,753	-	-	-	-
39,000	-	-	-	-
<u>358,115</u>	<u>5,471</u>	<u>249,828</u>	<u>247,829</u>	<u>3,472</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 9,480,514</u>	<u>\$ 1,040,651</u>	<u>\$ 5,271,612</u>	<u>\$ 4,954,846</u>	<u>\$ 723,885</u>

Denton County, Texas

**SCHEDULE OF EXPENDITURE OF STATE AWARDS**  
**For the Fiscal Year Ended September 30, 2014**

<u>State Grantor/Pass-Through Grantor/Program Title</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
2015 Tuberculosis Services Grant	2015-001412-00	101,838
2014 Tuberculosis Services Grant	2013-001412-00	107,838
2015 OPHP Local Public Health System Grant	2015-000026-00	48,798
2014 OPHP Local Public Health System Grant	2014-000026-00	48,798
2013 OPHP Local Public Health System Grant	2013-04105-004	48,798
2014 Infectious Disease Control Grant	2014-045644	32,398
2015 Expanded Primary Health Care	2015-046282	268,121
2014 Expanded Primary Health Care	2014-045368	<u>283,436</u>
Total Texas Dept. of State Health Services		<u>1,303,619</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>251,663</u>
Total Texas Comm on Environ. Quality		<u>483,849</u>
Office of the Attorney General:		
Victim Notification Grant - 2014	1445402	<u>27,716</u>
Texas Task Force on Indigent Defense:		
Indigent Defense Formula Grant	212-12-061	<u>774,511</u>
Total State Assistance		<u>\$ 2,589,695</u>

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

<u>Balance *</u> <u>October 1,</u> <u>2013</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>2014</u>
\$ 18,305	\$ 122,960	\$ 163,492	\$ 58,837
16,083	16,083	-	-
-	-	5,454	5,454
7,279	76,215	100,559	31,623
-	-	2,747	2,747
3,669	40,957	42,385	5,097
1,433	1,433	-	-
-	-	-	-
-	-	1,350	1,350
-	206,541	278,267	71,726
<u>46,769</u>	<u>464,189</u>	<u>594,254</u>	<u>176,834</u>
(217,823)	-	217,823	-
-	251,663	251,663	-
<u>(217,823)</u>	<u>251,663</u>	<u>469,486</u>	<u>-</u>
-	27,716	27,716	-
-	774,511	774,511	-
<u>\$ (171,054)</u>	<u>\$ 1,518,079</u>	<u>\$ 1,865,967</u>	<u>\$ 176,834</u>



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

**INDEPENDENT AUDITOR'S 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, 2014, 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, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Denton County, Texas' 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.

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WACO, TX  
401 West Highway 6  
Waco, Texas 76710  
254.772.4901  
www.pbhpa.com

HOUSTON, TX  
281.671.6259

RIO GRANDE VALLEY, TX  
956.544.7778

TEMPLE, TX  
254.791.3460

ALBUQUERQUE, NM  
505.266.5904



Governmental Audit  
Quality Center

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, 2015



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

**INDEPENDENT AUDITOR'S 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, 2014. Denton County Texas' major federal programs are identified in the summary of auditor's 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.

***Auditor's 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 Grants Management Standards*. Those standards, OMB Circular A-133 and the State of Texas *Uniform Grants 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.

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WACO, TX  
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254.772.4901  
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HOUSTON, TX  
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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, 2014.

### **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 Grants 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 Grants Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas  
March 27, 2015

**DENTON COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**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)	Name of Federal Program or Cluster:
#10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
#93.778	Delivery Systems Reform Incentive Program (DSRIP)
State	Indigent Defense Formula Grant

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

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

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

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

None

**Findings and Questioned Costs for Federal and State Awards**

None

**DENTON COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

None

