

PARKER COUNTY, TEXAS

***ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED SEPTEMBER 30, 2010***

PARKER COUNTY, TEXAS
Annual Financial Statements
For the Fiscal Year Ended September 30, 2010

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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, 2010, 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, 2010, 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 10, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the retirement plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

Page two

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Parker County's financial statements as a whole. 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 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 not a required part of the financial statements. The combining and budget statements, the statistical and supplementary information section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Snow, Garrett & Company

Snow, Garrett & Company, CPA's
May 10, 2011

PARKER COUNTY, TEXAS 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, 2010. 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 2010 by \$26,278,664 (*net assets*). Of this amount, \$1,297,125 is restricted for specific purposes and \$10,609,442 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 \$14,372,097 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 \$51,864,476; of which \$8,889,711 or 17% 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 \$1,382,000 equals 4% of total General fund expenditures.
- The County's total debt decreased by a net amount of \$1,479,628 during the current fiscal year due to principal retirements offset by \$1,102,223 in capital leases issued for equipment acquisition.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

PARKER COUNTY, TEXAS
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-six individual governmental funds (excluding fiduciary funds), fifty-one special revenue funds, three capital project funds, a debt service fund, 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 38 of this report.

**PARKER COUNTY, TEXAS
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 40 through 42 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 \$26,278,664 as of September 30, 2010. Also, the County's net assets include a prior period adjustment that resulted in restated amounts for 2009. See note 14 on page 38 for additional information.

Parker County's Net Assets

| | Governmental Activities | |
|---|-------------------------|----------------------|
| | 2010 | Restated 2009 |
| Current and other assets | \$ 60,284,329 | \$ 76,632,675 |
| Capital assets, net of depreciation | 62,362,765 | 52,996,072 |
| Total assets | <u>122,647,094</u> | <u>129,628,747</u> |
| Long-term liabilities | 90,515,431 | 91,988,550 |
| Other liabilities | 5,852,999 | 5,219,311 |
| Total liabilities | <u>96,368,430</u> | <u>97,207,861</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 14,372,097 | 19,702,195 |
| Restricted | 1,297,125 | 1,712,028 |
| Unrestricted | 10,609,442 | 11,006,663 |
| Total Net Assets | <u>\$ 26,278,664</u> | <u>\$ 32,420,886</u> |

Investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding is \$14,372,097. 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 \$1,297,125 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 (\$10,609,442) may be used to meet the County's ongoing obligations to citizens and creditors.

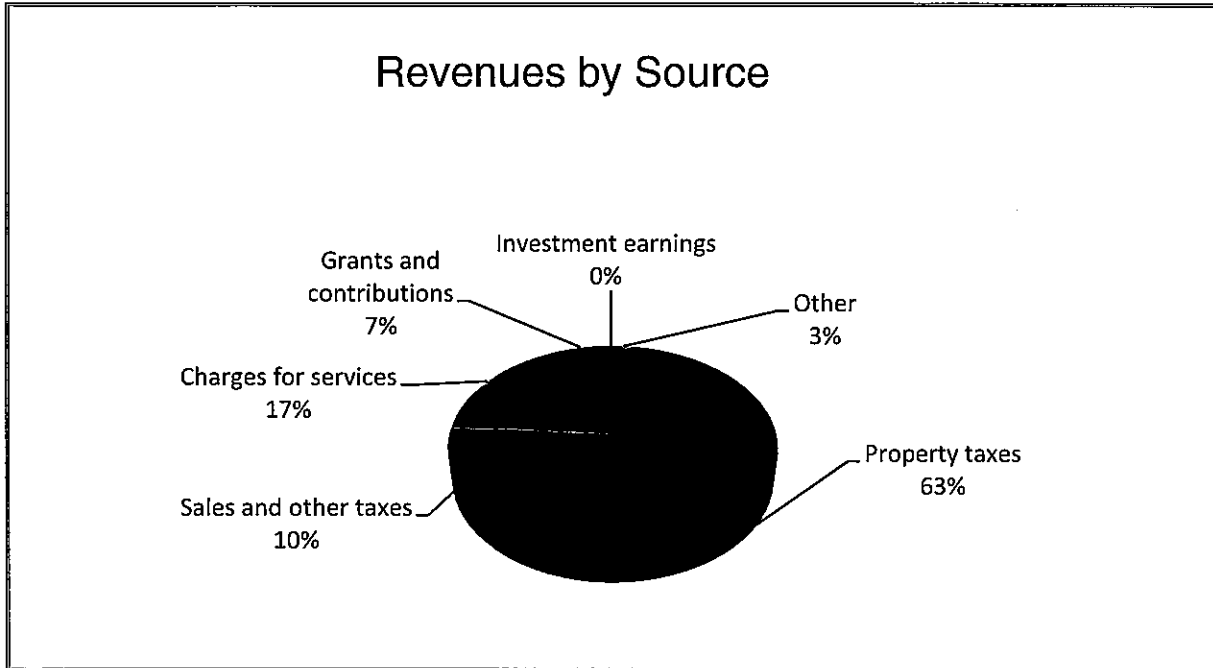
**PARKER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

The County's governmental activities decreased net assets by \$6,142,222 during the current fiscal year. The total cost of all governmental activities this year was \$61,604,080. The amount that our taxpayers paid for these activities through property taxes was \$34,873,763 or 57%.

Parker County's Changes in Net Assets

| | Governmental Activities | |
|------------------------------------|-------------------------|---------------|
| | 2010 | 2009 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 9,533,373 | \$ 10,460,533 |
| Operating grants and contributions | 3,093,099 | 2,842,005 |
| Capital grants and contributions | 702,978 | 1,046,323 |
| General revenues: | | |
| Property taxes | 34,873,763 | 32,456,764 |
| Sales and other taxes | 5,707,575 | 5,985,689 |
| Investment earnings | 32,463 | 404,936 |
| Other | 1,518,607 | 785,333 |
| Total revenues | 55,461,858 | 53,981,583 |
| Expenses: | | |
| General government | 8,691,183 | 9,109,039 |
| Public safety | 2,941,916 | 2,407,412 |
| Health and welfare | 637,843 | 960,061 |
| Highways, roads and streets | 16,305,798 | 16,080,634 |
| Law enforcement | 15,301,309 | 14,337,513 |
| Judicial | 10,472,786 | 10,183,372 |
| Recording | 2,243,507 | 2,255,410 |
| Tax assessing-collecting | 834,776 | 796,387 |
| Interest and other costs | 4,174,962 | 5,280,404 |
| Total expenses | 61,604,080 | 61,410,232 |
| Change in net assets | (6,142,222) | (7,428,649) |
| Net assets-beginning | 32,069,587 | 39,498,236 |
| Prior period adjustment | 351,299 | - |
| Net assets-beginning, restated | 32,420,886 | - |
| Net assets-ending | \$ 26,278,664 | \$ 32,069,587 |

**PARKER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**



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

- Program revenues of \$13,329,450 equaled 22% of government expenses of \$61,604,080. As expected, general revenues (\$42,132,408) provided the remaining support and coverage for expenses.
- Over one-fourth of the expenses are highway, roads and streets (\$16,305,798) while this category provided 6% of total revenues.
- The second largest category of expenses is law enforcement (\$15,301,309) at 25% while it only provided about 4% 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 \$51,864,476, a decrease of \$17,045,341 in comparison with the prior year. Approximately \$8,889,711 or 17% 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 (\$1,261,975) and to fund capital projects (\$41,712,790).

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 \$1,382,000, 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 4%, or slightly more than 14 days of total fund expenditures.

**PARKER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

The fund balance of the County's general fund decreased by \$342,906. Key factors in this decrease are as follows:

- Decrease in sales tax revenues, intergovernmental revenues and increases to expenditures for public safety, law enforcement, and judicial.

The debt service fund has a total fund balance of \$1,261,975, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was \$440,269. Total debt principal, interest and fiscal charges increased from the prior year primarily due to the payments on the 2009 Unlimited Tax Road Bonds.

The capital projects funds had a total fund balance of \$41,712,790, all of which is reserved for construction and improvements or acquisition of County-owned buildings and equipment.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original fiscal year 2010 budget was adopted in September 2009, with the total beginning general fund expenditures amounting to \$35,219,005, an increase of \$526,154 over the 2009 fiscal year final budgeted expenditures. The fiscal year 2010 budget increase was primarily due to an increase in buildings and grounds, non-departmental, fire protection, jail, sheriff administration and patrol, and county and district attorney expenditures.

In total, the original general fund budget for expenditures and the final general fund amended budget for expenditures were increased by \$116,633 from the original to the final budget. Most of this difference resulted from:

- A reduction of general government and public safety expenditures; and
- Increases in judicial and law enforcement expenditures.

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

- Actual revenues were lower than budgeted by \$1,707,874 primarily due to the timing of fees of offices collections and an unanticipated decrease sales taxes; and
- Actual expenses were \$881,612 less than budgeted primarily due to lower costs of buildings and grounds, public safety, 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, 2010, net capital assets of the governmental activities totaled \$62,362,765. Depreciation on capital assets is recognized in the government-wide financial statements. Annual depreciation for buildings, improvements, infrastructure and machinery and equipment totaled \$9,201,246.

**PARKER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS – (Continued)**

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

| | Governmental Activities | |
|--------------------------------|-------------------------|----------------------|
| | 2010 | Restated 2009 |
| Land | \$ 1,915,110 | \$ 1,796,930 |
| Work in progress | 17,287,779 | 2,858,725 |
| Buildings and improvements | 27,243,316 | 28,149,943 |
| Infrastructure | 5,058,157 | 9,355,174 |
| Office furniture and equipment | 4,503,416 | 5,030,693 |
| Transportation | 1,437,926 | 1,550,931 |
| Road maintenance equipment | 4,738,864 | 4,044,603 |
| Emergency management equipment | 168,746 | 194,388 |
| Other | 9,451 | 14,685 |
| Total | \$ 62,362,765 | \$ 52,996,072 |

Additional information on the County's capital assets can be found in Note 6 on page 30 of this report.

Long-term debt and capital leases. As of September 30, 2010, the County had unlimited tax road bonds, general obligation refunding bonds, certificates of obligation and tax notes outstanding of \$80,879,975. Capital lease proceeds were \$1,102,223 for the purchase of equipment for the precincts. Total capital leases payable were \$4,576,072.

The County's total property tax rate for 2009-10 was \$.37535 per \$100 assessed valuation, of which \$.05567 was for annual debt service.

Parker County's Outstanding Debt

| | Governmental Activities | |
|------------------------------------|-------------------------|----------------------|
| | 2010 | 2009 |
| Unlimited tax road bonds | \$ 59,999,975 | \$ 59,999,975 |
| General obligation refunding bonds | 3,190,000 | 3,345,000 |
| Certificates of obligation | 14,515,000 | 14,580,000 |
| Tax notes | 3,175,000 | 4,680,000 |
| Capital leases payable | 4,576,072 | 4,317,364 |
| Total | \$ 85,456,047 | \$ 86,922,339 |

Additional information on the County's long-term debt can be found in Note 9 on pages 31 through 35 of this report.

**PARKER COUNTY, TEXAS
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 2011, 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, 2010

Exhibit A-1

| | | Primary Government Activities |
|---|----|-------------------------------------|
| ASSETS: | | |
| Cash | \$ | 1,556,737 |
| Investments | | 53,732,505 |
| Receivables (net of allowance for uncollectibles) | | 3,566,402 |
| Prepaid expenses and other assets | | 12,331 |
| Land and work in progress | | 19,202,889 |
| Other capital assets, net of depreciation | | 43,159,876 |
| Unamortized debt issuance costs | | 1,416,354 |
| Total assets | | 122,647,094 |
| LIABILITIES: | | |
| Accounts payable | | 3,384,921 |
| Accrued salaries and benefits payable | | 964,836 |
| Compensated absences payable | | 848,262 |
| Accrued interest payable | | 604,381 |
| Due to other governmental entities | | 50,599 |
| Noncurrent liabilities | | |
| Due within one year | | 2,757,184 |
| Due in more than one year | | 87,758,247 |
| Total liabilities | | 96,368,430 |
| NET ASSETS: | | |
| Invested in capital assets, net of related debt | | 14,372,097 |
| Restricted for: | | |
| Debt service | | 1,297,125 |
| Unrestricted | | 10,609,442 |
| Total net assets | \$ | 26,278,664 |

PARKER COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2010

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 | |
| Primary Government: | | | | | |
| Governmental Activities | | | | | |
| General government | \$ 8,691,183 | 537,065 | 434,590 | | (7,719,528) |
| Public safety | 2,941,916 | 309 | 111,019 | 98,625 | (2,731,963) |
| Health and welfare | 637,843 | 154,229 | | | (483,614) |
| Highways, roads and streets | 16,305,798 | 2,899,238 | | 596,894 | (12,809,666) |
| Law enforcement | 15,301,309 | 771,748 | 1,360,703 | | (13,168,858) |
| Judicial | 10,472,786 | 2,776,340 | 1,186,787 | 7,459 | (6,502,200) |
| Recording | 2,243,507 | 1,690,162 | | | (553,345) |
| Tax assessing-collecting | 834,776 | 704,282 | | | (130,494) |
| Interest and other costs | 4,174,962 | | | | (4,174,962) |
| Total primary government | \$ <u>61,604,080</u> | <u>9,533,373</u> | <u>3,093,099</u> | <u>702,978</u> | <u>(48,274,630)</u> |

| | |
|---------------------------------|----------------------|
| General revenue: | |
| Property taxes | 34,873,763 |
| Sales and other taxes | 5,707,575 |
| Investment earnings | 32,463 |
| Other general revenue | 1,518,607 |
| Total general revenues | <u>42,132,408</u> |
| Change in net assets | (6,142,222) |
| Net assets - beginning | 32,069,587 |
| Prior period adjustment | 351,299 |
| Net assets- beginning, restated | <u>32,420,886</u> |
| Net assets - ending | <u>\$ 26,278,664</u> |

PARKER COUNTY TEXAS
Balance Sheet
Governmental Funds
September 30, 2010

Exhibit A-3

| | General | Lateral Road | Capital Projects 2009 Tax Road Bonds | Other Governmental Funds | Total Governmental Funds |
|---|--------------|--------------|---|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Assets: | | | | | |
| Cash | \$ 44,806 | 77,578 | 666,968 | 175,032 | 964,384 |
| Investments | 2,366,175 | 4,887,290 | 42,018,133 | 4,436,280 | 53,707,878 |
| Receivables (net of allowance for uncollectibles) | | | | | |
| Property taxes | 801,656 | 332,435 | | 192,778 | 1,326,869 |
| Intergovernmental | 1,265,144 | 97,644 | | 24,408 | 1,387,196 |
| Other | 121,541 | 34,180 | | 17,336 | 173,057 |
| Prepaid expenses and other assets | 12,331 | | | | 12,331 |
| Total assets | \$ 4,611,653 | 5,429,127 | 42,685,101 | 4,845,834 | 57,571,715 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,662,427 | 426,264 | 1,185,708 | 90,536 | 3,364,935 |
| Accrued salaries and benefits payable | 734,576 | 204,168 | | 26,092 | 964,836 |
| Due to other governmental entities | 30,994 | | | 19,605 | 50,599 |
| Deferred revenues | | | | | |
| Property taxes | 801,656 | 332,435 | | 192,778 | 1,326,869 |
| Total liabilities | 3,229,653 | 962,867 | 1,185,708 | 329,011 | 5,707,239 |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Capital projects | | | 41,499,393 | 213,397 | 41,712,790 |
| Debt service | | | | 1,261,975 | 1,261,975 |
| Unreserved | 1,382,000 | 4,466,260 | | | 5,848,260 |
| Unreserved, reported in nonmajor: | | | | | |
| Special revenue funds | | | | 3,041,451 | 3,041,451 |
| Total fund balances | 1,382,000 | 4,466,260 | 41,499,393 | 4,516,823 | 51,864,476 |
| Total liabilities and fund balances | \$ 4,611,653 | 5,429,127 | 42,685,101 | 4,845,834 | |

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. | 62,362,765 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 1,326,869 |
| Other assets are not measurable and available in the current period and are not reported in the funds. | 661,423 |
| Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | (90,551,720) |
| Assets and liabilities of the internal service fund is included in governmental activities and are not reported with governmental funds. | 614,851 |
| Net assets of governmental activities - statement of net assets | \$ 26,278,664 |

PARKER COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2010

Exhibit A-4

| | General | Lateral Road | Capital Projects 2009 Tax Road Bonds | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|-------------------|---|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 21,634,314 | 8,429,779 | | 5,158,651 | 35,222,744 |
| Sales taxes | 5,608,069 | | | | 5,608,069 |
| Intergovernmental | 1,817,542 | 483,132 | 124,408 | 1,498,326 | 3,923,408 |
| Fees of Office | 4,112,211 | 2,493,588 | | 1,845,467 | 8,451,266 |
| Fines and forfeitures | | 395,002 | | | 395,002 |
| Interest | 12,275 | 11,129 | | 9,061 | 32,465 |
| Royalties | 252,560 | | | | 252,560 |
| Miscellaneous | 578,267 | 67,111 | 29,090 | 380,626 | 1,055,094 |
| Total revenues | 34,015,238 | 11,879,741 | 153,498 | 8,892,131 | 54,940,608 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 5,692,731 | 761,781 | 73,906 | 443,066 | 6,971,484 |
| Public safety | 2,523,171 | | | 106,124 | 2,629,295 |
| Health and welfare | 612,501 | | | | 612,501 |
| Highways, roads and streets | | 9,609,041 | 30,146 | | 9,639,187 |
| Law enforcement | 14,460,387 | | | 216,020 | 14,676,407 |
| Judicial | 7,098,887 | | | 3,266,376 | 10,365,263 |
| Recording | 2,075,376 | | | 137,969 | 2,213,345 |
| Tax assessing-collecting | 823,742 | | | | 823,742 |
| Capital outlays | 586,401 | 1,895,085 | 15,780,961 | 305,492 | 18,567,939 |
| Debt Service | | | | | |
| Principal | 425,593 | 417,922 | | 1,725,000 | 2,568,515 |
| Interest | 155,237 | 61,441 | | 3,880,885 | 4,097,563 |
| Total expenditures | 34,454,026 | 12,745,270 | 15,885,013 | 10,080,932 | 73,165,241 |
| Deficiency of revenues under expenditures | (438,788) | (865,529) | (15,731,515) | (1,188,801) | (18,224,633) |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 351,828 | | | 690,278 | 1,042,106 |
| Operating transfers out | (670,431) | (312,336) | | (59,339) | (1,042,106) |
| Sale of assets | 2,570 | 74,499 | | | 77,069 |
| Proceeds from capital leases | 411,915 | 690,308 | | | 1,102,223 |
| Total other financing sources (uses) | 95,882 | 452,471 | - | 630,939 | 1,179,292 |
| Net changes in fund balances | (342,906) | (413,058) | (15,731,515) | (557,862) | (17,045,341) |
| Fund balances - October 1 | 1,724,906 | 4,879,318 | 57,230,908 | 5,074,685 | 68,909,817 |
| Fund balances - September 30 | \$ 1,382,000 | 4,466,260 | 41,499,393 | 4,516,823 | 51,864,476 |

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, 2010

Exhibit A-5

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

| | |
|--|------------------------------|
| Net change in fund balances - total governmental funds | \$ (17,045,341) |
| 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 capital outlays exceeded depreciation for County owned assets in the current year. | 9,366,693 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (248,830) |
| 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. | (152,057) |
| 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. | 1,466,292 |
| 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>471,022</u> |
| Change in net assets of governmental activities - statement of activities | <u><u>\$ (6,142,222)</u></u> |

PARKER COUNTY, TEXAS
Statement of Net Assets
Proprietary Fund
September 30, 2010

Exhibit A-6

| | | <u>Insurance</u> | |
|---------------------|----|-----------------------|--|
| | | <u>Escrow</u> | |
| ASSETS: | | | |
| Cash | \$ | 592,353 | |
| Investment | | 24,627 | |
| Accounts receivable | | <u>17,857</u> | |
| Total assets | | 634,837 | |
| LIABILITIES: | | | |
| Accounts payable | | <u>19,986</u> | |
| Total liabilities | | 19,986 | |
| NET ASSETS: | | | |
| Unrestricted | | <u>614,851</u> | |
| Total net assets | \$ | <u><u>614,851</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, 2010

Exhibit A-7

| | | <u>Insurance Escrow</u> |
|-------------------------------|----|-----------------------------|
| OPERATING REVENUE | | |
| County contributions | \$ | <u>6,154,021</u> |
| Total operating revenues | | <u>6,154,021</u> |
| OPERATING EXPENSES | | |
| Contractual | | <u>6,457,178</u> |
| Total operating expenses | | <u>6,457,178</u> |
| Operating loss | | (303,157) |
| NON OPERATING REVENUES | | |
| Miscellaneous | | <u>774,179</u> |
| Total non operating revenues | | <u>774,179</u> |
| Change in net assets | | 471,022 |
| Net assets -October 1 | | <u>143,829</u> |
| Net assets -September 30 | \$ | <u><u>614,851</u></u> |

The accompanying notes are an integral part of this statement.

PARKER COUNTY, TEXAS
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended September 30, 2010

Exhibit A-8

| | <u>Insurance Escrow</u> |
|---|-----------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | |
| Receipts from interfund services provided | \$ 6,173,924 |
| Payments to providers | <u>(6,437,191)</u> |
| Net cash used by operating activities | (263,267) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Change in investments | (21,598) |
| Miscellaneous revenues | <u>774,179</u> |
| Net cash provided by investment activities | <u>752,581</u> |
| Net increase in cash | 489,314 |
| Cash - October 1 | <u>103,039</u> |
| Cash - September 30 | <u><u>\$ 592,353</u></u> |
| Reconciliation of operating loss to net cash used by operating activities: | |
| Operating loss | \$ (303,157) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Decrease in accounts receivable | 19,904 |
| Increase in accounts payable | <u>19,986</u> |
| Net cash used by operating activities | <u><u>\$ (263,267)</u></u> |

The accompanying notes are an integral part of this statement.

PARKER COUNTY, TEXAS
Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2010

Exhibit A-9

| ASSETS | |
|---------------------------------|--------------------------------|
| Cash | \$ 3,829,871 |
| Investments | 665,809 |
| Accounts receivable | <u>15,677</u> |
| Total assets | \$ <u><u>4,511,357</u></u> |
| LIABILITIES | |
| Deposits held and due to others | \$ 4,508,252 |
| Accounts payable - State | <u>3,105</u> |
| Total liabilities | \$ <u><u>4,511,357</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, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Parker County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. 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 is a general purpose government providing 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, 2010.

B. FINANCIAL STATEMENT PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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 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.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These 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.

When both restricted and unrestricted resources are available for use, it is county policy to use restricted resources first, then unrestricted resources as needed.

Governmental fund financial statements

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, Capital Projects funds and the Debt Service fund. 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.

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.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The County also reports the following major proprietary fund:

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.

The Debt Service Fund is 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, 2010.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ASSETS, LIABILITIES AND EQUITIES

Cash Equivalents

The County follows the practice of pooling cash and investments of all funds held by the County Treasurer, except when otherwise requested, in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Balances in cash and pooled investments are available on a demand basis to each fund. Investments are shown on the balance sheet at cost, which approximate market.

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 and Depreciation

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.

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. Upon new debt issuance, 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.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 2: 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."

The details of this \$90,551,720 difference are as follows:

| | |
|--|-------------------------------|
| Bonds and tax notes payable: | \$ (80,879,975) |
| Less: deferred charge for issuance costs (to be amortized over life of debt) | 1,416,354 |
| Plus: premium on debt (to be amortized over life of debt) | (2,450,577) |
| Plus: accumulated accretion on capital appreciation bonds | (2,608,807) |
| Accrued interest payable | (604,381) |
| Capital lease payable | (4,576,072) |
| Compensated absences | <u>(848,262)</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u><u>\$ (90,551,720)</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 \$9,366,693 difference are as follows:

| | |
|--|----------------------------|
| Capital outlay | \$ 18,567,939 |
| Depreciation expense | <u>(9,201,246)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u><u>\$ 9,366,693</u></u> |

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

**NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)**

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 premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

The details of this \$1,466,292 difference are as follows:

| | | |
|--|----------------------------|----------------|
| Debt issued or incurred: | Capital leases | \$ (1,102,223) |
| Principal repayments : | Capital leases | 843,515 |
| | Tax notes | 1,505,000 |
| | Certificates of obligation | 65,000 |
| | Refunding bonds | 155,000 |
| | | 155,000 |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | | \$ 1,466,292 |

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 \$152,057 difference are as follows:

| | |
|--|------------|
| Compensated absences | \$ (6,509) |
| Accrued interest expense | 144,257 |
| Allowance of miscellaneous receivables | 52,077 |
| Amortization of premium on debt | (115,630) |
| Amortization of issuance costs | 77,862 |
| | 77,862 |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | \$ 152,057 |

NOTE 3: 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.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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;
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, 2010, the County had the following investments:

| | Credit Rating | Market Value | % of Total |
|--|------------------|----------------------|----------------|
| DWS Scudder - Government Cash Institutional Shares Fund | A+ | \$ 8,395,500 | 15.46% |
| Federated - Government Obligations Fund | AAAm | 11,000,000 | 20.27% |
| Morgan Keegan - Federated Inv Government Obligations | AA | 13,000,000 | 23.96% |
| UBS Select Treasury Fund | A+ | 21,866,000 | 40.30% |
| Total Investments | | <u>\$ 54,261,500</u> | <u>100.00%</u> |

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, 2010, 100% of the County's portfolio had maturity dates less than one year.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

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, 2010, the County's investments in DWS Scudder - Government Cash Institutional Shares Fund, Federated - Government Obligations Fund, UBS Select Treasury Fund, and Morgan Keegan - Federated Inv Government Obligations were rated by Standard and Poor's (see credit ratings above) 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, 2010, 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, 2010, the County's deposits were insured or collateralized with securities held by the County or by its agent in the County's name.

NOTE 4: 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, 2010, excluding that portion budgeted for the retirement of long-term debt principal and interest was \$.3197 per \$100 valuation. The total tax rate for all purposes was \$.3754 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 5: DELINQUENT PROPERTY TAXES

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

The following schedule details delinquent property taxes by fund.

| <u>Fund</u> | <u>Delinquent Taxes</u> | <u>Allowance</u> | <u>Deferred Revenue</u> |
|--------------|-----------------------------|---------------------|-----------------------------|
| General | \$ 1,203,694 | \$ (402,038) | \$ 801,656 |
| Debt Service | 289,458 | (96,680) | 192,778 |
| Lateral Road | 577,548 | (245,113) | 332,435 |
| Total | <u>\$ 2,070,700</u> | <u>\$ (743,831)</u> | <u>\$ 1,326,869</u> |

PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 6: CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010 was as follows:

| | Restated Balance 10/1/09 | Additions | Deletions | Balance 9/30/10 |
|---|--------------------------------|----------------------|-------------------|----------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,796,930 | \$ 118,180 | \$ - | \$ 1,915,110 |
| Work in progress | 2,858,725 | 15,332,013 | 902,959 | 17,287,779 |
| Total capital assets not being depreciated | 4,655,655 | 15,450,193 | 902,959 | 19,202,889 |
| Depreciable capital assets | | | | |
| Buildings and improvements | 34,970,085 | 65,964 | - | 35,036,049 |
| Infrastructure | 112,978,482 | 1,351,907 | - | 114,330,389 |
| Office furniture and equipment | 9,060,244 | 542,571 | - | 9,602,815 |
| Transportation equipment | 4,249,165 | 491,139 | 136,832 | 4,603,472 |
| Road maintenance equipment | 11,976,428 | 1,569,124 | 207,432 | 13,338,120 |
| Fire fighting equipment | 2,825,496 | - | - | 2,825,496 |
| Emergency management equipment | 478,123 | - | - | 478,123 |
| Other | 48,473 | - | - | 48,473 |
| Total other capital assets | 176,586,496 | 4,020,705 | 344,264 | 180,262,937 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 6,820,142 | 972,591 | - | 7,792,733 |
| Infrastructure | 103,623,308 | 5,648,924 | - | 109,272,232 |
| Office furniture and equipment | 4,029,551 | 1,069,848 | - | 5,099,399 |
| Transportation equipment | 2,698,234 | 604,144 | 136,832 | 3,165,546 |
| Road maintenance equipment | 7,931,825 | 874,863 | 207,432 | 8,599,256 |
| Fire fighting equipment | 2,825,496 | - | - | 2,825,496 |
| Emergency management equipment | 283,735 | 25,642 | - | 309,377 |
| Other | 33,788 | 5,234 | - | 39,022 |
| Total accumulated depreciation | 128,246,079 | 9,201,246 | 344,264 | 137,103,061 |
| Other capital assets, net | 48,340,417 | (5,180,541) | - | 43,159,876 |
| Governmental activities capital assets, net | <u>\$ 52,996,072</u> | <u>\$ 10,269,652</u> | <u>\$ 902,959</u> | <u>\$ 62,362,765</u> |

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 6: CHANGES IN CAPITAL ASSETS (Continued)

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 1,685,309 |
| Public safety | 302,573 |
| Health and welfare | 19,842 |
| Highways, roads and streets | 6,608,876 |
| Law enforcement | 539,690 |
| Judicial | 38,257 |
| Recording | <u>6,699</u> |
| Total depreciation for governmental activities | <u>\$ 9,201,246</u> |

NOTE 7: INTERFUND TRANSFERS

Interfund transfers during the year were as follows:

| <u>Transfer To</u> | <u>Transfer From</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------------|--------------------------|---------------------|------------------------|
| General fund | Lateral road fund | \$ 312,336 | reimburse expenditures |
| General fund | Other Governmental funds | 39,492 | reimburse expenditures |
| Other Governmental funds | General fund | 670,431 | supplement other funds |
| Other Governmental funds | Other Governmental funds | <u>19,847</u> | reimburse expenditures |
| Total transfers | | <u>\$ 1,042,106</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 8: 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, 2010 the value of accumulated vacation and compensatory benefits amounted to \$848,262.

NOTE 9: LONG-TERM DEBT AND CAPITAL LEASES

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, 2010 was \$59,999,975. Current requirements for bonded indebtedness of the County are accounted for in the Debt Service funds.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 9: LONG-TERM DEBT AND CAPITAL LEASES (Continued)

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, 2010 was \$3,190,000. 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, 2010 was \$14,515,000.

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, 2010 was \$680,000.

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, 2010 was \$855,000.

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, 2010 was \$1,640,000.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 9: LONG-TERM DEBT AND CAPITAL LEASES (Continued)

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

| Year | Principal | Interest | Annual |
|-----------|----------------------|----------------------|-----------------------|
| 2011 | \$ 1,920,000 | \$ 3,810,925 | \$ 5,730,925 |
| 2012 | 2,020,000 | 3,734,932 | 5,754,932 |
| 2013 | 1,916,423 | 4,110,253 | 6,026,676 |
| 2014 | 1,417,414 | 4,353,111 | 5,770,525 |
| 2015 | 1,431,789 | 4,564,295 | 5,996,084 |
| 2016-2020 | 12,269,354 | 17,710,067 | 29,979,421 |
| 2021-2025 | 16,755,000 | 13,227,357 | 29,982,357 |
| 2026-2030 | 21,525,000 | 8,447,856 | 29,972,856 |
| 2031-2034 | 21,624,995 | 2,341,930 | 23,966,925 |
| Total | <u>\$ 80,879,975</u> | <u>\$ 62,300,726</u> | <u>\$ 143,180,701</u> |

In the governmental financial statements, unamortized debt issue costs and bond discounts are reported as deferred charges. Annual interest expense is increased by amortization of debt costs and discounts.

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

| | October 1, 2009 | Additions | Retirements | September 30, 2010 |
|-------------------------------------|----------------------|---------------------|---------------------|-----------------------|
| General Obligation Refunding Bonds | \$ 3,345,000 | \$ - | \$ 155,000 | \$ 3,190,000 |
| Certificates of Obligation | 14,580,000 | - | 65,000 | 14,515,000 |
| Unlimited Tax Road Bonds | 59,999,975 | - | - | 59,999,975 |
| Tax Notes-Series 2004 | 1,315,000 | - | 635,000 | 680,000 |
| Tax Notes-Series 2005 | 1,225,000 | - | 370,000 | 855,000 |
| Tax Notes-Series 2006 | 2,140,000 | - | 500,000 | 1,640,000 |
| Plus: Deferred Premiums on Issuance | 2,595,297 | - | 144,720 | 2,450,577 |
| Plus: Accumulated Accretion | 2,470,914 | 137,893 | - | 2,608,807 |
| Capital Lease Payable | 4,317,364 | 1,102,223 | 843,515 | 4,576,072 |
| Compensated Absences | 854,771 | - | 6,509 | 848,262 |
| | <u>\$ 92,843,321</u> | <u>\$ 1,240,116</u> | <u>\$ 2,719,744</u> | <u>\$ 91,363,693</u> |

Capital Leases Payable

Precinct 1

The County entered into a capital lease agreement in December 2009 in the amount of \$240,920. The lease balance is payable in five successive annual payments of \$56,921 each and a final payment of \$1, bearing interest at the rate of 6.07% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance at September 30, 2010 was \$240,920.

The County entered into a capital lease agreement in July 2010 in the amount of \$94,850. The lease balance is payable in three successive annual payments of \$34,096 each and a final payment of \$1, bearing interest at the rate of 6.01% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance at September 30, 2010 was \$94,850.

The County entered into a capital lease agreement in April 2010 in the amount of \$265,000. The lease balance is payable in five successive annual payments of \$62,610 each and a final payment of \$1, bearing interest at the rate of 6.79% per annum. The capital lease proceeds were used to purchase equipment by Precinct One (Fund 01). The balance at September 30, 2010 was \$265,000.

PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE 9: LONG-TERM DEBT AND CAPITAL LEASES (Continued)

Precinct 2

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, 2010 was \$63,728.

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, 2010 was \$152,151.

Precinct 3

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, 2010 was \$65,151.

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, 2010 was \$43,603.

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, 2010 was \$126,803.

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, 2010 was \$83,947.

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, 2010 was \$60,207.

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, 2010 was \$149,705.

The County entered into a capital lease agreement in January 2010 in the amount of \$89,538. The lease balance is payable in three successive annual payments of \$33,357 each, bearing interest at the rate of 6.56% per annum. The capital lease proceeds and a down payment of \$67,125 were used to purchase equipment by Precinct Three (Fund 03). The balance at September 30, 2010 was \$89,538.

Emergency Management

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, 2010 was \$2,817,340.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 9: LONG-TERM DEBT AND CAPITAL LEASES (Continued)

Sheriff Administration

The County entered into a capital lease agreement in October 2009 in the amount of \$411,915. The lease balance is payable in nine successive annual payments of \$54,976, bearing interest at the rate of 4.57% per annum. The capital lease proceeds were used to purchase County-wide CAD mapping software and equipment. The balance at September 30, 2010 was \$323,129.

The following analysis of equipment leased under capital leases as of September 30, 2010:

| | |
|-------------------------------|----------------------------|
| | Governmental Activities |
| Equipment | \$ 6,204,094 |
| Less accumulated depreciation | (1,528,083) |
| Total | \$ 4,676,011 |

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

| | |
|--|--------------|
| Scheduled minimum lease payments | \$ 5,328,213 |
| Amount representing interest | (752,141) |
| Present value of future minimum capital lease payments (principal payoff) | \$ 4,576,072 |

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

| Year | Principal | Interest | Total |
|-----------|--------------|------------|--------------|
| 2011 | \$ 837,184 | \$ 208,644 | \$ 1,045,828 |
| 2012 | 867,335 | 178,494 | 1,045,829 |
| 2013 | 738,230 | 132,971 | 871,201 |
| 2014 | 549,346 | 96,038 | 645,384 |
| 2015 | 575,134 | 70,250 | 645,384 |
| 2016-2020 | 1,008,843 | 65,744 | 1,074,587 |
| Total | \$ 4,576,072 | \$ 752,141 | \$ 5,328,213 |

NOTE 10: 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 602 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, 2010

NOTE 10: 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 (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.18% for the months of the accounting year in 2009, and 10.79% for the months of the accounting year in 2010.

The contribution rate payable by the employee members for calendar years 2010 and 2009 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

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 20 years.

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 83.27% funded. The actuarial accrued liability for benefits was \$45,982,066, and the actuarial value of assets was \$38,291,168, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,690,898. The covered payroll (annual payroll of active employees covered by the plan) was \$19,679,211 and the ratio of the UAAL to the covered payroll was 39.08%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 10: RETIREMENT PLAN (Continued)

Actuarial Valuation Information

| | | | |
|------------------------------|---|---|--|
| Actuarial valuation date | 12/31/07 | 12/31/08 | 12/31/09 |
| 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 | 20 | 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% | 5.4% |
| Inflation | 3.5% | 3.5% | 3.5% |
| Cost of living adjustments | 0.0% | 0.0% | 0.0% |

* Includes inflation at the stated rate

Trend Information for the
Parker County Employee's Retirement Plan

| Accounting Year End | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------|---------------------------------|-------------------------------------|------------------------------|
| 9/30/2008 | \$ 1,753,960 | 100% | \$ - |
| 9/30/2009 | \$ 1,952,758 | 100% | \$ - |
| 9/30/2010 | \$ 2,128,660 | 100% | \$ - |

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description:

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS.) This plan is referred to as the Optional Group Term Life Fund (OGTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPEB). Retired employees are insured for \$5,000.

The OGTLF is a separate trust administered by TCDRS board of trustees. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the OGTLF. This report may be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782. TCDRS' CAFR is also available at www.tcdrs.org.

**PARKER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Policy:

Each participating employer contributes to the OGTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County contributions to the OGTLF for the years ended September 30, 2010, 2009, and 2008 were \$82,517, \$73,594, and \$61,903, respectively, which equaled the contractually required contributions each year.

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, 2010. The total contractual commitments outstanding as of September 30, 2010 aggregated approximately \$529,524. 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.

NOTE 14: PRIOR PERIOD ADJUSTMENT

The \$351,299 prior period adjustment on the statement of activities is related to capital assets. The adjustment was the result of expensing infrastructure rather than capitalizing it as construction in progress in fiscal year 2009. See Note 6 for restated capital asset amounts as of October 1, 2009.

***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, 2010

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> | | <u>(Negative)</u> |
| REVENUES | | | | |
| Property taxes | \$ 22,408,574 | 22,408,574 | 21,634,314 | (774,260) |
| Sales taxes | 6,540,000 | 6,337,383 | 5,608,069 | (729,314) |
| Intergovernmental | 1,029,257 | 1,989,003 | 1,817,542 | (171,461) |
| Fees of office | 4,309,775 | 4,221,743 | 4,112,211 | (109,532) |
| Interest | 170,000 | 20,000 | 12,275 | (7,725) |
| Royalties | 425,000 | 253,000 | 252,560 | (440) |
| Miscellaneous | 336,800 | 493,409 | 578,267 | 84,858 |
| | <u>35,219,406</u> | <u>35,723,112</u> | <u>34,015,238</u> | <u>(1,707,874)</u> |
| Total revenues | | | | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 7,213,587 | 7,035,569 | 5,692,731 | 1,342,838 |
| Public safety | 2,823,785 | 2,747,782 | 2,523,171 | 224,611 |
| Health and welfare | 636,118 | 636,117 | 612,501 | 23,616 |
| Law enforcement | 14,481,118 | 14,619,656 | 14,460,387 | 159,269 |
| Judicial | 7,027,298 | 7,224,647 | 7,098,887 | 125,760 |
| Recording | 2,164,517 | 2,164,517 | 2,075,376 | 89,141 |
| Tax assessing-collecting | 872,582 | 872,582 | 823,742 | 48,840 |
| Capital outlays | - | 34,768 | 586,401 | (551,633) |
| Debt service | | | | |
| Principal | - | - | 425,593 | (425,593) |
| Interest | - | - | 155,237 | (155,237) |
| | <u>35,219,005</u> | <u>35,335,638</u> | <u>34,454,026</u> | <u>881,612</u> |
| Total expenditures | | | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>401</u> | <u>387,474</u> | <u>(438,788)</u> | <u>(826,262)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | 351,829 | 351,828 | (1) |
| Operating transfers out | (752,098) | (752,098) | (670,431) | 81,667 |
| Sale of assets | - | 4,995 | 2,570 | (2,425) |
| Proceeds from capital leases | - | - | 411,915 | 411,915 |
| | <u>(752,098)</u> | <u>(395,274)</u> | <u>95,882</u> | <u>491,156</u> |
| Total other financing sources (uses) | | | | |
| Net changes in fund balances | (751,697) | (7,800) | (342,906) | (335,106) |
| Carryover of prior year fund balance | 751,697 | 7,800 | - | (7,800) |
| Fund balances - October 1 | <u>1,724,906</u> | <u>1,724,906</u> | <u>1,724,906</u> | <u>-</u> |
| Fund balances - September 30 | <u>\$ 1,724,906</u> | <u>1,724,906</u> | <u>1,382,000</u> | <u>(342,906)</u> |

The accompanying notes are an integral part of this statement.

PARKER COUNTY, TEXAS
Required Supplementary Information
Lateral Road Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended September 30, 2010

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> | | |
| REVENUES | | | | |
| Property taxes | \$ 8,526,888 | 8,512,452 | 8,429,779 | (82,673) |
| Intergovernmental | 166,800 | 243,902 | 483,132 | 239,230 |
| Fees of office | 2,751,500 | 2,591,967 | 2,493,588 | (98,379) |
| Fines and forfeitures | 278,600 | 396,873 | 395,002 | (1,871) |
| Interest | 61,500 | 65,775 | 11,129 | (54,646) |
| Miscellaneous | 15,000 | 138,677 | 67,111 | (71,566) |
| | <u>11,800,288</u> | <u>11,949,646</u> | <u>11,879,741</u> | <u>(69,905)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 808,084 | 768,482 | 761,781 | 6,701 |
| Highways, roads and streets | 11,585,071 | 11,570,297 | 9,609,041 | 1,961,256 |
| Capital outlays | 1,606,500 | 1,678,501 | 1,895,085 | (216,584) |
| Debt service | | | | |
| Principal | 114,500 | 114,500 | 417,922 | (303,422) |
| Interest | - | - | 61,441 | (61,441) |
| | <u>14,114,155</u> | <u>14,131,780</u> | <u>12,745,270</u> | <u>1,386,510</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,313,867)</u> | <u>(2,182,134)</u> | <u>(865,529)</u> | <u>1,316,605</u> |
| Other financing sources: | | | | |
| Transfer out | - | (312,336) | (312,336) | - |
| Sale of assets | 50,000 | 86,746 | 74,499 | (12,247) |
| Proceeds from capital leases | - | - | 690,308 | 690,308 |
| | <u>50,000</u> | <u>(225,590)</u> | <u>452,471</u> | <u>678,061</u> |
| Net changes in fund balances | <u>(2,263,867)</u> | <u>(2,407,724)</u> | <u>(413,058)</u> | <u>1,994,666</u> |
| Carryover from prior year fund balance | 2,263,867 | 2,407,724 | - | (2,407,724) |
| Fund balances - October 1 | <u>4,879,318</u> | <u>4,879,318</u> | <u>4,879,318</u> | <u>-</u> |
| Fund balances - September 30 | <u>\$ 4,879,318</u> | <u>4,879,318</u> | <u>4,466,260</u> | <u>(413,058)</u> |

The accompanying notes are an integral part of this statement.

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

Exhibit B-3

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | UAAL as a Percentage of Covered ((b-a)/c) |
|--------------------------------|--|--|--------------------------------------|----------------------------|---------------------------------------|--|
| 12/31/2007 | \$ 30,746,588 | \$ 35,089,750 | \$ 4,343,162 | 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% |
| 12/31/2009 | 38,291,168 | 45,982,066 | 7,690,898 | 83.27% | 19,679,211 | 39.08% |

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, 2010
(With Comparative Amounts for the Fiscal Year Ended September 30, 2009)

Exhibit C-1

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - | 2009 Actual |
|---------------------------------|-------------------|-------------------|-------------------|---------------------------------|-------------------|
| | Original | Final | | Positive (Negative) | |
| REVENUES | | | | | |
| Property taxes | \$ 22,408,574 | 22,408,574 | 21,634,314 | (774,260) | 20,836,570 |
| Sales taxes | 6,540,000 | 6,337,383 | 5,608,069 | (729,314) | 5,894,213 |
| Intergovernmental | 1,029,257 | 1,989,003 | 1,817,542 | (171,461) | 2,088,722 |
| Fees of office | 4,309,775 | 4,221,743 | 4,112,211 | (109,532) | 4,062,183 |
| Interest | 170,000 | 20,000 | 12,275 | (7,725) | 41,160 |
| Royalties | 425,000 | 253,000 | 252,560 | (440) | 377,510 |
| Miscellaneous and donations | 336,800 | 493,409 | 578,267 | 84,858 | 529,291 |
| Total revenues | 35,219,406 | 35,723,112 | 34,015,238 | (1,707,874) | 33,829,649 |
| EXPENDITURES | | | | | |
| General government | | | | | |
| Commissioners' court | 90,600 | 93,100 | 88,874 | 4,226 | 92,035 |
| County judge | 455,772 | 467,132 | 441,850 | 25,282 | 473,870 |
| Veterans' service officer | 60,094 | 60,094 | 58,491 | 1,603 | 58,485 |
| Non-departmental | 2,185,792 | 1,923,839 | 1,565,745 | 358,094 | 1,337,775 |
| Election expenses | 532,873 | 559,441 | 559,434 | 7 | 527,193 |
| County auditor | 445,378 | 446,744 | 446,734 | 10 | 424,082 |
| County treasurer | 334,275 | 332,909 | 297,334 | 35,575 | 311,628 |
| Building and grounds | 1,701,956 | 1,743,839 | 1,355,387 | 388,452 | 1,469,637 |
| Purchasing administration | 313,799 | 313,799 | 312,119 | 1,680 | 304,831 |
| Information technology | 590,520 | 590,520 | 561,576 | 28,944 | 510,609 |
| Social services | 223,950 | 225,574 | 205,574 | 20,000 | 201,440 |
| County extension services | 278,578 | 278,578 | 270,491 | 8,087 | 246,853 |
| Total general government | 7,213,587 | 7,035,569 | 6,163,609 | 871,960 | 5,958,438 |
| Public safety | | | | | |
| Emergency management | 811,863 | 811,863 | 728,341 | 83,522 | 1,385,446 |
| Fire protection | 1,319,304 | 1,292,669 | 1,151,587 | 141,082 | 1,002,899 |
| Animal Control | 692,618 | 643,250 | 643,243 | 7 | 593,901 |
| Total public safety | 2,823,785 | 2,747,782 | 2,523,171 | 224,611 | 2,982,246 |
| Health and welfare | | | | | |
| 911 addressing | 110,367 | 110,367 | 97,800 | 12,567 | 109,145 |
| Environmental officer | - | - | - | - | 292,414 |
| Medical examiner-investigator | 244,395 | 244,394 | 239,398 | 4,996 | 235,778 |
| Sanitations | 281,356 | 281,356 | 275,303 | 6,053 | 274,033 |
| Total health and welfare | 636,118 | 636,117 | 612,501 | 23,616 | 911,370 |
| Law enforcement | | | | | |
| Jail | 7,309,769 | 7,326,020 | 7,326,002 | 18 | 6,866,876 |
| Constable #1 | 161,107 | 161,107 | 149,782 | 11,325 | 150,472 |
| Constable #2 | 170,434 | 170,434 | 166,143 | 4,291 | 159,536 |
| Constable #3 | 170,629 | 170,629 | 163,380 | 7,249 | 154,698 |
| Constable #4 | 167,600 | 167,600 | 165,579 | 2,021 | 159,844 |
| Sheriff administration | 529,223 | 584,560 | 725,817 | (141,257) | 688,265 |

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, 2010
(With Comparative Amounts for the Fiscal Year Ended September 30, 2009)

Exhibit C-1

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - | 2009 Actual |
|--|------------------|------------|-------------------|---------------------------------|----------------|
| | Original | Final | | Positive (Negative) | |
| Law enforcement (continued) | | | | | |
| Sheriff investigation | \$ 988,389 | 1,116,398 | 1,116,386 | 12 | 1,005,424 |
| Sheriff dispatching | 824,858 | 822,214 | 1,028,167 | (205,953) | 783,894 |
| Sheriff patrol | 2,757,555 | 2,767,981 | 2,973,921 | (205,940) | 2,308,809 |
| Narcotics task force | 716,184 | 665,092 | 665,082 | 10 | 643,975 |
| Courthouse security | 582,619 | 577,088 | 577,082 | 6 | 561,498 |
| Game Warden | 2,350 | 2,350 | 1,114 | 1,236 | 1,615 |
| Highway patrol | 100,401 | 122,951 | 98,285 | 24,666 | 94,076 |
| Total law enforcement | 14,481,118 | 14,654,424 | 15,156,740 | (502,316) | 13,578,982 |
| Judicial | | | | | |
| District court 43rd | 629,971 | 667,401 | 667,391 | 10 | 658,285 |
| District court 415th | 661,387 | 763,076 | 763,063 | 13 | 647,693 |
| County court-at-law #1 | 610,318 | 610,317 | 573,618 | 36,699 | 553,342 |
| County court-at-law #2 | 622,098 | 622,098 | 594,687 | 27,411 | 576,377 |
| Justice of the peace #1 | 348,389 | 348,389 | 343,215 | 5,174 | 326,458 |
| Justice of the peace #2 | 356,149 | 356,649 | 352,982 | 3,667 | 348,086 |
| Justice of the peace #3 | 461,363 | 461,363 | 457,210 | 4,153 | 439,511 |
| Justice of the peace #4 | 342,713 | 342,713 | 341,494 | 1,219 | 333,990 |
| County attorney | 1,701,168 | 1,774,225 | 1,774,211 | 14 | 1,688,272 |
| District attorney | 1,293,742 | 1,278,416 | 1,231,016 | 47,400 | 1,073,000 |
| Total Judicial | 7,027,298 | 7,224,647 | 7,098,887 | 125,760 | 6,645,014 |
| Recording | | | | | |
| County clerk | 1,282,973 | 1,282,973 | 1,206,115 | 76,858 | 1,177,804 |
| District clerk | 881,544 | 881,544 | 869,261 | 12,283 | 834,209 |
| Total recording | 2,164,517 | 2,164,517 | 2,075,376 | 89,141 | 2,012,013 |
| Tax assessing-collecting | 872,582 | 872,582 | 823,742 | 48,840 | 759,662 |
| Total expenditures | 35,219,005 | 35,335,638 | 34,454,026 | 881,612 | 32,847,725 |
| Excess (deficiency) of revenues over (under) expenditures | 401 | 387,474 | (438,788) | (826,262) | 981,924 |
| Other financing sources (uses): | | | | | |
| Operating transfers in | - | 351,829 | 351,828 | (1) | - |
| Operating transfers out | (752,098) | (752,098) | (670,431) | 81,667 | (667,598) |
| Sale of assets | - | 4,995 | 2,570 | (2,425) | 15,698 |
| Proceeds from capital leases | - | - | 411,915 | 411,915 | - |
| Total other financing sources (uses) | (752,098) | (395,274) | 95,882 | 491,156 | (651,900) |
| Net changes in fund balances | (751,697) | (7,800) | (342,906) | (335,106) | 330,024 |
| Carryover of prior year fund balance | 751,697 | 7,800 | - | (7,800) | - |
| Fund balances - October 1 | 1,724,906 | 1,724,906 | 1,724,906 | 1,724,906 | 1,394,882 |
| Fund balances - September 30 | \$ 1,724,906 | 1,724,906 | 1,382,000 | 1,382,000 | 1,724,906 |

**LATERAL ROAD FUND
(MAJOR FUND)**

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.

PARKER COUNTY, TEXAS
Lateral Road Fund
Combining Balance Sheet
September 30, 2010
(With Comparative Totals at September 30, 2009)

Exhibit C-2

| | Precinct #1 | Precinct #2 | Precinct #3 | Precinct #4 | Road & Bridge | Total | 2009 Actual |
|--|---------------------|------------------|------------------|----------------|------------------|------------------|------------------|
| ASSETS | | | | | | | |
| Cash | \$ 19,895 | 18,326 | 18,628 | 14,428 | 6,301 | 77,578 | 13,934 |
| Investments | 1,253,353 | 1,154,491 | 1,173,520 | 908,971 | 396,955 | 4,887,290 | 5,318,624 |
| Receivables: | | | | | | | |
| Property taxes (net of allowance) | | | | | 332,435 | 332,435 | 435,405 |
| Intergovernmental | | | | | 97,644 | 97,644 | 18,003 |
| Other | | | 12,401 | | 21,779 | 34,180 | 24,100 |
| Total assets | \$ 1,273,248 | 1,172,817 | 1,204,549 | 923,399 | 855,114 | 5,429,127 | 5,810,066 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 42,359 | 88,619 | 154,940 | 86,075 | 54,271 | 426,264 | 303,890 |
| Accrued salaries and benefits payable | 45,732 | 55,075 | 58,523 | 40,380 | 4,458 | 204,168 | 191,453 |
| Deferred revenues | | | | | 332,435 | 332,435 | 435,405 |
| Total liabilities | 88,091 | 143,694 | 213,463 | 126,455 | 391,164 | 962,867 | 930,748 |
| Fund balances | | | | | | | |
| Unreserved | 1,185,157 | 1,029,123 | 991,086 | 796,944 | 463,950 | 4,466,260 | 4,879,318 |
| Total liabilities and fund balances | \$ 1,273,248 | 1,172,817 | 1,204,549 | 923,399 | 855,114 | 5,429,127 | 5,810,066 |

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, 2010
(With Comparative Amounts for the Fiscal Year Ended September 30, 2009)

Exhibit C-3

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> | <u>2009 Actual</u> |
|--|-------------------------|--------------------|---------------------------|---|------------------------|
| | <u>Original</u> | <u>Final</u> | | | |
| REVENUES | | | | | |
| Property taxes | \$ 8,526,888 | 8,512,452 | 8,429,779 | (82,673) | 8,195,836 |
| Intergovernmental | 166,800 | 243,902 | 483,132 | 239,230 | 110,150 |
| Donated assets | - | - | - | - | 45,500 |
| Fees of office | 2,751,500 | 2,591,967 | 2,493,588 | (98,379) | 3,179,036 |
| Fines and forfeitures | 278,600 | 396,873 | 395,002 | (1,871) | 356,687 |
| Interest | 61,500 | 65,775 | 11,129 | (54,646) | 46,342 |
| Miscellaneous and donations | 15,000 | 138,677 | 67,111 | (71,566) | 77,090 |
| Total revenues | <u>11,800,288</u> | <u>11,949,646</u> | <u>11,879,741</u> | <u>(69,905)</u> | <u>12,010,641</u> |
| EXPENDITURES | | | | | |
| General government | 808,084 | 768,482 | 761,781 | 6,701 | 686,323 |
| Highways, roads and streets | | | | | |
| Precinct 1 | 2,901,864 | 2,866,864 | 1,969,820 | 897,044 | 1,906,264 |
| Precinct 2 | 3,214,904 | 3,201,404 | 2,578,959 | 622,445 | 2,408,506 |
| Precinct 3 | 3,107,005 | 3,140,731 | 2,960,461 | 180,270 | 2,680,567 |
| Precinct 4 | 2,361,298 | 2,361,298 | 2,099,801 | 261,497 | 1,935,514 |
| Capital outlays | | | | | |
| Precinct 1 | 397,000 | 432,000 | 973,901 | (541,901) | 51,782 |
| Precinct 2 | 267,000 | 292,000 | 138,744 | 153,256 | 404,843 |
| Precinct 3 | 387,500 | 399,501 | 373,767 | 25,734 | 844,979 |
| Precinct 4 | 555,000 | 555,000 | 408,673 | 146,327 | 351,198 |
| Debt service | | | | | |
| Interest | - | - | 61,441 | (61,441) | 81,834 |
| Precinct 2 | 114,500 | 114,500 | 95,318 | 19,182 | 125,910 |
| Precinct 3 | - | - | 256,189 | (256,189) | 160,460 |
| Precinct 4 | - | - | 66,415 | (66,415) | 62,553 |
| Total expenditures | <u>14,114,155</u> | <u>14,131,780</u> | <u>12,745,270</u> | <u>1,386,510</u> | <u>11,700,733</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,313,867)</u> | <u>(2,182,134)</u> | <u>(865,529)</u> | <u>1,316,605</u> | <u>309,908</u> |
| Other financing sources (uses): | | | | | |
| Transfer out | - | (312,336) | (312,336) | - | - |
| Sale of assets | 50,000 | 86,746 | 74,499 | (12,247) | 62,155 |
| Proceeds from capital leases | - | - | 690,308 | 690,308 | 903,286 |
| Total other financing sources | <u>50,000</u> | <u>(225,590)</u> | <u>452,471</u> | <u>678,061</u> | <u>965,441</u> |
| Net changes in fund balances | <u>(2,263,867)</u> | <u>(2,407,724)</u> | <u>(413,058)</u> | <u>1,994,666</u> | <u>1,275,349</u> |
| Carryover from prior year fund balance | 2,263,867 | 2,407,724 | - | (2,407,724) | - |
| Fund balances - October 1 | <u>4,879,318</u> | <u>4,879,318</u> | <u>4,879,318</u> | <u>-</u> | <u>3,603,969</u> |
| Fund balances - September 30 | <u>\$ 4,879,318</u> | <u>4,879,318</u> | <u>4,466,260</u> | <u>(413,058)</u> | <u>4,879,318</u> |

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.

NONMAJOR FUNDS
SPECIAL REVENUE FUNDS (Continued)

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

Emergency Management- To account for all emergency management grant related revenues and expenditures.

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.

NONMAJOR FUNDS
SPECIAL REVENUE FUNDS (Continued)

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.

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 Commitment Reduction Program Fund – To account for grant proceeds and expenses related to diverting appropriate youth from the Texas Youth Commission (TYC) to suitable programs and services in local communities.

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.

NONMAJOR FUNDS
SPECIAL REVENUE FUNDS (Continued)

District Court Records Technology Fund – To account for revenues and expenses associated with the district court record technology.

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

County/District Technology Fund - To account for revenues and expenses associated with the district and county technology.

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.

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.

Court Record Preservation Fund – To account for fees and related expenditures to preserve court records.

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

NONMAJOR FUNDS
SPECIAL REVENUE FUNDS (Continued)

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 FUNDS
CAPITAL PROJECTS FUNDS

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 FUND

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

PARKER COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

| | <u>Special Revenue Funds</u> | | | | | <u>Community Development Block Grant</u> |
|---------------------------------------|----------------------------------|---------------|------------------------------|--------------------------------|-------------------------------|--|
| | <u>Historical Commission</u> | <u>Estray</u> | <u>Abandoned Vehicle</u> | <u>Courthouse Security</u> | <u>Voter Registration</u> | |
| ASSETS | | | | | | |
| Cash | \$ 1,846 | 409 | 394 | 1,843 | - | 268 |
| Investments | 116,288 | 25,776 | 24,840 | 116,135 | - | 16,903 |
| Receivables: | | | | | | |
| Property taxes | | | | | | |
| Intergovernmental | | | | | | |
| Other | | 220 | | 610 | | |
| Total assets | <u>\$ 118,134</u> | <u>26,405</u> | <u>25,234</u> | <u>118,588</u> | <u>-</u> | <u>17,171</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ | 125 | 2,696 | 206 | | |
| Accrued salaries and benefits payable | | | | 2,215 | | |
| Due to other governmental agencies | | | | | | 17,171 |
| Deferred revenues: | | | | | | |
| Property taxes | | | | | | |
| Total liabilities | <u>-</u> | <u>125</u> | <u>2,696</u> | <u>2,421</u> | <u>-</u> | <u>17,171</u> |
| Fund balances (deficit) | | | | | | |
| Reserved for capital projects | | | | | | |
| Reserved for debt service | | | | | | |
| Unreserved | <u>118,134</u> | <u>26,280</u> | <u>22,538</u> | <u>116,167</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficit) | <u>118,134</u> | <u>26,280</u> | <u>22,538</u> | <u>116,167</u> | <u>-</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 118,134</u> | <u>26,405</u> | <u>25,234</u> | <u>118,588</u> | <u>-</u> | <u>17,171</u> |

Special Revenue Funds

| Sherriff's Forfeiture Federal Share | Contract Elections | Pre-Trial Intervention | Sheriff's Evidence | Sheriff's Forfeiture | Sheriff's Cops Grant | LEOSE Education | Emergency Management | Special District Attorney |
|--|-----------------------|---------------------------|-----------------------|-------------------------|-------------------------|--------------------|-------------------------|---------------------------------|
| 71,288 (61,725) | 1,567 98,697 | 87 5,505 | 143 9,032 | 19,803 116,874 | - - | 143 9,010 | (207) (13,018) | 231 14,556 |
| | 25 | | | 5,536 | | | 11,523 | 75 |
| <u>9,563</u> | <u>100,289</u> | <u>5,592</u> | <u>9,175</u> | <u>142,213</u> | <u>-</u> | <u>9,153</u> | <u>(1,702)</u> | <u>14,862</u> |
| | 4,230 | | | 3,460 | | | 757 | 1,046 |
| <u>-</u> | <u>4,230</u> | <u>-</u> | <u>-</u> | <u>3,460</u> | <u>-</u> | <u>-</u> | <u>757</u> | <u>1,046</u> |
| <u>9,563</u> | <u>96,059</u> | <u>5,592</u> | <u>9,175</u> | <u>138,753</u> | <u>-</u> | <u>9,153</u> | <u>(2,459)</u> | <u>13,816</u> |
| <u>9,563</u> | <u>96,059</u> | <u>5,592</u> | <u>9,175</u> | <u>138,753</u> | <u>-</u> | <u>9,153</u> | <u>(2,459)</u> | <u>13,816</u> |
| <u>9,563</u> | <u>100,289</u> | <u>5,592</u> | <u>9,175</u> | <u>142,213</u> | <u>-</u> | <u>9,153</u> | <u>(1,702)</u> | <u>14,862</u> |

PARKER COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

| | <u>Special Revenue Funds</u> | | | | | | |
|--|--|--|--|------------------------|-----------------|--|---|
| | <u>Special County Attorney</u> | <u>District Attorney Awarded</u> | <u>Justice Technology Fund</u> | <u>Law Library</u> | <u>Jury</u> | <u>Juvenile Probation Fees</u> | <u>Juvenile Probation County Funded</u> |
| ASSETS | | | | | | | |
| Cash | \$ 1,446 | 22,417 | 5,570 | 2,104 | (5,106) | 797 | 489 |
| Investments | 91,083 | 183,463 | 350,908 | 132,573 | (113) | 50,236 | 30,833 |
| Receivables: | | | | | | | |
| Property taxes | | | | | | | |
| Intergovernmental | | | | | | 684 | |
| Other | | | 132 | 821 | 5,219 | | |
| Total assets | \$ 92,529 | 205,880 | 356,610 | 135,498 | - | 51,717 | 31,322 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 10 | | 557 | 2,008 | | 22 | 27,086 |
| Accrued salaries and benefits payable | 346 | | | 142 | | | 11,798 |
| Due to other governmental agencies | | | | | | | |
| Deferred revenues: | | | | | | | |
| Property taxes | | | | | | | |
| Total liabilities | <u>356</u> | <u>-</u> | <u>557</u> | <u>2,150</u> | <u>-</u> | <u>22</u> | <u>38,884</u> |
| Fund balances (deficit) | | | | | | | |
| Reserved for capital projects | | | | | | | |
| Reserved for debt service | | | | | | | |
| Unreserved | <u>92,173</u> | <u>205,880</u> | <u>356,053</u> | <u>133,348</u> | <u>-</u> | <u>51,695</u> | <u>(7,562)</u> |
| Total fund balances (deficit) | <u>92,173</u> | <u>205,880</u> | <u>356,053</u> | <u>133,348</u> | <u>-</u> | <u>51,695</u> | <u>(7,562)</u> |
| Total liabilities and fund balances | \$ 92,529 | 205,880 | 356,610 | 135,498 | - | 51,717 | 31,322 |

| 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 Commitment Reduction Program | Juv Prob Title IV-E Reimbursement | Adult Probation County Funded |
| (127) | (65) | (6) | (97) | - | - | - | 1,485 | 3 |
| (8,093) | (4,092) | (350) | (6,127) | - | 1 | - | 93,566 | 188 |
| <u>(8,220)</u> | <u>(4,157)</u> | <u>(356)</u> | <u>(6,224)</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>95,051</u> | <u>191</u> |
| | 406 | 1,801 | 128 | | | | | 191 |
| <u>-</u> | <u>406</u> | <u>1,801</u> | <u>128</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>191</u> |
| <u>(8,220)</u> | <u>(4,563)</u> | <u>(2,157)</u> | <u>(6,352)</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>95,051</u> | <u>-</u> |
| <u>(8,220)</u> | <u>(4,563)</u> | <u>(2,157)</u> | <u>(6,352)</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>95,051</u> | <u>-</u> |
| <u>(8,220)</u> | <u>(4,157)</u> | <u>(356)</u> | <u>(6,224)</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>95,051</u> | <u>191</u> |

PARKER COUNTY, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010

| | Special Revenue Funds | | | | | | |
|--|--|------------------------------------|--|------------------------------|---|--|-------------------------------------|
| | Adult Probation Supervision Grant | Adult Probation CCP Grant | District Court Records Technology | Justice Court Security | County/ District Technology Fund | County Clerk Records Management | County Clerk Vital Records |
| ASSETS | | | | | | | |
| Cash | \$ 8,653 | 628 | 101 | 913 | 34 | (228) | 224 |
| Investments | 545,154 | 39,578 | 6,369 | 57,514 | 2,117 | (14,374) | 14,089 |
| Receivables: | | | | | | | |
| Property taxes | | | | | | | |
| Intergovernmental | 8 | | | | | | |
| Other | | | 169 | 33 | 70 | 792 | 10 |
| Total assets | \$ 553,815 | 40,206 | 6,639 | 58,460 | 2,221 | (13,810) | 14,323 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 1,789 | | | | | 42 | |
| Accrued salaries and benefits payable | | | | | | 1,980 | |
| Due to other governmental agencies | | 2,434 | | | | | |
| Deferred revenues: | | | | | | | |
| Property taxes | | | | | | | |
| Total liabilities | <u>1,789</u> | <u>2,434</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,022</u> | <u>-</u> |
| Fund balances (deficit) | | | | | | | |
| Reserved for capital projects | | | | | | | |
| Reserved for debt service | | | | | | | |
| Unreserved | <u>552,026</u> | <u>37,772</u> | <u>6,639</u> | <u>58,460</u> | <u>2,221</u> | <u>(15,832)</u> | <u>14,323</u> |
| Total fund balances (deficit) | <u>552,026</u> | <u>37,772</u> | <u>6,639</u> | <u>58,460</u> | <u>2,221</u> | <u>(15,832)</u> | <u>14,323</u> |
| Total liabilities and fund balances | \$ 553,815 | 40,206 | 6,639 | 58,460 | 2,221 | (13,810) | 14,323 |

| Special Revenue Funds | | | | | | | | Total |
|--|---|-------------------------------|-------------------|---------------------------------|--------------------------|-----------------------------|----------------------------|-----------------------------|
| District Clerk Records Management | Records Management County Wide | Court Reporters Service | District Clerk | Court Record Preservation | Document Preservation | Tax A/C Motor Vehicle | 911 Addressing Grant | Special Revenue Funds |
| 1,082 | 1,381 | 1,766 | 1,465 | 163 | 7,616 | | 893 | 151,416 |
| 68,150 | 87,013 | 111,282 | 92,278 | 10,259 | 479,797 | | 56,289 | 2,948,464 |
| | | | | | | | | - |
| | | | | | | | | 12,215 |
| 212 | 1,455 | 511 | 411 | 210 | 825 | | | 17,336 |
| 69,444 | 89,849 | 113,559 | 94,154 | 10,632 | 488,238 | - | 57,182 | 3,129,431 |
| | | | | | | | | - |
| | 3,569 | | | | | | 250 | 42,283 |
| | | | | | | | 1,515 | 26,092 |
| | | | | | | | | 19,605 |
| | | | | | | | | - |
| - | 3,569 | - | - | - | - | - | 1,765 | 87,980 |
| | | | | | | | | - |
| 69,444 | 86,280 | 113,559 | 94,154 | 10,632 | 488,238 | - | 55,417 | 3,041,451 |
| 69,444 | 86,280 | 113,559 | 94,154 | 10,632 | 488,238 | - | 55,417 | 3,041,451 |
| 69,444 | 89,849 | 113,559 | 94,154 | 10,632 | 488,238 | - | 57,182 | 3,129,431 |

| | Capital Project Funds | | | Debt Service Fund | Total Nonmajor Governmental Funds |
|---------------------------------------|---------------------------------|---------------------------------|------------------------------|-------------------|-----------------------------------|
| | Capital Projects 2005 Tax Notes | Capital Projects 2006 Tax Notes | Total Capital Projects Funds | Debt Service Fund | |
| ASSETS | | | | | |
| Cash | \$ 745 | 3,343 | 4,088 | 19,528 | 175,032 |
| Investments | 46,955 | 210,607 | 257,562 | 1,230,254 | 4,436,280 |
| Receivables: | | | | | |
| Property taxes | | | - | 192,778 | 192,778 |
| Intergovernmental | | | - | 12,193 | 24,408 |
| Other | | | - | | 17,336 |
| Total assets | \$ 47,700 | 213,950 | 261,650 | 1,454,753 | 4,845,834 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 44,709 | 3,544 | 48,253 | | 90,536 |
| Accrued salaries and benefits payable | | | - | | 26,092 |
| Due to other governmental agencies | | | - | | 19,605 |
| Deferred revenues: | | | | | |
| Property taxes | | | - | 192,778 | 192,778 |
| Total liabilities | 44,709 | 3,544 | 48,253 | 192,778 | 329,011 |
| Fund balances (deficit) | | | | | |
| Reserved for capital projects | 2,991 | 210,406 | 213,397 | | 213,397 |
| Reserved for debt service | | | - | 1,261,975 | 1,261,975 |
| Unreserved | | | - | | 3,041,451 |
| Total fund balances (deficit) | 2,991 | 210,406 | 213,397 | 1,261,975 | 4,516,823 |
| Total liabilities and fund balances | \$ 47,700 | 213,950 | 261,650 | 1,454,753 | 4,845,834 |

PARKER COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2010

| | Special Revenue Funds | | | | | |
|--|--------------------------|-----------------|----------------------|------------------------|-----------------------|--|
| | Historical Commission | Estray | Abandoned Vehicle | Courthouse Security | Voter Registration | Community Development Block Grant |
| REVENUES | | | | | | |
| Property taxes | \$ | | | | | |
| Intergovernmental | | | | | 13,746 | |
| Fees of office | | | | 85,742 | | |
| Interest | | | | | | |
| Miscellaneous | 1,000 | 6,120 | 6,370 | | | |
| Total revenues | <u>1,000</u> | <u>6,120</u> | <u>6,370</u> | <u>85,742</u> | <u>13,746</u> | <u>-</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 21,135 | 8,242 | 8,039 | | 13,746 | |
| Public safety | | | | | | |
| Law enforcement | | | | 66,678 | | |
| Judicial | | | | | | |
| Recording | | | | | | |
| Capital outlays | | | | 15,600 | | |
| Debt Service | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total expenditures | <u>21,135</u> | <u>8,242</u> | <u>8,039</u> | <u>82,278</u> | <u>13,746</u> | <u>-</u> |
| Excess (deficiency) of revenues | | | | | | |
| Net changes in fund balances | <u>(20,135)</u> | <u>(2,122)</u> | <u>(1,669)</u> | <u>3,464</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | | | | | | |
| Operating transfers out | | (19,847) | | | (39,492) | |
| Total financing other sources (uses) | <u>-</u> | <u>(19,847)</u> | <u>-</u> | <u>-</u> | <u>(39,492)</u> | <u>-</u> |
| Net changes in fund balances | <u>(20,135)</u> | <u>(21,969)</u> | <u>(1,669)</u> | <u>3,464</u> | <u>(39,492)</u> | <u>-</u> |
| Fund balances (deficit) - October 1 | <u>138,269</u> | <u>48,249</u> | <u>24,207</u> | <u>112,703</u> | <u>39,492</u> | <u>-</u> |
| Fund balances (deficit) - September 30 | <u>\$ 118,134</u> | <u>26,280</u> | <u>22,538</u> | <u>116,167</u> | <u>-</u> | <u>-</u> |

The accompanying notes are an integral part of this statement.

| Special Revenue Funds | | | | | | | | |
|--|-----------------------|---------------------------|-----------------------|-------------------------|-------------------------|--------------------|-------------------------|---------------------------------|
| Sherriff's Forfeiture Federal Share | Contract Elections | Pre-trial Intervention | Sheriff's Evidence | Sheriff's Forfeiture | Sheriff's Cops Grant | LEOSE Education | Emergency Management | Special District Attorney |
| | | 3,160 | | | 149,817 | 2,961 | 130,231 | 1,886 25 |
| 255 | 118,092 | | | 143,748 | | | | |
| 255 | 118,092 | 3,160 | - | 143,748 | 149,817 | 2,961 | 130,231 | 1,911 |
| 107,141 | 203,268 | | | | | | | |
| | | | | 126,227 | 90,380 | 565 | 106,124 | 1,480 |
| | 16,200 | | | | | | 26,566 | |
| 107,141 | 219,468 | - | - | 126,227 | 90,380 | 565 | 132,690 | 1,480 |
| (106,886) | (101,376) | 3,160 | - | 17,521 | 59,437 | 2,396 | (2,459) | 431 |
| - | - | - | - | - | - | - | - | - |
| (106,886) | (101,376) | 3,160 | - | 17,521 | 59,437 | 2,396 | (2,459) | 431 |
| 116,449 | 197,435 | 2,432 | 9,175 | 121,232 | (59,437) | 6,757 | - | 13,385 |
| 9,563 | 96,059 | 5,592 | 9,175 | 138,753 | - | 9,153 | (2,459) | 13,816 |

PARKER COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2010

| | Special Revenue Funds | | | | | | |
|--|-------------------------------|---------------------------------|-------------------------------|----------------|-----------------|-------------------------------|---|
| | Special County Attorney | District Attorney Awarded | Justice Technology Fund | Law Library | Jury | Juvenile Probation Fees | Juvenile Probation County Funded |
| REVENUES | | | | | | | |
| Property taxes | \$ | | | | | | |
| Intergovernmental | | | | | | 15,633 | 42,585 |
| Fees of office | 12,102 | | 49,951 | 50,206 | | 14,548 | |
| Interest | 166 | 391 | | | | | 389 |
| Miscellaneous | | 28,558 | | | 43,419 | | |
| Total revenues | <u>12,268</u> | <u>28,949</u> | <u>49,951</u> | <u>50,206</u> | <u>43,419</u> | <u>30,181</u> | <u>42,974</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | | | | | | | |
| Public safety | | | | | | | |
| Law enforcement | | | | | | | |
| Judicial | 11,494 | 36,768 | 20,194 | 22,047 | 76,242 | 30,172 | 551,520 |
| Recording | | | | | | | |
| Capital outlays | | | | | | | |
| Debt Service | | | | | | | |
| Principal | | | | | | | |
| Interest and fiscal charges | | | | | | | |
| Total expenditures | <u>11,494</u> | <u>36,768</u> | <u>20,194</u> | <u>22,047</u> | <u>76,242</u> | <u>30,172</u> | <u>551,520</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>774</u> | <u>(7,819)</u> | <u>29,757</u> | <u>28,159</u> | <u>(32,823)</u> | <u>9</u> | <u>(508,546)</u> |
| Other financing sources (uses): | | | | | | | |
| Operating transfers in | | | | | 19,847 | | 667,098 |
| Operating transfers out | | | | | | | |
| Total financing other sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,847</u> | <u>-</u> | <u>667,098</u> |
| Net changes in fund balances | <u>774</u> | <u>(7,819)</u> | <u>29,757</u> | <u>28,159</u> | <u>(12,976)</u> | <u>9</u> | <u>158,552</u> |
| Fund balances (deficit) - October 1 | <u>91,399</u> | <u>213,699</u> | <u>326,296</u> | <u>105,189</u> | <u>12,976</u> | <u>51,686</u> | <u>(166,114)</u> |
| Fund balances (deficit) - September 30 | <u>\$ 92,173</u> | <u>205,880</u> | <u>356,053</u> | <u>133,348</u> | <u>-</u> | <u>51,695</u> | <u>(7,562)</u> |

The accompanying notes are an integral part of this statement.

| 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 Commitment Reduction Program | Juv Prob Title IV-E Reimbursement | Adult Probation County Funded |
| 49,746 | 141,287 | 20,999 | 181,419 | 16,686 | 60,244 | 51,100 | | |
| <u>49,746</u> | <u>141,287</u> | <u>20,999</u> | <u>181,419</u> | <u>16,686</u> | <u>60,244</u> | <u>51,100</u> | <u>-</u> | <u>-</u> |
| 50,479 | 141,665 | 20,879 | 181,815 | 16,616 | 60,247 | 51,100 | 15,043 | 7,270 |
| <u>50,479</u> | <u>141,665</u> | <u>20,879</u> | <u>181,815</u> | <u>16,616</u> | <u>60,247</u> | <u>51,100</u> | <u>15,043</u> | <u>7,270</u> |
| (733) | (378) | 120 | (396) | 70 | (3) | - | (15,043) | (7,270) |
| | | | | | | | | 3,333 |
| - | - | - | - | - | - | - | - | 3,333 |
| (733) | (378) | 120 | (396) | 70 | (3) | - | (15,043) | (3,937) |
| <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>3,937</u> |
| <u>(8,220)</u> | <u>(4,563)</u> | <u>(2,157)</u> | <u>(6,352)</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>95,051</u> | <u>-</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, 2010

| | Special Revenue Funds | | | | | | |
|--|--|------------------------------------|--|------------------------------|---|--|-------------------------------------|
| | Adult Probation Supervision Grant | Adult Probation CCP Grant | District Court Records Technology | Justice Court Security | County/ District Technology Fund | County Clerk Records Management | County Clerk Vital Records |
| REVENUES | | | | | | | |
| Property taxes | \$ | | | | | | |
| Intergovernmental | 436,714 | 159,512 | | | | | |
| Fees of office | 1,196,908 | | 6,639 | 11,630 | 2,221 | 144,695 | 3,605 |
| Interest | 1,125 | | | | | | |
| Miscellaneous | 33,064 | | | | | | |
| Total revenues | <u>1,667,811</u> | <u>159,512</u> | <u>6,639</u> | <u>11,630</u> | <u>2,221</u> | <u>144,695</u> | <u>3,605</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | | | | | | | |
| Public safety | | | | | | | |
| Law enforcement | | | | | | | |
| Judicial | 1,726,354 | 153,829 | | | | | |
| Recording | | | | | | 90,697 | 1,461 |
| Capital outlays | | | | | | | |
| Debt Service | | | | | | | |
| Principal | | | | | | | |
| Interest and fiscal charges | | | | | | | |
| Total expenditures | <u>1,726,354</u> | <u>153,829</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>90,697</u> | <u>1,461</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(58,543)</u> | <u>5,683</u> | <u>6,639</u> | <u>11,630</u> | <u>2,221</u> | <u>53,998</u> | <u>2,144</u> |
| Other financing sources (uses): | | | | | | | |
| Operating transfers in | | | | | | | |
| Operating transfers out | | | | | | | |
| Total financing other sources (use) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net changes in fund balances | <u>(58,543)</u> | <u>5,683</u> | <u>6,639</u> | <u>11,630</u> | <u>2,221</u> | <u>53,998</u> | <u>2,144</u> |
| Fund balances (deficit) - October 1 | 610,569 | 32,089 | - | 46,830 | - | (69,830) | 12,179 |
| Fund balances (deficit) - September 30 | <u>\$ 552,026</u> | <u>37,772</u> | <u>6,639</u> | <u>58,460</u> | <u>2,221</u> | <u>(15,832)</u> | <u>14,323</u> |

The accompanying notes are an integral part of this statement.

| Special Revenue Funds | | | | | | | | Total |
|-----------------------------------|--------------------------------|-------------------------|----------------|---------------------------|-----------------------|-----------------------|----------------------|-----------------------|
| District Clerk Records Management | Records Management County Wide | Court Reporters Service | District Clerk | Court Record Preservation | Document Preservation | Tax A/C Motor Vehicle | 911 Addressing Grant | Special Revenue Funds |
| | | | | | | | 25,646 | - |
| 10,674 | 44,530 | 31,170 | 23,543 | 10,632 | 141,625 | | | 1,498,326 |
| | | | | | | | | 1,845,467 |
| | | | | | | | | 2,096 |
| | | | | | | | | 380,626 |
| 10,674 | 44,530 | 31,170 | 23,543 | 10,632 | 141,625 | - | 25,646 | 3,726,515 |
| | | | | | | | | |
| | | | | | | 3,973 | 22,901 | 388,445 |
| | | | | | | | | 106,124 |
| | | | | | | | | 193,470 |
| 1,493 | 44,318 | | | | | | | 3,265,594 |
| | | | | | | | | 137,969 |
| | | | | | | | | 58,366 |
| | | | | | | | | - |
| 1,493 | 44,318 | - | - | - | - | 3,973 | 22,901 | 4,149,968 |
| | | | | | | | | |
| 9,181 | 212 | 31,170 | 23,543 | 10,632 | 141,625 | (3,973) | 2,745 | (423,453) |
| | | | | | | | | |
| | | | | | | | | 690,278 |
| | | | | | | | | (59,339) |
| - | - | - | - | - | - | - | - | 630,939 |
| 9,181 | 212 | 31,170 | 23,543 | 10,632 | 141,625 | (3,973) | 2,745 | 207,486 |
| 60,263 | 86,068 | 82,389 | 70,611 | - | 346,613 | 3,973 | 52,672 | 2,833,965 |
| 69,444 | 86,280 | 113,559 | 94,154 | 10,632 | 488,238 | - | 55,417 | 3,041,451 |

PARKER COUNTY, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2010

Exhibit C-5

| | Capital Projects Funds | | | Debt Service Fund | Total Nonmajor Governmental Funds |
|---|---------------------------------------|---------------------------------------|------------------------------------|-------------------------|-----------------------------------|
| | Capital Projects 2005 Tax Notes | Capital Projects 2006 Tax Notes | Total Capital Projects Funds | Debt Service Fund | |
| REVENUES | | | | | |
| Property taxes | \$ | | - | 5,158,651 | 5,158,651 |
| Intergovernmental | | | - | - | 1,498,326 |
| Fees of office | | | - | - | 1,845,467 |
| Interest | | | - | 6,965 | 9,061 |
| Miscellaneous | | | - | | 380,626 |
| Total revenues | - | - | - | 5,165,616 | 8,892,131 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 624 | 53,997 | 54,621 | | 443,066 |
| Public safety | | | - | | 106,124 |
| Law enforcement | 22,550 | | 22,550 | | 216,020 |
| Judicial | 782 | | 782 | | 3,266,376 |
| Recording | | | - | | 137,969 |
| Capital outlays | 22,159 | 224,967 | 247,126 | | 305,492 |
| Debt Service | | | | | |
| Principal | | | - | 1,725,000 | 1,725,000 |
| Interest and fiscal charges | | | - | 3,880,885 | 3,880,885 |
| Total expenditures | 46,115 | 278,964 | 325,079 | 5,605,885 | 10,080,932 |
| Excess (deficiency) of revenues over (under) expenditures | (46,115) | (278,964) | (325,079) | (440,269) | (1,188,801) |
| Other financing sources (uses): | | | | | |
| Operating transfers in | | | - | | 690,278 |
| Operating transfers out | | | - | | (59,339) |
| Total financing other sources (uses) | - | - | - | - | 630,939 |
| Net changes in fund balances | (46,115) | (278,964) | (325,079) | (440,269) | (557,862) |
| Fund balances (deficit) - October 1 | 49,106 | 489,370 | 538,476 | 1,702,244 | 5,074,685 |
| Fund balances (deficit) - September 30 | \$ 2,991 | 210,406 | 213,397 | 1,261,975 | 4,516,823 |

The accompanying notes are an integral part of this statement.

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.

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 automobiles via internet 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.

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

AGENCY FUNDS (Continued)

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

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, 2010

Exhibit C-6

| | Sheriff's Office Trust Account | Auto Registration Account | Vehicle Inventory Tax- Escrow | Auto Registration Credit Card Account | Auto Registration Internet Account | Vehicle Comptroller Account | County Clerk's Court Fund Account | County Attorney's Escrow Account |
|---------------------------------|---|---------------------------------|--|--|---|-----------------------------------|--|---|
| Assets | | | | | | | | |
| Cash | \$ 47,609 | 584,085 | 430,832 | 7,695 | 478 | 383,596 | 52,051 | 27,130 |
| Investments | | | | | | | | |
| Accounts receivable | | | | | | | | |
| Total assets | \$ 47,609 | 584,085 | 430,832 | 7,695 | 478 | 383,596 | 52,051 | 27,130 |
| Liabilities | | | | | | | | |
| Deposits held and due to others | \$ 47,609 | 584,085 | 430,832 | 7,695 | 478 | 383,596 | 52,051 | 27,130 |
| Accounts payable - State | | | | | | | | |
| Total liabilities | \$ 47,609 | 584,085 | 430,832 | 7,695 | 478 | 383,596 | 52,051 | 27,130 |

The accompanying notes are an integral part of this statement.

PARKER COUNTY, TEXAS
 Combining Balance Sheet
 All Agency Funds
 September 30, 2010

Exhibit C-6

| | County Clerk's Deposit Account | County Clerk's Registry Account | County Clerk's Individual Trust Account | District Court Deposit Account | District Clerk's Registry Account | District Clerk's Individual Trust Account | Sheriff's Office Inmate Trust Account | County Jail Commissary Fund |
|---------------------------------|---|--|---|---|--|---|---|--------------------------------------|
| Assets | | | | | | | | |
| Cash | 408,181 | 743,919 | 246,729 | 106,613 | 475,179 | 140,332 | 37,234 | 11,183 |
| Investments | | | | | | | | |
| Accounts receivable | | | | | | | | |
| Total assets | 408,181 | 743,919 | 246,729 | 106,613 | 475,179 | 140,332 | 37,234 | 11,183 |
| Liabilities | | | | | | | | |
| Deposits held and due to others | 408,181 | 743,919 | 246,729 | 106,613 | 475,179 | 140,332 | 37,234 | 11,183 |
| Accounts payable - State | | | | | | | | |
| Total liabilities | 408,181 | 743,919 | 246,729 | 106,613 | 475,179 | 140,332 | 37,234 | 11,183 |

The accompanying notes are an integral part of this statement.

PARKER COUNTY, TEXAS
 Combining Balance Sheet
 All Agency Funds
 September 30, 2010

Exhibit C-6

| | Criminal Justice Fund | V.I.T. Interest Account | T.A.C. Boat Comptroller Fund | District Attorney Trust Account | County Clerk Probate Fund | IRP Funds Account | TPWD Funds Account | Total |
|---------------------------------|-----------------------------|-------------------------------|---------------------------------------|--|------------------------------------|-------------------------|--------------------------|-----------|
| Assets | | | | | | | | |
| Cash | 8,397 | 63,197 | 70 | 19,505 | 35,132 | 623 | 101 | 3,829,871 |
| Investments | 529,002 | | | | 136,807 | | | 665,809 |
| Accounts receivable | 15,677 | | | | | | | 15,677 |
| Total assets | 553,076 | 63,197 | 70 | 19,505 | 171,939 | 623 | 101 | 4,511,357 |
| Liabilities | | | | | | | | |
| Deposits held and due to others | 549,971 | 63,197 | 70 | 19,505 | 171,939 | 623 | 101 | 4,508,252 |
| Accounts payable - State | 3,105 | | | | | | | 3,105 |
| Total liabilities | 553,076 | 63,197 | 70 | 19,505 | 171,939 | 623 | 101 | 4,511,357 |

The accompanying notes are an integral part of this statement.

***STATISTICAL AND SUPPLEMENTARY
INFORMATION***

PARKER COUNTY, TEXAS
Schedule of Delinquent Taxes Receivable
General and Debt Service Funds
September 30, 2010

Exhibit D-1

| Year of Levy | Tax Rate | Assessed Valuation | Balance 10/01/2009 | Current Levy | Total Collections | Adjustments Increase (Decrease) | Balance 09/30/2010 |
|-----------------|----------|-----------------------|-----------------------|----------------------|----------------------|---------------------------------------|-----------------------|
| 1999 & prior | Various | Various | \$ 288,247 | \$ - | \$ 3,984 | \$ (1,598) | \$ 282,665 |
| 2000 | 0.2657 | 3,267,961,181 | 34,289 | | 765 | (218) | 33,306 |
| 2001 | 0.2610 | 3,521,249,803 | 42,334 | | 929 | (268) | 41,137 |
| 2002 | 0.2471 | 4,122,871,175 | 44,698 | | 1,511 | (799) | 42,388 |
| 2003 | 0.2477 | 4,488,305,475 | 52,347 | | 2,762 | (739) | 48,846 |
| 2004 | 0.2472 | 4,916,779,079 | 57,971 | | 7,015 | (579) | 50,377 |
| 2005 | 0.2472 | 5,700,079,719 | 80,685 | | 17,746 | 4,167 | 67,106 |
| 2006 | 0.2472 | 6,486,893,567 | 102,301 | | 25,180 | 4,041 | 81,162 |
| 2007 | 0.2503 | 7,657,985,982 | 320,042 | | 64,535 | (144,699) | 110,808 |
| 2008 | 0.2652 | 8,585,416,969 | 679,442 | | 284,593 | (194,889) | 199,960 |
| 2009 | 0.2872 | 9,452,531,486 | - | 26,566,206 | 26,066,037 | 35,228 | 535,397 |
| | | | <u>\$ 1,702,356</u> | <u>\$ 26,566,206</u> | <u>\$ 26,475,057</u> | <u>\$ (300,353)</u> | <u>\$ 1,493,152</u> |

PARKER COUNTY, TEXAS
Schedule of Delinquent Taxes Receivable
Lateral Road Fund
September 30, 2010

Exhibit D-2

| Year of Levy | Tax Rate | Assessed Valuation | Balance 10/01/2009 | Current Levy | Total Collections | Adjustments Increase (Decrease) | Balance 9/30/2010 |
|-----------------|----------|-----------------------|-----------------------|---------------------|----------------------|---------------------------------------|----------------------|
| 1999 & prior | Various | Various | \$ 159,523 | - | \$ 1,884 | \$ (825) | \$ 156,814 |
| 2000 | 0.1200 | 3,267,095,767 | 15,505 | | 334 | (101) | 15,070 |
| 2001 | 0.1179 | 3,519,299,663 | 19,197 | | 407 | (120) | 18,670 |
| 2002 | 0.0947 | 4,121,856,831 | 17,228 | | 573 | (304) | 16,351 |
| 2003 | 0.0948 | 4,486,782,802 | 20,187 | | 1,055 | (288) | 18,844 |
| 2004 | 0.0945 | 4,914,193,382 | 22,278 | | 2,684 | (229) | 19,365 |
| 2005 | 0.0927 | 5,699,036,536 | 30,641 | | 6,640 | 1,554 | 25,555 |
| 2006 | 0.0914 | 6,487,190,814 | 38,533 | | 9,296 | 1,483 | 30,720 |
| 2007 | 0.0869 | 7,659,110,899 | 112,449 | | 22,643 | (50,232) | 39,574 |
| 2008 | 0.0893 | 8,587,017,483 | 231,503 | | 96,790 | (65,680) | 69,033 |
| 2009 | 0.0882 | 9,454,827,201 | - | 8,340,178 | 8,183,557 | 10,931 | 167,552 |
| | | | <u>\$ 667,044</u> | <u>\$ 8,340,178</u> | <u>\$ 8,325,863</u> | <u>\$ (103,811)</u> | <u>\$ 577,548</u> |