

# **PARKER COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT FOR  
THE YEAR ENDED SEPTEMBER 30, 2008**

**PARKER COUNTY, TEXAS**  
**Annual Financial Statements**  
**For the Fiscal Year Ended September 30, 2008**

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**Annual Financial Statements**  
**For the Fiscal Year Ended September 30, 2008**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Judge and Members of  
The Commissioners' Court  
Parker County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas, as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas, as of September 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2009, on our consideration of Parker County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and the schedule of funding progress for the retirement plan are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Page two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Parker County's basic financial statements. The combining and budget statements and the statistical and supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and budget statements and the statistical and supplementary information section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Snow, Garrett & Company*

Snow, Garrett & Company, CPA's  
May 12, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) of Parker County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2008. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the Fiscal Year 2008 by \$39,498,236 (*net assets*). Of this amount, \$2,854,716 is restricted for specific purposes and \$9,147,271 represents unrestricted net assets that may be used to meet the County's ongoing obligations to citizens and creditors. As required by GASB 34, net assets also reflect \$27,496,249 that is invested in capital assets net of related debt.
- In contrast to the government-wide statements, the fund statements report a combined fund balance at year-end of \$10,042,227; of which \$7,335,355 or 73% represents unreserved fund balance. The more significant components of unreserved fund balance are maintained in the Special Revenue funds and in the General fund as emergency reserves.
- The general fund unreserved fund balance of \$1,394,882 equals 4% of total general fund expenditures.
- The County's total debt decreased by a net amount of \$1,468,071 during the current fiscal year due to principal retirements offset by \$540,524 in capital leases issued for equipment acquisition.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) other required supplementary information in addition to the basic financial statements themselves. This report also contains other supplementary information in addition to the basic financial statements.

**The Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables, and receivables.

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

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

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general government; public safety; health and welfare; highways, roads and streets; law enforcement; judicial; recording; and tax assessing-collecting.

The government-wide financial statements can be found on pages 12 and 13 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

**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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the 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. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of 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 the comparison between governmental funds and governmental activities.

The County maintains sixty-six individual governmental funds (excluding fiduciary funds), fifty-two special revenue funds, four capital project funds, nine debt service funds, and a general fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Lateral Road Fund which are classified as major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements (original versus final) have been provided for the major funds to demonstrate compliance with budget.

The governmental fund financial statements can be found on pages 14 through 16 of this report.

**Proprietary funds.** Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The County's uses an internal service fund to account for its self-insurance programs. Because these activities benefit governmental functions, they have been included with governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 17 through 19 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The fiduciary fund financial statement can be found on page 20 of this report.

**Notes to the basic 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 statements can be found on pages 22 through 36 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget comparisons and pension benefits. The required supplementary information can be found on pages 38 through 40 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$39,498,236 as of September 30, 2008.

#### Parker County's Net Assets

	Governmental Activities	
	2008	2007
Current and other assets	\$ 16,371,712	\$ 22,631,617
Capital assets, net of depreciation	56,268,378	58,363,271
Total assets	<u>72,640,090</u>	<u>80,994,888</u>
Long-term liabilities	28,331,075	29,799,146
Other liabilities	4,810,779	4,892,309
Total liabilities	<u>33,141,854</u>	<u>34,691,455</u>
Net assets:		
Invested in capital assets, net of related debt	27,496,249	28,025,438
Restricted	2,854,716	7,713,639
Unrestricted	9,147,271	10,564,356
Total Net Assets	<u>\$ 39,498,236</u>	<u>\$ 46,303,433</u>

Investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding is \$27,496,249. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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. An additional \$2,854,716 of the County's net assets (7%) represents resources that are subject to external restrictions on how they may be used. All restricted assets of the County are being held for purposes established by state and local laws, future construction, and debt service requirements on the County's outstanding debt. The remaining balance of unrestricted net assets (\$9,147,271) may be used to meet the County's ongoing obligations to citizens and creditors.

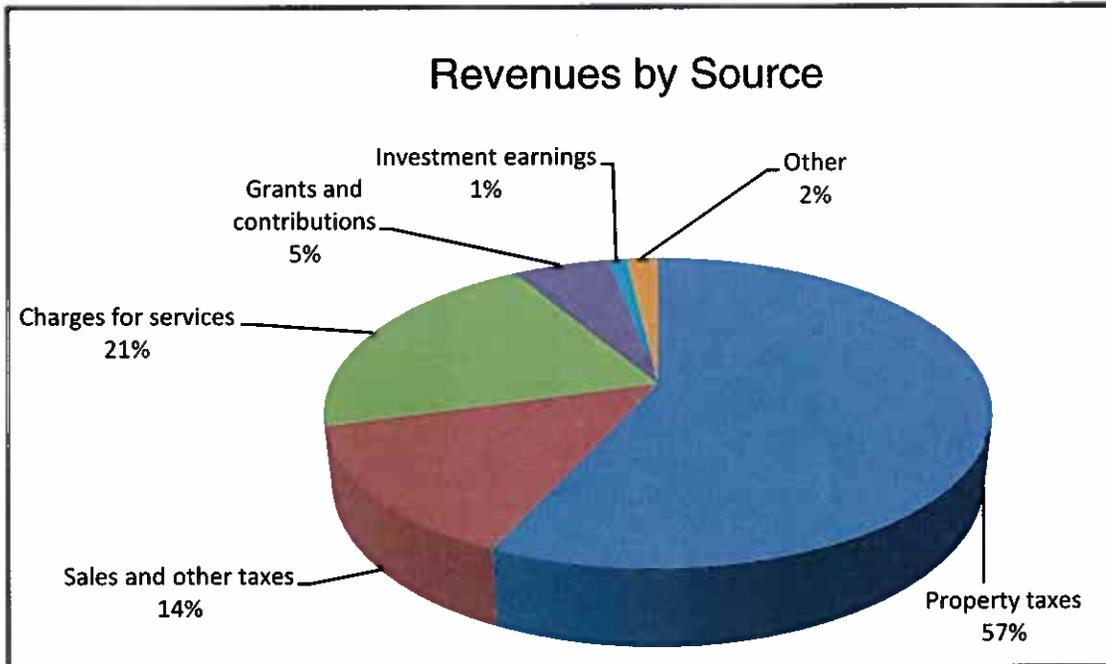
**MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

The County's governmental activities decreased net assets by \$6,805,197 during the current fiscal year. The total cost of all governmental activities this year was \$54,296,424. The amount that our taxpayers paid for these activities through property taxes was \$27,005,651 or 50%.

**Parker County's Changes in Net Assets**

	Governmental Activities	
	2008	2007
Revenues:		
Program revenues:		
Charges for services	\$ 9,890,283	\$ 10,573,666
Operating grants and contributions	2,227,968	1,695,865
Capital grants and contributions	379,898	228,175
General revenues:		
Property taxes	27,005,651	22,656,811
Sales and other taxes	6,591,273	6,180,897
Investment earnings	513,964	1,276,314
Other	882,190	895,509
Total revenues	47,491,227	43,507,237
Expenses:		
General government	8,180,524	6,988,349
Public safety	2,529,883	2,390,643
Health and welfare	906,113	858,429
Highways, roads and streets	15,214,496	13,826,379
Law enforcement	13,638,922	12,707,529
Judicial	9,644,850	8,487,055
Recording	2,174,010	1,367,374
Tax assessing-collecting	742,987	671,382
Interest and other costs	1,264,639	1,141,528
Total expenses	54,296,424	48,438,668
Change in net assets	(6,805,197)	(4,931,431)
Net assets-beginning	46,303,433	26,438,508
Prior period adjustment	-	24,796,356
Net assets-beginning, restated	-	51,234,864
Net assets-ending	\$ 39,498,236	\$ 46,303,433

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)



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

- Program revenues of \$12,498,149 equaled 23% of government expenses of \$54,296,424. As expected, general revenues (\$34,993,078) provided the remaining support and coverage for expenses.
- Over one-fourth of the expenses are highway, roads and streets (\$15,214,496) while this category provided 8% of total revenues.
- The second largest category of expenses is law enforcement (\$13,638,922) at 25% while it only provided about 2% of total revenues.
- Grant revenues and contributions comprised about 5% of total revenues.

### FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$10,042,227, a decrease of \$4,843,246 in comparison with the prior year. Approximately \$7,335,355 or 73% of the fund balance represents unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service (\$1,341,073) and to fund capital projects (\$1,365,799).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,394,882, which is the total fund balance. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures.

## MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)

The fund balance of the County's general fund decreased by \$467,813. Key factors in this decrease are as follows:

- Increase in capital outlay expenditures funded through current year revenues;
- Increase in law enforcement expenditures; and
- Increase in judicial expenditures.

The debt service funds have a total fund balance of \$1,341,073, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service funds was \$311,574. Total debt principal, interest and fiscal charges remained consistent from the prior year.

The capital projects funds had a total fund balance of \$1,365,799, all of which is reserved for construction and improvements or acquisition of County-owned buildings and acquisition of equipment.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The original fiscal year 2008 budget was adopted in September 2007, with the total beginning general fund expenditures amounting to \$31,407,050, an increase of \$5,342,234 over the 2007 fiscal year final budgeted expenditures. The fiscal year 2008 budget increase was primarily due to an increase in jail, emergency management, sheriff patrol, and county and district attorney expenditures.

In total, the original general fund budget for expenditures and the final general fund amended budget for expenditures were increased by \$1,316,457 from the original to the final budget. Most of this difference resulted from:

- An increase in non-departmental, jail and sheriff administration and investigation expenditures; and
- An increase in county attorney expenditures.

Significant variations between the final budget and actual amounts include the following:

- Actual revenues were lower than budgeted by \$1,622,073 primarily due to the timing of fees of offices collections and because intergovernmental revenues for 2008 were less than the amount budgeted; and
- Actual expenses were \$1,576,526 less than budgeted primarily due to lower costs of inmate housing and non-departmental expenditures than anticipated.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets.** The capital assets of the County are those assets (land, buildings and improvements, roads and bridges, office furnishings, transportation, road maintenance, fire fighting, emergency management and other equipment), which are used in the performance of the County's functions including current year expenditures for infrastructure assets. At September 30, 2008, net capital assets of the governmental activities totaled \$56,268,378. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled \$9,132,057.

**MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

**Parker County Capital Assets  
(net of depreciation)**

	Governmental Activities	
	2008	2007
Land	\$ 1,798,855	\$ 1,790,855
Buildings and improvements	28,643,467	14,190,911
Infrastructure	15,230,098	20,414,920
Work in progress	-	14,837,017
Office furniture and equipment	5,167,406	1,805,546
Transportation	1,774,105	1,917,830
Road maintenance equipment	3,371,435	2,773,896
Fire fighting equipment	-	459,550
Emergency management equipment	263,092	146,943
Other	19,920	25,803
<b>Total</b>	<b>\$ 56,268,378</b>	<b>\$ 58,363,271</b>

Additional information on the County's capital assets can be found in Note 7 on page 30 of this report.

**Long-term debt.** As of September 30, 2008, the County had general obligation refunding bonds, certificates of obligation and tax notes outstanding of \$24,245,000. Capital lease proceeds were \$540,524 for the purchase of equipment for the precincts. Total capital leases payable were \$4,057,075. The County had total warrants payable outstanding of \$29,000.

The County's total property tax rate for 2007-08 was \$.3372 per \$100 assessed valuation, of which \$.0376 was for annual debt service.

**Parker County's Outstanding Debt**

	Governmental Activities	
	2008	2007
Limited tax refunding bonds	\$ -	\$ 540,000
General obligation refunding bonds	3,430,000	3,430,000
Certificates of obligation	14,580,000	14,580,000
Tax notes	6,235,000	7,175,000
Capital leases payable	4,057,075	3,993,146
Warrants payable	29,000	81,000
<b>Total</b>	<b>\$ 28,331,075</b>	<b>\$ 29,799,146</b>

Additional information on the County's long-term debt can be found in Note 10 on pages 31 through 34 of this report.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The annual budget is developed to provide efficient, effective and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the County budget for fiscal year 2009, the County Commissioners and management considered the following factors:

- The County, which is located near the Dallas/Fort Worth Metroplex, the DFW Airport and the Alliance Airport, is expecting an increase in population, households, and retail sales, therefore increasing the sales tax revenues for the County.
- Property tax revenues are budgeted to increase because of the continued rise in certified values of real estate and mineral rights in this area.
- Commercial and industrial growth and development within the County continue to increase the County's workforce and population.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the appropriate financial office (County Auditor) at 1112 Santa Fe Drive, Weatherford, Texas, 76086 or (Parker County Judge) at 1 Courthouse Square, Weatherford, Texas 76086.

**FINANCIAL STATEMENTS**

**PARKER COUNTY, TEXAS**  
**Statement of Net Assets**  
**As of September 30, 2008**

**Exhibit A-1**

		Primary Government Activities
<b>ASSETS:</b>		
Cash	\$	3,187,351
Investments		9,533,962
Receivables (net of allowance for uncollectibles)		3,830,973
Prepaid expenses and other assets		27,530
Land and work in progress		1,798,855
Other capital assets, net of depreciation		54,469,523
Deferred debt issuance costs		382,744
Loss on refunded debt		4,279
Premium on debt		(595,127)
Total assets		72,640,090
<b>LIABILITIES:</b>		
Accounts payable		2,281,416
Accrued salaries and benefits payable		786,153
Compensated absences payable		801,803
Accrued interest payable		232,950
Due to other governmental entities		708,457
Noncurrent liabilities		
Due within one year		2,192,896
Due in more than one year		26,138,179
Total liabilities		33,141,854
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt		27,496,249
Restricted for:		
Construction		1,365,799
Debt service		1,488,917
Unrestricted		9,147,271
Total net assets	\$	39,498,236

**PARKER COUNTY, TEXAS**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2008**

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities					
General government	\$ 8,180,524	1,467,547	392,512		(6,320,465)
Public safety	2,529,883	1,202	155,226	217,132	(2,156,323)
Health and welfare	906,113	309,895			(596,218)
Highways, roads and streets	15,214,496	3,659,026	65,572	150,670	(11,339,228)
Law enforcement	13,638,922	598,329	262,692		(12,777,901)
Judicial	9,644,850	1,063,827	1,351,966	12,096	(7,216,961)
Recording	2,174,010	2,231,937			57,927
Tax assessing-collecting	742,987	558,520			(184,467)
Interest and other costs	1,264,639				(1,264,639)
Total primary government	<u>\$ 54,296,424</u>	<u>9,890,283</u>	<u>2,227,968</u>	<u>379,898</u>	<u>(41,798,275)</u>

General revenue:	
Property taxes	27,005,651
Sales and other taxes	6,591,273
Investment earnings	513,964
Other general revenue	882,190
Total general revenues	<u>34,993,078</u>
Change in net assets	(6,805,197)
Net assets - beginning	<u>46,303,433</u>
Net assets - ending	<u>\$ 39,498,236</u>

**PARKER COUNTY TEXAS**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2008**

Exhibit A-3

	<u>General</u>	<u>Lateral Road</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Assets:				
Cash	\$ 440,896	772,473	1,003,787	2,217,156
Investments	1,948,387	3,468,454	4,226,640	9,643,481
Receivables (net of allowance for uncollectibles)				
Property taxes	836,336	356,632	147,844	1,340,812
Intergovernmental	1,377,973	24,348	29,631	1,431,952
Other	445,795	10,598	17,683	474,076
Prepaid expenses and other assets	27,530			27,530
<b>Total assets</b>	<b>\$ <u>5,076,917</u></b>	<b><u>4,632,505</u></b>	<b><u>5,425,585</u></b>	<b><u>15,135,007</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,648,370	510,696	98,292	2,257,358
Accrued salaries and benefits payable	601,554	161,208	23,391	786,153
Due to other governmental entities	595,775		112,682	708,457
Deferred revenues				
Property taxes	836,336	356,632	147,844	1,340,812
<b>Total liabilities</b>	<b><u>3,682,035</u></b>	<b><u>1,028,536</u></b>	<b><u>382,209</u></b>	<b><u>5,092,780</u></b>
Fund balances:				
Reserved for:				
Capital projects			1,365,799	1,365,799
Debt service			1,341,073	1,341,073
Unreserved	1,394,882	3,603,969		4,998,851
Unreserved, reported in nonmajor:				
Special revenue funds			2,336,504	2,336,504
<b>Total fund balances</b>	<b>1,394,882</b>	<b>3,603,969</b>	<b>5,043,376</b>	<b>10,042,227</b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>5,076,917</u></b>	<b><u>4,632,505</u></b>	<b><u>5,425,585</u></b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	56,268,378
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,340,812
Other assets are not measurable and available in the current period and are not reported in the funds.	522,196
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(29,573,932)
Assets and liabilities of the internal service fund is included in governmental activities and are not reported with governmental funds.	<u>898,555</u>
<b>Net assets of governmental activities - statement of net assets</b>	<b><u>\$ 39,498,236</u></b>

**PARKER COUNTY, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2008**

Exhibit A-4

	<u>General</u>	<u>Lateral Road</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 16,930,015	7,005,524	2,923,810	26,859,349
Sales taxes	6,507,246			6,507,246
Intergovernmental	1,176,758	255,470	1,408,623	2,840,851
Donated assets		141,572		141,572
Fees of Office	4,728,464	3,122,877	1,838,167	9,689,508
Fines and forfeitures		355,349		355,349
Interest	175,259	192,349	144,404	512,012
Miscellaneous	1,156,348	75,563	560,973	1,792,884
<b>Total revenues</b>	<u>30,674,090</u>	<u>11,148,704</u>	<u>6,875,977</u>	<u>48,698,771</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,257,182	556,160	670,343	6,483,685
Public safety	1,815,383			1,815,383
Health and welfare	886,514			886,514
Highways, roads and streets		8,754,060		8,754,060
Law enforcement	13,059,208		136,181	13,195,389
Judicial	6,243,179		3,367,417	9,610,596
Recording	1,871,108		291,283	2,162,391
Tax assessing-collecting	738,775			738,775
Capital outlays	804,754	1,763,331	4,532,414	7,100,499
Debt Service				
Principal	309,901	218,694	1,480,000	2,008,595
Interest	160,977	17,438	1,183,857	1,362,272
<b>Total expenditures</b>	<u>31,146,981</u>	<u>11,309,683</u>	<u>11,661,495</u>	<u>54,118,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(472,891)</u>	<u>(160,979)</u>	<u>(4,785,518)</u>	<u>(5,419,388)</u>
Other financing sources (uses):				
Operating transfers in	400,149		429,168	829,317
Operating transfers out	(411,323)		(417,994)	(829,317)
Sale of equipment	16,252	19,366		35,618
Proceeds from capital lease		540,524		540,524
<b>Total other financing sources (uses)</b>	<u>5,078</u>	<u>559,890</u>	<u>11,174</u>	<u>576,142</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(467,813)</u>	<u>398,911</u>	<u>(4,774,344)</u>	<u>(4,843,246)</u>
Fund balances - October 1	<u>1,862,695</u>	<u>3,205,058</u>	<u>9,817,720</u>	<u>14,885,473</u>
Fund balances - September 30	<u>\$ 1,394,882</u>	<u>3,603,969</u>	<u>5,043,376</u>	<u>10,042,227</u>

The accompanying notes are an integral part of this statement.

**PARKER 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, 2008**

**Exhibit A-5**

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

Net change in fund balances - total governmental funds	\$ (4,843,246)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation for County owned assets exceeded capital outlays in the current year.	(2,031,558)
The net effect of various miscellaneous transactions involving capital assets.	(63,335)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,865,896
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 the funds.	(3,355,247)
The issuance of long-term debt (e.g. tax notes and capital 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 issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,468,071
Internal service funds are used by the County to account for health insurance activities. The net activity of the internal service fund is reported with governmental activities.	<u>154,222</u>
Change in net assets of governmental activities - statement of activities	<u><u>\$ (6,805,197)</u></u>

**PARKER COUNTY, TEXAS**  
**Statement of Net Assets**  
**Proprietary Fund**  
**September 30, 2008**

**Exhibit A-6**

		<u>Insurance</u>	
		<u>Escrow</u>	
<b>ASSETS:</b>			
Cash	\$	970,195	
Accounts receivable		<u>61,937</u>	
Total assets			1,032,132
<b>LIABILITIES:</b>			
Investment overdraft		109,519	
Accounts payable		<u>24,058</u>	
Total liabilities			133,577
<b>NET ASSETS:</b>			
Unrestricted			<u>898,555</u>
Total net assets	\$		<u><u>898,555</u></u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Statement of Revenues, Expenses and**  
**Changes in Net Assets**  
**Proprietary Fund**  
**For the Fiscal Year Ended September 30, 2008**

**Exhibit A-7**

		Insurance Escrow
<b>OPERATING REVENUE</b>		
County contributions	\$	<u>4,347,839</u>
Total operating revenues		<u>4,347,839</u>
<b>OPERATING EXPENSES</b>		
Contractual		<u>4,454,807</u>
Total operating expenses		<u>4,454,807</u>
Operating loss		(106,968)
<b>NON OPERATING REVENUES</b>		
Miscellaneous		259,238
Interest income		<u>1,952</u>
Total non operating revenues		261,190
Change in net assets		154,222
Net assets -October 1		<u>744,333</u>
Net assets -September 30	\$	<u><u>898,555</u></u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended September 30, 2008**

**Exhibit A-8**

	Insurance Escrow
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 4,285,902
Payments to providers	(4,440,832)
Net cash used by operating activities	(154,930)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Change in investments	114,269
Miscellaneous revenues	259,238
Interest income	1,952
Net cash provided by investment activities	375,459
Net increase in cash	220,529
Cash - October 1	749,666
Cash - September 30	\$ 970,195
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (106,968)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accounts receivable	(61,937)
Increase in accounts payable	13,975
Net cash used by operating activities	\$ (154,930)

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**September 30, 2008**

**Exhibit A-9**

**ASSETS**

Cash	\$ 4,003,592
Investments	227,538
Accounts receivable	<u>19,551</u>
 Total assets	 \$ <u><u>4,250,681</u></u>

**LIABILITIES**

Deposits held and due to others	\$ 4,249,580
Accounts payable - State	<u>1,101</u>
 Total liabilities	 \$ <u><u>4,250,681</u></u>

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY**

The authority of county governments and their specific functions and responsibilities are created by and dependent upon laws and legal regulations of the Texas State Constitution V.A.C.S. Parker County, Texas (the County) performs all local government functions within its jurisdiction. The County is governed by an elected County Judge and four County Commissioners elected from individual precincts. The Judge and Commissioners form the governing body as provided by state statute. Various branches of the County government are led by duly elected officials. The Commissioners' Court has governance responsibilities over all activities related to the County. The County receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The accompanying financial statements of the County present the financial position of the governmental activities and the respective changes in financial position. The County is not included in any other governmental "reporting entity".

There are no component units over which the County exercises significant controls or has oversight responsibility. The County provides the following services to its citizens: public safety, health and welfare, public transportation through roads and bridges, law enforcement, judicial, recording, tax assessing-collecting, and general and financial administrative services.

The accounting and reporting framework and the more significant accounting principles and practices are discussed below. The remainder of the Notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2008.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial and reporting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to state and local governments. United States generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants. The following are the more significant policies used by the County.

Government-wide and fund financial statements

The government-wide financial statements include the statement of net assets and the statement of activities. Government-wide statements report, except for County fiduciary activity, information on all of the activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund and the Lateral Road Fund meet criteria as *major governmental funds*. Each major fund is reported in a separate column in the fund financial statements. Non-major funds include other Special Revenue funds, Debt Service funds, and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining and Budget Statements.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 and fiduciary 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. Major revenue types, which have been accrued, are community supervision fees, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

**Governmental fund financial statements** are reported using 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 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 fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

**Proprietary fund financial statements** are reported using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary fund include the cost of contractual services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Based on the accounting and reporting standards set forth in GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting*, the County has opted to apply only those accounting and reporting pronouncements issued by the GASB subsequent to November 30, 1989 as it pertains to the accounting for proprietary fund activity.

**Fiduciary fund level financial statements** include fiduciary funds which are classified into private purpose trust and agency funds and use the economic resources measurement focus and the accrual basis of accounting. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County reports the following major governmental funds:

**The General Fund** is the general operating fund of the County and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Lateral Road Fund** is a special revenue fund used to account for the maintenance and construction of County roads and bridges. Financing is provided primarily by an annual property tax levy. Additional revenue is provided by a charge on each auto registration and from fines levied by the County.

The County also reports the following major proprietary fund:

**The Internal Service Fund** accounts for the group health insurance benefits provided to the County's departments on a cost reimbursement basis.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to finance particular functions or activities of the County.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Project Funds are used to account for proceeds obtained for the purpose of County building improvements and equipment acquisition and costs associated capital projects.

Debt Service Funds are used to account for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Agency funds are used to account for assets held by the County as an agent for individuals, business, other governments and / or other funds.

Budget and Budgetary Accounting

The County follows these procedures in establishing budgetary data reflected in the financial statements:

- (A) In the event the Commissioners Court increases property taxes three percent or less, no public hearing is required. If the Court increases taxes more than three percent but less than eight percent, then a public hearing is required prior to final adoption. If the Court increases taxes more than eight percent, a public hearing is required and taxes are subject to a rollback petition and election.
- (B) Public hearings are conducted at the Parker County Courthouse and Courthouse Annex to obtain taxpayer comments.
- (C) Prior to October 1, the budget is legally enacted through adoption of an order by Commissioners Court.
- (D) Budgeted amounts may be transferred between line items of the budget within the same fund. Any amendments which alter the line items or total expenditures of any department must be approved by the Commissioners Court. There must be an emergency condition existing in order for the Court to increase the total budget.
- (E) Budgets for the various funds are adopted on a basis consistent with United States generally accepted accounting principles (GAAP), with the exception of tax revenues being reported on the cash basis.
- (F) Expenditures in excess of appropriations are required by state statutes to be reported down to the department level.
- (G) The budgeted amounts presented in these statements are as originally adopted, or as amended by, the Commissioners Court during the year ended September 30, 2008.

Cash Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets, which include land, buildings and improvements, office furnishings, road maintenance, transportation, fire fighting and other equipment, and infrastructure assets (e.g. roads and bridges) are reported in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Infrastructure	20 years
Office furniture and equipment	3 – 20 years
Road maintenance equipment	3 – 10 years
Transportation equipment	3 – 5 years
Fire fighting equipment	5 years
Other equipment	5 years

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at the end of the fiscal year. Encumbrances outstanding at that time are cancelled and become available for future appropriation.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. On new certificates of obligations or tax notes, premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt.

In the fund financial statements, governmental fund types recognized debt premiums and discounts, as well as issuance costs during the current period. The face amount of debt issued is reported as other financing sources net of the applicable issuance costs, premium or discount.

**NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

A. The following is an explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes reconciliation between fund balance for total governmental funds and net assets as reported in the government-wide statement of net assets. One element of that reconciliation explains "some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

The details of this \$29,548,932 difference are as follows:

Refunding bonds and tax notes payable:	\$ (24,245,000)
Less: deferred charge for issuance costs (to be amortized over life of debt)	382,744
Less: loss on refunded debt	4,279
Plus: premium on debt (to be amortized over life of debt)	(595,127)
Accrued interest payable	(232,950)
Capital lease payable	(4,057,075)
Warrants payable	(29,000)
Compensated absences	<u>(801,803)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u><u>\$ (29,573,932)</u></u>

- B. The following is an explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation indicates that "governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$2,031,558 difference are as follows:

Capital outlay	\$ 7,100,499
Depreciation expense	<u>(9,132,057)</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ (2,031,558)</u></u>

Another element of that reconciliation states that "the net effect of various miscellaneous transactions involving capital assets" (i.e., sales and trade-ins) is to decrease net assets. The details of this \$63,335 difference are as follows:

The statement of activities reports a loss arising from the sale or disposal of existing capital assets to acquire new capital assets.	\$ (27,717)
Conversely, governmental funds only report the proceeds received from the sale or disposal.	<u>(35,618)</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ (63,335)</u></u>

Another element of the reconciliation states "the issuance of long-term debt (e.g., tax notes and capital 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 issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 3: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

The details of this \$1,468,071 difference are as follows:

Debt issued or incurred:	Capital lease	\$ (540,524)
Principal repayments :	Warrants	52,000
	Capital lease	476,595
	Tax notes	940,000
	Limited tax refunding bonds	<u>540,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		<u>\$ 1,468,071</u>

Another element of the reconciliation states "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 the funds." The details of this \$3,355,247 difference are as follows:

Compensated absences	\$ (120,411)
Accrued interest expense	109,864
Allowance of property tax receivable	(25,556)
Allowance of miscellaneous receivables	(3,306,913)
Amortization of premium on debt	39,342
Amortization of issuance costs	<u>(51,573)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (3,355,247)</u>

**NOTE 4: DEPOSITS AND INVESTMENTS**

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal, availability of liquidity to meet the County's obligations and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under chapter 2256 of the Texas Government Code.

The County's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by Commissioners' Court. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition it includes an "Investment Strategy" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, yield and management of maturities.

The County is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of the United States or its instrumentalities;
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed or insured by the State of Texas or the United States or its instrumentalities;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated A or higher by a nationally recognized investment rating firm;

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 4: DEPOSITS AND INVESTMENTS (Continued)**

6. Certificates of deposit that are guaranteed or insured by the FDIC or are secured as to principal by obligations described Section 2256.009(a) of the Public Funds Investment Act or any other manner or amount provided by law for County deposits;
7. Fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in Section 2256.009(ax 1) of the Public Funds Investment Act, and are placed through a primary government securities dealer or a bank domiciled in the State of Texas;
8. Banker's acceptances with the remaining term of 270 days or less, in the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1, or the equivalent by at least one nationally recognized credit rating agency;
9. Commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank;
10. No-load money market mutual funds registered with the Securities and Exchange Commission (SEC) that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objective the maintenance of a stable net asset value of \$1 for each share;
11. No-load mutual funds registered with the SEC, invested in obligations approved by the County that have an average weighted maturity of less than two years, continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and conformed to the eligibility of investment pools to receive and invest funds of investing entities; and
12. Eligible investment pools.

As of September 30, 2008, the County had the following investments:

	Market Value	% of Total
DWS Scudder - Government Cash Institutional Shares Fund	\$ 5,866,000	60.09%
UBS Select Treasury Fund	3,895,500	39.91%
Total Investments	\$ 9,761,500	100.00%

Interest Rate Risk – The County limits exposure to fair value losses arising from interest rates by not directly investing in securities with maturity dates that exceed 2 years from the date of purchase. At September 30, 2008, 100% of the County's portfolio had maturity dates less than one year.

Credit Risk – Investments are exposed to credit risk if the security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. As of September 30, 2008, the County's investments in DWS Scudder - Government Cash Institutional Shares Fund and the UBS Select Treasury Fund were rated AAAM by Standard and Poor's and have an average weighted maturity of less than 90 days.

Concentration of Credit Risk - The County does not place a limit on the amount that may be invested. As of September 30, 2008, 100% of the County's investments were included in SEC regulated no-load money market mutual funds.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name. At September 30, 2008, the County's deposits were insured or collateralized with securities held by the County or by its agent in the County's name.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 5: PROPERTY TAX**

Taxes are levied on October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1. Property taxes attach as an enforceable lien as of January 1 to secure the payment of all taxes, penalties, and interest ultimately imposed. The Parker County Appraisal District assesses and collects property taxes for the County. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to \$1.20 per \$100 of appraised valuation for general services, permanent improvements, lateral road, and jury fund purposes other than the payment of principal and interest on long-term debt. A practical limitation on taxes levied on debt service is \$1.50 per \$100 of assessed valuation as established by the Attorney General of the State of Texas. The tax rate for the year ended September 30, 2008, excluding that portion budgeted for the retirement of long-term debt principal and interest was \$.2996 per \$100 valuation. The total tax rate for all purposes was \$.3372 per \$100 valuation. The County's general obligation refunding bonds require an annual tax levy sufficient to pay principal and interest on the bonds with allowances being made for delinquent taxes.

**NOTE 6: DELINQUENT PROPERTY TAXES**

At the governmental fund level, taxes are recognized as revenue when received. An account for estimated uncollectible taxes is established and the remaining balance is recorded as deferred income at year-end. The County's taxes on real property are a lien against such property until paid.

The following schedule details delinquent property taxes by fund.

<u>Fund</u>	<u>Delinquent Taxes</u>	<u>Allowance</u>	<u>Deferred Revenue</u>
General	\$ 1,198,102	\$ (361,766)	\$ 836,336
Debt Service	211,794	(63,950)	147,844
Lateral Road	575,570	(218,938)	356,632
<b>Total</b>	<b>\$ 1,985,466</b>	<b>\$ (644,654)</b>	<b>\$ 1,340,812</b>

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 7: CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2008 was as follows:

	Balance 10/1/07	Additions	Deletions	Balance 9/30/08
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,790,855	\$ 8,000	\$ -	\$ 1,798,855
Work in progress	14,837,017	-	14,837,017	-
<b>Total capital assets not being depreciated</b>	<b>16,627,872</b>	<b>8,000</b>	<b>14,837,017</b>	<b>1,798,855</b>
Other capital assets				
Buildings and improvements	19,449,252	15,109,142	34,884	34,523,510
Infrastructure	112,759,822	463,510	-	113,223,332
Office furniture and equipment	4,215,138	4,396,398	-	8,611,536
Transportation equipment	4,162,170	440,275	143,599	4,458,846
Road maintenance equipment	9,658,484	1,347,138	75,032	10,930,590
Fire fighting equipment	2,825,496	-	-	2,825,496
Emergency management equipment	305,070	173,053	-	478,123
Other	54,073	-	-	54,073
<b>Total other capital assets</b>	<b>153,429,505</b>	<b>21,929,516</b>	<b>253,515</b>	<b>175,105,506</b>
Less accumulated depreciation for:				
Buildings and improvements	5,258,341	626,935	5,233	5,880,043
Infrastructure	92,344,902	5,648,332	-	97,993,234
Office furniture and equipment	2,409,592	1,034,538	-	3,444,130
Transportation equipment	2,244,340	564,743	124,342	2,684,741
Road maintenance equipment	6,884,588	735,172	60,605	7,559,155
Fire fighting equipment	2,365,946	459,550	-	2,825,496
Emergency management equipment	158,127	56,904	-	215,031
Other	28,270	5,883	-	34,153
<b>Total accumulated depreciation</b>	<b>111,694,106</b>	<b>9,132,057</b>	<b>190,180</b>	<b>120,635,983</b>
<b>Other capital assets, net</b>	<b>41,735,399</b>	<b>12,797,459</b>	<b>63,335</b>	<b>54,469,523</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 58,363,271</b>	<b>\$ 12,805,459</b>	<b>\$ 14,900,352</b>	<b>\$ 56,268,378</b>

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

<b>Governmental activities:</b>	
General government	\$ 1,536,882
Public safety	712,617
Health and welfare	15,999
Highways, roads and streets	6,438,527
Law enforcement	414,564
Judicial	9,613
Recording	3,855
<b>Total depreciation for governmental activities</b>	<b>\$ 9,132,057</b>

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 8: INTERFUND TRANSFERS**

Interfund transfers during the year were as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 400,149	supplement other funds
Other Governmental Funds	Other Governmental Funds	17,845	supplement other funds
Other Governmental Funds	General fund	411,323	supplement other funds
Total transfers		<u>\$ 829,317</u>	

Transfers are generally used to transfer funds from the General fund to fund various programs and supplement grants and other special revenue funds.

**NOTE 9: ACCUMULATED UNPAID VACATION AND SICK LEAVE**

County policy allows the accrual of vacation, compensatory time, and sick pay benefits for all employees other than elected officials. The expense of the benefits is recognized when incurred. Vacation and compensatory pay is paid upon termination if the employee gives two weeks notice or is terminated by the County. Sick pay is not paid upon termination for any reason. The liability for accrued vacation and compensatory pay is included below with general long-term debt. No liability has been recorded for sick pay since it is non-vesting. At September 30, 2008 the value of accumulated vacation and compensatory benefits amounted to \$801,803.

**NOTE 10: LONG-TERM DEBT**

General Obligation Refunding Bonds

The County issued \$3,430,000 in refunding bonds in June of 2005 for the purpose of partial refunding of the 2002 and 2004 Tax Notes. Principal payments are due in annual installments on February 15, maturing in February of 2025. Interest is payable February 15 and August 15, at interest rates ranging from 3.10% to 4.50%. The outstanding balance at September 30, 2008 was \$3,430,000. Current requirements for bonded indebtedness of the County are accounted for in the Debt Service funds.

Certificates of Obligation

The County issued \$14,580,000 in certificates of obligation in June 2005 for the purpose of jail construction and improvement, with any excess funds to be used for the construction or acquisition and equipment of other County-owned buildings needed for the County's use. Principal payments are due in annual installments on February 15, maturing in February of 2025. Interest is payable February 15 and August 15, at interest rates ranging from 3.30% to 5.00%. The outstanding balance at September 30, 2008 was \$14,580,000.

Tax Notes

In June of 2002, the County issued Series 2002 Tax Notes in the amount of \$5,950,000. The proceeds from the notes were used for the County's portion of costs for courthouse renovation, the purchase of water tanker trucks for fire emergency purposes and the purchase of a countywide centralized computer system. Interest is due semi-annually at rates ranging from 3.00% to 3.15%. The notes mature serially through 2009. The outstanding balance as of September 30, 2008 was \$740,000.

In June of 2004, the County issued Series 2004 Tax Notes in the amount of \$2,635,000. The proceeds from the notes were used for the purposes of purchasing energy management equipment, furniture for the courthouse, and vehicles for County purposes, and for purchasing or constructing a building for adult probation staff, and paying issuance costs. Interest is due semi-annually at rates ranging from 2.06% to 3.95%. The notes mature serially through 2011. The outstanding balance as of September 30, 2008 was \$1,315,000.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 10: LONG-TERM DEBT (Continued)**

In January of 2006, the County issued Series 2005 Tax Notes in the amount of \$1,900,000. The proceeds from the notes were used for the purposes of County building improvements and equipment acquisition and costs associated with the issuance of these notes. Interest is due semi-annually at rates ranging from 3.50% to 4.00%. The notes mature serially through 2012. The outstanding balance as of September 30, 2008 was \$1,560,000.

In December of 2006, the County issued Series 2006 Tax Notes in the amount of \$3,000,000. The proceeds from the notes were used for the purposes of equipment acquisition and constructing improvements for County buildings, including public safety radio signal amplification equipment, professional fees for architects in connection with jail expansion, planning fees for a master planning consultant for County administration space needs, computer software, and costs associated with the issuance of these notes. Interest is due semi-annually at the rate of 4.10%. The notes mature serially through 2013. The outstanding balance as of September 30, 2008 was \$2,620,000.

Warrants Payable

A warrant was issued on June 27, 2005 in the amount of \$185,000 and refinanced in fiscal year 2007 for \$81,000. The warrant and interest are payable in one installment on or before May 31, 2009, bearing interest at 1.5% below prime rate. The warrant is payable from taxes to be placed in Precinct Two (Fund 02). The warrant was issued for the purchase of equipment to be used by Precinct Two. The balance at September 30, 2008 was \$29,000.

Capital Lease Payable

The County entered into a capital lease agreement in December 2005 in the amount of \$194,265. The lease required an advance payment of \$42,733 and the balance is payable in five successive annual payments consisting of four payments of \$42,733 each and a final payment of \$1, bearing interest at the rate of 5.00% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2008 was \$79,460.

The County entered into a capital lease agreement in February 2007 in the amount of \$3,787,122. The lease balance is payable in nine successive annual payments of \$470,877 and a final payment of \$493,761, bearing interest at the rate of 4.170% per annum. The capital lease proceeds were used to purchase radio equipment by the Emergency Management Department. The balance at September 30, 2008 was \$3,477,221.

The County entered into a capital lease agreement in March 2007 in the amount of \$89,650. The lease balance is payable in three successive annual of \$33,123 each, bearing interest at the rate of 6.58% per annum. The capital lease proceeds were used to purchase equipment by Precinct Two (Fund 02). The balance at September 30, 2008 was \$60,143.

The County entered into a capital lease agreement in November 2007 in the amount of \$196,186. The lease balance is payable in three successive annual payments of \$70,515 each, bearing interest at the rate of 6.06% per annum. The capital lease proceeds were used to purchase equipment by Precinct Four (Fund 04). The balance at September 30, 2008 was \$128,968.

The County entered into a capital lease agreement in December 2007 in the amount of \$156,000. The lease balance is payable in five successive annual payments of \$35,623 each, bearing interest at the rate of 6.03% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2008 was \$122,946.

The County entered into a capital lease agreement in May 2008 in the amount of \$103,434. The lease balance is payable in five successive annual payments of \$23,918 each, bearing interest at the rate of 6.05% per annum. The capital lease proceeds were used to purchase equipment by Precinct Two (Fund 02). The balance at September 30, 2008 was \$103,434.

The County entered into a capital lease agreement in June 2008 in the amount of \$84,904. The lease balance is payable in four successive annual payments of \$23,973 each, bearing interest at the rate of 6.44% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2008 was \$84,904.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 10: LONG-TERM DEBT (Continued)**

The following analysis of equipment leased under capital leases as of September 30, 2008:

	<u>Governmental Activities</u>
Equipment	\$ 4,611,561
Less accumulated depreciation	(497,849)
Total	<u>\$ 4,113,712</u>

Future minimum lease payments for the above capital lease are as follows:

Scheduled minimum lease payments	\$ 4,911,504
Amount representing interest	854,428
Present value of future minimum capital lease payments (principal payoff)	<u>\$ 4,057,076</u>

The following is the future annual requirements for the capital lease:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 523,896	\$ 176,870	\$ 700,766
2010	543,357	157,406	700,763
2011	423,816	130,577	554,393
2012	443,311	111,081	554,392
2013	2,122,696	278,494	2,401,190
Total	<u>\$ 4,057,076</u>	<u>\$ 854,428</u>	<u>\$ 4,911,504</u>

A summary of changes in general long-term debt follows:

	<u>October 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2008</u>
Warrants Payable	\$ 81,000	\$ -	\$ 52,000	\$ 29,000
Capital Lease Payable	3,993,146	540,524	476,595	4,057,075
Tax Notes-Series 2002	1,000,000	-	260,000	740,000
Tax Notes-Series 2004	1,315,000	-	-	1,315,000
Tax Notes-Series 2005	1,860,000	-	300,000	1,560,000
Tax Notes-Series 2006	3,000,000	-	380,000	2,620,000
Limited Tax Refunding Bonds	540,000	-	540,000	-
General Obligation Refunding Bonds	3,430,000	-	-	3,430,000
Certificates of Obligation	14,580,000	-	-	14,580,000
Compensated Absences	681,392	120,411	-	801,803
	<u>\$ 30,480,538</u>	<u>\$ 660,935</u>	<u>\$ 2,008,595</u>	<u>\$ 29,132,878</u>

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 10: LONG-TERM DEBT (Continued)**

Debt Service Requirements for the outstanding tax notes, bonds, and certificates of obligation are as follows:

Year	Principal	Interest	Annual
2009	\$ 1,640,000	\$ 1,044,106	\$ 2,684,106
2010	1,725,000	980,997	2,705,997
2011	1,820,000	912,575	2,732,575
2012	1,915,000	839,657	2,754,657
2013	1,525,000	772,976	2,297,976
2014-2018	5,445,000	3,144,151	8,589,151
2019-2023	6,905,000	1,683,716	8,588,716
2024-2028	3,270,000	162,725	3,432,725
Total	<u>\$ 24,245,000</u>	<u>\$ 9,540,903</u>	<u>\$ 33,785,903</u>

Advance Refundings

On June 1, 2005, the County issued \$3,430,000 (par value) General Obligation Refunding Bonds with interest rates ranging from 3.10% to 4.50% to partially advance refund the 2002 and 2004 Tax Notes with interest rates ranging from 2.06% to 3.25% and a par value of \$3,355,000. The 2005 General Obligation Refunding Bonds were issued at a premium of \$9,570 and after paying issuance costs (net of interest and adjustments) of \$61,743, the net proceeds were \$3,377,827. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2002 and 2004 Tax Notes are paid in full on February 15, 2009. The advance refunding met the requirements of an in-substance debt defeasance and the 2002 and 2004 notes were removed from the County's government-wide financial statements. As of September 30, 2008, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$435,000.

As a result of the 2005 advance refunding/restructuring, the County increased its total debt service requirements by \$1,731,657, which resulted in a net economic loss (difference between the present value of the debt service payments on the old and new debt) of \$78,261.

**NOTE 11: RETIREMENT PLAN**

Plan Description

The County provides retirement, 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 574 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 Commissioners Court within the options available in the Texas 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 of service but must leave their accumulated contributions 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 Commissioners Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 11: RETIREMENT PLAN (Continued)**

Funding Policy

The County has elected the annually determined contribution rate (ACDR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.07% for the months of the accounting year in 2007, and 9.75% for the months of the accounting year in 2008.

The contribution rate payable by the employee members for calendar years 2008 and 2007 is the rate of 7%, adopted by Commissioners Court. The employee contribution rate and the employer contribution rate may be changed by the Commissioners Court within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ending September 30, 2008, the annual pension cost for the TCDRS plan was \$1,753,960, and the actual contributions were \$3,063,788.

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, 2005 and December 31, 2006, the basis for determining the contribution rates for calendar years 2007 and 2008. The December 31, 2007 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/05	12/31/06	12/31/07
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20	15	15
Asset valuation method	long-term appreciation with adjustment	SAF: 10-yr smoothed value ESF: Fund value	SAF: 10-yr smoothed value ESF: Fund value
Actuarial Assumptions:			
Investment return*	8.00%	8.00%	8.00%
Projected salary increases*	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

\* Includes inflation at stated rate

Parker County Employee's Retirement Plan

Accounting Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2006	\$ 1,141,133	100%	\$ -
9/30/2007	\$ 1,594,494	100%	\$ -
9/30/2008	\$ 1,753,960	100%	\$ -

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE 12: CONTINGENT LIABILITIES**

The County participates in several programs that are subject to audit by various State and Federal Agencies. These programs have complex compliance requirements. Should State or Federal auditors discover areas of material noncompliance, those County funds may be subject to refund if so determined by administrative audit review.

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

**NOTE 13: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft of; damage to and destruction of assets; errors and omissions; and natural disasters. To reduce its risk of exposure in these areas, the County is a member of the Texas Association of Counties Risk Pool for liability, property, and workers' compensation. The pool is a public entity risk pool and was created based on the general objectives of formulating, developing and administering a program of self-insurance for the membership and obtaining lower costs for coverages. The pool coverage is offered through interlocal agreements between the Pool and counties. The pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training, and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties which are members of the pool. Member counties make contributions to the pool, and the pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the pool are detailed in a separate document which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

There have been no significant reductions in coverage from the coverage in the past fiscal year, and there have been no settlements exceeding insurance coverage in the current or past three fiscal years.

**NOTE 14: SUBSEQUENT EVENT**

In April 2009, the County issued \$60 million of Unlimited Tax Road Bonds, Series 2009 for the purpose of constructing, improving, extending, expanding, upgrading and / or developing macadamized, graveled, or paved roads in the County, right-of-way acquisition, utility relocation, traffic safety and operational improvements, other transportation related improvements, and for the payment of issuance costs related to the bonds.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**PARKER COUNTY, TEXAS**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual**  
**For the Fiscal Year Ended September 30, 2008**

Exhibit B-1

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 17,200,000	17,200,000	16,930,015	(269,985)
Sales taxes	6,500,000	6,507,246	6,507,246	-
Intergovernmental	927,000	1,770,182	1,176,758	(593,424)
Fees of office	4,927,450	5,125,415	4,728,464	(396,951)
Interest	435,300	435,614	175,259	(260,355)
Miscellaneous	1,011,700	1,257,706	1,156,348	(101,358)
Total revenues	<u>31,001,450</u>	<u>32,296,163</u>	<u>30,674,090</u>	<u>(1,622,073)</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,537,282	6,125,350	5,257,182	868,168
Public safety	2,384,825	2,391,567	1,815,383	576,184
Health and welfare	966,189	904,549	886,514	18,035
Law enforcement	13,167,349	13,726,945	13,059,208	667,737
Judicial	6,098,445	6,295,464	6,243,179	52,285
Recording	1,947,438	1,950,847	1,871,108	79,739
Tax assessing-collecting	761,822	761,822	738,775	23,047
Capital outlays	543,700	566,963	804,754	(237,791)
Debt service				
Principal	-	-	309,901	(309,901)
Interest	-	-	160,977	(160,977)
Total expenditures	<u>31,407,050</u>	<u>32,723,507</u>	<u>31,146,981</u>	<u>1,576,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(405,600)</u>	<u>(427,344)</u>	<u>(472,891)</u>	<u>(45,547)</u>
Other financing sources (uses):				
Operating transfers in	-	411,323	400,149	(11,174)
Operating transfers out	-	(411,323)	(411,323)	-
Sale of equipment	4,500	27,344	16,252	(11,092)
Total other financing sources (uses)	<u>4,500</u>	<u>27,344</u>	<u>5,078</u>	<u>(22,266)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(401,100)</u>	<u>(400,000)</u>	<u>(467,813)</u>	<u>(67,813)</u>
Carryover of prior year fund balance	402,000	400,000	-	(400,000)
Fund balances - October 1	<u>1,862,695</u>	<u>1,862,695</u>	<u>1,862,695</u>	<u>-</u>
Fund balances - September 30	<u>\$ 1,863,595</u>	<u>1,862,695</u>	<u>1,394,882</u>	<u>(467,813)</u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Required Supplementary Information**  
**Lateral Road Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual**  
**For the Fiscal Year Ended September 30, 2008**

Exhibit B-2

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 6,720,376	7,008,909	7,005,524	(3,385)
Intergovernmental	165,500	256,300	255,470	(830)
Donated assets	-	-	141,572	141,572
Fees of office	2,467,600	3,126,932	3,122,877	(4,055)
Fines and forfeitures	364,000	406,487	355,349	(51,138)
Interest	312,000	319,663	192,349	(127,314)
Miscellaneous	(12,910)	177,069	75,563	(101,506)
Total revenues	<u>10,016,566</u>	<u>11,295,360</u>	<u>11,148,704</u>	<u>(146,656)</u>
<b>EXPENDITURES</b>				
Current:				
General government	740,400	1,209,377	556,160	653,217
Highways, roads and streets	8,923,527	9,515,458	8,754,060	761,398
Capital outlays	1,126,500	1,380,973	1,763,331	(382,358)
Debt service				
Principal	82,000	52,000	218,694	(166,694)
Interest	-	-	17,438	(17,438)
Total expenditures	<u>10,872,427</u>	<u>12,157,808</u>	<u>11,309,683</u>	<u>848,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(855,861)</u>	<u>(862,448)</u>	<u>(160,979)</u>	<u>701,469</u>
Other financing sources:				
Sale of equipment	-	26,261	19,366	(6,895)
Proceeds from capital lease	-	-	540,524	540,524
Total other financing sources	<u>-</u>	<u>26,261</u>	<u>559,890</u>	<u>533,629</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(855,861)</u>	<u>(836,187)</u>	<u>398,911</u>	<u>1,235,098</u>
Carryover from prior year fund balance	836,187	836,187	-	(836,187)
Fund balances - October 1	<u>3,205,058</u>	<u>3,205,058</u>	<u>3,205,058</u>	<u>-</u>
Fund balances - September 30	<u>\$ 3,185,384</u>	<u>3,205,058</u>	<u>3,603,969</u>	<u>398,911</u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Schedule of Funding Progress for the Retirement Plan**  
**for the Employees of Parker County**  
**Last Three Fiscal Years**

**Exhibit B-3**

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Annual Covered Payroll ( c )	UAAL as a Percentage of Covered ( (b-a)/c )
12/31/2005	\$ 23,622,421	\$ 27,743,133	\$ 4,120,712	85.15%	\$ 12,898,353	31.95%
12/31/2006	27,006,413	30,654,900	3,648,487	88.10%	15,028,622	24.28%
12/31/2007	30,746,589	34,738,097	3,991,508	88.51%	17,317,510	23.05%

**COMBINING AND BUDGET STATEMENTS**

**GENERAL FUND  
(MAJOR FUND)**

**To account for resources traditionally associated with governments  
which are not required to be accounted for in another fund.**

**PARKER COUNTY, TEXAS**  
**Schedule of Revenues, Departmental Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2008**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2007)**

Exhibit C-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2007 Actual
	Original	Final		Positive (Negative)	
<b>REVENUES</b>					
Property taxes	\$ 17,200,000	17,200,000	16,930,015	(269,985)	14,108,535
Sales taxes	6,500,000	6,507,246	6,507,246	-	6,114,011
Intergovernmental	927,000	1,770,182	1,176,758	(593,424)	643,889
Fees of office	4,927,450	5,125,415	4,728,464	(396,951)	4,618,450
Interest	435,300	435,614	175,259	(260,355)	443,136
Miscellaneous	1,011,700	1,257,706	1,156,348	(101,358)	1,225,390
<b>Total revenues</b>	<b>31,001,450</b>	<b>32,296,163</b>	<b>30,674,090</b>	<b>(1,622,073)</b>	<b>27,153,411</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
Commissioners' court	93,700	93,700	89,116	4,584	78,799
County judge	424,954	424,954	398,525	26,429	375,969
Veterans' service officer	54,780	54,780	33,666	21,114	41,536
Non-departmental	1,374,571	2,043,945	1,417,474	626,471	1,164,438
Election expenses	529,459	581,753	581,753	-	243,653
County auditor	414,597	414,597	391,174	23,423	366,539
County treasurer	268,494	268,494	253,004	15,490	247,083
Building & grounds	1,399,516	1,207,167	1,212,343	(5,176)	1,221,891
Purchasing administration	245,812	245,812	232,882	12,930	201,252
Information technology	363,222	398,673	398,673	-	311,802
Human resources	56,433	56,433	55,626	807	53,432
Social Services	213,750	223,750	223,350	400	211,667
County extension services	250,494	250,494	216,256	34,238	215,280
<b>Total general government</b>	<b>5,689,782</b>	<b>6,264,552</b>	<b>5,503,842</b>	<b>760,710</b>	<b>4,733,341</b>
<b>Public Safety</b>					
Emergency Management	896,668	958,317	1,002,694	(44,377)	4,083,149
Fire protection	920,844	884,549	884,013	536	895,835
Animal Control	617,313	621,569	621,552	17	473,427
<b>Total public safety</b>	<b>2,434,825</b>	<b>2,464,435</b>	<b>2,508,259</b>	<b>(43,824)</b>	<b>5,452,411</b>
<b>Health and Welfare</b>					
911 addressing	109,545	109,545	107,060	2,485	104,514
Environmental officer	312,407	251,616	245,413	6,203	246,040
Medical examiner-investigator	218,307	218,307	217,751	556	205,441
Sanitiationist	325,930	325,081	316,290	8,791	302,561
<b>Total health and welfare</b>	<b>966,189</b>	<b>904,549</b>	<b>886,514</b>	<b>18,035</b>	<b>858,556</b>
<b>Law enforcement</b>					
Jail	6,881,895	7,299,433	6,881,953	417,480	6,503,283
Constable #1	126,486	129,930	127,604	2,326	107,690
Constable #2	139,797	144,212	138,238	5,974	120,151
Constable #3	125,925	130,675	122,606	8,069	105,767
Constable #4	138,533	138,533	134,389	4,144	128,619
Sheriff administration	1,280,986	1,381,535	1,227,009	154,526	1,233,899

**PARKER COUNTY, TEXAS**  
**Schedule of Revenues, Departmental Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2008**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2007)**

Exhibit C-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2007 Actual
	Original	Final		Positive (Negative)	
Law enforcement (continued)					
Sheriff investigation	\$ 1,334,752	1,425,633	1,373,275	52,358	1,151,544
Sheriff dispatching	758,411	757,911	723,906	34,005	709,078
Sheriff patrol	2,186,004	2,120,801	2,120,720	81	1,914,924
Courthouse security	425,400	441,968	441,968	-	270,149
Weights and measures	-	849	849	-	-
Game Warden	2,400	2,400	1,200	1,200	1,723
Highway patrol	107,960	107,960	101,586	6,374	100,087
<b>Total law enforcement</b>	<b>13,508,549</b>	<b>14,081,840</b>	<b>13,395,303</b>	<b>686,537</b>	<b>12,346,914</b>
Judicial					
District court 43rd	593,473	660,506	660,506	-	560,658
District court 415th	611,284	624,622	624,622	-	572,936
County court-at-law #1	553,380	587,738	587,738	-	497,378
County court-at-law #2	577,711	577,711	564,412	13,299	509,983
Justice of the peace #1	296,688	297,437	297,437	-	232,153
Justice of the peace #2	320,718	320,718	317,738	2,980	232,046
Justice of the peace #3	392,660	411,001	411,001	-	285,650
Justice of the peace #4	312,834	312,834	293,101	19,733	244,997
County attorney	1,445,812	1,541,738	1,541,738	-	1,222,870
District attorney	993,885	961,157	944,887	16,270	777,683
<b>Total Judicial</b>	<b>6,098,445</b>	<b>6,295,462</b>	<b>6,243,180</b>	<b>52,282</b>	<b>5,136,354</b>
Recording					
County clerk	1,167,046	1,167,046	1,087,307	79,739	811,510
District clerk	780,392	783,801	783,801	-	615,574
<b>Total recording</b>	<b>1,947,438</b>	<b>1,950,847</b>	<b>1,871,108</b>	<b>79,739</b>	<b>1,427,084</b>
Tax assessing-collecting	761,822	761,822	738,775	23,047	693,945
<b>Total expenditures</b>	<b>31,407,050</b>	<b>32,723,507</b>	<b>31,146,981</b>	<b>1,576,526</b>	<b>30,648,605</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(405,600)</b>	<b>(427,344)</b>	<b>(472,891)</b>	<b>(45,547)</b>	<b>(3,495,194)</b>
Other financing sources (uses):					
Operating transfers in	-	411,323	400,149	(11,174)	22,202
Operating transfers out	-	(411,323)	(411,323)	-	(397,630)
Proceeds from capital lease	-	-	-	-	3,787,122
Sale of equipment	4,500	27,344	16,252	(11,092)	13,658
<b>Total other financing sources (uses)</b>	<b>4,500</b>	<b>27,344</b>	<b>5,078</b>	<b>(22,266)</b>	<b>3,425,352</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<b>(401,100)</b>	<b>(400,000)</b>	<b>(467,813)</b>	<b>(67,813)</b>	<b>(69,842)</b>
Carryover of prior year fund balance	402,000	400,000	-	(400,000)	-
Fund balances - October 1	<b>1,862,695</b>	<b>1,862,695</b>	<b>1,862,695</b>	<b>-</b>	<b>1,932,537</b>
Fund balances - September 30	<b>\$ 1,863,595</b>	<b>1,862,695</b>	<b>1,394,882</b>	<b>(467,813)</b>	<b>1,862,695</b>

The accompanying notes are an integral part of this statement

**LATERAL ROAD FUND**  
**(MAJOR FUND)**

**A special revenue fund used to account for the maintenance construction of County roads and bridges. Financing is provided primarily by an annual property tax levy. Additional revenue is provided by a charge on each auto registration and from fines levied by the County.**

**PARKER COUNTY, TEXAS**  
**Lateral Road Fund**  
**Combining Balance Sheet**  
**September 30, 2008**  
**(With Comparative Totals at September 30, 2007)**

Exhibit C-2

	<u>Precinct #1</u>	<u>Precinct #2</u>	<u>Precinct #3</u>	<u>Precinct #4</u>	<u>Road &amp; Bridge</u>	<u>Total</u>	<u>2007 Actual</u>
<b>ASSETS</b>							
Cash	\$ 193,752	173,103	170,368	169,964	65,286	772,473	72,700
Investments	869,959	777,247	764,963	763,148	293,137	3,468,454	3,268,327
Receivables:							
Property taxes (net of allowance)					356,632	356,632	333,299
Intergovernmental					24,348	24,348	22,754
Other					10,598	10,598	364,474
<b>Total assets</b>	<b>\$ 1,063,711</b>	<b>950,350</b>	<b>935,331</b>	<b>933,112</b>	<b>750,001</b>	<b>4,632,505</b>	<b>4,061,554</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 192,794	150,200	106,675	56,752	4,275	510,696	394,349
Accrued salaries and benefits payable	36,236	45,426	43,412	36,134		161,208	128,848
Deferred revenues					356,632	356,632	333,299
<b>Total liabilities</b>	<b>229,030</b>	<b>195,626</b>	<b>150,087</b>	<b>92,886</b>	<b>360,907</b>	<b>1,028,536</b>	<b>856,496</b>
<b>Fund balances</b>							
Unreserved	834,681	754,724	785,244	840,226	389,094	3,603,969	3,205,058
<b>Total liabilities and fund balances</b>	<b>\$ 1,063,711</b>	<b>950,350</b>	<b>935,331</b>	<b>933,112</b>	<b>750,001</b>	<b>4,632,505</b>	<b>4,061,554</b>

**PARKER COUNTY, TEXAS**  
**Schedule of Revenues, Departmental Expenditures and Changes in Fund Balances -**  
**Budget and Actual**  
**Lateral Road Fund**  
**For the Fiscal Year Ended September 30, 2008**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2007)**

Exhibit C-3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Property taxes	\$ 6,720,376	7,008,909	7,005,524	(3,385)	6,141,162
Intergovernmental	165,500	256,300	255,470	(830)	194,065
Donated assets	-	-	141,572	141,572	85,800
Fees of office	2,467,600	3,126,932	3,122,877	(4,055)	2,444,461
Fines and forfeitures	364,000	406,487	355,349	(51,138)	385,592
Interest	312,000	319,663	192,349	(127,314)	379,939
Miscellaneous	(12,910)	177,069	75,563	(101,506)	282,294
<b>Total revenues</b>	<b>10,016,566</b>	<b>11,295,360</b>	<b>11,148,704</b>	<b>(146,656)</b>	<b>9,913,313</b>
<b>EXPENDITURES</b>					
General government	740,400	1,209,377	556,160	653,217	591,509
Highways, roads and streets					
Precinct 1	1,936,641	2,060,085	1,738,195	321,890	1,413,412
Precinct 2	2,388,961	2,814,411	2,500,707	313,704	2,247,665
Precinct 3	2,586,468	2,728,240	2,638,386	89,854	2,083,885
Precinct 4	2,011,457	1,912,722	1,876,772	35,950	1,743,397
Capital outlays					
Precinct 1	240,000	292,146	276,944	15,202	233,156
Precinct 2	410,000	297,000	427,422	(130,422)	214,107
Precinct 3	400,000	444,871	595,684	(150,813)	307,686
Precinct 4	76,500	346,956	463,281	(116,325)	-
Debt service					
Interest	-	-	17,438	(17,438)	7,577
Precinct 2	52,000	52,000	81,507	(29,507)	52,000
Precinct 3	-	-	69,969	(69,969)	35,157
Precinct 4	30,000	-	67,218	(67,218)	67,948
<b>Total expenditures</b>	<b>10,872,427</b>	<b>12,157,808</b>	<b>11,309,683</b>	<b>848,125</b>	<b>8,997,499</b>
Excess (deficiency) of revenues over (under) expenditures	(855,861)	(862,448)	(160,979)	701,469	915,814
Other financing sources:					
Sale of equipment	-	26,261	19,366	(6,895)	444,973
Proceeds from capital lease	-	-	540,524	540,524	89,650
<b>Total other financing sources</b>	<b>-</b>	<b>26,261</b>	<b>559,890</b>	<b>533,629</b>	<b>534,623</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(855,861)	(836,187)	398,911	1,235,098	1,450,437
Carryover from prior year fund balance	836,187	836,187	-	(836,187)	-
Fund balances - October 1	3,205,058	3,205,058	3,205,058	-	1,754,621
<b>Fund balances - September 30</b>	<b>\$ 3,185,384</b>	<b>3,205,058</b>	<b>3,603,969</b>	<b>398,911</b>	<b>3,205,058</b>

The accompanying notes are an integral part of this statement.

## **NONMAJOR FUNDS SPECIAL REVENUE FUNDS**

**Historical Commission Fund - To account for revenues and expenses associated with the preservation and restoration activities of the Parker County Historical Society.**

**Estray Fund - To account for the proceeds and expenses associated with the capture and sale of stray livestock.**

**Abandoned Vehicle Fund - To account for the proceeds and expenses associated with abandoned vehicles sold at public auction.**

**Courthouse Security Fund - To account for proceeds and expenses associated with courthouse security measures.**

**Voter Registration Fund – Monies received by the County Clerk for registering new voters and keeping voter registration lists up to date.**

**ORCA Contract Fund – To account for the proceeds and expenses associated with the contract with the Office of Rural and Community Affairs.**

**Sheriff's Forfeiture Federal Share Fund – Monies received through federal forfeitures held for use by the Sheriff in drug enforcement activities.**

**Contract Elections Fund – Monies received and disbursed in conducting elections.**

**County Judge Discretionary Fund – To account for revenues and expenses associated with the position of the county judge.**

**Escrow for Road & Bridge Fund – Used to put aside funds for the Lateral Road Fund.**

**Local Law Enforcement Block Grant Fund – To account for the grant proceeds and expenses associated with the local law enforcement block grant.**

**Sheriff's Evidence Fund – Monies taken from defendants in criminal cases held in escrow pending disposition by the courts.**

**Sheriff's Forfeiture Fund – Monies not returned to the defendant held for use by the Sheriff in drug enforcement activities.**

**Sheriff's Cops Grant Fund – To account for grant proceeds and expenditures that assist law enforcement with prosecuting methamphetamine and other drug related cases.**

**NONMAJOR FUNDS  
SPECIAL REVENUE FUNDS  
(Continued)**

**LEOSE Education Fund – To accounts for law enforcement officer standards and education.**

**Special District Attorney Fund – To account for the collection of fees from felony hot checks (over \$750) and expenses associated with law enforcement supplemental salaries and equipment purchases.**

**Special County Attorney Fund – To account for the collection of fees from misdemeanor hot checks (under \$750) and expenses associated with law enforcement supplemental salaries and equipment purchases.**

**District Attorney Awarded Fund – To account for the proceeds and expenses associated with property seizures in criminal cases under current law.**

**Justice Technology Fund – To account for revenues and expenses associated with the justice of the peace technology.**

**Law Library Fund – The County and District Clerks collect fees which are used for publications and maintenance of the law library located on the second floor of the main courthouse.**

**Jury Fund – A portion of the property tax is allocated to pay the cost of jurors for the County and District Courts.**

**Juvenile Probation Fees Fund - To account for proceeds collected at a local level and restricted for expenses in association with the social education of juvenile probationers.**

**Juvenile Probation County Funded Fund - To account for revenues and expenses associated with the supervision of juvenile probationers in Parker County.**

**Juvenile Probation Progressive Sanctions JPO Fund – To account for revenues and expenses associated with this juvenile probation program.**

**Juvenile Probation State Aid Grant Fund – To account for the grant proceeds and expenses to support basic juvenile probation services and assist the board in adhering to the standards and policies.**

**Juvenile Probation COG Grant Fund – To account for the grant proceeds and expenses to support juvenile prevention programs by providing direct services such as counseling and educational classes for the juveniles and parents.**

**NONMAJOR FUNDS  
SPECIAL REVENUE FUNDS  
(Continued)**

**Juvenile Probation Meet the Challenge Grant Fund – To account for the grant proceeds and expenses to support early intervention and prevention programs by developing programs to assist the juveniles from re-offending.**

**Juvenile Probation Community Corrections Assistance Fund – To account for the grant proceeds and expenses associated with developing community-based probation programs alternative for juveniles at risk of commitment to the Texas Youth Commission.**

**Juvenile Probation Intensive Community Based Program Regional Fund – To account for grant proceeds and expenses associated with providing services to habitual misdemeanor youth.**

**Juvenile Probation Diversionary Fund – To account for grant proceeds and expenses associated with providing secure post-adjudication or non-secure residential placement of juveniles as a diversionary placement.**

**Juvenile Probation Progressive Sanctions 1-2-3 Fund – To account for the grant proceeds and expenses associated with providing programs and services for juveniles who are assigned to Levels 1-2-3 of the Progressive Sanctions Model.**

**Juvenile Probation Title IV E Reimbursement Fund - To account for the reimbursement program for administrative costs associated with the welfare training and costs of maintaining children placed in foster homes.**

**Adult Probation County Funded Fund - To account for proceeds and expenses associated with the supervision of adult probationers in Parker County.**

**Adult Probation TAIP Grant Fund - To account for the grant proceeds and expenses associated with Treatment Alternative to Incarceration Program for adult probationers.**

**Adult Probation Supervision Grant Fund - To account for the grant proceeds and expenses associated with the supervision of adult probationers.**

**Adult Probation CCP Grant Fund – To account for the grant proceeds and expenses associated with the Community Corrections Program for adult probationers.**

**NONMAJOR FUNDS  
SPECIAL REVENUE FUNDS  
(Continued)**

**Justice Court Security Fund – To account for the security protection for all justice of the peace courts.**

**County Clerk Records Management Fund - To account for proceeds and expenses associated with record management and preservation by the County Clerk office as required by State Law.**

**County Clerk Vital Training Fund - To account for fees received and expenses associated with County Clerk employees to attend vital statistic training seminars.**

**District Clerk Records Management Fund – To account for the proceeds and expenses associated with record management and preservation by the District Clerk office as required by State Law.**

**Records Management County Wide Fund - To account for the proceeds and expenses associated with records management and preservation county wide as required by State Law.**

**Court Reporters Service Fund – To account for proceeds and expenses associated with court reporting services.**

**District Clerk Fund – The County collects fees for ADR services which are then paid out per a Contract that the County has with Dispute Resolution Services of North Texas.**

**Documentation Preservation Fund – To account for the County records archive revenues.**

**Tax A/C Motor Vehicle Fund – To account for the interest earned from the vehicle inventory tax escrow account.**

**911 Addressing Grant Fund – To account for countywide 911 addressing system and mapping of locations for emergency and law enforcement.**

**LETS Fund – To account for any donations made to the Dare Program.**

## **NONMAJOR CAPITAL PROJECTS FUNDS**

**County Wide Capital Projects Fund – To account for proceeds from the Historical Commission for reimbursement of prior years grant.**

**Capital Projects 2005 Certificates of Obligation Fund – To account for proceeds from the Certificates of Obligation – Series 2005 which were obtained for jail construction and improvement.**

**Capital Projects 2005 Tax Notes Fund - To account for the proceeds of the Tax Notes-Series 2005 which was obtained for the purpose of County building improvements and equipment acquisition and costs associated with the issuance.**

**Capital Projects 2006 Tax Notes Fund - To account for the proceeds of the Tax Notes-Series 2006 which was obtained for the purpose of County building improvements and equipment acquisition and costs associated with the issuance.**

## **NONMAJOR FUNDS DEBT SERVICE FUNDS**

**County Wide Debt Service Fund – To account for the property taxes levied and the payment of long-term debt principal and interest.**

**1999 Tax Notes Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax notes issued in 1999.**

**2002 Tax Notes Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax notes issued in 2002.**

**2003 Tax Refunding Bonds Fund - To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax refunding bonds issued in 2003.**

**2004 Tax Notes Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax notes issued in 2004.**

**2005 G.O. Refunding Bonds Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with General Obligation refunding bonds issued in 2005.**

**NONMAJOR FUNDS  
DEBT SERVICE FUNDS  
(Continued)**

**2005 Certificates of Obligation Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with Certificates of Obligation issued in 2005.**

**2005 Tax Notes Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax notes issued in 2005.**

**2006 Tax Notes Fund – To account for the property taxes levied and the payment of long-term debt principal and interest associated with tax notes issued in 2006.**

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2008**

	<b>Special Revenue Funds</b>						
	<b>Historical Commission</b>	<b>Estray</b>	<b>Abandoned Vehicle</b>	<b>Courthouse Security</b>	<b>Voter Registration</b>	<b>Community Development Block Grant</b>	<b>Sherriff's Forfeiture Federal Share</b>
<b>ASSETS</b>							
Cash	\$ 25,477	7,386	13,843	22,613	7,193	4,497	29,646
Investments	114,392	33,165	62,158	101,532	32,299	20,191	4,439
Receivables:							
Property taxes				980			
Intergovernmental							
Other							
<b>Total assets</b>	<b>\$ 139,869</b>	<b>40,551</b>	<b>76,001</b>	<b>125,125</b>	<b>39,492</b>	<b>24,688</b>	<b>34,085</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 925	14	35,364	200			
Accrued salaries and benefits payable				1,912			
Due to other governmental agencies						24,688	
Deferred revenues:							
Property taxes							
<b>Total liabilities</b>	<b>925</b>	<b>14</b>	<b>35,364</b>	<b>2,112</b>	<b>-</b>	<b>24,688</b>	<b>-</b>
<b>Fund balances (deficit)</b>							
Reserved for capital projects							
Reserved for debt service							
Unreserved	138,944	40,537	40,637	123,013	39,492	-	34,085
<b>Total fund balances (deficit)</b>	<b>138,944</b>	<b>40,537</b>	<b>40,637</b>	<b>123,013</b>	<b>39,492</b>	<b>-</b>	<b>34,085</b>
<b>Total liabilities and fund balances</b>	<b>\$ 139,869</b>	<b>40,551</b>	<b>76,001</b>	<b>125,125</b>	<b>39,492</b>	<b>24,688</b>	<b>34,085</b>

Special Revenue Funds

Contract Elections	County Judge Discretionary Fund	Escrow for Road & Bridge	Local Law Enforcement Block Grant	Sheriff's Evidence	Sheriff's Forfeiture	Sheriff's Cops Grant	LEOSE Education	Special District Attorney
36,266				1,671	18,514	(22,345)	1,428	2,065
162,839				7,504	21,491	(100,328)	6,410	9,271
<u>199,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,175</u>	<u>40,005</u>	<u>(122,673)</u>	<u>7,838</u>	<u>11,336</u>
						820		
						5,060		
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,880</u>	<u>-</u>	<u>-</u>
<u>199,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,175</u>	<u>40,005</u>	<u>(128,553)</u>	<u>7,838</u>	<u>11,336</u>
<u>199,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,175</u>	<u>40,005</u>	<u>(128,553)</u>	<u>7,838</u>	<u>11,336</u>
<u>199,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,175</u>	<u>40,005</u>	<u>(122,673)</u>	<u>7,838</u>	<u>11,336</u>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2008**

<b>Special Revenue Funds</b>							
	<b>Special County Attorney</b>	<b>District Attorney Awarded</b>	<b>Justice Technology Fund</b>	<b>Law Library</b>	<b>Jury</b>	<b>Juvenile Probation Fees</b>	<b>Juvenile Probation County Funded</b>
<b>ASSETS</b>							
Cash	\$ 14,012	62,290	52,536	15,546	(1,933)	8,341	(51,898)
Investments	62,914	173,721	235,888	69,803	25,008	37,454	(233,024)
Receivables:							
Property taxes							
Intergovernmental						4,779	
Other			144	1,380	10,188		
<b>Total assets</b>	<b>\$ 76,926</b>	<b>236,011</b>	<b>288,568</b>	<b>86,729</b>	<b>33,263</b>	<b>50,574</b>	<b>(284,922)</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 62			2,973			22,044
Accrued salaries and benefits payable		303		128			11,484
Due to other governmental agencies							
Deferred revenues:							
Property taxes							
<b>Total liabilities</b>	<b>62</b>	<b>303</b>	<b>-</b>	<b>3,101</b>	<b>-</b>	<b>-</b>	<b>33,528</b>
Fund balances (deficit)							
Reserved for capital projects							
Reserved for debt service							
Unreserved	76,864	235,708	288,568	83,628	33,263	50,574	(318,450)
<b>Total fund balances (deficit)</b>	<b>76,864</b>	<b>235,708</b>	<b>288,568</b>	<b>83,628</b>	<b>33,263</b>	<b>50,574</b>	<b>(318,450)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 76,926</b>	<b>236,011</b>	<b>288,568</b>	<b>86,729</b>	<b>33,263</b>	<b>50,574</b>	<b>(284,922)</b>

Juv Prob Progressive Sanctions JPO	Juvenile Probation State Aid Grant	Juvenile Probation COG Grant	Juv Prob Meet the Challenge Grant	Juv Prob Community Corrections Assistance	Juvenile Probation ICBF Regional	Juvenile Probation Diversionary Placement	Juv Prob Progressive Sanctions 123	Juv Prob Title IV-E Reimbursement
1,512	2,805			4,366		615	993	22,731
6,784	12,592			19,605		2,762	4,461	102,066
								15,053
<u>8,296</u>	<u>15,397</u>	<u>-</u>	<u>-</u>	<u>23,971</u>	<u>-</u>	<u>3,377</u>	<u>5,454</u>	<u>139,850</u>
	1,889			125				528
<u>-</u>	<u>1,889</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528</u>
<u>8,296</u>	<u>13,508</u>	<u>-</u>	<u>-</u>	<u>23,846</u>	<u>-</u>	<u>3,377</u>	<u>5,454</u>	<u>139,322</u>
<u>8,296</u>	<u>13,508</u>	<u>-</u>	<u>-</u>	<u>23,846</u>	<u>-</u>	<u>3,377</u>	<u>5,454</u>	<u>139,322</u>
<u>8,296</u>	<u>15,397</u>	<u>-</u>	<u>-</u>	<u>23,971</u>	<u>-</u>	<u>3,377</u>	<u>5,454</u>	<u>139,850</u>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2008**

	<b>Special Revenue Funds</b>						
	<b>Adult Probation County Funded</b>	<b>Adult Probation TAIP Grant</b>	<b>Adult Probation Supervision Grant</b>	<b>Adult Probation CCP Grant</b>	<b>Justice Court Security</b>	<b>County Clerk Records Management</b>	<b>County Clerk Vital Training</b>
<b>ASSETS</b>							
Cash	\$ 448	15,570	125,628	10,603	6,478	(13,864)	1,428
Investments	2,009	69,910	564,079	47,609	29,089	(62,255)	6,411
Receivables:							
Property taxes							
Intergovernmental							
Other					31	760	9
<b>Total assets</b>	<b>\$ 2,457</b>	<b>85,480</b>	<b>689,707</b>	<b>58,212</b>	<b>35,598</b>	<b>(75,359)</b>	<b>7,848</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 239		1,033			4,751	
Accrued salaries and benefits payable						2,065	
Due to other governmental agencies		85,480	81	2,433			
Deferred revenues:							
Property taxes							
<b>Total liabilities</b>	<b>239</b>	<b>85,480</b>	<b>1,114</b>	<b>2,433</b>	<b>-</b>	<b>6,816</b>	<b>-</b>
<b>Fund balances (deficit)</b>							
Reserved for capital projects							
Reserved for debt service							
Unreserved	2,218	-	688,593	55,779	35,598	(82,175)	7,848
<b>Total fund balances (deficit)</b>	<b>2,218</b>	<b>-</b>	<b>688,593</b>	<b>55,779</b>	<b>35,598</b>	<b>(82,175)</b>	<b>7,848</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,457</b>	<b>85,480</b>	<b>689,707</b>	<b>58,212</b>	<b>35,598</b>	<b>(75,359)</b>	<b>7,848</b>

Special Revenue Funds								Total Special Revenue Funds
District Clerk Records Management	Records Management County Wide	Court Reporters Service	District Clerk	Document Preservation	Tax A/C Motor Vehicle	911 Addressing Grant	LETS	
9,697	8,805	9,652	8,678	34,336	3,973	5,498		507,100
43,538	39,536	43,337	38,969	154,172		24,689		1,996,490
								-
								19,832
455	1,409	870	702	755				17,683
53,690	49,750	53,859	48,349	189,263	3,973	30,187	-	2,541,105
								70,967
								20,952
								112,682
								-
-	-	-	-	-	-	-	-	204,601
								-
53,690	49,750	53,859	48,349	189,263	3,973	30,187	-	2,336,504
53,690	49,750	53,859	48,349	189,263	3,973	30,187	-	2,336,504
53,690	49,750	53,859	48,349	189,263	3,973	30,187	-	2,541,105

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2008**

Exhibit C-4

	Capital Project Funds				Total Capital Projects Funds
	County Wide Capital Projects Fund	Capital Projects 2005 C.O.'s	Capital Projects 2005 Tax Notes	Capital Projects 2006 Tax Notes	
<b>ASSETS</b>					
Cash	\$	121,998	10,727	121,474	254,199
Investments		547,776	48,164	545,424	1,141,364
Receivables:					
Property taxes					-
Intergovernmental					-
Other					-
<b>Total assets</b>	<b>\$</b>	<b>669,774</b>	<b>58,891</b>	<b>666,898</b>	<b>1,395,563</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$	445		26,880	27,325
Accrued salaries and benefits payable		2439			2,439
Due to other governmental agencies					-
Deferred revenues:					
Property taxes					-
<b>Total liabilities</b>		<b>2,884</b>	<b>-</b>	<b>26,880</b>	<b>29,764</b>
<b>Fund balances (deficit)</b>					
Reserved for capital projects		-	666,890	58,891	640,018
Reserved for debt service					-
Unreserved					-
<b>Total fund balances (deficit)</b>		<b>-</b>	<b>666,890</b>	<b>58,891</b>	<b>1,365,799</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>669,774</b>	<b>58,891</b>	<b>666,898</b>	<b>1,395,563</b>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2008**

	<b>Debt Service Funds</b>				
	<b>County Wide Debt Service</b>	<b>1999 Tax Notes</b>	<b>2002 Tax Notes</b>	<b>2003 Limited Tax Refunding Bonds</b>	<b>2004 Tax Notes</b>
<b>ASSETS</b>					
Cash	\$ 220,935	105		270	
Investments	992,013	473		1,213	
Receivables:					
Property taxes	147,844				
Intergovernmental	9,799				
Other					
<b>Total assets</b>	<b>\$ 1,370,591</b>	<b>578</b>	<b>-</b>	<b>1,483</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$				
Accrued salaries and benefits payable					
Due to other governmental agencies					
Deferred revenues:					
Property taxes	147,844				
<b>Total liabilities</b>	<b>147,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit)</b>					
Reserved for capital projects					
Reserved for debt service	1,222,747	578	-	1,483	-
Unreserved					
<b>Total fund balances (deficit)</b>	<b>1,222,747</b>	<b>578</b>	<b>-</b>	<b>1,483</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,370,591</b>	<b>578</b>	<b>-</b>	<b>1,483</b>	<b>-</b>

Exhibit C-4

Debt Service Funds					Total Nonmajor Governmental Funds
2005 G.O. Refunding Bonds	2005 Certificates of Obligation	2005 Tax Notes	2006 Tax Notes	Total Debt Service Funds	
3,676	16,005	1,497		242,488	1,003,787
16,505	71,862	6,720		1,088,786	4,226,640
				147,844	147,844
				9,799	29,631
				-	17,683
<u>20,181</u>	<u>87,867</u>	<u>8,217</u>	<u>-</u>	<u>1,488,917</u>	<u>5,425,585</u>
				-	98,292
				-	23,391
				-	112,682
				147,844	147,844
				-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,844</u>	<u>382,209</u>
				-	1,365,799
20,181	87,867	8,217	-	1,341,073	1,341,073
				-	2,336,504
<u>20,181</u>	<u>87,867</u>	<u>8,217</u>	<u>-</u>	<u>1,341,073</u>	<u>5,043,376</u>
<u>20,181</u>	<u>87,867</u>	<u>8,217</u>	<u>-</u>	<u>1,488,917</u>	<u>5,425,585</u>

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2008**

	Special Revenue Funds						
	Historical Commission	Estray	Abandoned Vehicle	Courthouse Security	Voter Registration	Community Development Block Grant	Sherriff's Forfeiture Federal Share
<b>REVENUES</b>							
Property taxes	\$						
Intergovernmental					20,796		
Fees of office				98,445			
Interest		1,547	3,456	4,189	1,629		263
Miscellaneous		4,674	158,900				8,023
<b>Total revenues</b>	<b>-</b>	<b>6,421</b>	<b>162,356</b>	<b>100,634</b>	<b>22,425</b>	<b>-</b>	<b>8,286</b>
<b>EXPENDITURES</b>							
Current:							
General government	1,280	252	181,805		20,796		2,528
Law enforcement				60,943			
Judicial							
Recording							
Capital outlays							
Debt Service							
Principal							
Interest							
<b>Total expenditures</b>	<b>1,280</b>	<b>252</b>	<b>181,805</b>	<b>60,943</b>	<b>20,796</b>	<b>-</b>	<b>2,528</b>
Excess (deficiency) of revenues over (under) expenditures	(1,280)	6,169	(19,449)	39,691	1,629	-	5,758
Other financing sources (uses):							
Operating transfers in							
Operating transfers out						(14,211)	
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,211)</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,280)	6,169	(19,449)	39,691	1,629	(14,211)	5,758
Fund balances (deficit) - October 1	140,224	34,368	60,086	83,322	37,863	14,211	28,327
Fund balances (deficit) - September 30 \$	138,944	40,537	40,637	123,013	39,492	-	34,085

Special Revenue Funds								
Contract Elections	County Judge Discretionary Fund	Escrow for Road & Bridge	Local Law Enforcement Block Grant	Sheriff's Evidence	Sheriff's Forfeiture	Sheriff's Cops Grant	LEOSE Education	Special District Attorney
26,484			1,859			36,001		2,877
9,003				379	1,089			448
87,983					66,482		3,041	
123,470	-	-	1,859	379	67,571	36,001	3,041	3,325
123,460					51,329		952	
						150,240		1,831
						14,314		
123,460	-	-	-	-	51,329	164,554	952	1,831
10	-	-	1,859	379	16,242	(128,553)	2,089	1,494
	(103)	(12,961)	(10,374)					
-	(103)	(12,961)	(10,374)	-	-	-	-	-
10	(103)	(12,961)	(8,515)	379	16,242	(128,553)	2,089	1,494
199,095	103	12,961	8,515	8,796	23,763	-	5,749	9,842
199,105	-	-	-	9,175	40,005	(128,553)	7,838	11,336

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2008**

	<b>Special Revenue Funds</b>						
	<b>Special County Attorney</b>	<b>District Attorney Awarded</b>	<b>Justice Technology Fund</b>	<b>Law Library</b>	<b>Jury</b>	<b>Juvenile Probation Fees</b>	<b>Juvenile Probation County Funded</b>
<b>REVENUES</b>							
Property taxes	\$						
Intergovernmental						9,063	68,142
Fees of office	18,360		49,486	48,430		16,487	
Interest	2,850	8,726		2,964	69	1,583	2,449
Miscellaneous		147,819		1,318	43,163		
<b>Total revenues</b>	<b>21,210</b>	<b>156,545</b>	<b>49,486</b>	<b>52,712</b>	<b>43,232</b>	<b>27,113</b>	<b>70,591</b>
<b>EXPENDITURES</b>							
Current:							
General government							
Law enforcement							
Judicial	6,724	118,479	11,093	32,440	73,511	13,888	612,151
Recording							
Capital outlays		1,497					
Debt Service							
Principal							
Interest							
<b>Total expenditures</b>	<b>6,724</b>	<b>119,976</b>	<b>11,093</b>	<b>32,440</b>	<b>73,511</b>	<b>13,888</b>	<b>612,151</b>
Excess (deficiency) of revenues over (under) expenditures	14,486	36,569	38,393	20,272	(30,279)	13,225	(541,560)
Other financing sources (uses):							
Operating transfers in					80,000		342,169
Operating transfers out							
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>342,169</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	14,486	36,569	38,393	20,272	49,721	13,225	(199,391)
Fund balances (deficit) - October 1	62,378	199,139	250,175	63,356	(16,458)	37,349	(119,059)
Fund balances (deficit) - September 30	\$ 76,864	235,708	288,568	83,628	33,263	50,574	(318,450)

Special Revenue Funds								
Juv Prob Progressive Sanctions JPO	Juvenile Probation State Aid Grant	Juvenile Probation COG Grant	Juv Prob Meet the Challenge Grant	Juv Prob Community Corrections Assistance	Juvenile Probation ICBF Regional	Juvenile Probation Diversionary Placement	Juv Prob Progressive Sanctions 123	Juv Prob Title IV-E Reimburse- ment
58,037	147,116			211,656	15,764	3,800	38,156	17,888
								5,773
<u>58,037</u>	<u>147,116</u>	<u>-</u>	<u>-</u>	<u>211,656</u>	<u>15,764</u>	<u>3,800</u>	<u>38,156</u>	<u>23,661</u>
49,752	128,286			180,716	15,764	423	32,747	75,390
<u>49,752</u>	<u>128,286</u>	<u>-</u>	<u>-</u>	<u>180,716</u>	<u>15,764</u>	<u>423</u>	<u>32,747</u>	<u>75,390</u>
8,285	18,830			30,940	-	3,377	5,409	(51,729)
(1,338)	(6,691)	(3,302)	453 (600)	(1,990)			(225)	
<u>(1,338)</u>	<u>(6,691)</u>	<u>(3,302)</u>	<u>(147)</u>	<u>(1,990)</u>	<u>-</u>	<u>-</u>	<u>(225)</u>	<u>-</u>
6,947	12,139	(3,302)	(147)	28,950	-	3,377	5,184	(51,729)
<u>1,349</u>	<u>1,369</u>	<u>3,302</u>	<u>147</u>	<u>(5,104)</u>	<u>-</u>	<u>-</u>	<u>270</u>	<u>191,051</u>
<u>8,296</u>	<u>13,508</u>	<u>-</u>	<u>-</u>	<u>23,846</u>	<u>-</u>	<u>3,377</u>	<u>5,454</u>	<u>139,322</u>

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2008**

	Special Revenue Funds						
	Adult Probation County Funded	Adult Probation TAIP Grant	Adult Probation Supervision Grant	Adult Probation CCP Grant	Justice Court Security	County Clerk Records Management	County Clerk Vital Records
<b>REVENUES</b>							
Property taxes	\$						
Intergovernmental		208,647	361,680	160,382			
Fees of office			1,095,416		10,821	195,365	4,634
Interest			32,761		1,190	686	220
Miscellaneous		56	34,350			4,964	
<b>Total revenues</b>	<b>-</b>	<b>208,703</b>	<b>1,524,207</b>	<b>160,382</b>	<b>12,011</b>	<b>201,015</b>	<b>4,854</b>
<b>EXPENDITURES</b>							
Current:							
General government							
Law enforcement							
Judicial	7,782	262,751	1,450,003	143,446			
Recording						161,675	1,524
Capital outlays							
Debt Service							
Principal							
Interest							
<b>Total expenditures</b>	<b>7,782</b>	<b>262,751</b>	<b>1,450,003</b>	<b>143,446</b>	<b>-</b>	<b>161,675</b>	<b>1,524</b>
Excess (deficiency) of revenues over (under) expenditures	(7,782)	(54,048)	74,204	16,936	12,011	39,340	3,330
Other financing sources (uses):							
Operating transfers in				6,546			
Operating transfers out	(20,393)		(6,546)				
<b>Total financing other sources (use)</b>	<b>(20,393)</b>	<b>-</b>	<b>(6,546)</b>	<b>6,546</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(28,175)	(54,048)	67,658	23,482	12,011	39,340	3,330
Fund balances (deficit) - October 1	30,393	54,048	620,935	32,297	23,587	(121,515)	4,518
Fund balances (deficit) - September 30	\$ 2,218	-	688,593	55,779	35,598	(82,175)	7,848

Special Revenue Funds								Total Special Revenue Funds
District Clerk Records Management	Records Management County Wide	Court Reporters Service	District Clerk	Document Preservation	Tax A/C Motor Vehicle	911 Addressing Grant	LETS	
						23,152		-
10,244	46,801	30,975	23,886	188,160				1,408,623
1,925	707	1,351		6,082		1,464		1,838,167
								92,783
								560,973
<u>12,169</u>	<u>47,308</u>	<u>32,326</u>	<u>23,886</u>	<u>194,222</u>	<u>-</u>	<u>24,616</u>	<u>-</u>	<u>3,900,546</u>
						26,240		356,381
								113,224
								3,367,417
	1,071	275		128,738				291,283
								15,811
								-
								-
<u>-</u>	<u>1,071</u>	<u>275</u>	<u>-</u>	<u>128,738</u>	<u>-</u>	<u>26,240</u>	<u>-</u>	<u>4,144,096</u>
<u>12,169</u>	<u>46,237</u>	<u>32,051</u>	<u>23,886</u>	<u>67,484</u>	<u>-</u>	<u>(1,624)</u>	<u>-</u>	<u>(243,550)</u>
							(1,485)	429,168
								(80,219)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,485)</u>	<u>348,949</u>
<u>12,169</u>	<u>46,237</u>	<u>32,051</u>	<u>23,886</u>	<u>67,484</u>	<u>-</u>	<u>(1,624)</u>	<u>(1,485)</u>	<u>105,399</u>
<u>41,521</u>	<u>3,513</u>	<u>21,808</u>	<u>24,463</u>	<u>121,779</u>	<u>3,973</u>	<u>31,811</u>	<u>1,485</u>	<u>2,231,105</u>
<u>53,690</u>	<u>49,750</u>	<u>53,859</u>	<u>48,349</u>	<u>189,263</u>	<u>3,973</u>	<u>30,187</u>	<u>-</u>	<u>2,336,504</u>

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2008**

Exhibit C-5

	Capital Project Funds				Total Capital Projects Funds
	County Wide Capital Projects Fund	Capital Projects 2005 C.O.'s	Capital Projects 2005 Tax Notes	Capital Projects 2006 Tax Notes	
<b>REVENUES</b>					
Property taxes	\$				-
Intergovernmental					-
Fees of office					-
Interest					-
Miscellaneous					-
<b>Total revenues</b>	-	-	-	-	-
<b>EXPENDITURES</b>					
Current:					
General government		79,669	1,760	232,553	313,982
Law enforcement			22,957		22,957
Judicial					-
Recording					-
Capital outlays		4,050,843	10,233	455,527	4,516,603
Debt Service					-
Principal					-
Interest					-
<b>Total expenditures</b>	-	4,130,512	34,950	688,080	4,853,542
Excess (deficiency) of revenues over (under) expenditures	-	(4,130,512)	(34,950)	(688,080)	(4,853,542)
Other financing sources (uses):					
Operating transfers in					-
Operating transfers out	(337,775)				(337,775)
<b>Total financing other sources (uses)</b>	(337,775)	-	-	-	(337,775)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(337,775)	(4,130,512)	(34,950)	(688,080)	(5,191,317)
Fund balances (deficit) - October 1	337,775	4,797,402	93,841	1,328,098	6,557,116
Fund balances (deficit) - September 30	\$ -	666,890	58,891	640,018	1,365,799

PARKER COUNTY, TEXAS  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2008

	Debt Service Funds				
	County Wide Debt Service	1999 Tax Notes	2002 Tax Notes	2003 Tax Refunding Bonds	2004 Tax Notes
<b>REVENUES</b>					
Property taxes	\$ 260,815		290,125	547,050	50,355
Intergovernmental					
Fees of office					
Interest	51,621				
Miscellaneous					
Total revenues	<u>312,436</u>	-	<u>290,125</u>	<u>547,050</u>	<u>50,355</u>
<b>EXPENDITURES</b>					
Current:					
General government					
Law enforcement					
Judicial					
Recording					
Capital outlays					
Debt Service					
Principal			260,000	540,000	
Interest			30,125	7,050	50,355
Total expenditures	<u>-</u>	<u>-</u>	<u>290,125</u>	<u>547,050</u>	<u>50,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>312,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Operating transfers in					
Operating transfers out					
Total financing other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>312,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - October 1	<u>910,311</u>	<u>578</u>	<u>-</u>	<u>1,483</u>	<u>-</u>
Fund balances (deficit) - September 30	<u>\$ 1,222,747</u>	<u>578</u>	<u>-</u>	<u>1,483</u>	<u>-</u>

Exhibit C-5

Debt Service Funds					Total	Total
2005 G.O. Refunding Bonds	2005 Certificates of Obligation	2005 Tax Notes	2006 Tax Notes	Total Debt Service Funds	Nonmajor Governmental Funds	Governmental Funds
140,573	690,976	365,681	578,235	2,923,810	2,923,810	
				-	1,408,623	
				-	1,838,167	
				51,621	144,404	
				-	560,973	
<u>140,573</u>	<u>690,976</u>	<u>365,681</u>	<u>578,235</u>	<u>2,975,431</u>	<u>6,875,977</u>	
				-	670,343	
				-	136,181	
				-	3,367,417	
				-	291,283	
				-	4,532,414	
		300,000	380,000	1,480,000	1,480,000	
141,004	691,407	65,681	198,235	1,183,857	1,183,857	
<u>141,004</u>	<u>691,407</u>	<u>365,681</u>	<u>578,235</u>	<u>2,663,857</u>	<u>11,861,495</u>	
(431)	(431)	-	-	311,574	(4,785,518)	
				-	429,168	
				-	(417,994)	
-	-	-	-	-	11,174	
(431)	(431)	-	-	311,574	(4,774,344)	
<u>20,612</u>	<u>88,298</u>	<u>8,217</u>	<u>-</u>	<u>1,029,499</u>	<u>9,817,720</u>	
<u>20,181</u>	<u>87,867</u>	<u>8,217</u>	<u>-</u>	<u>1,341,073</u>	<u>5,043,376</u>	

## **FIDUCIARY FUND**

**Agency Funds – To account for assets held by the County  
as an agent for individuals, private organizations,  
other governmental units or other funds.**

## **AGENCY FUNDS**

**Sheriff's Office Trust Account – This account is used to temporarily hold cash bonds, fines, and sheriff's sale proceeds.**

**Auto Registration Account – To account for monies received for registering automobiles in Parker County.**

**Vehicle Inventory Tax Escrow – To account for monies collected and held in escrow for vehicle inventory tax account.**

**TAC's Comptroller Account – To account for monies received from the collection of sales tax.**

**Auto Registration Credit Card Account – To account for all monies collected via credit card for registering automobile in Parker county.**

**Auto Registration Internet Account – To account for monies received for registering via internet automobiles in Parker County.**

**County Clerk's Court Fund Account – To account for monies received from individuals or the adult probation department to pay for court fees.**

**County Clerk's Deposit Account – To account for monies received from court issued bonds.**

**County Clerk's Registry Account – To account for monies used for condemnation suits and for defendants to reimburse the County Treasurer for court appointed attorneys.**

**County Clerk's Individual Trust Account – To account for monies in trust for several individuals.**

**Child Support Account – To account for monies received by the District Clerk for child support.**

**District Court Deposit Account – To account for monies received by the District Clerk for court fees.**

**District Clerk's Registry Account – To account for monies received by court order in care of an individual. Also cash bonds are accounted for in this account.**

## **AGENCY FUNDS (Continued)**

**District Clerk's Individual Trust Accounts – To account for monies in trust for several individuals.**

**County Attorney's Escrow Account – To account for monies received by the County Attorney's office for NSF checks.**

**Sheriff's Office Inmate Trust Account – To account for inmates' monies which were confiscated during arrests and to hold deposits from family members of the inmates.**

**County Jail Commissary Fund – To account for funds held in the inmates' names for personal purchases.**

**Criminal Justice Fund – To account for monies received as court costs prior to being forwarded to the State.**

**V.I.T. Interest Account – To account for interest earned on the Vehicle Inventory Tax for the T.A.C. to defray the cost of administration of the prepayment procedure.**

**T.A.C. Boat Comptroller Fund – To account for monies received for the taxation of water vehicles.**

**District Attorney Trust Account – To account for monies in trust for several individuals.**

**County Clerk's Probate Fund – To account for monies received by court order in care of an individual.**

**IRP Account – To account for registration payments made over the internet.**

**TPWD Account – To account for monies received for the taxation of water vehicles for Texas Parks and Wildlife Department.**

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**All Agency Funds**  
**September 30, 2008**

	<b>Sheriff's Office Trust Account</b>	<b>Auto Registration Account</b>	<b>Vehicle Inventory Tax- Escrow</b>	<b>TAC's Comptroller Account</b>	<b>Auto Registration Credit Card Account</b>
<b>Assets</b>					
Cash	\$ 58,726	728,724	564,929	133,859	16,995
Investments					
Accounts receivable					
<b>Total assets</b>	<b>\$ 58,726</b>	<b>728,724</b>	<b>564,929</b>	<b>133,859</b>	<b>16,995</b>
<b>Liabilities</b>					
Deposits held and due to others	\$ 58,726	728,724	564,929	133,859	16,995
Accounts payable - State					
<b>Total liabilities</b>	<b>\$ 58,726</b>	<b>728,724</b>	<b>564,929</b>	<b>133,859</b>	<b>16,995</b>

The accompanying notes are an integral part of this statement.

Exhibit C-6

<b>Auto Registration Internet Account</b>	<b>County Clerk's Court Fund Account</b>	<b>County Clerk's Deposit Account</b>	<b>County Clerk's Registry Account</b>	<b>County Clerk's Individual Trust Account</b>	<b>Child Support Account</b>	<b>District Court Deposit Account</b>
405	30,982	440,024	530,325	79,584	297	115,945
<b>405</b>	<b>30,982</b>	<b>440,024</b>	<b>530,325</b>	<b>79,584</b>	<b>297</b>	<b>115,945</b>
405	30,982	440,024	530,325	79,584	297	115,945
<b>405</b>	<b>30,982</b>	<b>440,024</b>	<b>530,325</b>	<b>79,584</b>	<b>297</b>	<b>115,945</b>

**PARKER COUNTY, TEXAS  
Combining Balance Sheet  
All Agency Funds  
September 30, 2008**

	<u>District Clerk's Registry Account</u>	<u>District Clerk's Individual Trust Account</u>	<u>County Attorney's Escrow Account</u>	<u>Sheriff's Office Inmate Trust Account</u>	<u>County Jail Commissary Fund</u>
<b>Assets</b>					
Cash	\$ 778,656	291,752	14,468	43,074	20,378
Investments					
Accounts receivable					
<b>Total assets</b>	<u>\$ 778,656</u>	<u>291,752</u>	<u>14,468</u>	<u>43,074</u>	<u>20,378</u>
<b>Liabilities</b>					
Deposits held and due to others	\$ 778,656	291,752	14,468	43,074	20,378
Accounts payable - State					
<b>Total liabilities</b>	<u>\$ 778,656</u>	<u>291,752</u>	<u>14,468</u>	<u>43,074</u>	<u>20,378</u>

Exhibit C-6

<b>Criminal Justice Fund</b>	<b>V.I.T. Interest Account</b>	<b>T.A.C. Boat Comptroller Fund</b>	<b>District Attorney Trust Account</b>	<b>County Clerk Probate Fund</b>	<b>IRP Funds Account</b>	<b>TPWD Funds Account</b>	<b>Total</b>
50,676	70,379	56	500	32,332	425	101	4,003,592
227,538							227,538
19,551							19,551
<u>297,765</u>	<u>70,379</u>	<u>56</u>	<u>500</u>	<u>32,332</u>	<u>425</u>	<u>101</u>	<u>4,250,681</u>
296,664	70,379	56	500	32,332	425	101	4,249,580
1,101							1,101
<u>297,765</u>	<u>70,379</u>	<u>56</u>	<u>500</u>	<u>32,332</u>	<u>425</u>	<u>101</u>	<u>4,250,681</u>

**STATISTICAL AND SUPPLEMENTARY  
INFORMATION**

**PARKER COUNTY, TEXAS**  
**Schedule of Delinquent Taxes Receivable**  
**General and Debt Service Funds**  
**September 30, 2008**

**Exhibit D-1**

Year of Levy	Tax Rate	Assessed Valuation	Balance 10/01/2007	Current Levy	Total Collections	Adjustments Increase (Decrease)	Balance 09/30/2008
1997 & prior	Various	Various	\$ 254,004	-	\$ 2,106	\$ (6,953)	\$ 244,945
1998	0.2765	2,455,456,823	25,367		1,429	(864)	23,074
1999	0.2712	2,995,845,074	31,974		3,167	(916)	27,891
2000	0.2657	3,267,961,181	41,539		4,325	(1,304)	35,910
2001	0.2610	3,521,249,803	52,558		5,785	(1,572)	45,201
2002	0.2471	4,122,871,175	65,868		18,355	1,185	48,698
2003	0.2477	4,488,305,475	84,157		31,062	10,648	63,743
2004	0.2472	4,916,779,079	104,337		42,939	9,816	71,214
2005	0.2472	5,700,079,719	194,007		95,288	10,949	109,668
2006	0.2472	6,486,893,567	438,396		249,128	(27,241)	162,027
2007	0.2053	7,657,985,982	-	19,312,456	19,070,150	335,219	577,525
			<u>\$1,292,207</u>	<u>\$19,312,456</u>	<u>\$19,523,734</u>	<u>\$ 328,967</u>	<u>\$1,409,896</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Delinquent Taxes Receivable**  
**Lateral Road Fund**  
**September 30, 2008**

Exhibit D-2

Year of Levy	Tax Rate	Assessed Valuation	Balance 10/01/2007	Current Levy	Total Collections	Adjustments Increase (Decrease)	Balance 9/30/2008
1997 & prior	Various	Various	\$ 145,427	\$ -	\$ 985	\$ (3,871)	\$ 140,571
1998	0.1225	2,455,841,756	11,271		607	(381)	10,283
1999	0.1225	2,996,429,525	14,432		1,391	(413)	12,628
2000	0.1200	3,267,095,767	18,748		1,939	(586)	16,223
2001	0.1179	3,519,299,663	23,781		2,601	(701)	20,479
2002	0.0947	4,121,856,831	25,310		7,025	468	18,753
2003	0.0948	4,486,782,802	32,281		11,826	4,090	24,545
2004	0.0945	4,914,193,382	39,878		16,336	3,752	27,294
2005	0.0927	5,699,036,536	73,061		35,722	4,117	41,456
2006	0.0914	6,487,190,814	162,769		91,887	(10,275)	60,607
2007	0.0869	7,659,110,899	-	6,802,697	6,715,783	115,817	202,731
			<u>\$ 546,958</u>	<u>\$ 6,802,697</u>	<u>\$ 6,886,102</u>	<u>\$ 112,017</u>	<u>\$ 575,570</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**General Obligation Refunding Bonds, Series 2005**  
**September 30, 2008**

**Exhibit D-3**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ 85,000	\$ 70,071	\$ 68,754	\$ 223,825
2010	155,000	68,754	66,041	289,795
2011	160,000	66,041	63,242	289,283
2012	165,000	63,241	60,354	288,595
2013	170,000	60,354	57,293	287,647
2014-2018	960,000	251,564	232,800	1,444,364
2019-2023	1,185,000	143,311	117,155	1,445,466
2024-2028	550,000	18,675	6,300	574,975
	<u>\$ 3,430,000</u>	<u>\$ 742,011</u>	<u>\$ 671,939</u>	<u>\$ 4,843,950</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Certificates of Obligation, Series 2005**  
**September 30, 2008**

**Exhibit D-4**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ -	\$ 345,272	\$ 345,273	\$ 690,545
2010	65,000	345,273	344,200	754,473
2011	50,000	344,200	343,337	737,537
2012	755,000	343,338	329,181	1,427,519
2013	785,000	329,181	314,463	1,428,644
2014-2018	4,485,000	1,381,624	1,278,163	7,144,787
2019-2023	5,720,000	783,125	640,125	7,143,250
2024-2028	2,720,000	102,875	34,875	2,857,750
	<u>\$ 14,580,000</u>	<u>\$ 3,974,888</u>	<u>\$ 3,629,617</u>	<u>\$ 22,184,505</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Tax Notes, Series 2002**  
**September 30, 2008**

**Exhibit D-5**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ 740,000	\$ 12,950	-	\$ 752,950
	<u>\$ 740,000</u>	<u>\$ 12,950</u>	<u>-</u>	<u>\$ 752,950</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Tax Notes, Series 2004**  
**September 30, 2008**

**Exhibit D-6**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ -	\$ 25,178	\$ 25,178	\$ 50,355
2010	635,000	25,178	13,430	673,608
2011	680,000	13,430	-	693,430
	<u>\$ 1,315,000</u>	<u>\$ 63,786</u>	<u>\$ 38,608</u>	<u>\$ 1,417,393</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Tax Notes, Series 2005**  
**September 30, 2008**

**Exhibit D-7**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ 335,000	\$ 30,066	\$ 23,784	\$ 388,850
2010	370,000	23,784	16,847	410,631
2011	405,000	16,847	9,000	430,847
2012	450,000	9,000	-	459,000
	<u>\$ 1,560,000</u>	<u>\$ 79,697</u>	<u>\$ 49,631</u>	<u>\$ 1,689,328</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Tax Notes, Series 2006**  
**September 30, 2008**

**Exhibit D-8**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2009	\$ 480,000	\$ 53,710	\$ 43,870	\$ 577,580
2010	500,000	43,870	33,620	577,490
2011	525,000	33,620	22,858	581,478
2012	545,000	22,858	11,685	579,543
2013	570,000	11,685	-	581,685
	<u>\$ 2,620,000</u>	<u>\$ 165,743</u>	<u>\$ 112,033</u>	<u>\$ 2,897,776</u>

**OVERALL COMPLIANCE AND  
INTERNAL CONTROL SECTION**



**Snow, Garrett & Company**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**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**

Honorable Judge and Members of  
the Commissioners' Court  
Parker County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Parker County, Texas, as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as item 08-01 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described in the schedule of findings and responses is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Parker County, Texas, in a separate letter dated May 12, 2009.

The County's response to the finding in our audit is included in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

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

*Snow, Garrett & Company*

Snow, Garrett & Company, CPA's  
May 12, 2009

**Parker County, Texas**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended September 30, 2008**

**Internal Control Over Financial Reporting**

Finding 08-01

Condition: The County lacks sufficient internal control over recording federal and state grant revenue resulting in incomplete financial accounting records and reports.

Recommendation: The County should consider centralizing grant documentation such as grant applications, requests for funds, grant reports and receipts in order to improve recording and reporting of grant revenue. The County should also consider developing a routine summarization of grant activity across all departments in a timely and accurate manner to assist in the preparation of grant revenue financial reporting information.

Response: The County is currently in the process of centralizing all grant documentation and developing procedures to accumulate and summarize grant information.