

# **PARKER COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT FOR  
THE YEAR ENDED SEPTEMBER 30, 2009**

**PARKER COUNTY, TEXAS**  
**Annual Financial Statements**  
**For the Fiscal Year Ended September 30, 2009**

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

**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, 2009, 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, 2009, 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 20, 2010, 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 grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Parker County. The combining and budget statements, the statistical and supplementary information section, and the schedule of expenditures of federal awards 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 20, 2010

## 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, 2009. 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 2009 by \$32,069,587 (*net assets*). Of this amount, \$1,712,028 is restricted for specific purposes and \$11,006,663 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 \$19,350,896 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 \$68,909,817; of which \$9,438,189 or 14% 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 \$1,724,906 equals 5% of total General fund expenditures.
- The County's total debt increased by a net amount of \$58,591,264 during the current fiscal year due to principal retirements offset by \$60,903,261 in bond and capital leases issued for transportation projects and equipment acquisition, respectively.

### 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 fifty-eight individual governmental funds (excluding fiduciary funds), forty-three special revenue funds, four capital project funds, ten 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, Lateral Road Fund, and the Capital Projects 2009 Tax Road Bonds 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 41 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 \$32,069,587 as of September 30, 2009.

**Parker County's Net Assets**

	Governmental Activities	
	2009	2008
Current and other assets	\$ 76,632,675	\$ 16,371,712
Capital assets, net of depreciation	52,644,773	56,268,378
Total assets	129,277,448	72,640,090
Long-term liabilities	91,988,550	28,331,075
Other liabilities	5,219,311	4,810,779
Total liabilities	97,207,861	33,141,854
Net assets:		
Invested in capital assets, net of related debt	19,350,896	27,496,249
Restricted	1,712,028	2,854,716
Unrestricted	11,006,663	9,147,271
Total Net Assets	\$ 32,069,587	\$ 39,498,236

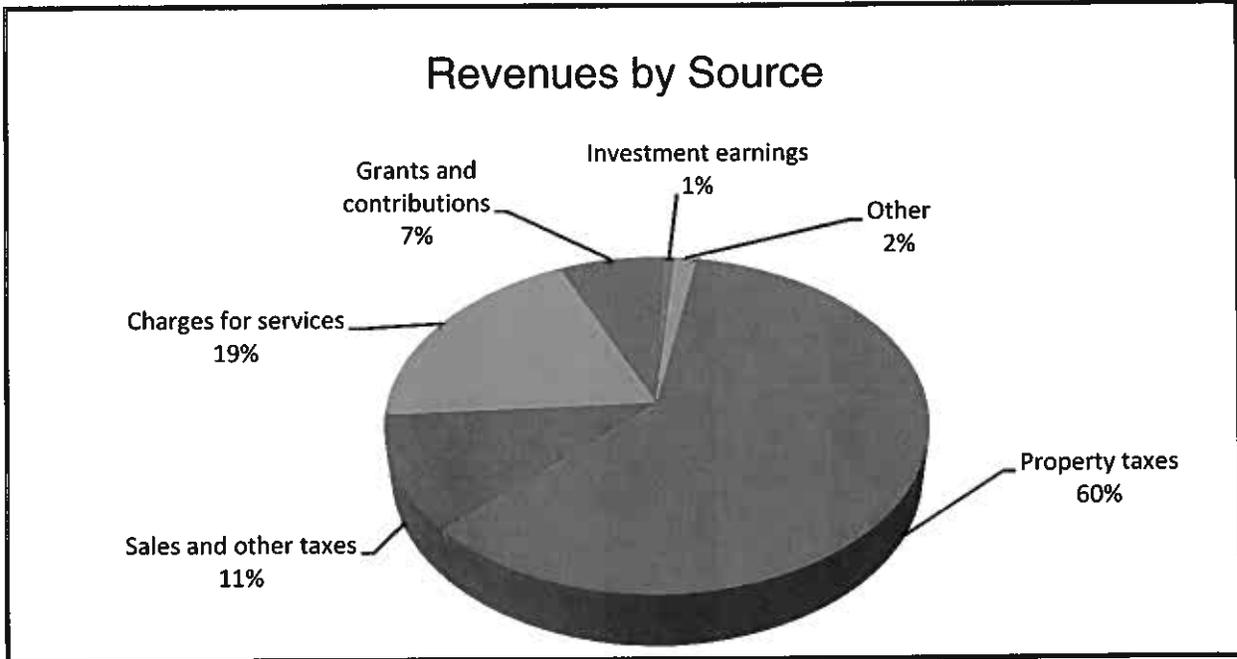
Investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding is \$19,350,896. The County uses these capital assets to provide services to citizens; consequently, 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 \$1,712,028 of the County's net assets (5%) 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 (\$11,006,663) 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 \$7,428,649 during the current fiscal year. The total cost of all governmental activities this year was \$61,410,232. The amount that our taxpayers paid for these activities through property taxes was \$32,456,764 or 53%.

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

	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 10,460,533	\$ 9,890,283
Operating grants and contributions	2,842,005	2,227,968
Capital grants and contributions	1,046,323	379,898
General revenues:		
Property taxes	32,456,764	27,005,651
Sales and other taxes	5,985,689	6,591,273
Investment earnings	404,936	513,964
Other	785,333	882,190
Total revenues	53,981,583	47,491,227
Expenses:		
General government	9,109,039	8,180,524
Public safety	2,407,412	2,529,883
Health and welfare	960,061	906,113
Highways, roads and streets	16,080,634	15,214,496
Law enforcement	14,337,513	13,638,922
Judicial	10,183,372	9,644,850
Recording	2,255,410	2,174,010
Tax assessing-collecting	796,387	742,987
Interest and other costs	5,280,404	1,264,639
Total expenses	61,410,232	54,296,424
Change in net assets	(7,428,649)	(6,805,197)
Net assets-beginning	39,498,236	46,303,433
Net assets-ending	\$ 32,069,587	\$ 39,498,236



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

- Program revenues of \$14,348,861 equaled 23% of government expenses of \$61,410,232. As expected, general revenues (\$39,632,722) provided the remaining support and coverage for expenses.
- Over one-fourth of the expenses are highway, roads and streets (\$16,080,634) while this category provided 8% of total revenues.
- The second largest category of expenses is law enforcement (\$14,337,513) at 23% while it only provided about 3% of total revenues.
- Grant revenues and contributions comprised about 7% 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 \$68,909,817, an increase of \$58,867,590 in comparison with the prior year. Approximately \$9,438,189 or 14% 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 (\$1,702,244) and to fund capital projects (\$57,769,384).

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 \$1,724,906, which is the total fund balance. As a measure of the general fund's liquidity, we compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 5%, or slightly more than 18 days of total fund expenditures.

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

The fund balance of the County's general fund increased by \$330,024. Key factors in this increase are as follows:

- Increase in property tax revenues due to an increase in assessed value as well as an increase in the property tax rate; and
- Increase in intergovernmental revenues.

The debt service funds have a total fund balance of \$1,702,244, 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 \$361,171. Total debt principal, interest and fiscal charges increased from the prior year due to the issuance of the 2009 Unlimited Tax Road Bonds.

The capital projects funds had a total fund balance of \$57,769,384, 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 2009 budget was adopted in September 2008, with the total beginning general fund expenditures amounting to \$33,892,302, an increase of \$1,168,795 over the 2008 fiscal year final budgeted expenditures. The fiscal year 2009 budget increase was primarily due to an increase in buildings and grounds, emergency management, narcotics task force, county attorney, information technology, and non-departmental expenditures.

In total, the original general fund budget for expenditures and the final general fund amended budget for expenditures were increased by \$800,549 from the original to the final budget. Most of this difference resulted from:

- An increase in non-departmental, buildings and grounds, and emergency management; 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 \$1,613,004 primarily due to the timing of fees of offices collections and because miscellaneous revenues for 2009 were less than the amount budgeted; and
- Actual expenses were \$1,845,126 less than budgeted primarily due to lower costs of buildings and grounds, jail, sheriff patrol, 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, 2009, net capital assets of the governmental activities totaled \$52,644,773. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled \$8,987,889.

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

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

	Governmental Activities	
	2009	2008
Land	\$ 1,796,930	\$ 1,798,855
Buildings and improvements	28,149,943	28,643,467
Infrastructure	9,355,174	15,230,098
Work in progress	2,507,426	-
Office furniture and equipment	5,030,693	5,167,406
Transportation	1,550,931	1,774,105
Road maintenance equipment	4,044,603	3,371,435
Emergency management equipment	194,388	263,092
Other	14,685	19,920
<b>Total</b>	<b>\$ 52,644,773</b>	<b>\$ 56,268,378</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, 2009, the County had unlimited tax road bonds, general obligation refunding bonds, certificates of obligation and tax notes outstanding of \$82,604,975. Capital lease proceeds were \$903,286 for the purchase of equipment for the precincts. Total capital leases payable were \$4,317,364.

The County's total property tax rate for 2008-09 was \$.3545 per \$100 assessed valuation, of which \$.0337 was for annual debt service.

**Parker County's Outstanding Debt**

	Governmental Activities	
	2009	2008
Unlimited tax road bonds	\$ 59,999,975	\$ -
General obligation refunding bonds	3,345,000	3,430,000
Certificates of obligation	14,580,000	14,580,000
Tax notes	4,680,000	6,235,000
Capital leases payable	4,317,364	4,057,075
Warrants payable	-	29,000
<b>Total</b>	<b>\$ 86,922,339</b>	<b>\$ 28,331,075</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 2010, the County Commissioners and management considered the following factors:

- The County, which is located near the Dallas/Fort Worth Metroplex, is expecting an increase in population, households, and retail sales, therefore sales tax revenues for the County are expected to slightly increase or at least remain stable.
- Property tax revenues are budgeted to increase because of the continued rise in certified values of real estate in this area as well as an increase in the debt service portion of the tax rate.
- 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, 2009**

**Exhibit A-1**

		Primary Government Activities
<b>ASSETS:</b>		
Cash	\$	421,897
Investments		70,863,962
Receivables (net of allowance for uncollectibles)		3,807,050
Prepaid expenses and other assets		16,460
Land and work in progress		4,304,356
Other capital assets, net of depreciation		48,340,417
Deferred debt issuance costs		1,523,306
Total assets		129,277,448
<b>LIABILITIES:</b>		
Accounts payable		2,746,904
Accrued salaries and benefits payable		920,835
Compensated absences payable		854,771
Accrued interest payable		598,017
Due to other governmental entities		98,784
Noncurrent liabilities		
Due within one year		2,479,729
Due in more than one year		89,508,821
Total liabilities		97,207,861
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt		19,350,896
Restricted for:		
Debt service		1,712,028
Unrestricted		11,006,663
Total net assets	\$	32,069,587

**PARKER COUNTY, TEXAS**  
**Statement of Activities**  
For the Fiscal Year Ended September 30, 2009

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>					
<b>Governmental Activities</b>					
General government	\$ 9,109,039	863,802	644,716	8,000	(7,592,521)
Public safety	2,407,412	1,639	188,791	418,170	(1,798,812)
Health and welfare	960,061	173,860			(786,201)
Highways, roads and streets	16,080,634	3,621,093		620,153	(11,839,388)
Law enforcement	14,337,513	719,573	938,114		(12,679,826)
Judicial	10,183,372	2,708,796	1,070,384		(6,404,192)
Recording	2,255,410	1,878,528			(376,882)
Tax assessing-collecting	796,387	493,242			(303,145)
Interest and other costs	5,280,404				(5,280,404)
<b>Total primary government</b>	<b>\$ 61,410,232</b>	<b>10,460,533</b>	<b>2,842,005</b>	<b>1,046,323</b>	<b>(47,061,371)</b>

General revenue:	
Property taxes	32,456,764
Sales and other taxes	5,985,689
Investment earnings	404,936
Other general revenue	785,333
<b>Total general revenues</b>	<b>39,632,722</b>
Change in net assets	(7,428,649)
Net assets - beginning	39,498,236
<b>Net assets - ending</b>	<b>\$ 32,069,587</b>

**PARKER COUNTY TEXAS**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2009**

Exhibit A-3

	General	Lateral Road	Capital Projects 2009 Tax Road Bonds	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Assets:					
Cash	\$ 13,790	13,934	151,652	139,482	318,858
Investments	2,604,278	5,318,624	57,885,179	5,052,852	70,860,933
Receivables (net of allowance for uncollectibles)					
Property taxes	1,082,815	435,405		157,628	1,675,848
Intergovernmental	1,241,713	18,003		11,220	1,270,936
Other	156,477	24,100		28,576	209,153
Prepaid expenses and other assets	16,460				16,460
<b>Total assets</b>	<b>\$ 5,115,533</b>	<b>5,810,066</b>	<b>58,036,831</b>	<b>5,389,758</b>	<b>74,352,188</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,545,975	303,890	805,923	91,116	2,746,904
Accrued salaries and benefits payable	704,744	191,453		24,638	920,835
Due to other governmental entities	57,093			41,691	98,784
Deferred revenues					
Property taxes	1,082,815	435,405		157,628	1,675,848
<b>Total liabilities</b>	<b>3,390,627</b>	<b>930,748</b>	<b>805,923</b>	<b>315,073</b>	<b>5,442,371</b>
Fund balances:					
Reserved for:					
Capital projects			57,230,908	538,476	57,769,384
Debt service				1,702,244	1,702,244
Unreserved	1,724,906	4,879,318			6,604,224
Unreserved, reported in nonmajor:					
Special revenue funds				2,833,965	2,833,965
<b>Total fund balances</b>	<b>1,724,906</b>	<b>4,879,318</b>	<b>57,230,908</b>	<b>5,074,685</b>	<b>68,909,817</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,115,533</b>	<b>5,810,066</b>	<b>58,036,831</b>	<b>5,389,758</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.	52,644,773
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,675,848
Other assets are not measurable and available in the current period and are not reported in the funds.	613,352
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(91,918,032)
Assets and liabilities of the internal service fund is included in governmental activities and are not reported with governmental funds.	143,829
<b>Net assets of governmental activities - statement of net assets</b>	<b>\$ 32,069,587</b>

**PARKER COUNTY, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Fiscal Year Ended September 30, 2009**

Exhibit A-4

	<u>General</u>	<u>Lateral Road</u>	<u>Capital Projects 2009 Tax Road Bonds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property taxes	\$ 20,836,570	8,195,836		3,040,424	32,072,830
Sales taxes	5,894,213				5,894,213
Intergovernmental	2,088,722	110,150	500,000	1,294,853	3,993,725
Donated assets		45,500			45,500
Fees of Office	4,062,183	3,179,036		1,794,748	9,035,967
Fines and forfeitures		356,687			356,687
Interest	41,160	46,342		317,432	404,934
Miscellaneous	906,801	77,090		581,317	1,565,208
<b>Total revenues</b>	<u>33,829,649</u>	<u>12,010,641</u>	<u>500,000</u>	<u>7,028,774</u>	<u>53,369,064</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,834,435	686,323	354,000	290,408	7,165,166
Public safety	2,070,660			1,660	2,072,320
Health and welfare	901,927				901,927
Highways, roads and streets		8,930,851	407,866		9,338,717
Law enforcement	13,509,801			110,472	13,620,273
Judicial	6,638,118			3,285,348	9,923,466
Recording	2,012,013			155,244	2,167,257
Tax assessing-collecting	759,662				759,662
Capital outlays	650,231	1,652,802	2,507,426	831,659	5,642,118
Debt Service					
Principal	323,074	348,923		1,640,000	2,311,997
Interest	147,804	81,834		2,253,299	2,482,937
Bond issuance costs			1,192,556		1,192,556
<b>Total expenditures</b>	<u>32,847,725</u>	<u>11,700,733</u>	<u>4,461,848</u>	<u>8,568,090</u>	<u>57,578,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>981,924</u>	<u>309,908</u>	<u>(3,961,848)</u>	<u>(1,539,316)</u>	<u>(4,209,332)</u>
Other financing sources (uses):					
Operating transfers in				1,569,774	1,569,774
Operating transfers out	(667,598)		(902,176)		(1,569,774)
Sale of assets	15,698	62,155		851	78,704
Proceeds from capital leases		903,286			903,286
Proceeds from bond			59,999,975		59,999,975
Premium on bond			2,094,957		2,094,957
<b>Total other financing sources (uses)</b>	<u>(651,900)</u>	<u>965,441</u>	<u>61,192,756</u>	<u>1,570,625</u>	<u>63,076,922</u>
Excess of revenues and other financing sources over expenditures and other uses	330,024	1,275,349	57,230,908	31,309	58,867,590
Fund balances - October 1	<u>1,394,882</u>	<u>3,603,969</u>	<u>-</u>	<u>5,043,376</u>	<u>10,042,227</u>
Fund balances - September 30	<u>\$ 1,724,906</u>	<u>4,879,318</u>	<u>57,230,908</u>	<u>5,074,685</u>	<u>68,909,817</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, 2009**

**Exhibit A-5**

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

Net change in fund balances - total governmental funds	\$ 58,867,590
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.	(3,345,771)
The net effect of various miscellaneous transactions involving capital assets.	(277,834)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	573,841
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.	(2,998,084)
The issuance of long-term debt (e.g. bonds 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 and premiums 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.	(59,493,665)
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>(754,726)</u>
Change in net assets of governmental activities - statement of activities	<u><u>\$ (7,428,649)</u></u>

**PARKER COUNTY, TEXAS**  
**Statement of Net Assets**  
**Proprietary Fund**  
**September 30, 2009**

**Exhibit A-6**

			<u>Insurance Escrow</u>
<b>ASSETS:</b>			
Cash	\$	103,039	
Investment		3,029	
Accounts receivable		<u>37,761</u>	
 Total assets		 143,829	
<b>LIABILITIES:</b>			
 Total liabilities		 <u>-</u>	
<b>NET ASSETS:</b>			
Unrestricted		<u>143,829</u>	
 Total net assets	\$	 <u><u>143,829</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, 2009**

**Exhibit A-7**

		Insurance Escrow
<b>OPERATING REVENUE</b>		
County contributions	\$	4,521,295
Total operating revenues		4,521,295
<b>OPERATING EXPENSES</b>		
Contractual		5,612,580
Total operating expenses		5,612,580
Operating loss		(1,091,285)
<b>NON OPERATING REVENUES</b>		
Miscellaneous		336,559
Total non operating revenues		336,559
Change in net assets		(754,726)
Net assets -October 1		898,555
Net assets -September 30	\$	143,829

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, 2009**

**Exhibit A-8**

	<u>Insurance Escrow</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 4,545,471
Payments to providers	<u>(5,636,638)</u>
Net cash used by operating activities	(1,091,167)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Change in investments	(112,548)
Miscellaneous revenues	<u>336,559</u>
Net cash provided by investment activities	<u>224,011</u>
Net decrease in cash	(867,156)
Cash - October 1	<u>970,195</u>
Cash - September 30	<u>\$ 103,039</u>
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (1,091,285)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	24,176
Decrease in accounts payable	<u>(24,058)</u>
Net cash used by operating activities	<u>\$ (1,091,167)</u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**September 30, 2009**

**Exhibit A-9**

<b>ASSETS</b>	
Cash	\$ 4,388,346
Investments	397,537
Accounts receivable	<u>20,975</u>
 Total assets	 \$ <u><u>4,806,858</u></u>
 <b>LIABILITIES</b>	
Deposits held and due to others	\$ 4,805,959
Accounts payable - State	<u>899</u>
 Total liabilities	 \$ <u><u>4,806,858</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, 2009**

**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, 2009.

**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, the Lateral Road, and the Capital Projects 2009 Tax Roads Bond 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, 2009**

**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.

**Capital Projects 2009 Tax Road Bonds Fund** is used to account for the proceeds of the Unlimited Tax Roads Bond – Series 2009 which were obtained for 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 and other transportation related improvements, and payment of costs of issuance related to the bonds.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

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.

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, 2009.

**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 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, 2009**

**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
Emergency management 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, 2009**

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

The details of this \$91,918,032 difference are as follows:

Bonds and tax notes payable:	\$ (85,075,889)
Less: deferred charge for issuance costs (to be amortized over life of debt)	1,523,306
Plus: premium on debt (to be amortized over life of debt)	(2,595,297)
Accrued interest payable	(598,017)
Capital lease payable	(4,317,364)
Compensated absences	<u>(854,771)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	 <u><u>\$ (91,918,032)</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 \$3,345,771 difference are as follows:

Capital outlay	\$ 5,642,118
Depreciation expense	<u>(8,987,889)</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>\$ (3,345,771)</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 \$277,834 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.	\$ (196,298)
Conversely, governmental funds only report the proceeds received from the sale or disposal.	<u>(81,536)</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>\$ (277,834)</u></u>

Another element of the reconciliation states "the issuance of long-term debt (e.g., bonds 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 and premium 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, 2009**

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

The details of this \$59,493,665 difference are as follows:

Debt issued or incurred:	Bonds	\$ (59,999,975)
	Capital lease	(903,286)
	Premium on bonds issued	(2,094,957)
	Bond issuance costs incurred	1,192,556
Principal repayments :	Warrants	29,000
	Capital lease	642,997
	Tax notes	1,555,000
	Refunding bonds	<u>85,000</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		<u>\$ (59,493,665)</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 \$2,998,084 difference are as follows:

Compensated absences		\$ (52,968)
Accrued interest expense		(2,835,981)
Allowance of property tax receivable		(48,898)
Allowance of miscellaneous receivables		(98,751)
Amortization of premium on debt		94,787
Amortization of issuance costs		<u>(56,273)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		<u>\$ (2,998,084)</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, 2009**

**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, 2009, the County had the following investments:

	Market Value	% of Total
DWS Scudder - Government Cash Institutional Shares Fund	\$ 13,395,500	18.79%
Federated - Government Obligations Fund	20,000,000	28.07%
Morgan Keegan - Federated Inv Government Obligations	20,000,000	28.07%
UBS Select Treasury Fund	17,866,000	25.07%
Total Investments	\$ 71,261,500	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, 2009, 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, 2009, the County's investments in DWS Scudder - Government Cash Institutional Shares Fund, Federated – Government Obligations Fund and 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, 2009, 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, 2009, 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, 2009**

**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, 2009, excluding that portion budgeted for the retirement of long-term debt principal and interest was \$.3208 per \$100 valuation. The total tax rate for all purposes was \$.3545 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.

Fund	Delinquent Taxes	Allowance	Deferred Revenue
General	\$ 1,486,031	\$ (403,216)	\$ 1,082,815
Debt Service	216,325	(58,697)	157,628
Lateral Road	667,044	(231,639)	435,405
Total	<u>\$ 2,369,400</u>	<u>\$ (693,552)</u>	<u>\$ 1,675,848</u>

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 7: CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2009 was as follows:

	Balance 10/1/08	Additions	Deletions	Balance 9/30/09
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,798,855	\$ -	\$ 1,925	\$ 1,796,930
Work in progress	-	2,507,426	-	2,507,426
<b>Total capital assets not being depreciated</b>	<b>1,798,855</b>	<b>2,507,426</b>	<b>1,925</b>	<b>4,304,356</b>
Other capital assets				
Buildings and improvements	34,523,510	491,955	45,380	34,970,085
Infrastructure	113,223,332	-	244,850	112,978,482
Office furniture and equipment	8,611,536	763,512	314,804	9,060,244
Transportation equipment	4,458,846	367,588	577,269	4,249,165
Road maintenance equipment	10,930,590	1,511,637	465,799	11,976,428
Fire fighting equipment	2,825,496	-	-	2,825,496
Emergency management equipment	478,123	-	-	478,123
Other	54,073	-	5,600	48,473
<b>Total other capital assets</b>	<b>175,105,506</b>	<b>3,134,692</b>	<b>1,653,702</b>	<b>176,586,496</b>
Less accumulated depreciation for:				
Buildings and improvements	5,880,043	975,904	35,805	6,820,142
Infrastructure	97,993,234	5,655,318	25,244	103,623,308
Office furniture and equipment	3,444,130	897,249	311,828	4,029,551
Transportation equipment	2,684,741	584,443	570,950	2,698,234
Road maintenance equipment	7,559,155	801,036	428,366	7,931,825
Fire fighting equipment	2,825,496	-	-	2,825,496
Emergency management equipment	215,031	68,704	-	283,735
Other	34,153	5,235	5,600	33,788
<b>Total accumulated depreciation</b>	<b>120,635,983</b>	<b>8,987,889</b>	<b>1,377,793</b>	<b>128,246,079</b>
<b>Other capital assets, net</b>	<b>54,469,523</b>	<b>(5,853,197)</b>	<b>275,909</b>	<b>48,340,417</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 56,268,378</b>	<b>\$ (3,345,771)</b>	<b>\$ 277,834</b>	<b>\$ 52,644,773</b>

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

<b>Governmental activities:</b>	
General government	\$ 1,688,940
Public safety	312,518
Health and welfare	24,756
Highways, roads and streets	6,514,467
Law enforcement	427,755
Judicial	12,753
Recording	6,700
<b>Total depreciation for governmental activities</b>	<b>\$ 8,987,889</b>

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**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>
Other Governmental funds	Capital Projects 2009 Tax Road Bond fund	\$ 902,176	supplement related debt service fund
Other Governmental funds	General fund	<u>667,598</u>	supplement other funds
Total transfers		<u>\$ 1,569,774</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, 2009 the value of accumulated vacation and compensatory benefits amounted to \$854,771.

**NOTE 10: LONG-TERM DEBT**

Unlimited Tax Road Bonds

The County issued \$59,999,975 in unlimited tax road bonds in April of 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 and other transportation related improvements. Principal payments are due in annual installments on February 15, maturing in February of 2034. Interest is payable February 15 and August 15, at interest rates ranging from 2.88% to 5.25%. The outstanding balance at September 30, 2009 was \$59,999,975. Current requirements for bonded indebtedness of the County are accounted for in the Debt Service funds.

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, 2009 was \$3,345,000. 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, 2009 was \$14,580,000.

Tax Notes

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, 2009 was \$1,315,000.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**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, 2009 was \$1,225,000.

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, 2009 was \$2,140,000.

Capital Leases 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, 2009 was \$40,699.

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 County-wide communications equipment for emergency services. The balance at September 30, 2009 was \$3,154,147.

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, 2009 was \$31,046.

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, 2009 was \$66,415.

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, 2009 was \$94,914.

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, 2009 was \$82,549.

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, 2009 was \$63,410.

The County entered into a capital lease agreement in November 2008 in the amount of \$207,000. The lease balance is payable in five successive annual payments of \$47,328 each, bearing interest at the rate of 5.75% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2009 was \$164,468.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

The County entered into a capital lease agreement in December 2008 in the amount of \$139,113. The lease balance is payable in five successive annual payments of \$30,635 each, bearing interest at the rate of 4.98% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2009 was \$109,470.

The County entered into a capital lease agreement in December 2008 in the amount of \$244,530. The lease balance is payable in five successive annual payments of \$56,482 each, bearing interest at the rate of 5.47% per annum. The capital lease proceeds were used to purchase equipment by Precinct Two (Fund 02). The balance at September 30, 2009 was \$197,603.

The County entered into a capital lease agreement in March 2009 in the amount of \$89,375. The lease balance is payable in three successive annual payments of \$33,059 each, bearing interest at the rate of 6.37% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2009 was \$89,375.

The County entered into a capital lease agreement in April 2009 in the amount of \$223,268. The lease balance is payable in three successive annual payments of \$81,971 each, bearing interest at the rate of 6.18% per annum. The capital lease proceeds were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2009 was \$223,268.

The following analysis of equipment leased under capital leases as of September 30, 2009:

	Governmental Activities
Equipment	\$ 5,512,201
Less accumulated depreciation	(1,106,335)
Total	\$ 4,405,866

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

Scheduled minimum lease payments	\$ 5,093,610
Amount representing interest	776,246
Present value of future minimum capital lease payments (principal payoff)	\$ 4,317,364

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

Year	Principal	Interest	Total
2010	\$ 754,729	\$ 195,510	\$ 950,239
2011	640,133	163,736	803,869
2012	672,341	131,527	803,868
2013	531,601	97,641	629,242
2014	397,828	73,050	470,878
2015-2019	1,320,732	114,782	1,435,514
Total	\$ 4,317,364	\$ 776,246	\$ 5,093,610

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

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

	October 1, 2008	Additions	Retirements	September 30, 2009
Warrants Payable	\$ 29,000	\$ -	\$ 29,000	\$ -
Capital Lease Payable	4,057,075	903,286	642,997	4,317,364
Tax Notes-Series 2002	740,000	-	740,000	-
Tax Notes-Series 2004	1,315,000	-	-	1,315,000
Tax Notes-Series 2005	1,560,000	-	335,000	1,225,000
Tax Notes-Series 2006	2,620,000	-	480,000	2,140,000
Unlimited Tax Road Bonds	-	59,999,975	-	59,999,975
General Obligation Refunding Bonds	3,430,000	-	85,000	3,345,000
Certificates of Obligation	14,580,000	-	-	14,580,000
Compensated Absences	801,803	52,968	-	854,771
	<u>\$ 29,132,878</u>	<u>\$ 60,956,229</u>	<u>\$ 2,311,997</u>	<u>\$ 87,777,110</u>

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

Year	Principal	Interest	Annual
2010	\$ 1,725,000	\$ 3,880,847	\$ 5,605,847
2011	1,920,000	3,810,925	5,730,925
2012	2,020,000	3,734,932	5,754,932
2013	1,895,189	4,131,487	6,026,676
2014	1,410,431	4,360,094	5,770,525
2015-2019	10,824,355	19,154,610	29,978,965
2020-2024	15,970,000	14,009,790	29,979,790
2025-2029	20,470,000	9,509,263	29,979,263
2030-2034	26,370,000	3,589,625	29,959,625
Total	<u>\$ 82,604,975</u>	<u>\$ 66,181,573</u>	<u>\$ 148,786,548</u>

**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 586 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.

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

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.

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 9.75% for the months of the accounting year in 2008, and 10.18% for the months of the accounting year in 2009.

The contribution rate payable by the employee members for calendar years 2009 and 2008 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, 2009, the annual pension cost for the TCDRS plan was \$1,952,758, and the actual contributions were \$3,384,406.

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, 2006 and December 31, 2007, the basis for determining the contribution rates for calendar years 2008 and 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	15	15	20
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund value	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 the stated rate

**PARKER COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

Parker County Employee's Retirement Plan

Accounting Year End	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2007	\$ 1,594,494	100%	\$ -
9/30/2008	\$ 1,753,960	100%	\$ -
9/30/2009	\$ 1,952,758	100%	\$ -

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ 32,660,863	\$ 39,922,485	81.81%	\$ 7,261,622	\$18,066,809	40.19%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

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.

The County has entered into various construction commitments. Such contracts include contracts for improvements to roads and bridges within the County. Several of these contracts were in progress but not completed as of September 30, 2009. The total contractual commitments outstanding as of September 30, 2009 aggregated approximately \$1,620,553. The County has sufficient funds available to cover these commitments.

**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.

**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, 2009**

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	\$ 20,685,000	20,966,274	20,836,570	(129,704)
Sales taxes	6,750,000	5,894,213	5,894,213	-
Intergovernmental	1,102,500	2,237,235	2,088,722	(148,513)
Fees of office	4,997,400	4,676,982	4,062,183	(614,799)
Interest	200,000	200,000	41,160	(158,840)
Miscellaneous	929,500	1,467,949	906,801	(561,148)
<b>Total revenues</b>	<b>34,664,400</b>	<b>35,442,653</b>	<b>33,829,649</b>	<b>(1,613,004)</b>
<b>EXPENDITURES</b>				
Current:				
General government	6,678,782	6,937,084	5,834,435	1,102,649
Public safety	2,614,136	2,773,055	2,070,660	702,395
Health and welfare	962,715	980,319	901,927	78,392
Law enforcement	14,080,719	14,117,208	13,509,801	607,407
Judicial	6,512,620	6,689,458	6,638,118	51,340
Recording	2,071,395	2,077,809	2,012,013	65,796
Tax assessing-collecting	820,435	822,435	759,662	62,773
Capital outlays	151,500	295,483	650,231	(354,748)
Debt service				
Principal	-	-	323,074	(323,074)
Interest	-	-	147,804	(147,804)
<b>Total expenditures</b>	<b>33,892,302</b>	<b>34,692,851</b>	<b>32,847,725</b>	<b>1,845,126</b>
<b>Excess of revenues over expenditures</b>	<b>772,098</b>	<b>749,802</b>	<b>981,924</b>	<b>232,122</b>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(854,098)	(854,098)	(667,598)	186,500
Sale of assets	7,000	29,296	15,698	(13,598)
<b>Total other financing sources (uses)</b>	<b>(847,098)</b>	<b>(824,802)</b>	<b>(651,900)</b>	<b>172,902</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>330,024</b>	<b>405,024</b>
Carryover of prior year fund balance	75,000	75,000	-	(75,000)
Fund balances - October 1	1,394,882	1,394,882	1,394,882	-
Fund balances - September 30	\$ 1,394,882	1,394,882	1,724,906	330,024

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, 2009**

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	\$ 7,587,499	8,195,836	8,195,836	-
Intergovernmental	236,200	110,150	110,150	-
Donated assets	-	-	45,500	45,500
Fees of office	2,993,500	3,181,871	3,179,036	(2,835)
Fines and forfeitures	311,000	356,687	356,687	-
Interest	164,000	76,909	46,342	(30,567)
Miscellaneous	85,000	95,779	77,090	(18,689)
	<u>11,377,199</u>	<u>12,017,232</u>	<u>12,010,641</u>	<u>(6,591)</u>
<b>EXPENDITURES</b>				
Current:				
General government	714,940	1,183,643	686,323	497,320
Highways, roads and streets	10,886,417	11,094,149	8,930,851	2,163,298
Capital outlays	1,546,000	1,375,400	1,652,802	(277,402)
Debt service				
Principal	76,000	81,000	348,923	(267,923)
Interest	-	8,600	81,834	(73,234)
	<u>13,223,357</u>	<u>13,742,792</u>	<u>11,700,733</u>	<u>2,042,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,846,158)</u>	<u>(1,725,560)</u>	<u>309,908</u>	<u>2,035,468</u>
Other financing sources:				
Transfer in	101,500	-	-	-
Sale of assets	95,000	96,582	62,155	(34,427)
Proceeds from capital lease	-	-	903,286	903,286
	<u>196,500</u>	<u>96,582</u>	<u>965,441</u>	<u>868,859</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(1,649,658)</u>	<u>(1,628,978)</u>	<u>1,275,349</u>	<u>2,904,327</u>
Carryover from prior year fund balance	1,649,717	1,628,978	-	(1,628,978)
Fund balances - October 1	<u>3,603,969</u>	<u>3,603,969</u>	<u>3,603,969</u>	<u>-</u>
Fund balances - September 30	<u>\$ 3,604,028</u>	<u>3,603,969</u>	<u>4,879,318</u>	<u>1,275,349</u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Required Supplementary Information**  
**Capital Projects Unlimited Tax Road Bonds-Series 2009**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual**  
**For the Year Ended September 30, 2009**

Exhibit B-3

	<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>				
Intergovernmental	\$	500,000	500,000	-
Total revenues	-	500,000	500,000	-
<b>EXPENDITURES</b>				
Current:				
General government		1,086,402	354,000	732,402
Highways, roads and streets		2,408,036	407,866	2,000,170
Capital outlays		56,761,856	2,507,426	54,254,430
Debt Service				
Bond issuance costs		243,706	1,192,556	(948,850)
Total expenditures	-	60,500,000	4,461,848	56,038,152
Excess (deficiency) of revenues over (under) expenditures	-	(60,000,000)	(3,961,848)	56,038,152
Other financing sources (uses):				
Proceeds from bond		60,000,000	59,999,975	(25)
Premium on bond		-	2,094,957	2,094,957
Transfer out		-	(902,176)	(902,176)
Total other financing sources (uses)	-	60,000,000	61,192,756	1,192,781
Excess of revenues and other financing sources over expenditures and other uses	-	-	57,230,908	57,230,933
Fund balances - October 1	-	-	-	-
Fund balances - September 30	\$	-	57,230,908	57,230,933

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-4**

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 )
12/31/2006	\$ 27,006,413	\$ 30,654,900	\$ 3,648,487	88.10%	\$ 15,028,622	24.28%
12/31/2007	30,746,589	35,089,750	4,343,161	87.62%	17,317,510	25.08%
12/31/2008	32,660,863	39,922,485	7,261,622	81.81%	18,066,809	40.19%

**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, 2009**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2008)**

Exhibit C-1

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u>	<u>2008</u> <u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>	
<b>REVENUES</b>					
Property taxes	\$ 20,685,000	20,966,274	20,836,570	(129,704)	16,930,015
Sales taxes	6,750,000	5,894,213	5,894,213	-	6,507,246
Intergovernmental	1,102,500	2,237,235	2,088,722	(148,513)	1,176,758
Fees of office	4,997,400	4,676,982	4,062,183	(614,799)	4,728,464
Interest	200,000	200,000	41,160	(158,840)	175,259
Miscellaneous	929,500	1,467,949	906,801	(561,148)	1,156,348
<b>Total revenues</b>	<b>34,664,400</b>	<b>35,442,653</b>	<b>33,829,649</b>	<b>(1,613,004)</b>	<b>30,674,090</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
Commissioners' court	86,600	93,600	92,035	1,565	89,116
County judge	447,217	507,217	473,870	33,347	398,525
Veterans' service officer	52,910	58,485	58,485	-	33,666
Non-departmental	1,913,874	2,093,309	1,337,775	755,534	1,417,474
Election expenses	550,690	551,690	527,193	24,497	581,753
County auditor	434,868	434,868	424,082	10,786	391,174
County treasurer	328,718	329,218	311,628	17,590	253,004
Building & grounds	1,591,303	1,651,811	1,469,637	182,174	1,212,343
Purchasing administration	305,858	308,458	304,831	3,627	232,882
Information technology	559,225	559,225	510,609	48,616	398,673
Human resources	-	-	-	-	55,626
Social Services	223,750	225,940	201,440	24,500	223,350
County extension services	258,769	258,769	246,853	11,916	216,256
<b>Total general government</b>	<b>6,753,782</b>	<b>7,072,590</b>	<b>5,958,438</b>	<b>1,114,152</b>	<b>5,503,842</b>
<b>Public Safety</b>					
Emergency Management	1,008,378	1,169,774	1,385,446	(215,672)	1,002,694
Fire protection	962,721	1,002,899	1,002,899	-	884,013
Animal Control	643,036	647,476	593,901	53,575	621,552
<b>Total public safety</b>	<b>2,614,135</b>	<b>2,820,149</b>	<b>2,982,246</b>	<b>(162,097)</b>	<b>2,508,259</b>
<b>Health and Welfare</b>					
911 addressing	117,230	117,230	109,145	8,085	107,060
Environmental officer	271,005	301,109	292,414	8,695	245,413
Medical examiner-investigator	244,890	244,890	235,778	9,112	217,751
Sanitationist	329,590	329,590	274,033	55,557	316,290
<b>Total health and welfare</b>	<b>962,715</b>	<b>992,819</b>	<b>911,370</b>	<b>81,449</b>	<b>886,514</b>
<b>Law enforcement</b>					
Jail	7,053,186	7,067,804	6,866,876	200,928	6,881,953
Constable #1	158,081	158,081	150,472	7,609	127,604
Constable #2	167,632	167,632	159,536	8,096	138,238
Constable #3	152,599	154,699	154,698	1	122,606
Constable #4	165,902	167,503	159,844	7,659	134,389
Sheriff administration	685,048	688,265	688,265	-	1,227,009

**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, 2009**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2008)**

Exhibit C-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	2008 Actual
	Original	Final			
Law enforcement (continued)					
Sheriff investigation	\$ 1,186,053	1,113,135	1,005,424	107,711	1,373,275
Sheriff dispatching	775,083	783,894	783,894	-	723,906
Sheriff patrol	2,491,209	2,501,932	2,308,809	193,123	2,120,720
Narcotics task force	620,027	684,225	643,975	40,250	-
Courthouse security	597,523	589,051	561,498	27,553	441,968
Weights and measures	-	-	-	-	849
Game Warden	1,150	2,350	1,615	735	1,200
Highway patrol	102,227	107,817	94,076	13,741	101,586
	14,155,720	14,186,388	13,578,982	607,406	13,395,303
Total law enforcement					
Judicial					
District court 43rd	620,313	658,285	658,285	-	660,506
District court 415th	638,183	647,693	647,693	-	624,622
County court-at-law #1	569,280	569,950	553,342	16,608	587,738
County court-at-law #2	593,221	593,221	576,377	16,844	564,412
Justice of the peace #1	318,655	326,458	326,458	-	297,437
Justice of the peace #2	331,930	348,086	348,086	-	317,738
Justice of the peace #3	434,583	439,511	439,511	-	411,001
Justice of the peace #4	330,860	333,990	333,990	-	293,101
County attorney	1,590,900	1,688,272	1,688,272	-	1,541,738
District attorney	1,086,195	1,115,195	1,073,000	42,195	944,887
	6,514,120	6,720,661	6,645,014	75,647	6,243,180
Total Judicial					
Recording					
County clerk	1,229,113	1,235,527	1,177,804	57,723	1,087,307
District clerk	842,282	842,282	834,209	8,073	783,801
	2,071,395	2,077,809	2,012,013	65,796	1,871,108
Total recording					
Tax assessing-collecting	820,435	822,435	759,662	62,773	738,775
	33,892,302	34,692,851	32,847,725	1,845,126	31,146,981
Total expenditures					
Excess of revenues over expenditures	772,098	749,802	981,924	232,122	(472,891)
Other financing sources (uses):					
Operating transfers in	-	-	-	-	400,149
Operating transfers out	(854,098)	(854,098)	(667,598)	186,500	(411,323)
Sale of assets	7,000	29,296	15,698	(13,598)	16,252
	(847,098)	(824,802)	(651,900)	172,902	5,078
Total other financing sources (uses)					
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(75,000)	(75,000)	330,024	405,024	(467,813)
Carryover of prior year fund balance	75,000	75,000	-	(75,000)	-
Fund balances - October 1	1,394,882	1,394,882	1,394,882	-	1,862,695
Fund balances - September 30	\$ 1,394,882	1,394,882	1,724,906	330,024	1,394,882

**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, 2009**  
(With Comparative Totals at September 30, 2008)

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>2008 Actual</u>
<b>ASSETS</b>							
Cash	\$ 3,358	2,705	3,006	2,644	2,221	13,934	772,473
Investments	1,281,608	1,032,461	1,147,509	1,009,319	847,727	5,318,624	3,468,454
Receivables:							
Property taxes (net of allowance)					435,405	435,405	356,632
Intergovernmental					18,003	18,003	24,348
Other	2,157				21,943	24,100	10,598
<b>Total assets</b>	<b>\$ 1,287,123</b>	<b>1,035,166</b>	<b>1,150,515</b>	<b>1,011,963</b>	<b>1,325,299</b>	<b>5,810,066</b>	<b>4,632,505</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 44,297	79,155	90,006	90,325	107	303,890	510,696
Accrued salaries and benefits payable	41,103	52,066	54,496	40,988	2,800	191,453	161,208
Deferred revenues					435,405	435,405	356,632
<b>Total liabilities</b>	<b>85,400</b>	<b>131,221</b>	<b>144,502</b>	<b>131,313</b>	<b>438,312</b>	<b>930,748</b>	<b>1,028,536</b>
<b>Fund balances</b>							
Unreserved	1,201,723	903,945	1,006,013	880,650	886,987	4,879,318	3,603,969
<b>Total liabilities and fund balances</b>	<b>\$ 1,287,123</b>	<b>1,035,166</b>	<b>1,150,515</b>	<b>1,011,963</b>	<b>1,325,299</b>	<b>5,810,066</b>	<b>4,632,505</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, 2009**  
**(With Comparative Amounts for the Fiscal Year Ended September 30, 2008)**

Exhibit C-3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2008 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Property taxes	\$ 7,587,499	8,195,836	8,195,836	-	7,005,524
Intergovernmental	236,200	110,150	110,150	-	255,470
Donated assets	-	-	45,500	45,500	141,572
Fees of office	2,993,500	3,181,871	3,179,036	(2,835)	3,122,877
Fines and forfeitures	311,000	356,687	356,687	-	355,349
Interest	164,000	76,909	46,342	(30,567)	192,349
Miscellaneous	85,000	95,779	77,090	(18,689)	75,563
<b>Total revenues</b>	<b>11,377,199</b>	<b>12,017,232</b>	<b>12,010,641</b>	<b>(6,591)</b>	<b>11,148,704</b>
<b>EXPENDITURES</b>					
General government	714,940	1,183,643	686,323	497,320	556,160
Highways, roads and streets					
Precinct 1	2,367,298	2,320,092	1,906,264	413,828	1,738,195
Precinct 2	3,067,714	3,069,714	2,408,506	661,208	2,500,707
Precinct 3	3,245,878	3,263,816	2,680,567	583,249	2,638,386
Precinct 4	2,205,527	2,440,527	1,935,514	505,013	1,876,772
Capital outlays					
Precinct 1	50,000	130,000	51,782	78,218	276,944
Precinct 2	340,000	333,000	404,843	(71,843)	427,422
Precinct 3	400,000	400,000	844,979	(444,979)	595,684
Precinct 4	756,000	512,400	351,198	161,202	463,281
Debt service					
Interest	-	8,600	81,834	(73,234)	17,438
Precinct 2	76,000	81,000	125,910	(44,910)	81,507
Precinct 3	-	-	160,460	(160,460)	69,969
Precinct 4	-	-	62,553	(62,553)	67,218
<b>Total expenditures</b>	<b>13,223,357</b>	<b>13,742,792</b>	<b>11,700,733</b>	<b>2,042,059</b>	<b>11,309,683</b>
Excess of revenues over expenditures	(1,846,158)	(1,725,560)	309,908	2,035,468	(160,979)
Other financing sources:					
Transfer In	101,500	-	-	-	-
Sale of assets	95,000	96,582	62,155	(34,427)	19,366
Proceeds from capital lease	-	-	903,286	903,286	540,524
<b>Total other financing sources</b>	<b>196,500</b>	<b>96,582</b>	<b>965,441</b>	<b>868,859</b>	<b>559,890</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,649,658)	(1,628,978)	1,275,349	2,904,327	398,911
Carryover from prior year fund balance	1,649,717	1,628,978	-	(1,628,978)	-
Fund balances - October 1	3,603,969	3,603,969	3,603,969	-	3,205,058
Fund balances - September 30	\$ 3,604,028	3,603,969	4,879,318	1,275,349	3,603,969

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.**

**Community Development Block Grant Fund – To account for the revenues 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.**

**Pre-Trial Intervention Fund – To account for revenues and expenses associated with pre-trial intervention.**

**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.**

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

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

**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 Salary Supplement Grant Fund – To account for the grant proceeds and expenses to supplement the salary of certified probationers.**

**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.**

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

**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 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.**

**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 Records 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.**

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

**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.**

**NONMAJOR  
CAPITAL PROJECTS FUNDS**

**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 Limited 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.**

**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.**

**2009 Unlimited Tax Road Bonds – To account for the property taxes levied and the payment of long-term debt principal and interest associated with the unlimited tax road bonds issued in 2009.**

**PARKER COUNTY, TEXAS  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2009**

	<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	\$ 361	126	117	341	103	50	84,473
Investments	137,908	48,145	44,515	130,183	39,389	19,259	31,976
Receivables:							
Property taxes							
Intergovernmental				776			
Other							
<b>Total assets</b>	<b>\$ 138,269</b>	<b>48,271</b>	<b>44,632</b>	<b>131,300</b>	<b>39,492</b>	<b>19,309</b>	<b>116,449</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	22	20,425	16,374			
Accrued salaries and benefits payable				2,223			
Due to other governmental agencies						19,309	
Deferred revenues:							
Property taxes							
<b>Total liabilities</b>	<b>-</b>	<b>22</b>	<b>20,425</b>	<b>18,597</b>	<b>-</b>	<b>19,309</b>	<b>-</b>
Fund balances (deficit)							
Reserved for capital projects							
Reserved for debt service							
Unreserved	138,269	48,249	24,207	112,703	39,492	-	116,449
<b>Total fund balances (deficit)</b>	<b>138,269</b>	<b>48,249</b>	<b>24,207</b>	<b>112,703</b>	<b>39,492</b>	<b>-</b>	<b>116,449</b>
<b>Total liabilities and fund balances</b>	<b>\$ 138,269</b>	<b>48,271</b>	<b>44,632</b>	<b>131,300</b>	<b>39,492</b>	<b>19,309</b>	<b>116,449</b>

Special Revenue Funds

Contract Elections	Pre-Trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	Sheriff's Cops Grant	LEOSE Education	Special District Attorney
519	6	24	13,513	(130)	18	35
198,221	2,426	9,151	107,719	(49,505)	6,739	13,350
4,029						
<u>202,769</u>	<u>2,432</u>	<u>9,175</u>	<u>121,232</u>	<u>(49,635)</u>	<u>6,757</u>	<u>13,385</u>
3,972				4,460		
1,362				5,342		
<u>5,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,802</u>	<u>-</u>	<u>-</u>
<u>197,435</u>	<u>2,432</u>	<u>9,175</u>	<u>121,232</u>	<u>(59,437)</u>	<u>6,757</u>	<u>13,385</u>
<u>197,435</u>	<u>2,432</u>	<u>9,175</u>	<u>121,232</u>	<u>(59,437)</u>	<u>6,757</u>	<u>13,385</u>
<u>202,769</u>	<u>2,432</u>	<u>9,175</u>	<u>121,232</u>	<u>(49,635)</u>	<u>6,757</u>	<u>13,385</u>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2009**

	<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	\$ 241	24,619	853	276	529	124	(323)
Investments	91,889	188,892	325,447	105,439	1,870	47,202	(123,407)
Receivables:							
Property taxes							
Intergovernmental						4,370	
Other		188	84	1,400	10,577		175
<b>Total assets</b>	<b>\$ 92,130</b>	<b>213,699</b>	<b>326,384</b>	<b>107,115</b>	<b>12,976</b>	<b>51,696</b>	<b>(123,555)</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 402		88	1,790		10	31,290
Accrued salaries and benefits payable	329			136			11,269
Due to other governmental agencies							
Deferred revenues:							
Property taxes							
Total liabilities	731	-	88	1,926	-	10	42,559
Fund balances (deficit)							
Reserved for capital projects							
Reserved for debt service							
Unreserved	91,399	213,699	326,296	105,189	12,976	51,686	(166,114)
Total fund balances (deficit)	91,399	213,699	326,296	105,189	12,976	51,686	(166,114)
<b>Total liabilities and fund balances</b>	<b>\$ 92,130</b>	<b>213,699</b>	<b>326,384</b>	<b>107,115</b>	<b>12,976</b>	<b>51,696</b>	<b>(123,555)</b>

Exhibit C-4

Juv Prob Progressive Sanctions JPO	Juvenile Probation State Aid Grant	Juv Prob Salary Supplement 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
(19) (7,448)	(11) (4,097)	(1) (466)	(15) (5,880)	- (70)	- 4		288 109,806
<u>(7,467)</u>	<u>(4,108)</u>	<u>(467)</u>	<u>(5,895)</u>	<u>(70)</u>	<u>4</u>	<u>-</u>	<u>110,094</u>
20	77	9 1,801	61				
<u>20</u>	<u>77</u>	<u>1,810</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(7,487)</u>	<u>(4,185)</u>	<u>(2,277)</u>	<u>(5,956)</u>	<u>(70)</u>	<u>4</u>	<u>-</u>	<u>110,094</u>
<u>(7,487)</u>	<u>(4,185)</u>	<u>(2,277)</u>	<u>(5,956)</u>	<u>(70)</u>	<u>4</u>	<u>-</u>	<u>110,094</u>
<u>(7,467)</u>	<u>(4,108)</u>	<u>(467)</u>	<u>(5,895)</u>	<u>(70)</u>	<u>4</u>	<u>-</u>	<u>110,094</u>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2009**

	Special Revenue Funds					
	Adult Probation County Funded	Adult Probation Supervision Grant	Adult Probation CCP Grant	Justice Court Security	County Clerk Records Management	County Clerk Vital Training
<b>ASSETS</b>						
Cash	\$ 14	1,616	133	122	(168)	32
Investments	5,248	616,796	50,815	46,688	(64,278)	12,139
Receivables:						
Property taxes						
Intergovernmental						
Other			871	20	539	8
<b>Total assets</b>	<b>\$ 5,262</b>	<b>618,412</b>	<b>51,819</b>	<b>46,830</b>	<b>(63,907)</b>	<b>12,179</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 1,325	6,984			2,121	
Accrued salaries and benefits payable		8			3,802	
Due to other governmental agencies		851	19,730			
Deferred revenues:						
Property taxes						
Total liabilities	<u>1,325</u>	<u>7,843</u>	<u>19,730</u>	<u>-</u>	<u>5,923</u>	<u>-</u>
Fund balances (deficit)						
Reserved for capital projects						
Reserved for debt service						
Unreserved	<u>3,937</u>	<u>610,569</u>	<u>32,089</u>	<u>46,830</u>	<u>(69,830)</u>	<u>12,179</u>
Total fund balances (deficit)	<u>3,937</u>	<u>610,569</u>	<u>32,089</u>	<u>46,830</u>	<u>(69,830)</u>	<u>12,179</u>
<b>Total liabilities and fund balances</b>	<b>\$ 5,262</b>	<b>618,412</b>	<b>51,819</b>	<b>46,830</b>	<b>(63,907)</b>	<b>12,179</b>

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	Total Special Revenue Funds
161	220	213	183	905	3,973	123	133,644
61,597	83,883	81,261	69,728	345,358		46,928	2,824,820
							-
358	1,965	915	700	350		5,621	4,370
62,116	86,068	82,389	70,611	346,613	3,973	52,672	28,576
							2,991,410
1,853							91,116
							24,638
							41,691
							-
1,853	-	-	-	-	-	-	157,445
							-
60,263	86,068	82,389	70,611	346,613	3,973	52,672	2,833,965
60,263	86,068	82,389	70,611	346,613	3,973	52,672	2,833,965
62,116	86,068	82,389	70,611	346,613	3,973	52,672	2,991,410

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2009**

Exhibit C-4

	Capital Projects 2005 C.O.'s	Capital Projects 2005 Tax Notes	Capital Projects 2006 Tax Notes	Total Capital Projects Funds
<b>ASSETS</b>				
Cash	\$	128	1,279	1,407
Investments		48,978	488,091	537,069
Receivables:				
Property taxes				-
Intergovernmental				-
Other				-
Total assets	\$	<u>49,106</u>	<u>489,370</u>	<u>538,476</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$			-
Accrued salaries and benefits payable				-
Due to other governmental agencies				-
Deferred revenues:				
Property taxes				-
Total liabilities		<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit)				
Reserved for capital projects	-	49,106	489,370	538,476
Reserved for debt service				-
Unreserved				-
Total fund balances (deficit)		<u>-</u>	<u>489,370</u>	<u>538,476</u>
Total liabilities and fund balances	\$	<u>49,106</u>	<u>489,370</u>	<u>538,476</u>

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2009**

	<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	\$ 4,122	2		3	
Investments	1,573,546	576		1,180	
Receivables:					
Property taxes	157,628				
Intergovernmental	6,850				
Other					
<b>Total assets</b>	<b>\$ 1,742,146</b>	<b>578</b>	<b>-</b>	<b>1,183</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	157,628				
<b>Total liabilities</b>	<b>157,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit)</b>					
Reserved for capital projects					
Reserved for debt service	1,584,518	578	-	1,183	-
Unreserved					
<b>Total fund balances (deficit)</b>	<b>1,584,518</b>	<b>578</b>	<b>-</b>	<b>1,183</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,742,146</b>	<b>578</b>	<b>-</b>	<b>1,183</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	2009 Unlimited Tax Road Bonds	Total Debt Service Funds	
53	230	21			4,431	139,482
20,128	87,637	7,896			1,690,963	5,052,852
					157,628	157,628
					6,850	11,220
					-	28,576
<u>20,181</u>	<u>87,867</u>	<u>7,917</u>	<u>-</u>	<u>-</u>	<u>1,859,872</u>	<u>5,389,758</u>
					-	91,116
					-	24,638
					-	41,691
					157,628	157,628
					157,628	315,073
					-	538,476
20,181	87,867	7,917	-	-	1,702,244	1,702,244
					-	2,833,965
<u>20,181</u>	<u>87,867</u>	<u>7,917</u>	<u>-</u>	<u>-</u>	<u>1,702,244</u>	<u>5,074,685</u>
<u>20,181</u>	<u>87,867</u>	<u>7,917</u>	<u>-</u>	<u>-</u>	<u>1,859,872</u>	<u>5,389,758</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, 2009**

	<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>REVENUES</b>							
Property taxes	\$						
Intergovernmental							
Fees of office				88,872			
Interest							
Miscellaneous		9,220	81,310				111,016
<b>Total revenues</b>	<b>-</b>	<b>9,220</b>	<b>81,310</b>	<b>88,872</b>	<b>-</b>	<b>-</b>	<b>111,016</b>
<b>EXPENDITURES</b>							
Current:							
General government	675	1,508	97,740				28,652
Public safety							
Law enforcement				60,523			
Judicial							
Recording							
Capital outlays				38,659			
Debt Service							
Principal							
Interest and fiscal charges							
<b>Total expenditures</b>	<b>675</b>	<b>1,508</b>	<b>97,740</b>	<b>99,182</b>	<b>-</b>	<b>-</b>	<b>28,652</b>
Excess (deficiency) of revenues over (under) expenditures	(675)	7,712	(16,430)	(10,310)	-	-	82,364
Other financing sources (uses):							
Operating transfers in							
Sale of assets							
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(675)	7,712	(16,430)	(10,310)	-	-	82,364
Fund balances (deficit) - October 1	138,944	40,537	40,637	123,013	39,492		34,085
Fund balances (deficit) - September 30 \$	<u>138,269</u>	<u>48,249</u>	<u>24,207</u>	<u>112,703</u>	<u>39,492</u>	<u>-</u>	<u>116,449</u>

Special Revenue Funds

Contract Elections	Pre-trial Intervention	Sheriff's Evidence	Sheriff's Forfeiture	Sheriff's Cops Grant	LEOSE Education	Special District Attorney
				222,760		
	2,432					2,106
109,135			102,651	7,777	2,993	57
109,135	2,432	-	102,651	230,537	2,993	2,163
81,430						
			21,424	153,366	4,074	114
29,375				8,055		
110,805	-	-	21,424	161,421	4,074	114
(1,670)	2,432	-	81,227	69,116	(1,081)	2,049
-	-	-	-	-	-	-
(1,670)	2,432	-	81,227	69,116	(1,081)	2,049
199,105	-	9,175	40,005	(128,553)	7,838	11,336
197,435	2,432	9,175	121,232	(59,437)	6,757	13,385

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2009**

	Special Revenue Funds						
	Special County Attorney	District Attorney Awarded	Justice Technology Fund	Law Library	Jury	Juvenile Probation Fees	Juvenile Probation County Funded
<b>REVENUES</b>							
Property taxes	\$						
Intergovernmental						15,531	38,880
Fees of office	18,999		48,707	44,338		9,462	
Interest	401	851				216	413
Miscellaneous	2,437	79,609			39,340		
<b>Total revenues</b>	<b>21,837</b>	<b>80,460</b>	<b>48,707</b>	<b>44,338</b>	<b>39,340</b>	<b>25,209</b>	<b>39,293</b>
<b>EXPENDITURES</b>							
Current:							
General government							
Public safety							
Law enforcement							
Judicial	8,153	102,469	10,979	22,777	59,627	24,097	516,425
Recording							
Capital outlays							27,630
Debt Service							
Principal							
Interest and fiscal charges							
<b>Total expenditures</b>	<b>8,153</b>	<b>102,469</b>	<b>10,979</b>	<b>22,777</b>	<b>59,627</b>	<b>24,097</b>	<b>544,055</b>
Excess (deficiency) of revenues over (under) expenditures	13,684	(22,009)	37,728	21,561	(20,287)	1,112	(504,762)
Other financing sources (uses):							
Operating transfers in							657,098
Sale of assets	851						
<b>Total financing other sources (uses)</b>	<b>851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>657,098</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	14,535	(22,009)	37,728	21,561	(20,287)	1,112	152,336
Fund balances (deficit) - October 1	76,864	235,708	288,568	83,628	33,263	50,574	(318,450)
Fund balances (deficit) - September 30	\$ 91,399	213,699	326,296	105,189	12,976	51,686	(166,114)

Special Revenue Funds							
Juv Prob Progressive Sanctions JPO	Juvenile Probation State Aid Grant	Juv Prob Salary Supplement 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
41,455	90,083	17,199	151,182	15,764	113,400	27,254	
					4		
<u>41,455</u>	<u>90,083</u>	<u>17,199</u>	<u>151,182</u>	<u>15,764</u>	<u>113,404</u>	<u>27,254</u>	<u>-</u>
57,238	107,776	22,853	180,984	15,834	113,400	32,708	29,228
<u>57,238</u>	<u>107,776</u>	<u>22,853</u>	<u>180,984</u>	<u>15,834</u>	<u>113,400</u>	<u>32,708</u>	<u>29,228</u>
<u>(15,783)</u>	<u>(17,693)</u>	<u>(5,654)</u>	<u>(29,802)</u>	<u>(70)</u>	<u>4</u>	<u>(5,454)</u>	<u>(29,228)</u>
-	-	-	-	-	-	-	-
(15,783)	(17,693)	(5,654)	(29,802)	(70)	4	(5,454)	(29,228)
8,296	13,508	3,377	23,846	-	-	5,454	139,322
<u>(7,487)</u>	<u>(4,185)</u>	<u>(2,277)</u>	<u>(5,956)</u>	<u>(70)</u>	<u>4</u>	<u>-</u>	<u>110,094</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, 2009**

	Special Revenue Funds					
	Adult Probation County Funded	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		400,945	137,915			
Fees of office		1,137,181		11,232	163,380	4,286
Interest		3,575				45
Miscellaneous		35,248			581	
<b>Total revenues</b>	<b>-</b>	<b>1,576,949</b>	<b>137,915</b>	<b>11,232</b>	<b>163,961</b>	<b>4,331</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Law enforcement						
Judicial	8,781	1,654,973	161,605			
Recording					151,616	
Capital outlays						
Debt Service						
Principal						
Interest and fiscal charges						
<b>Total expenditures</b>	<b>8,781</b>	<b>1,654,973</b>	<b>161,605</b>	<b>-</b>	<b>151,616</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(8,781)	(78,024)	(23,690)	11,232	12,345	4,331
Other financing sources (uses):						
Operating transfers in	10,500					
Sale of assets						
<b>Total financing other sources (uses)</b>	<b>10,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	1,719	(78,024)	(23,690)	11,232	12,345	4,331
Fund balances (deficit) - October 1	2,218	688,593	55,779	35,598	(82,175)	7,848
Fund balances (deficit) - September 30	<b>\$ 3,937</b>	<b>610,569</b>	<b>32,089</b>	<b>46,830</b>	<b>(69,830)</b>	<b>12,179</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	
						22,485	-
10,201	45,410	28,530	22,262	157,350			1,294,853
							1,794,748
							5,562
							581,317
10,201	45,410	28,530	22,262	157,350	-	22,485	3,676,480
							210,005
							-
							86,021
3,628							3,283,387
	9,092						155,244
							112,811
							-
3,628	9,092	-	-	-	-	-	3,847,468
6,573	36,318	28,530	22,262	157,350	-	22,485	(170,988)
							667,598
							851
							668,449
6,573	36,318	28,530	22,262	157,350	-	22,485	497,461
53,690	49,750	53,859	48,349	189,263	3,973	30,187	2,336,504
60,263	86,068	82,389	70,611	346,613	3,973	52,672	2,833,965

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2009**

Exhibit C-5

	Capital Projects 2005 C.O.'s	Capital Projects 2005 Tax Notes	Capital Projects 2006 Tax Notes	Total Capital Projects Funds
<b>REVENUES</b>				
Property taxes	\$			-
Intergovernmental				-
Fees of office				-
Interest				-
Miscellaneous				-
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
General government	3,596	910	75,897	80,403
Public safety	1,660			1,660
Law enforcement	17,537	6,914		24,451
Judicial		1,961		1,961
Recording				-
Capital outlays	644,097		74,751	718,848
Debt Service				-
Principal				-
Interest and fiscal charges				-
Total expenditures	666,890	9,785	150,648	827,323
Excess (deficiency) of revenues over (under) expenditures	(666,890)	(9,785)	(150,648)	(827,323)
Other financing sources (uses):				
Operating transfers in				-
Sale of assets				-
Total financing other sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(666,890)	(9,785)	(150,648)	(827,323)
Fund balances (deficit) - October 1	666,890	58,891	640,018	1,365,799
Fund balances (deficit) - September 30	\$ -	49,106	489,370	538,476

The accompanying notes are an integral part of this statement.

**PARKER COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2009**

	<b>Debt Service Funds</b>				
	<b>County Wide Debt Service</b>	<b>1999 Tax Notes</b>	<b>2002 Tax Notes</b>	<b>2003 Tax Refunding Bonds</b>	<b>2004 Tax Notes</b>
<b>REVENUES</b>					
Property taxes	\$ 355,996		753,273		50,355
Intergovernmental					
Fees of office					
Interest	5,775				
Miscellaneous					
<b>Total revenues</b>	<b>361,771</b>	<b>-</b>	<b>753,273</b>	<b>-</b>	<b>50,355</b>
<b>EXPENDITURES</b>					
Current:					
General government					
Public safety					
Law enforcement					
Judicial					
Recording					
Capital outlays					
Debt Service					
Principal			740,000		
Interest and fiscal charges			13,273	300	50,355
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>753,273</b>	<b>300</b>	<b>50,355</b>
Excess (deficiency) of revenues over (under) expenditures	361,771	-	-	(300)	-
Other financing sources (uses):					
Operating transfers in					
Sale of assets					
<b>Total financing other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	361,771	-	-	(300)	-
Fund balances (deficit) - October 1	1,222,747	578	-	1,483	-
Fund balances (deficit) - September 30	\$ 1,584,518	578	-	1,183	-

The accompanying notes are an integral part of this statement.

Exhibit C-5

Debt Service Funds						Total	Total
2005 G.O. Refunding Bonds	2005 Certificates of Obligation	2005 Tax Notes	2006 Tax Notes	2009 Unlimited Tax Road Bonds	Total Debt Service Funds	Debt Service Funds	Nonmajor Governmental Funds
223,825	690,545	388,850	577,580		3,040,424	-	3,040,424
						-	1,294,853
				306,095	311,870	-	1,794,748
						-	317,432
						-	581,317
<u>223,825</u>	<u>690,545</u>	<u>388,850</u>	<u>577,580</u>	<u>306,095</u>	<u>3,352,294</u>		<u>7,028,774</u>
						-	290,408
						-	1,660
						-	110,472
						-	3,285,348
						-	155,244
						-	831,659
85,000		335,000	480,000		1,640,000		1,640,000
138,825	690,545	54,150	97,580	1,208,271	2,253,299		2,253,299
<u>223,825</u>	<u>690,545</u>	<u>389,150</u>	<u>577,580</u>	<u>1,208,271</u>	<u>3,893,299</u>		<u>8,568,090</u>
		(300)	-	(902,176)	(541,005)		(1,539,316)
				902,176	902,176		1,569,774
							851
				902,176	902,176		1,570,625
		(300)	-	-	361,171		31,309
20,181	87,867	8,217	-	-	1,341,073		5,043,376
<u>20,181</u>	<u>87,867</u>	<u>7,917</u>	<u>-</u>	<u>-</u>	<u>1,702,244</u>		<u>5,074,685</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.**

**Vehicle Comptroller Account – To account for monies received from the collection of vehicle sales tax due to the State Comptroller.**

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

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

**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.**

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

## **AGENCY FUNDS (Continued)**

**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.**

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

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

**TPWD Funds 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, 2009**

	<b>Sheriff's Office Trust Account</b>	<b>Auto Registration Account</b>	<b>Vehicle Inventory Tax- Escrow</b>	<b>Auto Registration Credit Card Account</b>	<b>Auto Registration Internet Account</b>
<b>Assets</b>					
Cash	\$ 7,952	574,561	369,874	4,634	3,156
Investments					
Accounts receivable					
<b>Total assets</b>	<b>\$ 7,952</b>	<b>574,561</b>	<b>369,874</b>	<b>4,634</b>	<b>3,156</b>
<b>Liabilities</b>					
Deposits held and due to others	\$ 7,952	574,561	369,874	4,634	3,156
Accounts payable - State					
<b>Total liabilities</b>	<b>\$ 7,952</b>	<b>574,561</b>	<b>369,874</b>	<b>4,634</b>	<b>3,156</b>

**Exhibit C-6**

<b>Vehicle Comptroller Account</b>	<b>County Clerk's Court Fund Account</b>	<b>County Attorney's Escrow 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>District Court Deposit Account</b>
327,871	50,210	27,344	427,014	1,088,040	501,294	94,349
<u>327,871</u>	<u>50,210</u>	<u>27,344</u>	<u>427,014</u>	<u>1,088,040</u>	<u>501,294</u>	<u>94,349</u>
327,871	50,210	27,344	427,014	1,088,040	501,294	94,349
<u>327,871</u>	<u>50,210</u>	<u>27,344</u>	<u>427,014</u>	<u>1,088,040</u>	<u>501,294</u>	<u>94,349</u>

**PARKER COUNTY, TEXAS**  
**Combining Balance Sheet**  
**All Agency Funds**  
**September 30, 2009**

	<u>District Clerk's Registry Account</u>	<u>District Clerk's Individual Trust Account</u>	<u>Sheriff's Office Inmate Trust Account</u>	<u>County Jail Commissary Fund</u>	<u>Criminal Justice Fund</u>
<b>Assets</b>					
Cash	\$ 632,755	114,202	32,042	21,322	1,041
Investments					397,537
Accounts receivable					20,975
	<u>632,755</u>	<u>114,202</u>	<u>32,042</u>	<u>21,322</u>	<u>419,553</u>
<b>Total assets</b>	<b>\$ 632,755</b>	<b>114,202</b>	<b>32,042</b>	<b>21,322</b>	<b>419,553</b>
<b>Liabilities</b>					
Deposits held and due to others	\$ 632,755	114,202	32,042	21,322	418,654
Accounts payable - State					899
	<u>632,755</u>	<u>114,202</u>	<u>32,042</u>	<u>21,322</u>	<u>419,553</u>
<b>Total liabilities</b>	<b>\$ 632,755</b>	<b>114,202</b>	<b>32,042</b>	<b>21,322</b>	<b>419,553</b>

Exhibit C-6

<u>V.I.T. Interest Account</u>	<u>T.A.C. Boat Comptroller Fund</u>	<u>District Attorney Trust Account</u>	<u>County Clerk Probate Fund</u>	<u>IRP Funds Account</u>	<u>TPWD Funds Account</u>	<u>Total</u>
64,952	70	511	45,032	19	101	4,388,346 397,537 20,975
<u>64,952</u>	<u>70</u>	<u>511</u>	<u>45,032</u>	<u>19</u>	<u>101</u>	<u>4,806,858</u>
64,952	70	511	45,032	19	101	4,805,959 899
<u>64,952</u>	<u>70</u>	<u>511</u>	<u>45,032</u>	<u>19</u>	<u>101</u>	<u>4,806,858</u>

**STATISTICAL AND SUPPLEMENTARY  
INFORMATION**

**PARKER COUNTY, TEXAS**  
**Schedule of Delinquent Taxes Receivable**  
**General and Debt Service Funds**  
**September 30, 2009**

Exhibit D-1

Year of Levy	Tax Rate	Assessed Valuation	Balance 10/01/2008	Current Levy	Total Collections	Adjustments Increase (Decrease)	Balance 09/30/2009
1998 & prior	Various	Various	\$ 268,019	-	\$ 3,745	\$ (2,484)	\$ 261,790
1999	0.2712	2,995,845,074	27,891		904	(530)	26,457
2000	0.2657	3,267,961,181	35,910		1,215	(406)	34,289
2001	0.2610	3,521,249,803	45,201		2,405	(462)	42,334
2002	0.2471	4,122,871,175	48,698		3,366	(634)	44,698
2003	0.2477	4,488,305,475	63,743		9,822	(1,574)	52,347
2004	0.2472	4,916,779,079	71,214		15,986	2,743	57,971
2005	0.2472	5,700,079,719	109,668		32,577	3,594	80,685
2006	0.2472	6,486,893,567	162,027		56,812	(2,914)	102,301
2007	0.2503	7,657,985,982	577,525		282,536	25,053	320,042
2008	0.2652	8,585,416,969	-	22,899,458	23,164,459	944,443	679,442
			<u>\$ 1,409,896</u>	<u>\$ 22,899,458</u>	<u>\$ 23,573,827</u>	<u>\$ 966,829</u>	<u>\$ 1,702,356</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Delinquent Taxes Receivable**  
**Lateral Road Fund**  
**September 30, 2009**

Exhibit D-2

Year of Levy	Tax Rate	Assessed Valuation	Balance 10/01/2008	Current Levy	Total Collections	Adjustments Increase (Decrease)	Balance 9/30/2009
1998 & prior	Various	Various	\$ 150,854	\$ -	\$ 1,986	\$ (1,329)	\$ 147,539
1999	0.1225	2,996,429,525	12,628		404	(240)	11,984
2000	0.1200	3,267,095,767	16,223		535	(183)	15,505
2001	0.1179	3,519,299,663	20,479		1,072	(210)	19,197
2002	0.0947	4,121,856,831	18,753		1,282	(243)	17,228
2003	0.0948	4,486,782,802	24,545		3,760	(598)	20,187
2004	0.0945	4,914,193,382	27,294		6,075	1,059	22,278
2005	0.0927	5,699,036,536	41,456		12,159	1,344	30,641
2006	0.0914	6,487,190,814	60,607		20,975	(1,099)	38,533
2007	0.0869	7,659,110,899	202,731		98,505	8,223	112,449
2008	0.0893	8,587,017,483	-	7,854,530	7,941,253	318,226	231,503
			<u>\$ 575,570</u>	<u>\$ 7,854,530</u>	<u>\$ 8,088,006</u>	<u>\$ 324,950</u>	<u>\$ 667,044</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**Unlimited Tax Road Bonds, Series 2009**  
**September 30, 2009**

**Exhibit D-3**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2010	\$ -	\$ 1,449,925	\$ 1,449,925	\$ 2,899,850
2011	100,000	1,449,925	1,448,425	2,998,350
2012	105,000	1,448,425	1,446,850	3,000,275
2013	370,189	1,911,661	1,446,850	3,728,700
2014	415,431	2,191,419	1,446,850	4,053,700
2015-2019	5,124,355	9,197,720	7,065,838	21,387,913
2020-2024	8,720,000	6,436,725	6,236,525	21,393,250
2025-2029	18,795,000	4,972,669	4,495,419	28,263,088
2030-2034	26,370,000	2,136,393	1,453,232	29,959,625
	<u>\$ 59,999,975</u>	<u>\$ 31,194,862</u>	<u>\$ 26,489,914</u>	<u>\$ 117,684,751</u>

**PARKER COUNTY, TEXAS**  
**Schedule of Principal and Interest Payments**  
**General Obligation Refunding Bonds, Series 2005**  
**September 30, 2009**

**Exhibit D-4**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
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	175,000	57,294	54,056	286,350
2015-2019	1,000,000	232,801	212,814	1,445,615
2020-2024	1,240,000	117,155	89,385	1,446,540
2025-2029	280,000	6,300	-	286,300
	<u>\$ 3,345,000</u>	<u>\$ 671,940</u>	<u>\$ 603,185</u>	<u>\$ 4,620,125</u>

**PARKER COUNTY, TEXAS**  
**Certificates of Obligation, Series 2005**  
**September 30, 2009**

**Exhibit D-5**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2010	\$ 65,000	\$ 345,273	\$ 344,200	\$ 689,473
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	820,000	314,463	296,012	1,430,475
2015-2019	4,700,000	1,278,162	1,167,275	7,145,437
2020-2024	6,010,000	640,125	489,875	7,140,000
2025-2029	1,395,000	34,875	-	1,429,875
	<u>\$ 14,580,000</u>	<u>\$ 3,629,617</u>	<u>\$ 3,284,343</u>	<u>\$ 21,428,960</u>

**PARKER COUNTY, TEXAS**  
**Tax Notes, Series 2004**  
**September 30, 2009**

**Exhibit D-6**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
2010	\$ 635,000	\$ 25,178	\$ 13,430	\$ 673,608
2011	680,000	13,430	-	693,430
	<u>\$ 1,315,000</u>	<u>\$ 38,608</u>	<u>\$ 13,430</u>	<u>\$ 1,367,038</u>

**PARKER COUNTY, TEXAS**  
**Tax Notes, Series 2005**  
**September 30, 2009**

**Exhibit D-7**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
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>\$ 1,225,000</u>	<u>\$ 49,631</u>	<u>\$ 25,847</u>	<u>\$ 1,300,478</u>

**PARKER COUNTY, TEXAS**  
**Tax Notes, Series 2006**  
**September 30, 2009**

**Exhibit D-8**

Year	Principal February 15	Interest February 15	Interest August 15	Total Due Each Year
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>\$ 2,140,000</u>	<u>\$ 112,033</u>	<u>\$ 68,163</u>	<u>\$ 2,320,196</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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 20, 2010. 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Page 2

We noted certain matters that we reported to management of Parker County, Texas, in a separate letter dated May 20, 2010.

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 20, 2010

**PARKER COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Fiscal Year ended September 30, 2009**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

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.

Current Status: The County is in the process of routing all grant activity through the County Auditor's Office and will prepare a grant schedule identifying the grant program, recipient department, revenue tracking/coding, grant year and term, and other pertinent grant information. The Auditor's Office will also maintain grant supporting documentation such as reimbursement requests and financial reports.

**PARKER COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year ended September 30, 2009**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?        yes   X   no

Reportable condition(s) identified that are not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Reportable condition(s) identified that are not considered to be material weaknesses?        yes   X   none reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be Reported in accordance with section 510(a) of Circular A-133?        yes   X   no

Identification of Major Programs:

U.S. Department of Homeland Security

CFDA # 97.073      State Homeland Security Program

CFDA # 97.053      Citizen Corp Program

Dollar threshold used to distinguish between Type A and Type B federal programs:       \$300,000      

Auditee qualified as a low-risk auditee?        yes   X   no

**Section II – Financial Statement Findings**

Findings required to be reported in accordance with *Government Auditing Standards*.

None reported.

**Section III – Federal Award Findings and Questioned Costs**

Findings/Noncompliance	Program	Questioned Costs
None Reported.		\$0

**PARKER COUNTY, TEXAS  
CORRECTIVE ACTION PLAN  
September 30, 2009**

**Findings – Financial Statement Audit**

There are no current year financial statement findings.

**Findings – Federal Award Programs**

There are no current year federal award findings.

**FEDERAL AWARDS  
SECTION**



# Snow, Garrett & Company

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

### Compliance

We have audited the compliance of Parker County, Texas, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. Parker County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Parker County's management. Our responsibility is to express an opinion on Parker County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Parker County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Parker County's compliance with those requirements.

In our opinion, Parker County, Texas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

### Internal Control Over Compliance

Management of Parker County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Parker County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Parker County's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Commissioners' Court, management, others within Parker County, federal awarding agencies and pass-through entities 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 20, 2010

**PARKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2009**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Pass-Through Disbursements and Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed Through Texas Department of Public Safety (DPS) Emergency Management Performance Grants	97.042	08TX-EMPG-0999	35,841
*HSGP- Homeland Security Grant Program			
State Homeland Security Grant Program (SHSP)			
2006 State Homeland Security Grant Program	* 97.073	2006-GE-T6-0068	3,979
2007 State Homeland Security Grant Program	* 97.073	2007-GE-T7-0024	409,059
Total SHSP CFDA #97.073			<u>413,038</u>
Citizens Corps Program (CCP)			
2006 Citizen Corp Program	* 97.053	2006-GE-T6-0068	1
2007 Citizen Corp Program	* 97.053	2007-GE-T7-0024	5,132
Total CCP CFDA #97.053 passed through Texas DPS			<u>5,133</u>
Total Passed Through Texas Department of Public Safety			<u>35,841</u>
Total U.S. Department of Homeland Security			454,012
<u>U.S. Department of Justice</u>			
Direct Program			
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1024	48,848
Oriented Policing Services	16.710	2007CKWX0218	<u>167,733</u>
Total Expenditures of Federal Awards			<u>\$ 670,593</u>

\* Homeland Security Cluster of Programs

Note 1: Significant Accounting Policies used in Preparing the Schedule.

The accompanying schedule of expenditures of Federal awards includes the federal grant activity of Parker County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.