

HOOD COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2010**

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ANNUAL FINANCIAL REPORT
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HOOD COUNTY, TEXAS
AUDITOR'S OFFICE
P. O. Box 7150
5417 Acton Hwy #106
Granbury, Texas 76049

INTRODUCTORY SECTION

Hood County Auditor

**P.O. Box 7150, Granbury, TX 76049
(817) 579-3210 - 5417 Acton Hwy #106**

May 17, 2011

Honorable Ralph H. Walton, Jr., 355th Judicial District Judge
Honorable Darrell Cockerham, Hood County Judge
Honorable Hood County Commissioners
Hood County, Texas

Gentlemen:

The Annual Financial Report of Hood County, Texas for the year ended September 30, 2010, is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the County. We believe the data as presented is correct in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of Hood County, Texas (the County) as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a proper understanding of the County's financial activity have been included. The report was prepared in accordance with generally accepted accounting principles set forth by the Governmental Accounting Standards Board, and is in compliance with Paragraph 114.025 Vernon's Texas Codes Annotated (V.T.C.A.) Local Government Code.

The Annual Financial Report is presented in two sections: introductory and financial. The introductory section includes this transmittal letter, Hood County's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, in addition to the independent auditors' report on the financial statements and schedules.

This report includes all of the funds of the County. The County provides a full range of services. Included are public safety, corrections, legal and judicial services, roads construction and roads maintenance.

ECONOMIC CONDITION

LOCAL ECONOMIC INFORMATION – The Texas State Legislature created Hood County in 1866. The County has continued growth in population. The County’s population of about 51,700 occupies about 437 square miles (of which 15 square miles are covered by Lake Granbury). The North Central Texas Council of Governments estimates that Hood County has added over 10,600 new residents since the 2000 Census (then 41,100 residents). As of the date of this report, Hood County Sales Tax collections have stabilized at about the 2006 level. New construction of homes and businesses has also slowed, as has development and production of natural gas resources. The rapid growth in population and vehicle traffic give rise to larger demands for services from Hood County government. This increase in demand is partially offset by the decline in services to oil and gas development companies.

MAJOR INITIATIVES

FOR THE YEAR – Hood County is actively engaged in restoration of the historic Hood County Courthouse. This project is funded largely by the Texas Historical Commission through a five million dollar grant, with a planned local match of about 16%.

FOR THE FUTURE – Grant programs are underway to address environmental concerns regarding the water quality of Lake Granbury. Engineering and architectural studies have been received for a proposed expansion of the Hood County Jail, but this project has been placed on hold status. An election was held May 8, 2010 in which voters approved the County’s authority to issue up to seventy-five million dollars of bonded debt for highway improvements; this project is on hold status.

FINANCIAL INFORMATION

INTERNAL CONTROL STRUCTURE – The accounting records for Hood County’s general governmental operations are maintained on a modified accrual basis, the same basis utilized for financial statement presentation. The financial operating controls are shared by the Commissioners’ Court (the governing body) and the County Auditor, who is appointed by the District Judge. The County Auditor has the basic responsibilities for maintaining the records of all financial transactions of the County and “examining, auditing and approving” all disbursements from County funds prior to their submission to the Commissioners’ Court for approval. The Commissioners’ Court sets the tax rates, establishes policies for County operations, approves contracts for the County, and develops and adopts the County budget within the resources as estimated by the County Judge, with assistance from the County Auditor.

Accounting systems for the County were developed with consideration given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance for safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived from those controls; the evaluation of these costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the County government is also responsible for keeping an adequate internal control structure in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the government.

BUDGETING CONTROLS – Hood County maintains strict budgetary controls to ensure compliance with legal provisions in the annual appropriated budget approved by the County’s governing body. Activities of the General Fund, certain Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund.

GENERAL GOVERNMENT FUNCTIONS – The following schedule presents a summary of revenues recorded in the Governmental Activities for the fiscal year ended September 30, 2010, as well as the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent Increase (Decrease) from 2009</u>
Taxes	\$ 20,921,636	71.90%	\$ 130,915	0.63%
Charges for services	4,717,639	16.21%	(304,479)	(6.06%)
Grants and contributions	3,075,521	10.57%	399,224	14.92%
Investment income	40,428	0.14%	(115,317)	(74.04%)
Miscellaneous	<u>343,865</u>	<u>1.18%</u>	<u>100,394</u>	<u>41.23%</u>
Total	<u>\$ 29,099,089</u>	<u>100.00%</u>	<u>\$ 210,737</u>	

Tax revenues increased from new properties added to the tax roll, as well as a slight increase in the ad valorem tax rate. Sales tax revenues were much less than in recent years, due to lower economic activity, decreased merchant sales volume, and reduced development of oil and gas properties. The County collects sales taxes strictly for the purpose of reducing ad valorem taxes. Charges for services decreased due to a smaller volume of transactions; the weakened economy also makes it harder for some individuals to pay fees and fines. The largest grant was from the Texas Historical Commission for courthouse restoration. Investment income decreased due to much lower interest rates during the fiscal year. As with other areas of the nation, there was a decrease in the number of real estate property sales and closings. However, that effect was not as dramatic in Hood County as in those other locales.

The following schedule presents a summary of Governmental Activities expenses for the fiscal year ended September 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

<u>Functional Category</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent Increase (Decrease) from 2009</u>
General administration	\$ 3,408,891	12.60%	\$ 301,636	9.71%
Judicial and legal	3,757,398	13.88%	54,174	1.46%
Financial administration	1,733,781	6.41%	(54,454)	(3.05%)
Elections	152,207	0.56%	75,170	97.58%
Public facilities	772,885	2.86%	(332,307)	(30.07%)
Public safety	6,884,303	25.44%	322,073	4.91%
Corrections	3,878,853	14.33%	153,642	4.12%
Public transportation	4,079,910	15.08%	117,027	2.95%
Health and welfare	738,621	2.73%	317,802	75.52%
Public assistance	51,432	0.19%	(300)	(0.58%)
Culture/recreation	641,051	2.37%	56,792	9.72%
Conservation	77,443	0.29%	(1,979)	(2.49%)
Environmental protection	63,151	0.23%	(55,545)	(46.80%)
Interest on long-term debt	<u>821,592</u>	<u>3.04%</u>	<u>(28,735)</u>	<u>(3.38%)</u>
Total	\$ <u>27,061,518</u>	<u>100.00%</u>	\$ <u>924,996</u>	

Public elections were held, causing a rise in the cost of elections. Public facilities decreased due to prior year acquisition of the Acton Annex, and relocation of various offices to Acton, Annex II and Annex III. The Health and welfare increase was due to a pass-through grant from the Texas Department of Rural Affairs. Public safety and corrections increased due to new positions, salary increases and law enforcement activity. Environmental protection includes the new bulk waste disposal center.

DEBT ADMINISTRATION – At September 30, 2010, Hood County had general long term bonded debt, Texas tax notes and certificates of obligation outstanding in the amount of \$ 17,095,000. The County has maintained its debt ratings by Fitch, and Standard and Poor's to A2 and AA/stable, respectively. Net tax-supported debt per capita for the County is \$ 330.

CASH MANAGEMENT – The County's investment policies are in accordance with the laws of the State of Texas. The policies identify the authorized investments, collateral requirements and safekeeping requirements for collateral. Demand deposits are covered by a guaranteed letter of credit pledged as collateral maintained at a third party bank. The remaining funds are held at Texpool and Texstar, approved government investment pools.

RETIREMENT PLAN FUNDING – The County provides pension, disability and death benefits for all of its employees (half time or more) through a nontraditional, joint contributory, defined contribution plan in the State-wide Texas County and District Retirement System, (TCDRS), one of over 570 administered by TCERS. The contribution rate of the County was 7.35% for 2010 and 6.8% for 2009, and for employee members is six percent of covered payroll.

Employer contributions will likely increase due to lower investment returns of TCERS.

RISK MANAGEMENT – The County participates in the Texas Association of Counties risk management programs. These programs provide coverage for various types of risks including: property and casualty, vehicle operation, general liability, and employee coverages for health, unemployment and workers' compensation.

OTHER INFORMATION

INDEPENDENT AUDIT – State laws require an annual audit by independent certified public accountants. Commissioners' Court engaged the public accounting firm of Pattillo, Brown & Hill, LLC. Their audit was designed to meet the requirements set forth in state statutes, and generally accepted governmental auditing standards. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. This audit included provisions required by the State of Texas Uniform Grant Management Standards.

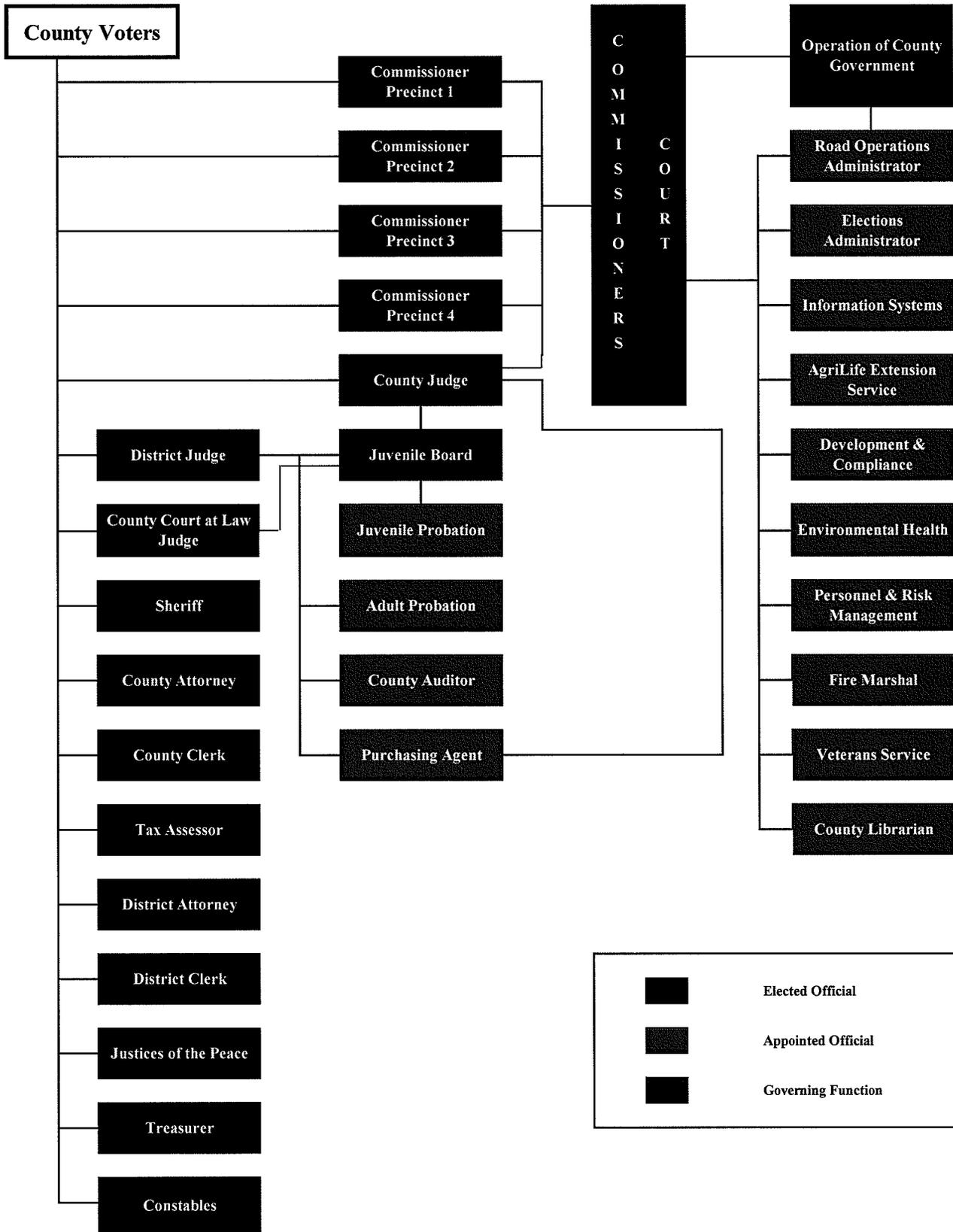
ACKNOWLEDGMENTS – The preparation of this report could not have been accomplished without the dedicated services of the County Auditor's office staff. I also want to express my appreciation to all County staff members who have assisted in the maintenance of the accounting records of the County, the County Treasurer's office, the District Judge, and to the members of the Commissioners' Court for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

Stan McBroom
County Auditor

HOOD COUNTY ORGANIZATION

September 30, 2010



OFFICIALS OF HOOD COUNTY, TEXAS

SEPTEMBER 30, 2010

ELECTED OFFICIALS

County Judge	Anderson L. Rash
County Commissioner Precinct 1	Mike Sympson
County Commissioner Precinct 2	Richard Roan
County Commissioner Precinct 3	Leonard Heathington
County Commissioner Precinct 4	Steve Berry
County Attorney	R. Kelton Conner
County Clerk	Sally A. Oubre
County Court at Law	Vincent J. Messina
Constable, Precinct 1&2	Dewayne Hart
Constable, Precinct 3	Randy Branum
Constable, Precinct 4	G. Chad Jordan
District Judge	Ralph H. Walton, Jr.
District Attorney	Robert T. Christian
District Clerk	Tonna L. (Trumble) Hitt
Justice of the Peace, Precinct 1&2	Martin Castillo
Justice of the Peace, Precinct 3	Judy B. Watson
Justice of the Peace, Precinct 4	Danny Tuggle
Sheriff	Roger Deeds
Tax Assessor-Collector	Teresa McCoy
Treasurer	Kathy C. Davis

APPOINTED OFFICIALS

County Auditor	Stan McBroom
Chief, Adult Probation	James D. Roberts
Chief, Juvenile Probation	Shelli Berry
County Librarian	Sharon L. McAllister
County Health	James D. McAusland
Fire Marshal	Brian Fine
Extension Agent AG	Marty J. Vahlenkamp
Information Systems	Jackie Solomon
Veterans Service	Linda Mallon
Purchasing Agent	Nelda Walters
Personnel & Governmental Affairs	Robert Blessing
Superintendent Road Operations	Donald F. Linney

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge
and County Commissioners
Hood County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood County, Texas (the "County") 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 Hood 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 the 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 Hood 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 17, 2011, on our consideration of Hood County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and budgetary comparison information on pages 3 through 14 and 50 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hood County, Texas's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the State of Texas Uniform Grant Management Standards, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Patillo, Brown & Hill, LLP

May 17, 2011

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis

As management of Hood County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – v of this report.

Financial Highlights

- The assets of Hood County exceeded its liabilities at the close of the most recent fiscal year for governmental activities by \$49,848,149 (net assets). Of this amount, \$11,887,355 (unrestricted net assets), may be used to meet the government's ongoing obligations to citizens and creditors with the County's fund designation.
- The County's total net assets increased for governmental activities by \$2,037,571, or 4%.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,829,334. 61% of the governmental funds amount, \$9,641,192 (unreserved fund balance) is available for use within the County's fund designations.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,651,734 or 53% of the total General Fund expenditures.

Overview of the Financial Statements

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

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

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 the County's net assets changed during the most recent fiscal year. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The *governmental activities* of the County include general administration, judicial and legal, financial administration, elections, public facilities, and recreation, conservation, and environmental protection. There were no *business-type activities* reported for the year ended September 30, 2010.

The government-wide financial statements can be found on pages 15 – 16 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 two categories: governmental funds and fiduciary funds.

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

The County maintains 39 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund (Special Revenue Fund), Debt Service Fund, and Office Equipment C&M Fund (Capital Project Fund), all of which are considered to be major funds. Data from the other 35 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 basic governmental fund financial statements can be found on pages 17 – 22 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County’s operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on page 23 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 – 49 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 50 – 51 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52 – 103 of this report.

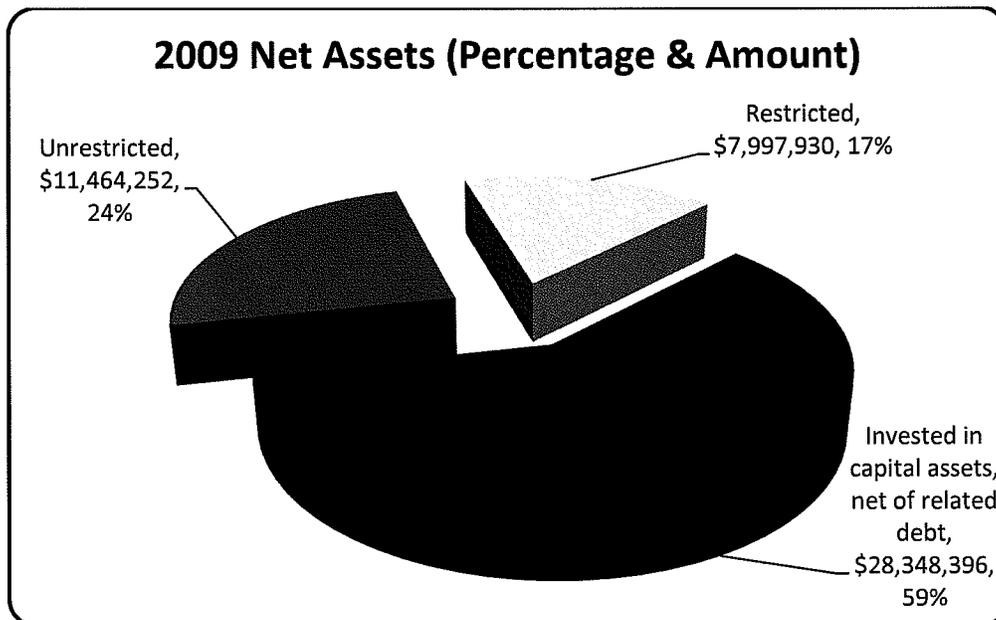
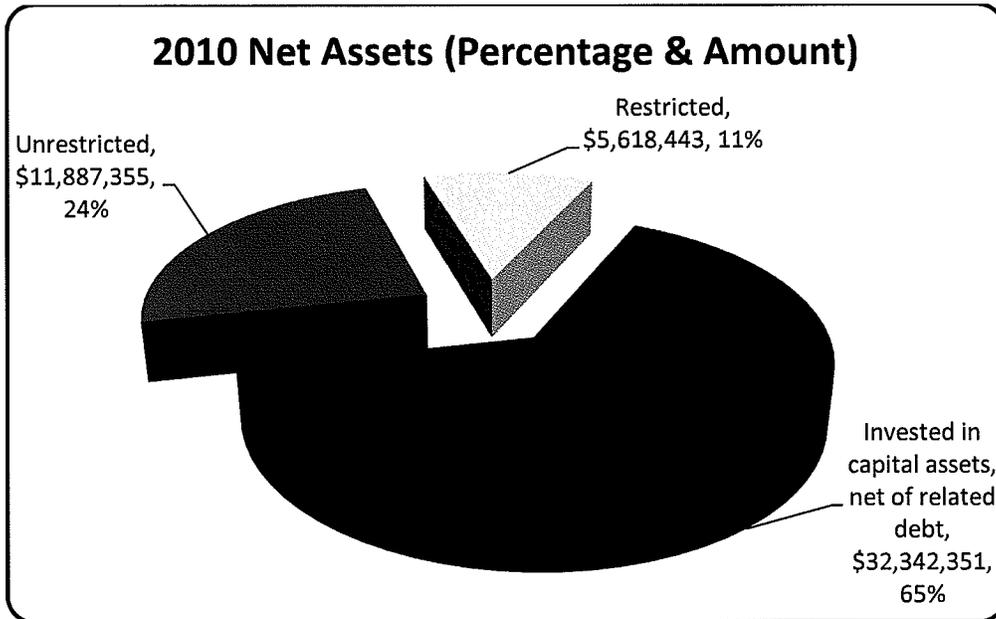
Government-wide Financial Analysis

HOOD COUNTY’S NET ASSETS

	Governmental Activities	
	2010	2009
Current assets	\$ 20,908,725	\$ 22,194,044
Capital assets	49,917,595	48,527,963
Total assets	<u>70,826,320</u>	<u>70,722,007</u>
Current liabilities	2,691,395	1,979,548
Noncurrent liabilities	18,286,776	20,931,881
Total liabilities	<u>20,978,171</u>	<u>22,911,429</u>
Net assets:		
Invested in capital assets, net of related debt	32,342,351	28,348,396
Restricted	5,618,443	7,997,930
Unrestricted	<u>11,887,355</u>	<u>11,464,252</u>
Total net assets	<u>\$ 49,848,149</u>	<u>\$ 47,810,578</u>

An additional portion of the County’s net assets of \$5,618,443 (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$11,887,355 (24%) may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2010, the County is able to report positive balances in all three categories of net assets for the government as a whole.



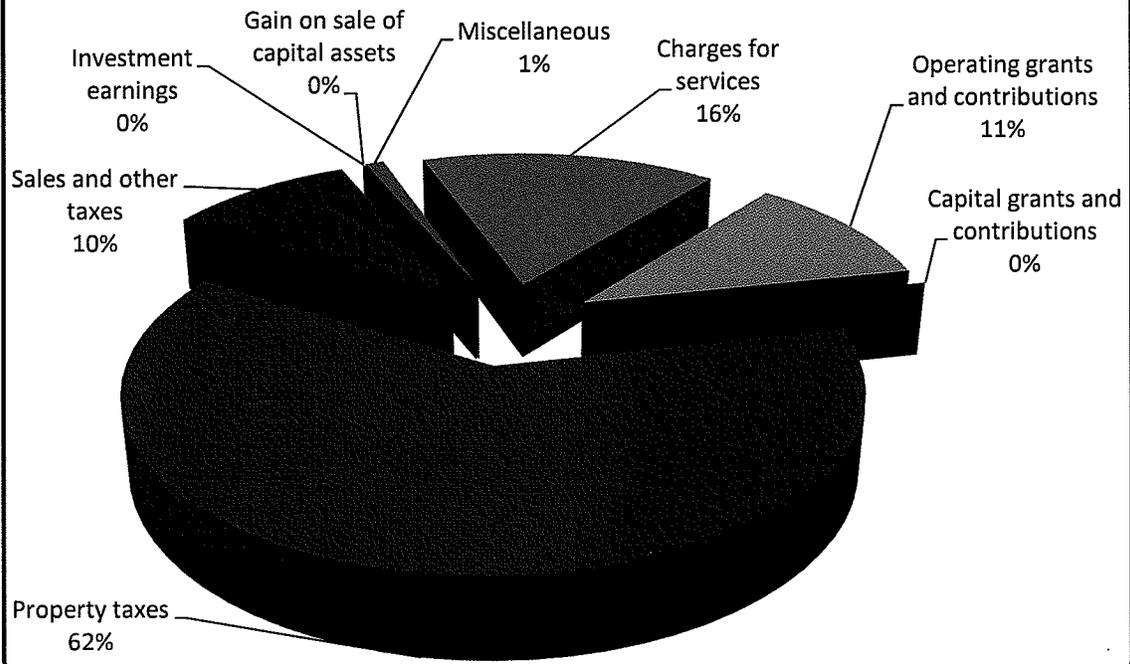
Analysis of the County’s Operations. Governmental activities reported an increase in net assets in the amount of \$2,037,571 or 4%.

The following table provides a summary of the County’s operations for the year ended September 30, 2010.

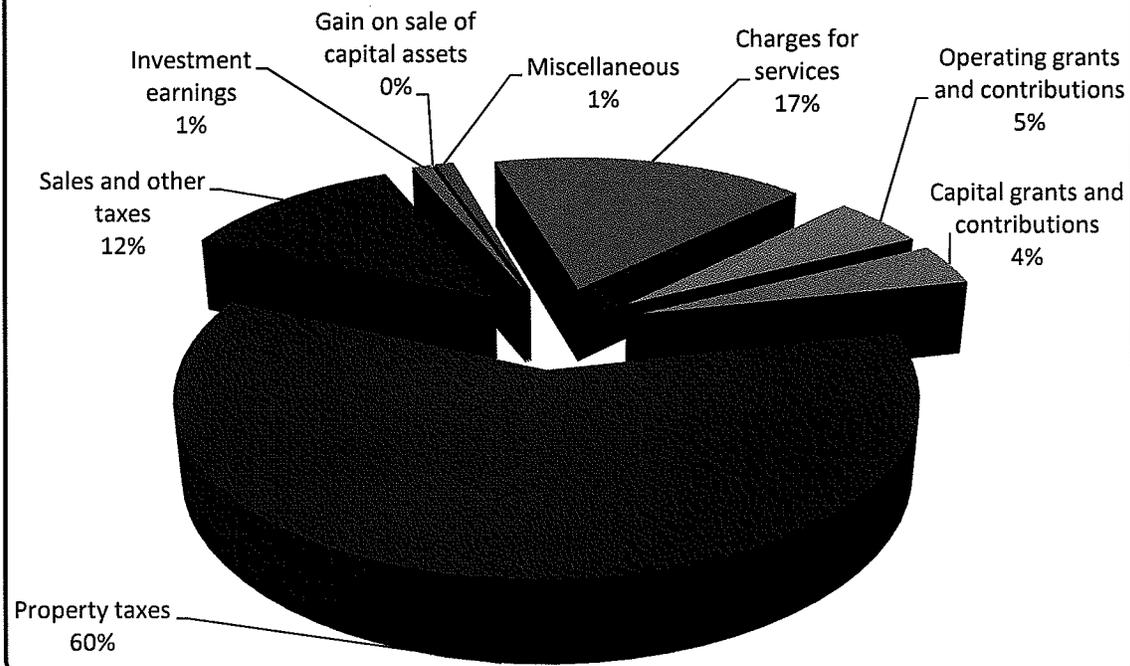
HOOD COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities	
	2010	2009
REVENUES		
Program revenues:		
Charges for services	\$ 4,717,639	\$ 5,022,118
Operating grants and contributions	3,075,521	1,553,930
Capital grants and contributions	-	1,122,367
General revenues:		
Property taxes	17,951,830	17,316,089
Sales and other taxes	2,969,806	3,474,632
Investment earnings	40,428	155,745
Gain on sale of capital assets	-	1,716
Miscellaneous	343,865	241,755
Total revenues	29,099,089	28,888,352
EXPENSES		
General administration	3,408,891	3,107,255
Judicial and legal	3,757,398	3,703,224
Financial administration	1,733,781	1,788,235
Elections	152,207	77,037
Public facilities	772,885	1,105,192
Public safety	6,884,303	6,562,230
Corrections	3,878,853	3,725,211
Public transportation	4,079,910	3,962,883
Health and welfare	738,621	420,819
Public assistance	51,432	51,732
Culture and recreation	641,051	584,259
Conservation	77,443	79,422
Environmental protection	63,151	118,696
Interest on long-term debt	821,592	850,327
Total expenses	27,061,518	26,136,522
CHANGE IN NET ASSETS	2,037,571	2,751,830
NET ASSETS, BEGINNING	47,810,578	45,058,748
NET ASSETS, ENDING	\$ 49,848,149	\$ 47,810,578

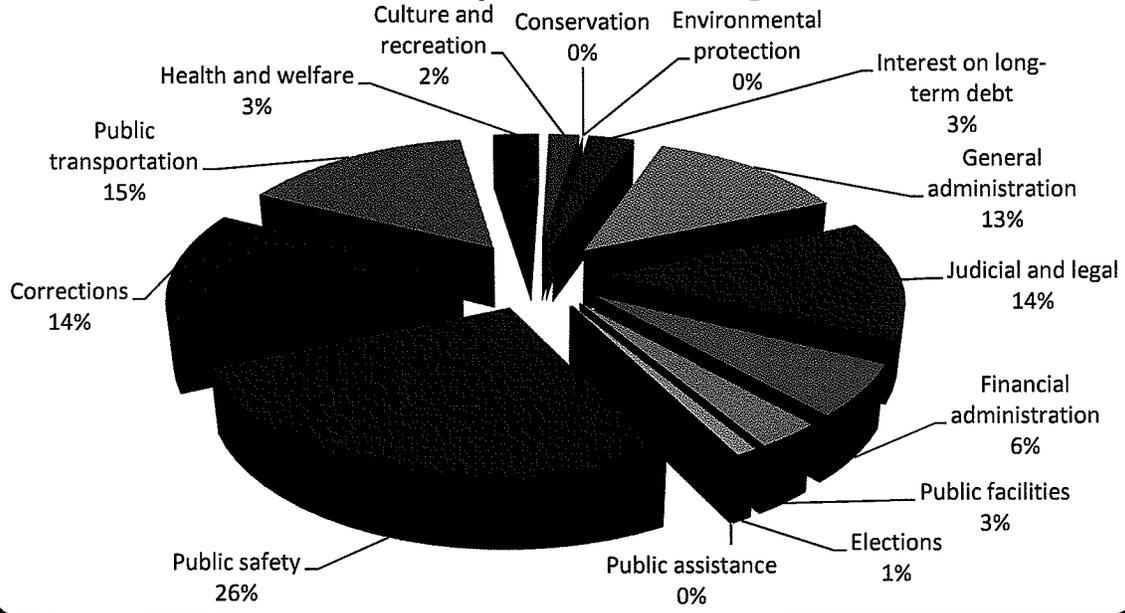
Percentage 2010 Revenues



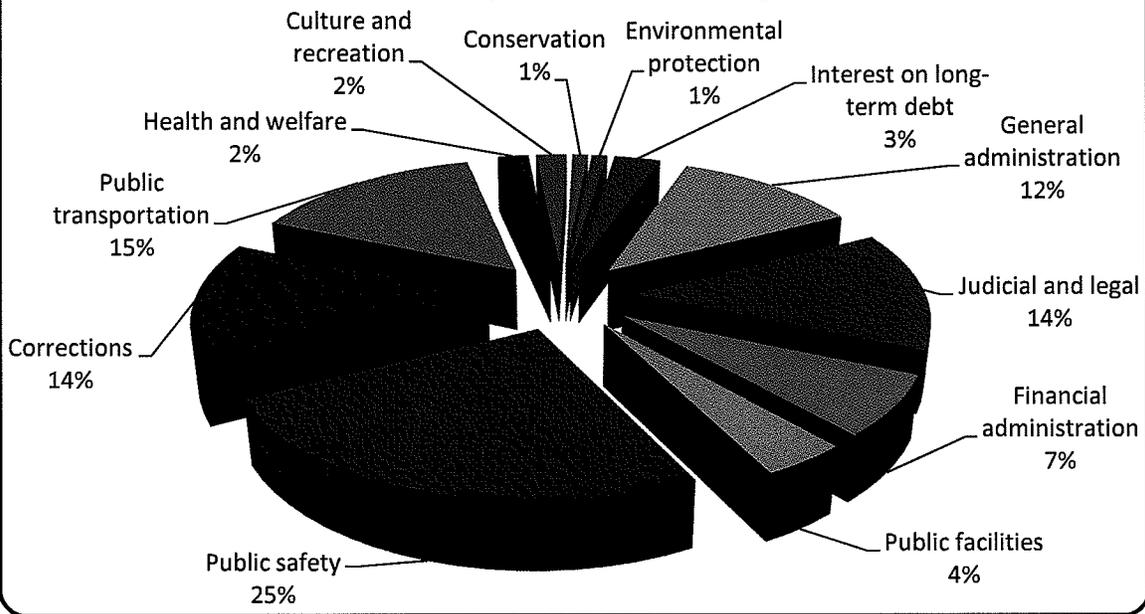
Percentage 2009 Revenues



2010 Expense Percentages



2009 Expense Percentages



Financial Analysis of the County's Funds

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

Governmental 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 financing 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 \$15,829,334. 61% of this total amount, \$9,641,192, constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for prepaid expenditures, \$433,175; 2) for the expenditure of inventories, \$109,433; 3) to pay for general administration, \$766,844; 4) to pay for judicial and legal, \$537,807; 5) to pay for elections, \$28,307; 6) to pay for public facilities, \$0 ; 7) to pay for public safety, \$133,967; 8) to pay for corrections, \$45,786; 9) to pay for public transportation, \$226,480; 10) to pay for health and welfare, \$10,597; 11) to pay for culture and recreation, \$290,535; 12) to pay for debt service, \$1,580,079; and 13) to pay for capital projects, \$2,025,132.

Fund balance of the General Fund increased by \$202,714; the Road and Bridge (Special Revenue Fund) decreased by \$104,375; the Debt Service Fund decreased by \$347,891; the Office Equipment C&M Fund (Capital Projects Fund) decreased by \$998,045; and, other (nonmajor) governmental funds decreased by \$541,978.

General Fund Budgetary Highlights. Over the course of the year, the County recommended and the Commissioners approved several revisions to budgeted revenue and appropriations. These recommendations fall into the following categories:

- Provision of court-appointed attorneys, as required by law;
- Increased cost of housing inmates outside Hood County, and for jail operations;
- Purchase and repairs of road operations maintenance equipment; and
- Construction of grant-funded sewer facilities.

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2010, amounts to \$49,917,595 (net of accumulated depreciation). This investment in capital assets includes land; buildings and improvements; furniture, equipment and vehicles; infrastructure; and construction in progress.

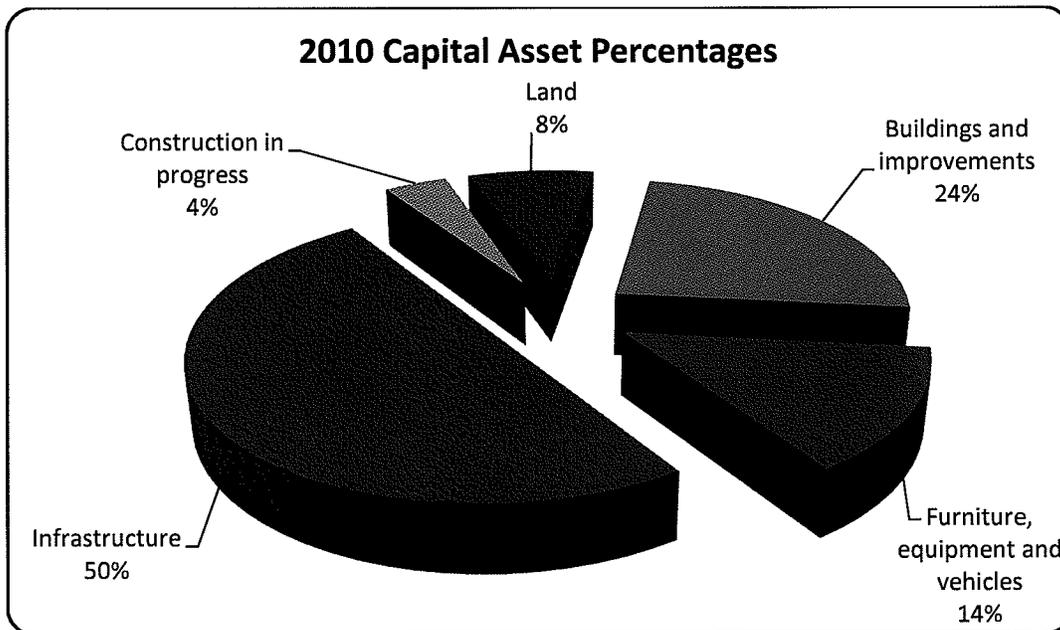
Major capital asset events during the current fiscal year included the following:

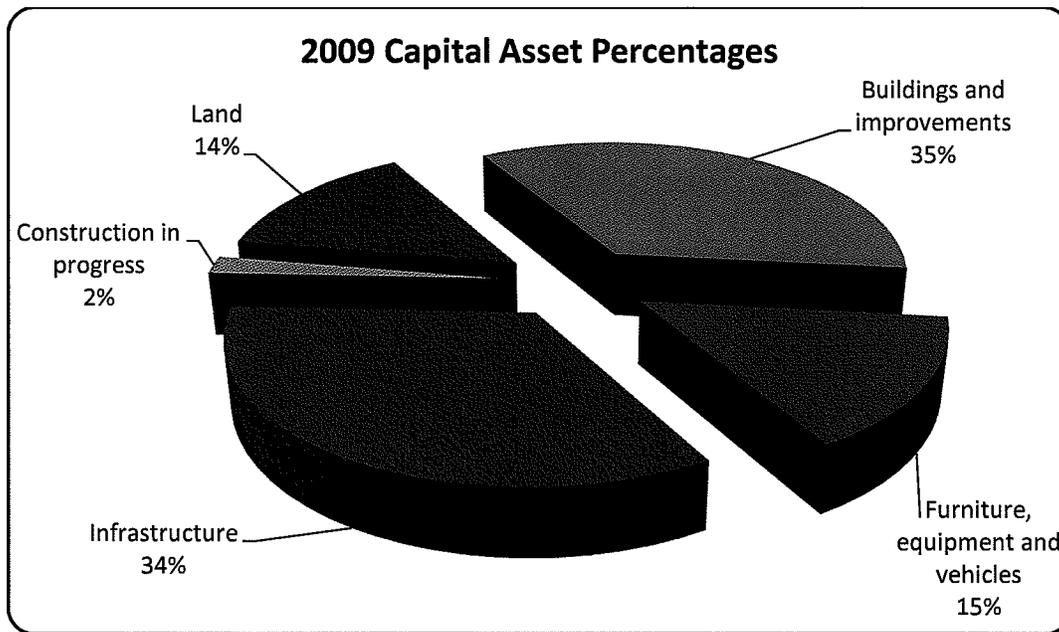
- Courthouse restoration project;
- Vehicles purchased for law enforcement and fire protection;
- Communications equipment and computer equipment purchased;
- Purchase of new Roads Maintenance equipment; and
- Software for online delivery of vital records.

**HOOD COUNTY'S CAPITAL ASSETS
(Net of Accumulated Depreciation)**

	Governmental Activities	
	September 30, 2010	September 30, 2009
Land	\$ 6,621,112	\$ 6,611,112
Construction in progress	3,814,702	877,072
Buildings and improvements	16,775,544	17,236,241
Furniture, equipment and vehicles	6,807,514	7,326,123
Infrastructure	<u>15,898,723</u>	<u>16,477,415</u>
 Total	 <u>\$ 49,917,595</u>	 <u>\$ 48,527,963</u>

Additional information on the County's capital assets can be found in Note III on pages 40 – 41 of this report.





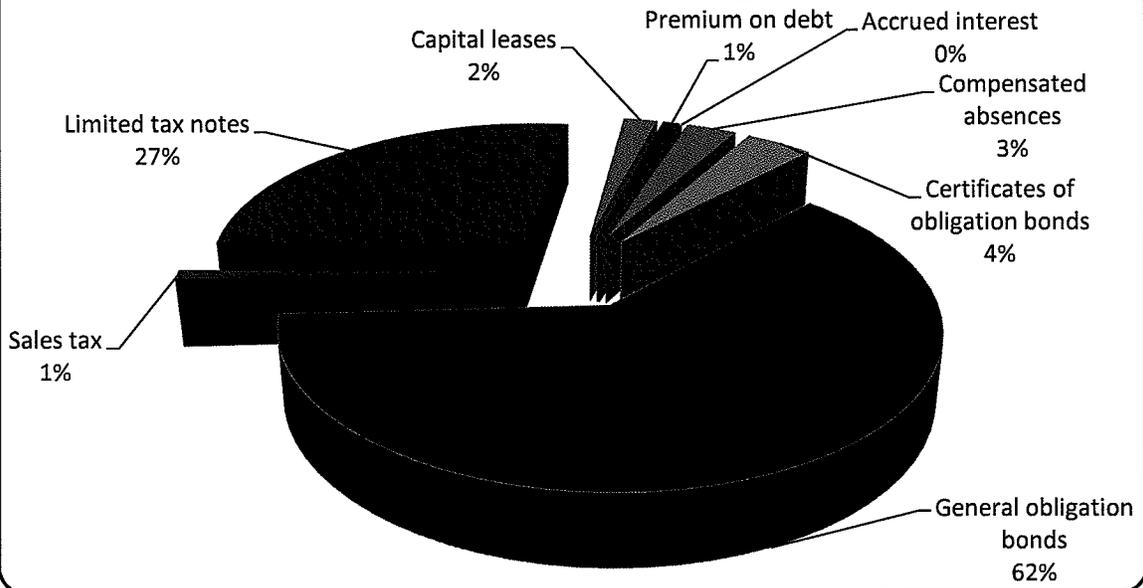
DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt, notes, loans, and leases payable of \$17,406,369. Of this amount, \$17,095,000 comprises bonded, tax notes, and loans debt backed by the full faith and credit of the County. These bonds and limited tax notes will be retired with revenues from property taxes.

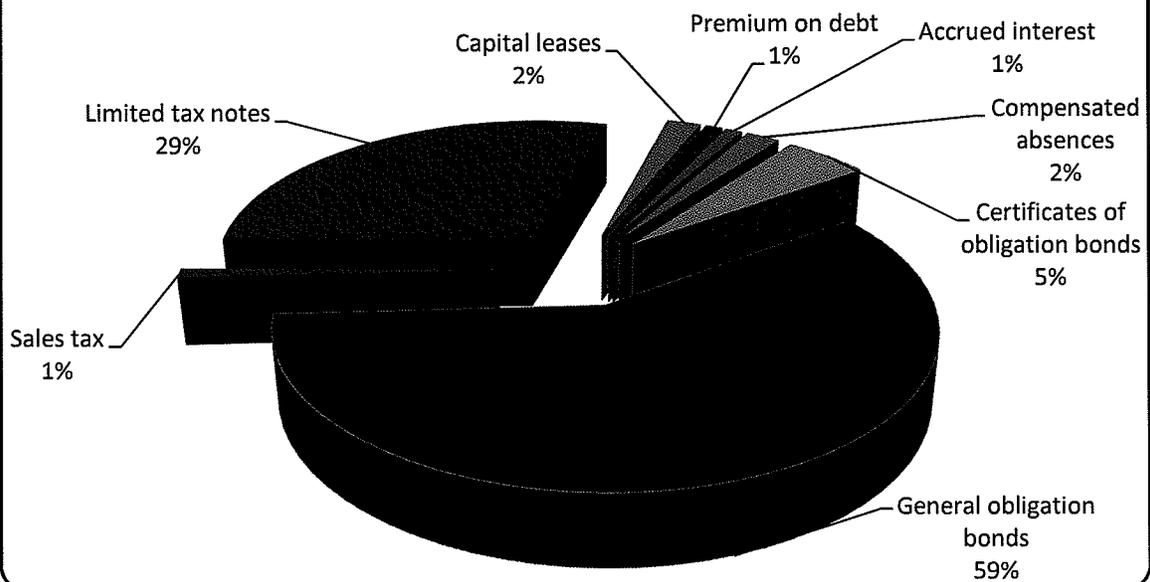
HOOD COUNTY'S LONG-TERM DEBT Bonds, Limited Tax Notes, Capital Leases, Components of Debt, and Compensated Absences

	Governmental Activities	
	September 30, 2010	September 30, 2009
Certificates of obligation bonds	\$ 715,000	\$ 1,045,000
General obligation bonds	11,375,000	11,880,000
Limited tax anticipation notes (TANs)	5,005,000	6,700,000
Capital leases	311,369	374,378
Excess sales tax	155,686	210,632
Premium on debt	168,875	180,189
Compensated absences	<u>555,846</u>	<u>395,669</u>
Total	<u>\$ 18,286,776</u>	<u>\$ 20,785,868</u>

2010 Debt Percentages



2009 Debt Percentages



All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated “A2” by Moody’s Investor Service, Inc. (Moody’s), “AA” by Fitch Ratings (“Fitch”), and “AA” by Standard & Poor’s (“S&P”).

Additional information on the County’s long-term debt can be found in Note III on pages 41 – 45 of this report.

Economic Factors and Next Year’s Budgets and Rates

The annual budget is the means by which Commissioners’ Court sets the direction of the County, and allocates its resources.

In considering the budget for FY 2011, Commissioners’ Court considered the following factors:

- Property tax rates were increased by the Commissioners’ Court.
- Merchants’ sales volumes dropped, so the County expects to receive less sales tax revenues, for the purpose of reducing ad valorem taxes.
- Costs for employee health care insurance premiums increased somewhat; the County continued participation in the health care plan sponsored by the Texas Association of Counties.
- The County Courthouse is to be restored on a grant from the Texas Historical Commission.

Requests for Information

This financial report is designed to provide a general overview of Hood County’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Hood County Auditor, P. O. Box 7150, 5417 Acton Hwy., Suite 106, Granbury, Texas 76049; or call (817) 579-3210.

**BASIC
FINANCIAL STATEMENTS**

HOOD COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Governmental Activities
ASSETS	
Cash and investments	\$ 16,403,911
Receivables (net of allowance for uncollectibles):	
Taxes	748,878
Accounts	2,080,931
Due from other governments	795,548
Prepaid items	490,691
Inventories	109,433
Bond issuance cost (net of accumulated amortization)	279,333
Capital assets:	
Land	6,621,112
Construction in progress	3,814,702
Buildings and improvements	21,477,985
Furniture, equipment and vehicles	12,809,023
Infrastructure	43,642,965
Less: accumulated depreciation	(38,448,192)
Total capital assets	49,917,595
Total assets	70,826,320
LIABILITIES	
Accounts payable	2,413,182
Accrued interest payable	90,549
Unearned revenues	187,664
Noncurrent liabilities:	
Due within one year	3,322,890
Due in more than one year	14,963,886
Total liabilities	20,978,171
NET ASSETS	
Invested in capital assets, net of related debt	32,342,351
Restricted for:	
General government	
General administration	766,844
Judicial and legal	537,807
Elections	28,307
Public safety	133,967
Corrections	45,786
Public transportation	246,143
Health and welfare	10,597
Culture and recreation	290,535
Debt service	1,533,325
Capital projects	2,025,132
Unrestricted	11,887,355
Total net assets	\$ 49,848,149

The accompanying notes are an integral part of these financial statements.

HOOD COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General administration	\$ 3,408,891	\$ 374,461	\$ 15,000	\$(3,019,430)
Judicial and legal	3,757,398	2,199,663	244,292	(1,313,443)
Financial administration	1,733,781	-	-	(1,733,781)
Elections	152,207	20,242	34,347	(97,618)
Public facilities	772,885	-	1,916,993	1,144,108
Public safety	6,884,303	427,847	107,440	(6,349,016)
Corrections	3,878,853	328,799	281,675	(3,268,379)
Public transportation	4,079,910	1,080,395	-	(2,999,515)
Health and welfare	738,621	161,272	465,568	(111,781)
Public assistance	51,432	-	-	(51,432)
Culture and recreation	641,051	-	10,206	(630,845)
Conservation	77,443	-	-	(77,443)
Environmental protection	63,151	124,960	-	61,809
Interest on long-term debt	821,592	-	-	(821,592)
Total governmental activities	\$ 27,061,518	\$ 4,717,639	\$ 3,075,521	(19,268,358)
General revenues:				
				17,951,830
				2,969,806
				40,428
				343,865
				21,305,929
				2,037,571
				47,810,578
				\$ 49,848,149

The accompanying notes are an integral part of these financial statements.

HOOD COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	<u>General</u>	<u>Special Road and Bridge</u>	<u>Debt Service</u>
ASSETS			
Cash and investments	\$ 10,348,642	\$ 401,130	\$ 1,573,741
Receivables (net of allowance for uncollectibles):			
Taxes	672,664	24,791	44,555
Accounts	2,067,350	71	344
Due from other governments	22,305	46,122	5,234
Due from other funds	128,523	4,974	-
Prepaid expenditures	421,467	39,233	-
Inventories	-	109,433	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>13,660,951</u>	\$ <u>625,754</u>	\$ <u>1,623,874</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	1,367,758	310,200	-
Accrued interest payable	-	-	7,222
Due to other funds	15,000	-	-
Deferred revenue	<u>2,204,992</u>	<u>19,663</u>	<u>36,573</u>
Total liabilities	<u>3,587,750</u>	<u>329,863</u>	<u>43,795</u>
Fund balances:			
Reserved for:			
Prepaid expenditures	421,467	-	-
Inventories	-	109,433	-
General administration	-	-	-
Judicial and legal	-	-	-
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	186,458	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	1,580,079
Capital projects	-	-	-
Unreserved, undesignated reported in:			
General fund	9,651,734	-	-
Special revenue funds	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>10,073,201</u>	<u>295,891</u>	<u>1,580,079</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>13,660,951</u>	\$ <u>625,754</u>	\$ <u>1,623,874</u>

The accompanying notes are an integral part of these financial statements.

Office Equipment C & M	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,055,285	\$ 2,025,113	\$ 16,403,911
-	6,868	748,878
449	12,717	2,080,931
-	721,887	795,548
-	15,000	148,497
-	29,991	490,691
-	-	109,433
<u>\$ 2,055,734</u>	<u>\$ 2,811,576</u>	<u>\$ 20,777,889</u>
350,063	385,161	2,413,182
-	-	7,222
-	133,497	148,497
-	118,426	2,379,654
<u>350,063</u>	<u>637,084</u>	<u>4,948,555</u>
-	11,708	433,175
-	-	109,433
-	766,844	766,844
-	537,807	537,807
-	28,307	28,307
-	133,967	133,967
-	45,786	45,786
-	40,022	226,480
-	10,597	10,597
-	290,535	290,535
-	-	1,580,079
1,705,671	319,461	2,025,132
-	-	9,651,734
-	(10,542)	(10,542)
<u>1,705,671</u>	<u>2,174,492</u>	<u>15,829,334</u>
<u>\$ 2,055,734</u>	<u>\$ 2,811,576</u>	<u>\$ 20,777,889</u>

HOOD COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

Total fund balances - governmental funds balance sheet	\$ 15,829,334
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. Capital assets include \$88,365,787 in assets less \$38,448,192 in accumulated depreciation.	49,917,595
Judicial accounts receivables net of related allowance for uncollectible are unavailable to pay for current period expenditures and availability of funds are uncertain as to availability are not recorded in the funds. Judicial receivables (\$8,002,048) net of allowance for uncollectible accounts (\$6,001,536) of the governmental activities amounted to \$2,000,512.	2,000,512
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. Deferred property tax revenues for the General Fund, Road and Bridge Special Revenue Fund, County Library Special Revenue Fund and the Debt Service Fund amounted to \$129,696, \$19,663, \$5,546, and \$36,573, respectively.	191,478
Bond and TAN issuance costs are reported as current financial uses for governmental funds but the expenditures increase long-term assets in the statement of net assets. This amount is amortized over the life of the bonds and notes. Bond and note issuance costs of \$335,200 less accumulated amortization of \$55,867.	279,333
Premium on the issuance of bonds and TAN's provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. This amount is amortized over the life of the bonds. Net premium on the issuance of bonds were \$168,875 (premium on bonds and TAN's of \$180,189 less amortization of \$11,314).	(168,875)
Payables for bond principal are not reported in the funds.	(12,090,000)
Payables for limited tax notes.	(5,005,000)
Payables for capital lease principal are not reported in the funds.	(311,369)
Payables for sales tax principal are not reported in the funds.	(155,686)
Payables for bonds, notes and capital lease interest are not reported in the funds except for amounts received from the sale of bonds or issuance of capital leases after the issuance date. Total accrued interest payable of \$83,327 (\$23,360 for bonds, \$55,810 for limited tax bonds and \$4,157 for capital leases).	(83,327)
Payables for compensated absences are not reported in the funds	(555,846)
Net assets of governmental activities - statement of net assets	\$ <u>49,848,149</u>

The accompanying notes are an integral part of these financial statements.

HOOD COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Special Road and Bridge</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 15,384,971	\$ 1,978,682	\$ 2,997,318
Intergovernmental	306,770	-	-
Fees of office	2,477,308	1,075,191	-
Forfeitures	-	-	-
Investment earnings	30,323	-	2,016
Miscellaneous	<u>368,861</u>	<u>80,141</u>	<u>-</u>
Total revenues	<u>18,568,233</u>	<u>3,134,014</u>	<u>2,999,334</u>
EXPENDITURES			
Current:			
General administration	3,053,419	-	-
Judicial and legal	3,298,161	-	-
Financial administration	1,689,446	-	-
Elections	133,912	-	-
Public facilities	767,724	-	-
Public safety	5,504,909	-	-
Corrections	3,417,358	-	-
Public transportation	-	3,217,486	-
Health and welfare	251,290	-	-
Public assistance	51,089	-	-
Culture and recreation	-	-	-
Conservation	76,926	-	-
Environmental protection	-	-	-
Capital outlay	6,500	20,903	-
Debt service:			
Principal	117,955	-	2,530,000
Interest and other charges	<u>15,278</u>	<u>-</u>	<u>817,225</u>
Total expenditures	<u>18,383,967</u>	<u>3,238,389</u>	<u>3,347,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>184,266</u>	<u>(104,375)</u>	<u>(347,891)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	55,757	-	-
Transfers in	70,467	-	-
Transfers out	<u>(107,776)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>18,448</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	202,714	(104,375)	(347,891)
FUND BALANCES, BEGINNING	<u>9,870,487</u>	<u>400,266</u>	<u>1,927,970</u>
FUND BALANCES, ENDING	<u>\$ 10,073,201</u>	<u>\$ 295,891</u>	<u>\$ 1,580,079</u>

The accompanying notes are an integral part of these financial statements.

Office Equipment C & M	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 518,876	\$ 20,879,847
-	2,904,437	3,211,207
-	872,861	4,425,360
-	19,693	19,693
3,873	2,963	39,175
<u>18,447</u>	<u>117,533</u>	<u>584,982</u>
<u>22,320</u>	<u>4,436,363</u>	<u>29,160,264</u>
-	115,740	3,169,159
-	191,601	3,489,762
-	-	1,689,446
-	17,279	151,191
-	-	767,724
41,112	543,204	6,089,225
-	362,058	3,779,416
-	12,457	3,229,943
-	455,585	706,875
-	-	51,089
-	562,382	562,382
-	-	76,926
-	62,729	62,729
979,253	2,692,615	3,699,271
-	-	2,647,955
-	-	<u>832,503</u>
<u>1,020,365</u>	<u>5,015,650</u>	<u>31,005,596</u>
(998,045)	(579,287)	(1,845,332)
-	-	55,757
-	107,776	178,243
-	(70,467)	(178,243)
-	<u>37,309</u>	<u>55,757</u>
(998,045)	(541,978)	(1,789,575)
<u>2,703,716</u>	<u>2,716,470</u>	<u>17,618,909</u>
\$ <u>1,705,671</u>	\$ <u>2,174,492</u>	\$ <u>15,829,334</u>

HOOD COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Net change in fund balances - total governmental funds:	\$(1,789,575)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$3,699,271 exceeded depreciation of \$2,205,951 in the current period.	1,493,320
Property tax revenues in the governmental activities statement of activities do not provide current available resources and are not reported as revenues in the funds. Deferred property tax revenues for the General Fund, Road and Bridge Special Revenue Fund, the County Library Special Revenue Fund, and the Debt Service Fund amounted to \$33,106, \$3,264, \$1,424, and \$3,995, respectively.	41,789
Governmental funds report proceeds from the sale of assets as revenue. However, in the governmental activities statement of activities, the cost of the assets disposed is offset against the proceeds to report gain or loss on the disposition of assets. The cost of assets disposed were \$103,688 (original cost of \$1,048,912 less accumulated depreciation of \$945,224).	(103,688)
Bond issuance cost is an expenditure in the governmental fund, but the costs increases long-term assets in the statement of net assets. This amount is amortized over the life of the bond or tax note.	(55,867)
Premium on the issuance of bonds and TAN's provide current financial resources to governmental funds but the proceeds decrease long-term assets in the statement of net assets. This amount is amortized over the life of the bonds.	11,314
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the governmental activities statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the governmental activities statement of net assets. The fund statements reported \$835,000 in bond principal payments, limited tax note principal payments \$1,695,000, \$54,946 in sales tax principal payments, and \$63,009 in capital lease principal payments.	2,647,955
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of accrued interest on long-term debt.	55,464
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of change in compensated absences and judicial accounts receivables.	(263,141)
Change in net assets of governmental activities	<u>\$ 2,037,571</u>

The accompanying notes are an integral part of these financial statements.

HOOD COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>2,079,805</u>
Total assets	\$ <u>2,079,805</u>
LIABILITIES	
Amounts held for others	\$ <u>2,079,805</u>
Total liabilities	\$ <u>2,079,805</u>

The accompanying notes are an integral part of these financial statements.

HOOD COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Hood County, Texas (the "County") related to the funds in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled, *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the County are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the County's reporting entity. Financial statements for component units can be obtained from the office of the County Auditor.

Included in the reporting entity:

Hood County, Texas (Primary Government) – The County is a political subdivision of the State of Texas. The County is governed by the Commissioners' Court, composed of four elected County Commissioners and an elected County Judge. Each of these officials serves a term of four years. The primary activities of the County include: the construction and maintenance of County roads, provision of public safety through a sheriff's department

For the year ended September 30, 2010, no other organizations have been combined for either blended or discrete presentation in the County's financial statements. The following organizations are not considered "related organizations."

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Excluded from the reporting entity:

Hood County Community Supervision and Corrections Department (Adult Probation) is considered a separate agency of the State of Texas. While the County provides office space, utilities, telephone and certain supplies, the operations of this unit are primarily provided for by the state. A separate board develops the operating budget, which is also approved and controlled by the State of Texas. Required County expenditures are disclosed as a department within the General Fund function of corrections. Due to custodial responsibility, the accounts of this entity are reported as an Agency Fund of the County.

Hood County Appraisal District is a separate entity providing property appraisal services to all taxing units within the County. This entity has its own governing board, elected by the various taxing units, which it serves; however, the taxing units do not designate management or significantly influence operations. The Appraisal District's cost of operations is divided on a prorated basis among the various taxing units within the County. Hood County's share of this cost is disclosed within the appropriate funds and functions that levy taxes.

Hood County Children's Protective Services (CPS) was created by a mandate from the Texas Legislature, Title II, Section 34. CPS investigates reports of neglected and abused children and provides foster care, institutional care and adoptive placements for children who cannot live with their parents. The Commissioners' Court appoints the CPS Board. The CPS Board appoints an Executive Director to administer the day-to-day operation. CPS is excluded from the reporting entity because the County does not have the ability to exercise influence over its daily operations. The State of Texas directly pays all salaries and related personnel costs of this organization. The County pays some related expenditures, which are disclosed under the Department of Child Protective Services within the function of Health and Welfare.

Other entities within the County which provide similar services but are not included in the reporting entity because they do not meet the criteria are: municipalities, school districts, drainage districts, hospital districts, water districts and various nonprofit organizations.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, Interfund activity has been removed from these statements; however, Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. The County had no Enterprise Funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from property and sales taxes, grants and contracts, fees of office, forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Revenues from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to 90 days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions, including special assessments. Internal dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed. The County had no Enterprise Fund during the year ended September 30, 2010.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

(continued)

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**
(Continued)

The **Debt Service Fund** accounts for the accumulation of resources for the annual payment of general long-term debt principal and interest of governmental funds and to provide a reserve for such payment.

The **Road and Bridge Special Revenue Fund** accounts for the property taxes and fees from auto registration, certificates of title, and gross weight and axle fees, and approved expenditures for public transportation projects.

The **Office Equipment C & M Capital Projects Fund** accounts for bond proceeds authorized for acquisition and construction of capital projects, and for tax note and lease purchase proceeds for the acquisition of capital equipment.

Additionally, the County reports the following fiduciary fund:

Agency Funds account for assets that the County holds on behalf of others as their agent.

D. **Assets, Liabilities and Net Assets or Equity**

1. **Cash and Investments**

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investments Pools," investments are stated at fair value.

The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an Interfund payable in the liability section of the balance sheet.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the County is the responsibility of the Hood County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners' Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The Appraisal District bills and collects property taxes for the County.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional \$0.15 per \$100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect \$0.30 per \$100 valuation for road, bridge and flood control purposes.

The County's 2009 tax levy, supporting the 2010 fiscal period budget, totaled \$0.331091 per \$100 valuation and was comprised as follows:

Constitutional levy:	
General fund	\$ 0.229610
Road and bridge fund (lateral road)	0.036022
Library fund	0.009638
Debt service	<u>0.055821</u>
Combined tax rate	<u>\$ 0.331091</u>

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

3. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All outstanding balances between funds are reported as “due to/from other funds.” The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 4 for additional discussion of Interfund receivables and payables.

4. Inventories

The County utilizes the consumption method to account for inventory. Under this method, inventory is considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute “available spendable resources” even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel and chemicals.

5. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment and vehicles, infrastructure, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest cost to be capitalized on assets with tax-exempt borrowing is equal to the cost of the borrowing less interest earned on the related tax-exempt borrowing. During the year ended September 30, 2010, no capitalized interest was included in the cost of capital assets under construction.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. Capital Assets (Continued)

Assets capitalized have an original cost of \$5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 - 50
Furniture, equipment and vehicles	5 - 20
Infrastructure	20 - 50

6. Compensated Absences

Employees are allowed paid absences due to sickness, vacation and compensatory time. Sick leave starts accruing three months from hire date. It accrues at a rate of 3.7 hours a pay period with a maximum of two hundred and forty (240). Employees are allowed to donate hours to a sick bank when the 240 hours is reached. The sick bank hours are then available to employees who max out their sick time in cases of serious illness. Sick leave benefits are recognized in the period in which time off is actually taken. Vacation benefits accrue monthly at rates depending upon an employee's length of service. Vacation benefits must be taken annually and are limited to a carryover period depending upon the employee's length of service.

Compensatory time represents time worked by employees in excess of 40 hours per week, and is earned at one and one-half times such hours worked. This applies to all non-exempt employees. Exempt employees are all department heads, supervisory personnel, and certain other professional or administrative positions. The maximum compensatory time an employee may accumulate without Commissioners' Court approval is fifty (50) hours. All such paid absences are paid at the employee's regular pay rate.

7. Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

7. Long-term Debt (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for the use for specific purposes. Designations of fund balance represent tentative management plans that are subject to change.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Restricted net assets, as presented in the government-wide statement of net assets, are reported when constraints placed on the use of net assets are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation.

II. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the department level of each fund. Any expenditure, which alters the total budgeted amounts of a fund, must be approved by Commissioners' Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the General Fund, all Special Revenue Funds, except certain funds (District Attorney Collection Fee, District Attorney State, County Attorney Collection Fee, Victim Coordinator Grant, Time Payment Collection Fee, Sheriff Commissary, Homeland Security Grant, Highway By-Pass, and Equipment Repair), and the Debt Service Fund.

(continued)

II. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Data (Continued)

The County follows these procedures in establishing the budgetary data reflected in the financial report: the County Judge has departmental meetings with management to determine the departmental budget requests; the County Judge, assisted by the County Auditor, submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following October (The proposed operating budget establishes estimated revenues and other resources available for appropriation. Proposed expenditures may not exceed estimated revenues, other resources, and available fund balances); after proper publication of notice, a public hearing is conducted by the Commissioners' Court to obtain taxpayer comments (if an increase to the effective tax rate of more than 3% is proposed as a result of the proposed budget, additional notices and public hearings are required); after the public hearing(s) the Commissioners' Court makes appropriate budget changes and adopts the budget through the passage of an order at a regularly scheduled meeting on or before October 1. A separate order is adopted to levy the taxes necessary to finance the budgeted expenditures.

Although the level of budgetary control is total revenues plus available fund balance, the County adopts its budget at a line-item level for internal managerial control purposes. Line item level is defined for revenue purposes as the type of revenue to be derived and for expenditure purposes by department and type of expenditures (salaries and wages, and employee benefits; operating expenses/expenditures; and capital outlay). Budget amendments to transfer budgeted amounts from one line item to another may be made at the discretion of Commissioners' Court. Amendments to provide for items not included in the original budget may be made by the Commissioners' Court upon finding and declaration of the existence of an emergency sufficient to require action. County management can, with the exception of personnel items, make adjustments to their budgets within the department level. Appropriations not exercised in the current year lapse at the end of the year. Twenty-four supplemental budget amendments in the General, Special Revenue Funds, and the Debt Service Fund were deemed necessary due to the timing of planned expenditures and construction projects.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized. Encumbrances outstanding at year-end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no outstanding encumbrances as of September 30, 2010.

(continued)

II. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Balance

As of September 30, 2010, the following funds of the County had a deficit fund balance:

Fund balances:		
Special revenue funds:		
Victim's Coordinator Grant Fund	\$(1,791)
ORCA Grant Fund	(550)
Solid Waste Project Fund	(6,319)

Deficit balances will either be offset by future revenues or reimbursed by the General Fund.

D. Excess of Expenditures Over Appropriations

During the year ended September 30, 2010, the County incurred expenditures in excess of appropriations within the following funds:

General fund:		
Jury	\$(2,752)
Special revenue funds:		
Victim Coordinator Grant Fund	(2,783)
TJPC Juvenile Probation Programs Fund	(20,738)
Highway By-Pass Fund	(31)

Although these expenditures exceeded budget, they were appropriately authorized and resulted from grant increases.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investments is one that when purchased had a maturity date of three months or less. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures. Cash and temporary investments and investments as reported on the financial statements at September 30, 2010, are as follows:

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Cash and temporary investments:		
TexPool	\$ 5,550,000	30
TexStar	4,250,000	46
Certificates of deposit	<u>599,937</u>	132
 Total fair value	 <u>\$ 10,399,937</u>	

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County’s deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 110 percent of uninsured balances.

The County’s entire cash deposit in the bank of \$9,646,702 on September 30, 2010, were covered by federal depository insurance or collateral held by the County’s agent in the County’s name. The carrying amount of cash balances at September 30, 2010, was \$3,530,734 at the County’s depository, \$599,937 as certificates of deposit, and \$5,516,031 as NOW (Negotiable Order of Withdrawal).

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds underwritten investment policy (the “investment policy”) that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under Chapter 2256 of the Texas Government Code.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

The County's deposits and investments are invested pursuant to the investment policy, which is approved by Commissioners' Court. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition, it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the County will deposit funds is addressed. The County's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The County's management believes that it complied with the requirements of the PFIA and the County's investment policy.

The County's Investment Officer submits an investment report each quarter to the Commissioners' Court. The report details the investment positions of the County and the compliance of the investment portfolios as they relate to both the adopted investment strategy statements and the Texas State law.

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 agencies and instrumentalities. Section 2256.009 (a) (1), PFIA and 116 Local Government Code;
2. Direct obligations of the State of Texas or its agencies and instrumentalities. Section 2256.009 (a) (2), PFIA and 116 Local Government Code;
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities. Section 2256.009 (a) (4), PFIA;

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

4. Certificates of deposit issued by a depository institution that has its main office or a branch office in this state in accordance with Section 2256.010 (a) (1), PFIA: a) guaranteed or insured by the Federal Deposit Insurance Corporation or its successors, or secured by obligations that are described by paragraphs 1 through 3 above which are intended to include all direct federal agency or instrumentality issued mortgage-backed securities, but excluding those mortgage-backed securities of the nature described in Section 2256.009 (b) of the PFIA, that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the County; b) governed by a Depository Agreement that complies with federal and state regulation to properly secure a pledged security interest and; c) solicited for bid orally, in writing, electronically, or any combination of these methods. Section 2256.005 (c) (1-4), PFIA; and
5. Eligible investment pools organized and operating in compliance with the PFIA that have been authorized by the Commissioners' Court; and those investment philosophies and strategies are consistent with this policy and the County's ongoing investment strategy. Disclosures of compliance with Section 2256.0016 of the PFIA must be submitted by the pool. Investment pools created to function as a money market mutual fund must mark its portfolio to market daily and stabilize at a net asset value of \$1 (one dollar).

Further, the County's investment policy provides limitations on types of investments, including funds maintained in the depository bank, which may be held as follows.

U. S. Treasury bills/notes/bonds	100%
U. S. agencies and instrumentalities	100%
States, counties, cities and other	50%
Certificates of deposit	50%
Eligible investment pools	90%

The County's investment policy does not cover investments (trust funds) controlled by County courts and held by various financial institutions jointly under the name of the County and the Court's beneficiaries and carrying the identification number of the beneficiaries.

The County participates in two Local Government Investment Pools (LGIP), TexPool and TexStar. The State Comptroller oversees TexPool with Lehman Brothers and Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. Although there is no regulatory oversight over TexStar, an advisory board consisting of participants or their designees maintains oversight responsibility for TexStar.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

The County invests in TexPool and TexStar to provide its liquidity needs. TexPool and TexStar are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool and TexStar are 2(a) 7 like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool and TexStar are rated AAAM and must maintain a dollar-weighted average maturity not to exceed 60 days, which is the limit.

Credit Risk. As of September 30, 2010, the LGIPs (which represent approximately 97% of the County's investment portfolio) are rated AAAM by Standard & Poor's or AAA by Fitch. The certificate of deposit (which represents approximately 3% of the County's investment portfolio) is insured and covered by collateral held by the County's agent in the County's name.

It is the County's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County's investment pools are rated as follows by Standard & Poor's Investors Service.

TexPool	AAAM
TexStar	AAAM

B. Receivables, Uncollectible Accounts and Deferred Revenues

Receivables and Allowances

Receivables as of year-end for the County's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					Total
	General	Special Road and Bridge	Debt Service	Office Equipment C & M	Other Governmental Funds	
Receivables:						
Taxes	\$ 1,001,219	\$ 96,531	\$ 120,296	\$ -	\$ 21,875	\$ 1,239,921
Accounts	66,838	71	344	449	12,717	80,419
Adjudicated fine receivable	8,002,048	-	-	-	-	8,002,048
Due from other governments	22,305	46,122	5,234	-	721,887	795,548
Gross receivables	9,092,410	142,724	125,874	449	756,479	10,117,936
Less: allowance for uncollectibles	6,330,091	71,740	75,741	-	15,007	6,492,579
Net total receivables	\$ 2,762,319	\$ 70,984	\$ 50,133	\$ 449	\$ 741,472	\$ 3,625,357

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables, Uncollectible Accounts and Deferred Revenues (Continued)

Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

<u>Receivable Fund</u>	<u>Unavailable</u>	<u>Unearned</u>
General		
Delinquent property tax receivable	\$ 129,696	\$ -
Fines	2,000,512	-
Other	-	74,784
Total general	<u>2,130,208</u>	<u>74,784</u>
Road and bridge		
Delinquent property tax receivable	<u>19,663</u>	<u>-</u>
Total road and bridge	<u>19,663</u>	<u>-</u>
Debt service		
Delinquent property tax receivable	<u>36,573</u>	<u>-</u>
Total debt service	<u>36,573</u>	<u>-</u>
Other governmental		
Delinquent property tax receivable	5,546	-
Other	-	112,880
Total other governmental	<u>5,546</u>	<u>112,880</u>
Totals	<u>\$ 2,191,990</u>	<u>\$ 187,664</u>

C. Interfund Balances and Transactions

Due to/from Other Funds

The composition of interfund balances as of September 30, 2010, is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Total</u>
General	Nonmajor	\$ 128,523
Special road and bridge	Nonmajor	4,974
Nonmajor	General	<u>15,000</u>
		<u>\$ 148,497</u>

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Transactions (Continued)

Interfund Transfers

	Transfer In		Total
	General	Nonmajor Governmental	
Transfer out:			
General	\$ -	\$ 107,776	\$ 107,776
Nonmajor governmental	<u>70,467</u>	<u>-</u>	<u>70,467</u>
	<u>\$ 70,467</u>	<u>\$ 107,776</u>	<u>\$ 178,243</u>

The Commissioners' Court approved these transfers as transfers of operational funds to cover planned expenditures.

D. Capital Assets

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

	Balance 09/30/09	Additions	Deletions	Balance 09/30/10
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,611,112	\$ 10,000	\$ -	\$ 6,621,112
Construction in progress	<u>877,072</u>	<u>2,937,630</u>	<u>-</u>	<u>3,814,702</u>
Total assets not being depreciated	<u>7,488,184</u>	<u>2,947,630</u>	<u>-</u>	<u>10,435,814</u>
Capital assets, being depreciated:				
Buildings and improvements	21,477,985	-	-	21,477,985
Furniture, equipment and vehicles	13,106,294	751,641	(1,048,912)	12,809,023
Infrastructure	<u>43,642,965</u>	<u>-</u>	<u>-</u>	<u>43,642,965</u>
Total capital assets being depreciated	<u>78,227,244</u>	<u>751,641</u>	<u>(1,048,912)</u>	<u>77,929,973</u>
Less accumulated depreciation:				
Buildings and improvements	4,241,744	460,697	-	4,702,441
Furniture, equipment and vehicles	5,780,171	1,166,562	(945,224)	6,001,509
Infrastructure	<u>27,165,550</u>	<u>578,692</u>	<u>-</u>	<u>27,744,242</u>
Total accumulated depreciation	<u>37,187,465</u>	<u>2,205,951</u>	<u>(945,224)</u>	<u>38,448,192</u>
Total capital assets being depreciated, net	<u>41,039,779</u>	<u>(1,454,310)</u>	<u>(103,688)</u>	<u>39,481,781</u>
Governmental activities capital assets, net	<u>\$ 48,527,963</u>	<u>\$ 1,493,320</u>	<u>\$ (103,688)</u>	<u>\$ 49,917,595</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 170,497
Judicial and legal	244,175
Financial administration	32,977
Public safety	754,140
Corrections	74,028
Public transportation	828,252
Health and welfare	26,994
Culture and recreation	<u>74,888</u>
 Total depreciation expense - governmental activities	 \$ <u>2,205,951</u>

E. Long-term Debt

General Obligation Debt – Bonds

General obligation and certificates of obligation payable at September 30, 2010, are summarized as follows:

	Interest Rate	Series Dates		Amount Outstanding 09/30/10
		Issued	Maturity	
General obligation:				
Refunding bonds, Series 2003	3.25%	2004	2014	\$ 1,595,000
Refunding bonds, Series 2008	4.05%	2008	2029	5,690,000
Refunding bonds, Series 2009	4.00% - 4.125%	2009	2023	4,090,000
Certificate of obligation:				
Series 2001	2.90% - 4.70%	2001	2012	<u>715,000</u>
				<u>\$ 12,090,000</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

General Obligation Debt – Bonds (Continued)

The following is a summary of general obligation and certificate of obligation bond requirements by year as of September 30, 2010:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2011	\$ 860,000	\$ 462,896	\$ 1,322,896
2012	890,000	428,455	1,318,455
2013	555,000	401,256	956,256
2014	595,000	381,309	976,309
2015	390,000	363,143	753,143
2016-2020	2,225,000	1,561,231	3,786,231
2021-2025	3,100,000	1,050,604	4,150,604
2026-2029	<u>3,475,000</u>	<u>288,259</u>	<u>3,763,259</u>
	<u>\$ 12,090,000</u>	<u>\$ 4,937,153</u>	<u>\$ 17,027,153</u>

During the year ended September 30, 2001, the County authorized and issued \$3,130,000 in Certificates of Obligation, Series 2001, under authority of the Certificate of Obligation Act of 1971. These obligations bear interest at the rates of 2.90% to 4.70% and were scheduled to be retired over a period of 11 years, beginning in 2002. Proceeds from these obligations were restricted for the purchase of capital equipment.

During the year ended September 30, 2004, the County issued \$3,755,000 in General Obligation Refunding Bonds, Series 2003, for the purpose of refunding the remaining portion of the Certificates of Obligation, Series 1994. These general obligation bonds bear interest at a rate of 3.25% and were scheduled to be retired over a period of 11 years, beginning in 2004. The Certificates of Obligation, Series 1994 were refunded in their entirety at the time of the refunding.

On August 18, 2008, the County sold \$5,730,000 of General Obligation Refunding Bonds, Series 2008. These refunding bonds (Series 2008) were issued for the purpose of generating resources and decreasing the total debt service payments.

On May 26, 2009, the County sold \$4,180,000 of General Obligation Refunding Bonds, Series 2009. These refunding bonds (Series 2009) were issued for the purpose of generating resources and decreasing the total debt service payments.

Prior Year Defeasance of Bonds

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the County's financial statements. On September 30, 2010, none of the bonds considered defeased are still outstanding.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Limited Tax Notes

Limited tax notes payable at September 30, 2010, are summarized as follows:

	Interest Rate	Series Dates		Amount Outstanding 09/30/10
		Issued	Maturity	
Series 2004	2.50%	2004	2011	\$ 125,000
Series 2006	4.10%	2006	2013	485,000
Series 2007	3.70%	2007	2012	675,000
Series 2008	3.29%	2008	2015	1,680,000
Series 2009	3.29%	2009	2013	2,040,000
				<u>\$ 5,005,000</u>

The following is a summary of limited tax note requirements by year as of September 30, 2010:

Year Ending September 30,	Principal	Interest	Total Requirement
2011	\$ 1,585,000	\$ 146,770	\$ 1,731,770
2012	1,505,000	94,357	1,599,357
2013	1,205,000	49,840	1,254,840
2014	350,000	17,601	367,601
2015	360,000	5,922	365,922
	<u>\$ 5,005,000</u>	<u>\$ 314,490</u>	<u>\$ 5,319,490</u>

During the year ended September 30, 2004, the County authorized and issued \$750,000 in Limited Tax Notes payable (Tax Note 2004). These notes bear interest at a rate of 2.50% and were scheduled to be retired over a period of six (6) years, beginning in 2006.

During the year ended September 30, 2006, the County authorized and issued \$1,540,000 in Limited Tax Notes payable (Tax Note 2006). These notes bear interest at a rate of 4.10% and were scheduled to be retired over a period of seven (7) years, beginning in 2007.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Limited Tax Notes (Continued)

During the year ended September 30, 2007, the County authorized and issued \$1,700,000 in Limited Tax Notes payable (Tax Note 2007). These notes bear interest at a rate of 3.70% and were scheduled to be retired over a period of six (6) years, beginning in 2008.

During the year ended September 30, 2008, the County authorized and issued \$3,395,000 in Limited Tax Notes payable (Tax Note 2008). These notes bear interest at a rate of 3.29% and were scheduled to be retired over a period of seven (7) years, beginning in 2009.

During the year ended September 30, 2009, the County authorized and issued \$2,840,000 in Limited Tax Notes payable (Tax Note 2009). These notes bear interest at a rate of 4.00% and were scheduled to be retired over a period of four (4) years, beginning in 2010.

Excess Sales Tax

During the year ended September 30, 2009, the state comptroller notified the County that excess sales tax in the amount of \$219,790 had been paid in error during prior years. The County negotiated a payback schedule of 48 months at \$4,579 per month beginning with the October 2009 payment and ending September 2013. No interest is payable on the excess balance.

Excess sales tax payable at September 30, 2010, is summarized as follows:

	Interest Rate	Series Dates		Amount Outstanding 09/30/10
		Issued	Maturity	
Excess sales tax	0.00%	2009	2013	\$ <u>155,686</u>

The following is a summary of limited tax note requirements by year-end as of September 30, 2010:

Year Ending September 30,	Principal
2011	\$ 54,948
2012	54,948
2013	<u>45,790</u>
	\$ <u>155,686</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Changes in Outstanding Debt

Transactions for the year ended September 30, 2010, are summarized as follows:

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010	Amounts Due Within One Year
<u>Governmental activities</u>					
Certificates of obligation bonds	\$ 1,045,000	\$ -	\$ 330,000	\$ 715,000	\$ 350,000
General obligation bonds	11,880,000	-	505,000	11,375,000	510,000
Limited tax notes	6,700,000	-	1,695,000	5,005,000	1,585,000
Capital leases	374,378	-	63,009	311,369	311,369
Excess sales tax	210,632	-	54,946	155,686	54,946
Component of bonded debt:					
Premium on debt	180,189	-	11,314	168,875	11,314
Compensated absences	395,669	634,875	474,698	555,846	500,261
 Total governmental activities	 <u>\$ 20,785,868</u>	 <u>\$ 634,875</u>	 <u>\$ 3,133,967</u>	 <u>\$ 18,286,776</u>	 <u>\$ 3,322,890</u>

Compensated absences is typically funded with the General and Road and Bridge Funds.

F. Leasing Operations

Operating Leases

The County is involved in an operating lease for copiers, which are on a year-to-year arrangement or for periods through the year 2014.

Minimum future rentals to be received on noncancelable leases as of September 30, 2010, for each of the next four years and in the aggregate are:

<u>Year Ending September 30,</u>	<u>2010</u>
2011	\$ 63,185
2012	53,824
2013	26,263
2014	<u>4,605</u>
	<u>\$ 147,877</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Leasing Operations (Continued)

Capital Leases

Minimum future lease payments under these capital leases as of September 30, 2010, for the next year is as follows:

<u>Year Ending September 30,</u>	<u>2010</u>
2011	\$ 78,287
2012	78,287
2013	78,287
2014	78,287
2015	<u>39,144</u>
Total minimum lease payments	352,292
Less: amount representing interest	<u>(40,923)</u>
Present value of net minimum lease payments	<u>\$ 311,369</u>

IV. OTHER INFORMATION

A. Retirement Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 586 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, 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 30 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.

(continued)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Plan Description (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 governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer 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 employer contributed using the actuarially determined rate of 6.8% for the months of the accounting year in 2009, and 7.35% 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 6%, as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting years ending September 30, 2010 and 2009, the annual pension cost for the TCDRS plan for its employees was \$874,482 and \$817,266, and the actual contributions were \$874,482 and \$817,266, respectively.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2008 and December 31, 2009, the basis for determining the contribution rates for calendar years 2009 and 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

(continued)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Annual Pension Cost (Continued)

Value 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	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 ¹	8.0%	8.0%	8.0%
Projected salary increases ¹	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the state rate

**Trend Information for the
Retirement Plan for the Employees of Hood County**

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/08	\$ 701,510	100%	\$ -
09/30/09	817,266	100%	-
09/30/10	874,482	100%	-

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Hood County**

<u>Year</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (1) (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2007	\$ 12,652,246	\$ 13,633,154	\$ 980,908	92.80%	\$ 9,908,014	9.90%
2008	12,852,321	14,986,320	2,133,999	85.76%	11,138,695	19.16%
2009	14,843,611	16,911,788	2,068,177	87.77%	11,989,355	17.25%

¹The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

(continued)

IV. OTHER INFORMATION (Continued)

B. Contingencies

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the option of the County management would not materially affect the financial position of the County at September 30, 2010.

**REQUIRED
SUPPLEMENTARY INFORMATION**

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 16,420,000	\$ 16,420,000	\$ 15,384,971	\$(1,035,029)
Intergovernmental	242,500	267,500	306,770	39,270
Fees of office	3,052,500	3,052,500	2,477,308	(575,192)
Investment earnings	250,000	250,000	30,323	(219,677)
Miscellaneous	331,024	331,124	368,861	37,737
Total revenues	<u>20,296,024</u>	<u>20,321,124</u>	<u>18,568,233</u>	<u>(1,752,891)</u>
EXPENDITURES				
Current:				
General administration	3,460,481	3,843,032	3,053,419	789,613
Judicial and legal	3,498,303	3,455,933	3,298,161	157,772
Financial administration	1,819,580	1,808,771	1,689,446	119,325
Elections	125,103	134,769	133,912	857
Public facilities	882,736	871,136	767,724	103,412
Public safety	5,886,876	5,912,799	5,504,909	407,890
Corrections	3,635,626	3,662,222	3,417,358	244,864
Public transportation	-	-	-	-
Health and welfare	306,736	306,736	251,290	55,446
Public assistance	56,500	59,500	51,089	8,411
Conservation	87,882	87,963	76,926	11,037
Capital outlay	-	6,500	6,500	-
Debt service:				
Principal	-	117,955	117,955	-
Interest and other charges	-	15,280	15,278	2
Total expenditures	<u>19,759,823</u>	<u>20,282,596</u>	<u>18,383,967</u>	<u>1,898,629</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>536,201</u>	<u>38,528</u>	<u>184,266</u>	<u>145,738</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	55,757	55,757
Transfers in	52,362	109,630	70,467	(39,163)
Transfers out	(213,963)	(148,158)	(107,776)	40,382
Total other financing sources and uses	<u>(161,601)</u>	<u>(38,528)</u>	<u>18,448</u>	<u>56,976</u>
NET CHANGE IN FUND BALANCE	374,600	-	202,714	202,714
FUND BALANCE, BEGINNING	<u>9,870,487</u>	<u>9,870,487</u>	<u>9,870,487</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,245,087</u>	<u>\$ 9,870,487</u>	<u>\$ 10,073,201</u>	<u>\$ 202,714</u>

Road and Bridge

Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
Original	Final		
2,052,000	2,052,000	\$ 1,978,682	\$(73,318)
-	-	-	-
1,275,000	1,275,000	1,075,191	(199,809)
-	-	-	-
<u>75,000</u>	<u>75,000</u>	<u>80,141</u>	<u>5,141</u>
<u>3,402,000</u>	<u>3,402,000</u>	<u>3,134,014</u>	<u>(267,986)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,703,226	3,703,226	3,217,486	485,740
-	-	-	-
-	-	-	-
-	-	-	-
20,903	20,903	20,903	-
-	-	-	-
-	-	-	-
<u>3,724,129</u>	<u>3,724,129</u>	<u>3,238,389</u>	<u>485,740</u>
<u>(322,129)</u>	<u>(322,129)</u>	<u>(104,375)</u>	<u>217,754</u>
-	-	-	-
322,129	322,129	-	(322,129)
-	-	-	-
<u>322,129</u>	<u>322,129</u>	<u>-</u>	<u>(322,129)</u>
-	-	(104,375)	(104,375)
<u>400,266</u>	<u>400,266</u>	<u>400,266</u>	<u>-</u>
<u>\$ 400,266</u>	<u>\$ 400,266</u>	<u>\$ 295,891</u>	<u>\$(104,375)</u>

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

District Attorney Collection Fees – This fund is used to account for monies received from fees collected on the payment of hot checks and revenue specific to the District Attorney's office. Expenditures are used to improve the operation of the District Attorney's office.

District Attorney State – This fund is used to account for monies received from the state, for the benefit of the District Attorney's office. Expenditures are used to improve the operation of the District Attorney's office.

District Attorney Forfeiture – This fund is used to account for the award of property and cash from drug seizures. These proceeds are available for use by the District Attorney to improve the operations of the office or expended in future drug related activities.

County Attorney Collection Fee – This fund is used to account for monies received from fees collected on the payment of hot checks and revenues specific to the County Attorney's office. Expenditures are used to improve the operation of the County Attorney's office.

District Attorney Task Force Forfeiture – This fund accounts for previously forfeited funds held by the STOP Narcotics Task Force pursuant to Chapter 59, Texas Criminal Code, that were disbursed to the partner law enforcement agencies of the STOP Narcotics Task Force when this agency was dissolved by agreement of the partner law enforcement agencies.

Victim's Coordinator Grant – This fund accounts for intergovernmental revenues from the State of Texas to provide coordinate victim identification, contact, and notification related to community supervision offenders.

Judges' Education – This fund is used to account for fees collected from County court cases specific to offset the expenditures of continuing professional education requirements of the County and District judges.

Courthouse Security – This fund is used to account for revenue derived from fees collected by the County and District Clerks for the purpose of providing security measures for the County and District courts.

Justice Court Technology – This fund accounts for the mandate that each justice court in Hood County assess a technology fee of \$4.00 as cost of court on each conviction, as defined by Art. 102.0173, Code of Criminal Procedure, for a fine-only misdemeanor committed on or after January 1, 2002. The use of this fee is restricted to the purchase of technological enhancements for a justice court.

Records Management – This fund is used to account for specific fees collected by the County Clerk. These funds are to be utilized for records preservation and automation of the record retention in the County Clerk's office.

Records Preservation – This fund is used to account for specific fees collected by the County Clerk and District Clerk. These funds are to be utilized for records preservation and record retention County offices.

Time Payment Collection Fee – This fund is used to account for fees collected by the County Clerk, District Clerk, Justice of the Peace Precincts 1 and 2, and Justice of the Peace Precincts 3 and 4, for the purpose of improving the efficiency of the respective offices.

VIT Tax – This fund is used to account for vehicle inventory tax fees collected by the Tax Assessor/Collector's office. These funds are to be utilized to improve the operations of the Tax Assessor/Collector's office.

Sheriff Forfeiture – This fund is used to account for the award of property and cash from drug seizures. These proceeds are available for use by the Sheriff to improve the operations of the office or expended in future drug related activities.

Sheriff Commissary – This fund is used to account for jail inmates' purchases of food, toiletry items, and other supplies. Expenditures are for the purchase of stock and profits generated may be used by the Sheriff to purchase items for the benefit of the inmate population.

Truant Officer – This fund is used to account for the intergovernmental revenues collected from Granbury Independent School District to provide the services of a truant officer. These funds are to offset the costs of administering the program out of Precincts 3 and 4 Constables' office.

Abandoned Vehicle – This fund is used to account for funds collected from the storage and sale of abandoned vehicles. Expenditures are for the costs of towing, processing and auctioning of these vehicles.

Sheriff Resource Officer – This fund is used to account for resources to provide a Deputy for each middle school and high school in Granbury under an agreement with the Granbury Independent School District. The purpose is to ensure the safety of students and to provide campus security.

D.A.R.E. Program – This fund accounts for intergovernmental revenues for classroom instruction by a Sheriff Deputy to teach students from kindergarten to high school how to resist peer pressure, to stay drug-free, and to avoid violence.

Education, Training and Donation – This fund accounts for state education funds received from the State Comptroller to provide for certified officers to receive additional training and/or education. Donations received are restricted to use by the Sheriff's Department for training provided to outside parties.

CPS Title IV-E – This fund accounts for grant proceeds awarded for federal Child Protective Services.

Homeland Security – This fund accounts for grant proceeds awarded through the U. S. Department of Homeland Security to purchase equipment and other activities involving preparedness planning, training, and exercises to prevent terrorist attacks, reduce vulnerability to terrorism and minimize the damage from potential attacks and natural disaster.

TJPC Juvenile Probation Programs – This fund accounts for revenues received from the Texas Juvenile Probation Commission to supplement expenditures of the County in administering a Juvenile Probation Department. This fund accounts for four Texas Juvenile Probation Commission programs as follows: TJPC – State Aid which accounts for revenues received from the Texas Juvenile Probation Commission to supplement expenditures of the County in administering a Juvenile Probation Department; TJPC – Progressive Sanctions JPO which pays only for salaries and/or fringe benefits, supplies or other miscellaneous expenses of Juvenile Probation Officers (JPO) hired under this grant. The JPO duties include supervising juveniles on Levels I, II, or III of the Progressive Sanctions Model; TJPC – Progressive Sanctions Level 1-2-3 which is solely for the provision of probation services within the three budget categories of staff services, non-residential services and residential services. This program provides funds for the creation of new programs or to enhance existing programs for juveniles who are assigned to Levels I, II, or III of the Progressive Sanctions Model; and TJPC – Salary Adjustment Funding which accounts for revenues received from the Texas Juvenile Probation Commission to adjust the salaries of eligible fulltime certified juvenile probation officers. The County operates under an approved budget with the TJPC and submits reports quarterly with an annual contract report submitted as of each fiscal year ended August 31.

TJPC Community Corrections – This fund accounts for revenues received from the Texas Juvenile Probation Commission to supplement expenditures of the County in administering a Juvenile Probation Department. The County operates under an approved budget with the TJPC and submits reports quarterly with an annual contract report submitted as of each fiscal year ended August 31.

ORCA Grant – This fund accounts grant funds to operate a Texas Community Development Block Grant Program (TXCDBG) to provide sewer infrastructure assistance to low-to-moderate income homeowners.

OAG – Texas VINE (Victim’s Information Notification Everyday) – This fund accounts for grant proceeds awarded for reimbursement for certain costs incurred in the participation in a statewide crime victim notification service.

Highway By-Pass – This fund is used to account for federal funds from a prior federal grant for the evaluation and acquisition, on a cost-sharing basis with the State of Texas, highway right-of-way around the City of Granbury.

Solid Waste Project – This fund accounts for grant proceeds awarded through the Texas Commission on Environmental Quality (TCEQ) for recycling, local enforcement, composting, household hazardous waste, education, and local plans for reducing solid waste disposal.

Law Library – This fund accounts for the cost of operating and maintaining a law library for public use. Revenues are derived from law library fees assessed against each civil case filed in District and County courts.

County Library – This fund is used to account for property tax collections and library user fees. Expenditures are for the costs of maintaining the County public library, including personnel costs and the purchase of books.

Library Special – This fund is used to account for donations by public users of the library, which are to be utilized for improvements to and the enhancement of the library.

HAVA Grant/Elections – This fund accounts for grant proceeds awarded through the State of Texas, Elections Division to replace punch card voting systems or lever voting systems in qualified precincts. This fund also accounts for surplus funds from Election Service Contracts under the Texas Election Code 31.003. Funds are used only for education, training, and the purchase of voting equipment changes for upgrades, and technology upgrades for the election office.

Tobacco Grant – This fund accounts for grant funds from the State Comptroller’s office for the purpose of promoting education related to tobacco use.

Equipment Repair – This fund accounts for resources for the repair and maintenance of County equipment.

CAPITAL PROJECTS FUNDS

The Capital Projects Fund accounts for proceeds from grants and debt issuances authorized for acquisition and construction of capital projects.

Courthouse Restoration Fund – This fund accounts for the accumulation of grant and debt proceeds for the restoration of the Courthouse under a state program for restoration of historic Texas County Courthouses.

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	Special Revenue Funds		
	District Attorney Collection Fees	District Attorney State	District Attorney Forfeiture
ASSETS			
Cash and investments	\$ 18,581	\$ 12,766	\$ 59,773
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	193
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenditures	-	-	-
Total assets	\$ 18,581	\$ 12,766	\$ 59,966
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
General administration	-	-	-
Judicial legal	18,581	12,766	59,966
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital projects	-	-	-
Unreserved	-	-	-
Total fund balances	18,581	12,766	59,966
Total liabilities and fund balances	\$ 18,581	\$ 12,766	\$ 59,966

Special Revenue Funds

County Attorney Collection Fee	District Attorney Task Force Forfeiture	Victim's Coordinator Grant	Judges Education	Courthouse Security	Justice Court Technology
\$ 72,103	\$ 8,203	\$ -	\$ 5,559	\$ 183,351	\$ 58,677
-	-	-	-	-	-
-	-	1,956	1	1,815	1,772
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,103</u>	<u>8,203</u>	<u>1,956</u>	<u>5,560</u>	<u>185,166</u>	<u>60,449</u>
\$ -	\$ -	\$ 2,096	\$ -	\$ -	\$ 188
-	-	1,651	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>3,747</u>	<u>-</u>	<u>-</u>	<u>188</u>
-	-	-	-	-	-
-	-	-	-	-	-
72,103	8,203	-	5,560	185,166	60,261
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,103</u>	<u>8,203</u>	<u>(1,791)</u>	<u>5,560</u>	<u>185,166</u>	<u>60,261</u>
<u>\$ 72,103</u>	<u>\$ 8,203</u>	<u>\$ 1,956</u>	<u>\$ 5,560</u>	<u>\$ 185,166</u>	<u>\$ 60,449</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2010

	Special Revenue Funds		
	Records Management	Records Preservation	Time Payment Collection Fee
ASSETS			
Cash and investments	\$ 740,357	\$ 45,365	\$ 35,799
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Accounts	161	14	214
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenditures	-	-	-
	-	-	-
Total assets	\$ 740,518	\$ 45,379	\$ 36,013
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 5,367	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	5,367	-	-
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	-
General administration	735,151	22,690	9,003
Judicial legal	-	22,689	27,010
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital projects	-	-	-
Unreserved	-	-	-
Total fund balances	735,151	45,379	36,013
Total liabilities and fund balances	\$ 740,518	\$ 45,379	\$ 36,013

Special Revenue Funds

<u>VIT Tax</u>	<u>Sheriff Forfeiture</u>	<u>Sheriff Commissary</u>	<u>Truant Officer</u>	<u>Abandoned Vehicle</u>	<u>Sheriff Resource Officer</u>
\$ -	\$ 5,823	\$ 41,557	\$ 10,855	\$ 104,839	\$ 39,923
-	-	-	-	-	-
-	-	-	-	3,771	-
-	-	-	-	-	-
-	-	-	736	-	2,945
<u>\$ -</u>	<u>\$ 5,823</u>	<u>\$ 41,557</u>	<u>\$ 11,591</u>	<u>\$ 108,610</u>	<u>\$ 42,868</u>
\$ -	\$ -	\$ -	\$ 2,313	\$ 1,671	\$ 10,591
-	-	-	-	-	-
-	-	-	-	-	31,214
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,313</u>	<u>1,671</u>	<u>41,805</u>
-	-	-	736	-	2,945
-	-	-	-	-	-
-	-	-	-	-	-
-	5,823	-	8,542	106,939	-
-	-	41,557	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>5,823</u>	<u>41,557</u>	<u>9,278</u>	<u>106,939</u>	<u>(1,882)</u>
<u>\$ -</u>	<u>\$ 5,823</u>	<u>\$ 41,557</u>	<u>\$ 11,591</u>	<u>\$ 108,610</u>	<u>\$ 42,868</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2010

	Special Revenue Funds		
	D.A.R.E. Program	Education Training and Donation	CPS Title IV-E
ASSETS			
Cash and investments	\$ -	\$ 16,435	\$ 8,129
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Accounts	-	-	2,468
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenditures	-	389	-
Total assets	\$ -	\$ 16,824	\$ 10,597
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
Fund balances:			
Reserved:			
Prepaid expenditures	-	389	-
General administration	-	-	-
Judicial legal	-	4,109	-
Elections	-	-	-
Public safety	-	12,326	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	10,597
Culture and recreation	-	-	-
Capital projects	-	-	-
Unreserved	-	-	-
Total fund balances	-	16,824	10,597
Total liabilities and fund balances	\$ -	\$ 16,824	\$ 10,597

Special Revenue Funds

Homeland Security	TJPC Juvenile Probation Programs	TJPC Community Corrections	ORCA Grant	OAG Texas VINE	Highway By-Pass
\$ 333	\$ 101,099	\$ 30,519	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	44,958	-	-
-	-	-	-	-	-
-	-	-	-	18,283	-
<u>\$ 333</u>	<u>\$ 101,099</u>	<u>\$ 30,519</u>	<u>\$ 44,958</u>	<u>\$ 18,283</u>	<u>\$ -</u>
\$ -	\$ 19,505	\$ -	\$ 45,508	\$ -	\$ -
-	-	30,231	-	18,283	-
-	77,653	-	-	-	-
-	97,158	30,231	45,508	18,283	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
333	-	-	-	-	-
-	3,941	288	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(550)	-	-
<u>333</u>	<u>3,941</u>	<u>288</u>	<u>(550)</u>	<u>-</u>	<u>-</u>
<u>\$ 333</u>	<u>\$ 101,099</u>	<u>\$ 30,519</u>	<u>\$ 44,958</u>	<u>\$ 18,283</u>	<u>\$ -</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2010

	Special Revenue Funds		
	Solid Waste Project	Law Library	County Library
ASSETS			
Cash and investments	\$ 300	\$ 64,507	\$ 328,169
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	6,868
Accounts	-	13	335
Due from other governments	-	-	909
Due from other funds	-	-	-
Prepaid expenditures	-	-	7,638
	-	-	7,638
Total assets	\$ 300	\$ 64,520	\$ 343,919
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 6,619	\$ 3,127	\$ 35,487
Due to other funds	-	-	4,974
Deferred revenue	-	-	5,546
Total liabilities	6,619	3,127	46,007
Fund balances:			
Reserved:			
Prepaid expenditures	-	-	7,638
General administration	-	-	-
Judicial legal	-	61,393	-
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	290,274
Capital projects	-	-	-
Unreserved	(6,319)	-	-
Total fund balances	(6,319)	61,393	297,912
Total liabilities and fund balances	\$ 300	\$ 64,520	\$ 343,919

Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
Library Special	HAVA Grant/Elections	Tobacco Grant	Equipment Repair	Total Special Revenue Funds	Courthouse Restoration	
\$ 3,053	\$ -	\$ 4,016	\$ 25,022	\$ 2,025,113	\$ -	\$ 2,025,113
-	-	-	-	6,868	-	6,868
3	-	1	-	12,717	-	12,717
-	37,339	-	-	83,206	638,681	721,887
-	-	-	15,000	15,000	-	15,000
-	-	-	-	29,991	-	29,991
<u>\$ 3,056</u>	<u>\$ 37,339</u>	<u>\$ 4,017</u>	<u>\$ 40,022</u>	<u>\$ 2,172,895</u>	<u>\$ 638,681</u>	<u>\$ 2,811,576</u>
\$ 2,795	\$ -	\$ -	\$ -	\$ 135,267	\$ 249,894	\$ 385,161
-	9,032	-	-	64,171	69,326	133,497
-	-	4,013	-	118,426	-	118,426
<u>2,795</u>	<u>9,032</u>	<u>4,013</u>	<u>-</u>	<u>317,864</u>	<u>319,220</u>	<u>637,084</u>
-	-	-	-	11,708	-	11,708
-	-	-	-	766,844	-	766,844
-	-	-	-	537,807	-	537,807
-	28,307	-	-	28,307	-	28,307
-	-	4	-	133,967	-	133,967
-	-	-	-	45,786	-	45,786
-	-	-	40,022	40,022	-	40,022
-	-	-	-	10,597	-	10,597
261	-	-	-	290,535	-	290,535
-	-	-	-	-	319,461	319,461
-	-	-	-	(10,542)	-	(10,542)
<u>261</u>	<u>28,307</u>	<u>4</u>	<u>40,022</u>	<u>1,855,031</u>	<u>319,461</u>	<u>2,174,492</u>
<u>\$ 3,056</u>	<u>\$ 37,339</u>	<u>\$ 4,017</u>	<u>\$ 40,022</u>	<u>\$ 2,172,895</u>	<u>\$ 638,681</u>	<u>\$ 2,811,576</u>

HOOD COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	District Attorney Collection Fees	District Attorney State	District Attorney Forfeiture
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	35,159	-
Fees of office	30,549	-	-
Forfeitures	-	-	9,289
Investment income	-	-	64
Miscellaneous	-	-	-
Total revenues	30,549	35,159	9,353
EXPENDITURES			
Current:			
General government			
General administration	-	-	-
Judicial and legal	26,907	31,544	3,006
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Environmental protection	-	-	-
Capital outlay	-	-	-
Total expenditures	26,907	31,544	3,006
EXCESS (DEFICIENCY_ OF REVENUES OVER (UNDER) EXPENDITURES	3,642	3,615	6,347
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	3,642	3,615	6,347
FUND BALANCES, BEGINNING	14,939	9,151	53,619
FUND BALANCES, ENDING	\$ 18,581	\$ 12,766	\$ 59,966

Special Revenue Funds

County Attorney Collection Fee	District Attorney Task Force Forfeiture	Victim's Coordinator Grant	Judges Education	Courthouse Security	Justice Court Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	27,666	-	-	-
25,693	-	-	-	45,616	21,028
-	-	-	-	-	-
-	-	-	9	193	-
-	-	-	970	-	-
<u>25,693</u>	<u>-</u>	<u>27,666</u>	<u>979</u>	<u>45,809</u>	<u>21,028</u>
-	-	-	-	-	-
22,258	747	-	-	3,790	14,023
-	-	-	-	-	-
-	-	40,638	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,258</u>	<u>747</u>	<u>40,638</u>	<u>-</u>	<u>3,790</u>	<u>14,023</u>
<u>3,435</u>	<u>(747)</u>	<u>(12,972)</u>	<u>979</u>	<u>42,019</u>	<u>7,005</u>
-	-	11,181	-	-	-
-	-	-	-	-	-
-	-	<u>11,181</u>	-	-	-
3,435	(747)	(1,791)	979	42,019	7,005
<u>68,668</u>	<u>8,950</u>	<u>-</u>	<u>4,581</u>	<u>143,147</u>	<u>53,256</u>
<u>\$ 72,103</u>	<u>\$ 8,203</u>	<u>\$(1,791)</u>	<u>\$ 5,560</u>	<u>\$ 185,166</u>	<u>\$ 60,261</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	Records Management	Records Preservation	Time Payment Collection Fee
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Fees of office	165,322	35,995	8,947
Forfeitures	-	-	-
Investment income	1,285	54	-
Miscellaneous	378	-	-
Total revenues	166,985	36,049	8,947
EXPENDITURES			
Current:			
General government			
General administration	68,354	-	-
Judicial and legal	-	26,244	-
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Environmental protection	-	-	-
Capital outlay	265,167	-	-
Total expenditures	333,521	26,244	-
EXCESS (DEFICIENCY_ OF REVENUES OVER (UNDER) EXPENDITURES	(166,536)	9,805	8,947
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	(166,536)	9,805	8,947
FUND BALANCES, BEGINNING	901,687	35,574	27,066
FUND BALANCES, ENDING	\$ 735,151	\$ 45,379	\$ 36,013

Special Revenue Funds

<u>VIT Tax</u>	<u>Sheriff Forfeiture</u>	<u>Sheriff Commissary</u>	<u>Truant Officer</u>	<u>Abandoned Vehicle</u>	<u>Sheriff Resource Officer</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	209,199	50,124	-	177,230
-	10,404	-	-	-	-
1	-	-	-	102	-
1,288	-	-	-	82,483	-
<u>1,289</u>	<u>10,404</u>	<u>209,199</u>	<u>50,124</u>	<u>82,585</u>	<u>177,230</u>
5,502	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,374	172,251	49,907	52,732	212,167
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,502</u>	<u>6,374</u>	<u>172,251</u>	<u>49,907</u>	<u>52,732</u>	<u>212,167</u>
(4,213)	4,030	36,948	217	29,853	(34,937)
-	-	-	-	-	36,000
-	-	-	-	(40,236)	-
-	-	-	-	(40,236)	36,000
(4,213)	4,030	36,948	217	(10,383)	1,063
4,213	1,793	4,609	9,061	117,322	-
<u>\$ -</u>	<u>\$ 5,823</u>	<u>\$ 41,557</u>	<u>\$ 9,278</u>	<u>\$ 106,939</u>	<u>\$ 1,063</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	D.A.R.E. Program	Education Training and Donation	CPS Title IV-E
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	42,146
Fees of office	-	13,022	-
Forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>13,022</u>	<u>42,146</u>
EXPENDITURES			
Current:			
General government			
General administration	-	-	-
Judicial and legal	-	275	-
Elections	-	-	-
Public safety	1,547	7,588	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	31,549
Culture and recreation	-	-	-
Environmental protection	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>1,547</u>	<u>7,863</u>	<u>31,549</u>
EXCESS (DEFICIENCY_ OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,547)</u>	<u>5,159</u>	<u>10,597</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,395	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>1,395</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(152)</u>	<u>5,159</u>	<u>10,597</u>
FUND BALANCES, BEGINNING	<u>152</u>	<u>11,665</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 16,824</u>	<u>\$ 10,597</u>

Special Revenue Funds

Homeland Security	TJPC Juvenile Probation Programs	TJPC Community Corrections	ORCA Grant	OAG Texas VINE	Highway By-Pass
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333	187,252	208,988	423,422	17,925	-
-	-	-	-	-	-
-	222	56	-	-	-
-	-	-	-	-	-
<u>333</u>	<u>187,474</u>	<u>209,044</u>	<u>423,422</u>	<u>17,925</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	17,925	-
-	-	-	-	-	-
-	183,533	178,525	-	-	-
-	-	-	-	-	31
-	-	-	424,036	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>183,533</u>	<u>178,525</u>	<u>424,036</u>	<u>17,925</u>	<u>31</u>
<u>333</u>	<u>3,941</u>	<u>30,519</u>	<u>(614)</u>	<u>-</u>	<u>(31)</u>
-	-	-	64	-	-
-	-	<u>(30,231)</u>	-	-	-
-	-	<u>(30,231)</u>	<u>64</u>	-	-
333	3,941	288	(550)	-	(31)
-	-	-	-	-	31
<u>\$ 333</u>	<u>\$ 3,941</u>	<u>\$ 288</u>	<u>\$ (550)</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	Solid Waste Project	Law Library	County Library
REVENUES			
Taxes	\$ -	\$ -	\$ 518,876
Intergovernmental	-	-	-
Fees of office	22,943	40,562	-
Forfeitures	-	-	-
Investment income	-	-	582
Miscellaneous	-	-	31,270
Total revenues	<u>22,943</u>	<u>40,562</u>	<u>550,728</u>
EXPENDITURES			
Current:			
General government			
General administration	-	-	-
Judicial and legal	-	44,882	-
Elections	-	-	-
Public safety	-	-	-
Corrections	-	-	-
Public transportation	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	549,476
Environmental protection	62,729	-	-
Capital outlay	-	-	-
Total expenditures	<u>62,729</u>	<u>44,882</u>	<u>549,476</u>
EXCESS (DEFICIENCY_ OF REVENUES OVER (UNDER) EXPENDITURES	<u>(39,786)</u>	<u>(4,320)</u>	<u>1,252</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	35,136	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>35,136</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,650)	(4,320)	1,252
FUND BALANCES, BEGINNING	<u>(1,669)</u>	<u>65,713</u>	<u>296,660</u>
FUND BALANCES, ENDING	<u><u>\$ (6,319)</u></u>	<u><u>\$ 61,393</u></u>	<u><u>\$ 297,912</u></u>

Special Revenue Funds					Capital Projects	
Library Special	HAVA Grant/Elections	Tobacco Grant	Equipment Repair	Total Special Revenue Funds	Courthouse Restoration	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 518,876	\$ -	\$ 518,876
10,206	34,347	-	-	987,444	1,916,993	2,904,437
-	20,242	-	6,389	872,861	-	872,861
-	-	-	-	19,693	-	19,693
10	1	4	-	2,583	380	2,963
1,144	-	-	-	117,533	-	117,533
<u>11,360</u>	<u>54,590</u>	<u>4</u>	<u>6,389</u>	<u>2,518,990</u>	<u>1,917,373</u>	<u>4,436,363</u>
-	-	-	-	73,856	41,884	115,740
-	-	-	-	191,601	-	191,601
-	17,279	-	-	17,279	-	17,279
-	-	-	-	543,204	-	543,204
-	-	-	-	362,058	-	362,058
-	-	-	12,426	12,457	-	12,457
-	-	-	-	455,585	-	455,585
12,906	-	-	-	562,382	-	562,382
-	-	-	-	62,729	-	62,729
-	35,050	-	64,541	364,758	2,327,857	2,692,615
<u>12,906</u>	<u>52,329</u>	<u>-</u>	<u>76,967</u>	<u>2,645,909</u>	<u>2,369,741</u>	<u>5,015,650</u>
(1,546)	2,261	4	(70,578)	(126,919)	(452,368)	(579,287)
-	-	-	24,000	107,776	-	107,776
-	-	-	-	(70,467)	-	(70,467)
-	-	-	24,000	37,309	-	37,309
(1,546)	2,261	4	(46,578)	(89,610)	(452,368)	(541,978)
1,807	26,046	-	86,600	1,944,641	771,829	2,716,470
<u>\$ 261</u>	<u>\$ 28,307</u>	<u>\$ 4</u>	<u>\$ 40,022</u>	<u>1,855,031</u>	<u>\$ 319,461</u>	<u>\$ 2,174,492</u>

HOOD COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
General administration:				
Commissioners' court	\$ 388,692	\$ 372,976	\$ 356,857	\$ 16,119
County judge	159,414	159,576	149,052	10,524
County clerk	573,426	566,476	519,201	47,275
Veteran's service	47,169	44,359	33,117	11,242
Nondepartmental	1,294,945	1,650,756	1,154,263	496,493
Risk management	835,000	841,321	629,619	211,702
Mailroom	153,503	153,585	126,539	27,046
Development and compliance	112,332	104,833	84,771	20,062
Total general administration	<u>3,564,481</u>	<u>3,893,882</u>	<u>3,053,419</u>	<u>840,463</u>
Judicial and legal:				
County court	75,702	75,783	71,761	4,022
County court-at-law judge	254,755	254,675	249,877	4,798
County court-at-law	290,395	290,608	287,175	3,433
District judge	124,077	123,437	117,299	6,138
District court	457,468	454,932	444,139	10,793
District clerk	408,836	396,837	349,546	47,291
Justice of the peace, precincts 1 and 2	212,827	213,145	202,076	11,069
Justice of the peace, precinct 3	201,614	201,937	192,576	9,361
Justice of the peace, precinct 4	175,535	168,035	151,678	16,357
County attorney	659,802	652,052	633,724	18,328
District attorney	541,892	529,092	525,158	3,934
Jury	70,400	70,400	73,152	(2,752)
Total judicial and legal	<u>3,473,303</u>	<u>3,430,933</u>	<u>3,298,161</u>	<u>132,772</u>
Financial administration:				
Purchasing	173,496	171,498	163,783	7,715
Human resources	154,276	154,262	144,577	9,685
County auditor	256,191	253,191	237,047	16,144
County treasurer	181,826	180,827	168,093	12,734
County tax assessor/collector	416,717	415,719	408,186	7,533
Voter registration	38,294	36,494	33,839	2,655
Information systems	598,780	596,780	533,921	62,859
Total financial administration	<u>1,819,580</u>	<u>1,808,771</u>	<u>1,689,446</u>	<u>119,325</u>

(continued)

HOOD COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current: (Continued)				
Elections:				
Elections	\$ 125,103	\$ 134,769	\$ 133,912	\$ 857
Total elections	<u>125,103</u>	<u>134,769</u>	<u>133,912</u>	<u>857</u>
Public facilities				
Buildings and grounds	882,736	871,136	767,724	103,412
Total public facilities	<u>882,736</u>	<u>871,136</u>	<u>767,724</u>	<u>103,412</u>
Public safety:				
Fire protection	302,440	302,440	217,084	85,356
Fire marshal	323,190	318,290	279,181	39,109
Constable, precincts 1 and 2	180,557	174,508	142,535	31,973
Constable, precincts 3 and 4	373,858	365,361	319,057	46,304
Sheriff, administration	3,220,106	3,273,955	3,147,736	126,219
Sheriff, dispatch	850,946	847,523	808,848	38,675
Sheriff, civil	10,000	10,000	-	10,000
Justice center security contract	248,000	248,000	247,014	986
Highway patrol	85,767	85,929	83,377	2,552
911 Coordinator	59,827	59,908	51,799	8,109
Animal control	232,185	226,885	208,278	18,607
Total public safety	<u>5,886,876</u>	<u>5,912,799</u>	<u>5,504,909</u>	<u>407,890</u>
Corrections:				
Jail	3,247,799	3,274,395	3,078,477	195,918
Juvenile probation	383,327	383,327	337,821	45,506
Adult probation	4,500	4,500	1,060	3,440
Total corrections	<u>3,635,626</u>	<u>3,662,222</u>	<u>3,417,358</u>	<u>244,864</u>
Health and welfare:				
County health	306,736	306,736	251,290	55,446
Total health and welfare	<u>306,736</u>	<u>306,736</u>	<u>251,290</u>	<u>55,446</u>
Public assistance:				
Public assistance	56,500	56,500	51,089	5,411
Total public assistance	<u>56,500</u>	<u>56,500</u>	<u>51,089</u>	<u>5,411</u>
Conservation:				
County extension agent	87,882	87,963	76,926	11,037
Total conservation	<u>87,882</u>	<u>87,963</u>	<u>76,926</u>	<u>11,037</u>
Total current expenditures	<u>\$ 19,838,823</u>	<u>\$ 20,165,711</u>	<u>\$ 18,244,234</u>	<u>\$ 1,921,477</u>

HOOD COUNTY, TEXAS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public transportation:				
Operations	\$ 3,532,206	\$ 3,461,374	\$ 2,998,147	\$ 463,227
Appraisals	58,500	58,500	39,583	18,917
Development	<u>112,520</u>	<u>183,352</u>	<u>179,756</u>	<u>3,596</u>
Total public transportation	<u>3,703,226</u>	<u>3,703,226</u>	<u>3,217,486</u>	<u>485,740</u>
Total current expenditures	<u>\$ 3,703,226</u>	<u>\$ 3,703,226</u>	<u>\$ 3,217,486</u>	<u>\$ 485,740</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DISTRICT ATTORNEY TASK FORCE FORFEITURE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 21,734	\$ 21,734	\$ -	\$ (21,734)
Total revenues	<u>21,734</u>	<u>21,734</u>	<u>-</u>	<u>(21,734)</u>
EXPENDITURES				
Current:				
Judicial and legal:				
District attorney	<u>21,734</u>	<u>21,734</u>	<u>747</u>	<u>20,987</u>
Total expenditures	<u>21,734</u>	<u>21,734</u>	<u>747</u>	<u>20,987</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(747)	(747)
FUND BALANCE, BEGINNING	<u>8,950</u>	<u>8,950</u>	<u>8,950</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,950</u>	<u>\$ 8,950</u>	<u>\$ 8,203</u>	<u>\$ (747)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

VICTIM COORDINATOR GRANT FUND - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 28,647	\$ 26,647	\$ 27,666	\$ 1,019
Total revenues	<u>28,647</u>	<u>26,647</u>	<u>27,666</u>	<u>1,019</u>
EXPENDITURES				
Public safety:				
Victim coordinator	<u>37,855</u>	<u>37,855</u>	<u>40,638</u>	<u>(2,783)</u>
Total expenditures	<u>37,855</u>	<u>37,855</u>	<u>40,638</u>	<u>(2,783)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,208)</u>	<u>(11,208)</u>	<u>(12,972)</u>	<u>(1,764)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>11,208</u>	<u>11,181</u>	<u>(27)</u>
Total other financing sources and uses	<u>-</u>	<u>11,208</u>	<u>11,181</u>	<u>(27)</u>
NET CHANGE IN FUND BALANCE	<u>(9,208)</u>	<u>-</u>	<u>(1,791)</u>	<u>(1,791)</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$(9,208)</u>	<u>\$ -</u>	<u>\$(1,791)</u>	<u>\$(1,791)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

JUDGES EDUCATION - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 9	\$ 9
Miscellaneous	<u>1,800</u>	<u>1,800</u>	<u>970</u>	<u>(830)</u>
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>979</u>	<u>(821)</u>
EXPENDITURES				
Current:				
Judicial and legal:				
District judge	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total expenditures	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	979	979
FUND BALANCE, BEGINNING	<u>4,581</u>	<u>4,581</u>	<u>4,581</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 4,581</u>	<u>\$ 4,581</u>	<u>\$ 5,560</u>	<u>\$ 979</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURTHOUSE SECURITY - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 44,000	\$ 44,000	\$ 45,616	\$ 1,616
Investment income	1,750	1,750	193	(1,557)
Total revenues	45,750	45,750	45,809	59
EXPENDITURES				
Current:				
Judicial and legal:				
County court-at-law	45,750	195,750	3,790	191,960
Total expenditures	45,750	195,750	3,790	191,960
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(150,000)	42,019	192,019
OTHER FINANCING SOURCES (USES)				
Transfers in	-	150,000	-	(150,000)
Total other financing sources and uses	-	150,000	-	(150,000)
NET CHANGE IN FUND BALANCE	-	-	42,019	42,019
FUND BALANCE, BEGINNING	143,147	143,147	143,147	-
FUND BALANCE, ENDING	\$ 143,147	\$ 143,147	\$ 185,166	\$ 42,019

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

JUSTICE COURT TECHNOLOGY - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ -	\$ -	\$ 21,028	\$ 21,028
Total revenues	<u>-</u>	<u>-</u>	<u>21,028</u>	<u>21,028</u>
EXPENDITURES				
Current:				
Judicial and legal:				
Justice of the peace, precincts 1 and 2	23,000	23,000	9,539	13,461
Justice of the peace, precinct 3	17,000	17,000	3,588	13,412
Justice of the peace, precinct 4	<u>15,000</u>	<u>15,000</u>	<u>896</u>	<u>14,104</u>
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>14,023</u>	<u>40,977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(55,000)</u>	<u>(55,000)</u>	<u>7,005</u>	<u>62,005</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
Total other financing sources and uses	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
NET CHANGE IN FUND BALANCE	-	-	7,005	7,005
FUND BALANCE, BEGINNING	<u>53,256</u>	<u>53,256</u>	<u>53,256</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 53,256</u>	<u>\$ 53,256</u>	<u>\$ 60,261</u>	<u>\$ 7,005</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RECORDS MANAGEMENT - SPECIAL REVENUE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 218,750	\$ 218,750	\$ 165,322	\$(53,428)
Investment income	2,000	2,000	1,285	(715)
Miscellaneous	-	-	378	378
Total revenues	<u>220,750</u>	<u>220,750</u>	<u>166,985</u>	<u>(53,765)</u>
EXPENDITURES				
Current:				
General administration:				
County clerk	501,082	235,082	68,354	166,728
Capital outlay	-	266,000	265,167	833
Total expenditures	<u>501,082</u>	<u>501,082</u>	<u>333,521</u>	<u>167,561</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(280,332)</u>	<u>(280,332)</u>	<u>(166,536)</u>	<u>113,796</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	280,332	280,332	-	(280,332)
Total other financing sources and uses	<u>280,332</u>	<u>280,332</u>	<u>-</u>	<u>(280,332)</u>
NET CHANGE IN FUND BALANCE	-	-	(166,536)	(166,536)
FUND BALANCE, BEGINNING	<u>901,687</u>	<u>901,687</u>	<u>901,687</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 901,687</u>	<u>\$ 901,687</u>	<u>\$ 735,151</u>	<u>\$(166,536)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECORDS PRESERVATION - SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 40,250	\$ 40,250	\$ 35,995	\$(4,255)
Investment income	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
Total revenues	<u>40,250</u>	<u>40,250</u>	<u>36,049</u>	<u>(4,201)</u>
EXPENDITURES				
Current:				
Judicial and legal:				
District clerk	<u>66,493</u>	<u>40,250</u>	<u>26,244</u>	<u>14,006</u>
Total expenditures	<u>66,493</u>	<u>40,250</u>	<u>26,244</u>	<u>14,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,243)	-	9,805	9,805
FUND BALANCE, BEGINNING	<u>35,574</u>	<u>35,574</u>	<u>35,574</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,331</u>	<u>\$ 35,574</u>	<u>\$ 45,379</u>	<u>\$ 9,805</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIME PAYMENT COLLECTION FEES - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 4,000	\$ 4,000	\$ 8,947	\$ 4,947
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>8,947</u>	<u>4,947</u>
EXPENDITURES				
Current:				
General administration:				
County clerk	2,000	2,000	-	2,000
Judicial and legal:				
District clerk	400	400	-	400
Justice of the peace, precincts 1 and 2	800	800	-	800
Justice of the peace, precinct 3	800	800	-	800
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	8,947	8,947
FUND BALANCE, BEGINNING	<u>27,066</u>	<u>27,066</u>	<u>27,066</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 27,066</u>	<u>\$ 27,066</u>	<u>\$ 36,013</u>	<u>\$ 8,947</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

VIT TAX - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 1	\$ 1
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>1,288</u>	<u>(2,712)</u>
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>1,289</u>	<u>(2,711)</u>
EXPENDITURES				
Current:				
Financial administration:				
County tax assessor/collector	<u>12,000</u>	<u>12,000</u>	<u>5,502</u>	<u>6,498</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>5,502</u>	<u>6,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,000)</u>	<u>(8,000)</u>	<u>(4,213)</u>	<u>3,787</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Total other financing sources and uses	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
NET CHANGE IN FUND BALANCE	-	-	(4,213)	(4,213)
FUND BALANCE, BEGINNING	<u>4,213</u>	<u>4,213</u>	<u>4,213</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 4,213</u>	<u>\$ 4,213</u>	<u>\$ -</u>	<u>\$(4,213)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TRUANT OFFICER - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ <u>52,505</u>	\$ <u>52,505</u>	\$ <u>50,124</u>	\$ <u>(2,381)</u>
Total revenues	<u>52,505</u>	<u>52,505</u>	<u>50,124</u>	<u>(2,381)</u>
EXPENDITURES				
Current:				
Judicial and legal:				
Constable 4	<u>52,505</u>	<u>52,505</u>	<u>49,907</u>	<u>2,598</u>
Total expenditures	<u>52,505</u>	<u>52,505</u>	<u>49,907</u>	<u>2,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	217	217
FUND BALANCE, BEGINNING	<u>9,061</u>	<u>9,061</u>	<u>9,061</u>	-
FUND BALANCE, ENDING	\$ <u><u>9,061</u></u>	\$ <u><u>9,061</u></u>	\$ <u><u>9,278</u></u>	\$ <u><u>217</u></u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ABANDONED VEHICLE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 2,500	\$ 100	\$ 102	\$ 2
Miscellaneous	<u>70,000</u>	<u>79,000</u>	<u>82,483</u>	<u>3,483</u>
Total revenues	<u>72,500</u>	<u>79,100</u>	<u>82,585</u>	<u>3,485</u>
 EXPENDITURES				
Current:				
Public safety:				
Sheriff administration	<u>64,000</u>	<u>59,100</u>	<u>52,732</u>	<u>6,368</u>
Total expenditures	<u>64,000</u>	<u>59,100</u>	<u>52,732</u>	<u>6,368</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>8,500</u>	 <u>20,000</u>	 <u>29,853</u>	 <u>9,853</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	17,500	35,736	-	(35,736)
Transfers out	(30,000)	(55,736)	(40,236)	<u>15,500</u>
Total other financing sources and uses	<u>(12,500)</u>	<u>(20,000)</u>	<u>(40,236)</u>	<u>(20,236)</u>
 NET CHANGE IN FUND BALANCE	 (4,000)	 -	 (10,383)	 (10,383)
 FUND BALANCE, BEGINNING	 <u>117,322</u>	 <u>117,322</u>	 <u>117,322</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 113,322</u>	 <u>\$ 117,322</u>	 <u>\$ 106,939</u>	 <u>\$(10,383)</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SHERIFF RESOURCE OFFICER - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 176,735	\$ 178,520	\$ 177,230	\$(1,290)
Total revenues	<u>176,735</u>	<u>178,520</u>	<u>177,230</u>	<u>(1,290)</u>
EXPENDITURES				
Current:				
Public safety:				
Sheriff administration	212,735	214,520	212,167	2,353
Total expenditures	<u>212,735</u>	<u>214,520</u>	<u>212,167</u>	<u>2,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(36,000)</u>	<u>(36,000)</u>	<u>(34,937)</u>	<u>1,063</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	36,000	36,000	-
Total other financing sources and uses	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(36,000)</u>	<u>-</u>	<u>1,063</u>	<u>1,063</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$(36,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,063</u></u>	<u><u>\$ 1,063</u></u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DARE PROGRAM - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Public safety:				
Sheriff administration	<u>3,000</u>	<u>3,000</u>	<u>1,547</u>	<u>1,453</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>1,547</u>	<u>1,453</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,000)</u>	<u>(3,000)</u>	<u>(1,547)</u>	<u>1,453</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>3,000</u>	<u>1,395</u>	<u>(1,605)</u>
Total other financing sources and uses	<u>-</u>	<u>3,000</u>	<u>1,395</u>	<u>(1,605)</u>
NET CHANGE IN FUND BALANCE	<u>(3,000)</u>	<u>-</u>	<u>(152)</u>	<u>(152)</u>
FUND BALANCE, BEGINNING	<u>152</u>	<u>152</u>	<u>152</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ (2,848)</u></u>	<u><u>\$ 152</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (152)</u></u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EDUCATION, TRAINING AND DONATION - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 9,080	\$ 13,310	\$ 13,022	\$(288)
Total revenues	<u>9,080</u>	<u>13,310</u>	<u>13,022</u>	<u>(288)</u>
EXPENDITURES				
Current:				
Public safety:				
Sheriff administration	10,080	13,808	2,975	10,833
Fire marshal	3,100	4,483	2,106	2,377
Constable precinct 1 and 2	2,900	3,178	1,754	1,424
Constable precinct 3 and 4	3,300	2,294	753	1,541
Judicial and legal:				
County attorney	700	929	275	654
Total expenditures	<u>20,080</u>	<u>24,692</u>	<u>7,863</u>	<u>16,829</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,000)</u>	<u>(11,382)</u>	<u>5,159</u>	<u>16,541</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>11,000</u>	<u>11,382</u>	<u>-</u>	<u>(11,382)</u>
Total other financing sources and uses	<u>11,000</u>	<u>11,382</u>	<u>-</u>	<u>(11,382)</u>
NET CHANGE IN FUND BALANCE	-	-	5,159	5,159
FUND BALANCE, BEGINNING	<u>11,665</u>	<u>11,665</u>	<u>11,665</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 11,665</u>	<u>\$ 11,665</u>	<u>\$ 16,824</u>	<u>\$ 5,159</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

CPS TITLE IV - E - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 15,000	\$ 20,600	\$ 42,146	\$ 21,546
Investment income	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>15,500</u>	<u>20,600</u>	<u>42,146</u>	<u>21,546</u>
EXPENDITURES				
Current:				
Health and welfare:				
Child protective services	<u>15,500</u>	<u>39,327</u>	<u>31,549</u>	<u>7,778</u>
Total expenditures	<u>15,500</u>	<u>39,327</u>	<u>31,549</u>	<u>7,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(18,727)</u>	<u>10,597</u>	<u>29,324</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>18,727</u>	<u>-</u>	<u>(18,727)</u>
Total other financing sources and uses	<u>-</u>	<u>18,727</u>	<u>-</u>	<u>(18,727)</u>
NET CHANGE IN FUND BALANCE	-	-	10,597	10,597
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,597</u>	<u>\$ 10,597</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TJPC JUVENILE PROBATION PROGRAMS - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 162,795	\$ 162,795	\$ 187,252	\$ 24,457
Investment income	-	-	222	222
Total revenues	162,795	162,795	187,474	24,679
EXPENDITURES				
Current:				
Corrections:				
Juvenile probation	162,795	162,795	183,533	(20,738)
Total expenditures	162,795	162,795	183,533	(20,738)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3,941	3,941
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ 3,941	\$ 3,941

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TJPC COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 178,524	\$ 178,525	\$ 208,988	\$ 30,463
Investment income	-	-	56	56
Total revenues	<u>178,524</u>	<u>178,525</u>	<u>209,044</u>	<u>30,519</u>
EXPENDITURES				
Current:				
Corrections:				
Juvenile probation	<u>178,524</u>	<u>178,525</u>	<u>178,525</u>	-
Total expenditures	<u>178,524</u>	<u>178,525</u>	<u>178,525</u>	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>30,519</u>	<u>30,519</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(30,231)</u>	<u>(30,231)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(30,231)</u>	<u>(30,231)</u>
NET CHANGE IN FUND BALANCE	-	-	288	288
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288</u>	<u>\$ 288</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ORCA GRANT - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget		
REVENUES				
Intergovernmental	\$ 25,000	\$ 424,500	\$ 423,422	\$(1,078)
Total revenues	25,000	424,500	423,422	(1,078)
EXPENDITURES				
Current:				
Health and welfare:				
County health	25,000	424,500	424,036	464
Total expenditures	25,000	424,500	424,036	464
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(614)	(614)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	64	64
Total other financing sources and uses	-	-	64	64
NET CHANGE IN FUND BALANCE	-	-	(550)	(550)
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$(550)	\$(550)

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

OAG TEXAS VINE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>17,925</u>	\$ <u>(2,075)</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>17,925</u>	<u>(2,075)</u>
EXPENDITURES				
Current:				
Judicial and legal:				
District attorney	<u>20,000</u>	<u>20,000</u>	<u>17,925</u>	<u>2,075</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>17,925</u>	<u>2,075</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SOLID WASTE PROJECT - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ 46,000	\$ 46,000	\$ 22,943	\$(23,057)
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>22,943</u>	<u>(23,057)</u>
EXPENDITURES				
Current:				
Environmental projection:				
Environmental protection	<u>132,755</u>	<u>132,755</u>	<u>62,729</u>	<u>70,026</u>
Total expenditures	<u>132,755</u>	<u>132,755</u>	<u>62,729</u>	<u>70,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(86,755)</u>	<u>(86,755)</u>	<u>(39,786)</u>	<u>46,969</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>86,755</u>	<u>86,755</u>	<u>35,136</u>	<u>(51,619)</u>
Total other financing sources and uses	<u>86,755</u>	<u>86,755</u>	<u>35,136</u>	<u>(51,619)</u>
NET CHANGE IN FUND BALANCE	-	-	(4,650)	(4,650)
FUND BALANCE, BEGINNING	<u>(1,669)</u>	<u>(1,669)</u>	<u>(1,669)</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$(1,669)</u>	<u>\$(1,669)</u>	<u>\$(6,319)</u>	<u>\$(4,650)</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LAW LIBRARY - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 35,000	\$ 35,000	\$ 40,562	\$ 5,562
Total revenues	35,000	35,000	40,562	5,562
EXPENDITURES				
Current:				
Judicial and legal:				
Law library	85,000	85,000	44,882	40,118
Total expenditures	85,000	85,000	44,882	40,118
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(50,000)	(50,000)	(4,320)	45,680
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	-	(50,000)
Total other financing sources and uses	50,000	50,000	-	(50,000)
NET CHANGE IN FUND BALANCE				
	-	-	(4,320)	(4,320)
FUND BALANCE, BEGINNING				
	65,713	65,713	65,713	-
FUND BALANCE, ENDING				
	\$ 65,713	\$ 65,713	\$ 61,393	\$(4,320)

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COUNTY LIBRARY - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 531,000	\$ 531,000	\$ 518,876	\$ (12,124)
Investment income	9,000	9,000	582	(8,418)
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>31,270</u>	<u>11,270</u>
Total revenues	<u>560,000</u>	<u>560,000</u>	<u>550,728</u>	<u>(9,272)</u>
EXPENDITURES				
Current:				
Culture and recreation:				
Library	<u>571,423</u>	<u>571,423</u>	<u>549,476</u>	<u>21,947</u>
Total expenditures	<u>571,423</u>	<u>571,423</u>	<u>549,476</u>	<u>21,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,423)</u>	<u>(11,423)</u>	<u>1,252</u>	<u>12,675</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>11,423</u>	<u>11,423</u>	<u>-</u>	<u>(11,423)</u>
Total other financing sources and uses	<u>11,423</u>	<u>11,423</u>	<u>-</u>	<u>(11,423)</u>
NET CHANGE IN FUND BALANCE	-	-	1,252	1,252
FUND BALANCE, BEGINNING	<u>296,660</u>	<u>296,660</u>	<u>296,660</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 296,660</u>	<u>\$ 296,660</u>	<u>\$ 297,912</u>	<u>\$ 1,252</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HAVA GRANT/ELECTIONS - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 35,050	\$ 34,347	\$(703)
Fees of office	-	6,000	20,242	14,242
Investment income	-	-	1	1
Total revenues	<u>-</u>	<u>41,050</u>	<u>54,590</u>	<u>13,540</u>
EXPENDITURES				
Current:				
Elections:				
Elections	6,000	26,000	17,279	8,721
Capital outlay	<u>35,050</u>	<u>35,050</u>	<u>35,050</u>	<u>-</u>
Total expenditures	<u>41,050</u>	<u>61,050</u>	<u>52,329</u>	<u>8,721</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(41,050)</u>	<u>(20,000)</u>	<u>2,261</u>	<u>22,261</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>6,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources and uses	<u>6,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	(35,050)	-	2,261	2,261
FUND BALANCE, BEGINNING	<u>26,046</u>	<u>26,046</u>	<u>26,046</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$(9,004)</u></u>	<u><u>\$ 26,046</u></u>	<u><u>\$ 28,307</u></u>	<u><u>\$ 2,261</u></u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TOBACCO GRANT - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Investment income	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4</u>	<u>(3,996)</u>
EXPENDITURES				
Current:				
Public safety:				
Sheriff administration	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

EQUIPMENT REPAIR - SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fees of office	\$ -	\$ -	\$ 6,389	\$ 6,389
Total revenues	<u>-</u>	<u>-</u>	<u>6,389</u>	<u>6,389</u>
EXPENDITURES				
Current:				
Public transportation:				
Road operations	90,000	24,000	12,426	11,574
Capital outlay	<u>-</u>	<u>66,000</u>	<u>64,541</u>	<u>1,459</u>
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>76,967</u>	<u>13,033</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(90,000)</u>	<u>(90,000)</u>	<u>(70,578)</u>	<u>19,422</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>90,000</u>	<u>90,000</u>	<u>24,000</u>	<u>(66,000)</u>
Total other financing sources and uses	<u>90,000</u>	<u>90,000</u>	<u>24,000</u>	<u>(66,000)</u>
NET CHANGE IN FUND BALANCE	-	-	(46,578)	(46,578)
FUND BALANCE, BEGINNING	<u>86,600</u>	<u>86,600</u>	<u>86,600</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 86,600</u>	<u>\$ 86,600</u>	<u>\$ 40,022</u>	<u>\$(46,578)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 2,580,000	\$ 2,733,500	\$ 2,997,318	\$ 263,818
Investment income	20,000	2,000	2,016	16
Total revenues	<u>2,600,000</u>	<u>2,735,500</u>	<u>2,999,334</u>	<u>263,834</u>
EXPENDITURES				
Debt service:				
Principal on long-term debt	2,530,000	2,530,000	2,530,000	-
Interest on long-term debt	816,225	817,225	817,225	-
Total expenditures	<u>3,346,225</u>	<u>3,347,225</u>	<u>3,347,225</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(746,225)</u>	<u>(611,725)</u>	<u>(347,891)</u>	<u>263,834</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	662,725	611,725	-	(611,725)
Total other financing sources and uses	<u>662,725</u>	<u>611,725</u>	<u>-</u>	<u>(611,725)</u>
NET CHANGE IN FUND BALANCE	<u>(83,500)</u>	<u>-</u>	<u>(347,891)</u>	<u>(347,891)</u>
FUND BALANCE, BEGINNING	<u>1,927,970</u>	<u>1,927,970</u>	<u>1,927,970</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,844,470</u>	<u>\$ 1,927,970</u>	<u>\$ 1,580,079</u>	<u>\$(347,891)</u>

HOOD COUNTY, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

OFFICE EQUIPMENT C&M - CAPITAL PROJECTS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 3,873	\$ 3,873
Miscellaneous	-	-	18,447	18,447
Total revenues	-	-	22,320	22,320
EXPENDITURES				
Current:				
Public facilities	-	45,000	41,112	3,888
Capital outlay	2,750,000	2,435,000	979,253	1,455,747
Total expenditures	2,750,000	2,480,000	1,020,365	1,459,635
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,750,000)	(2,480,000)	(998,045)	1,481,955
OTHER FINANCING SOURCES (USES)				
Transfers in	2,750,000	2,750,000	-	(2,750,000)
Total other financing sources and uses	2,750,000	2,750,000	-	(2,750,000)
NET CHANGE IN FUND BALANCE	-	270,000	(998,045)	(1,268,045)
FUND BALANCE, BEGINNING	2,703,716	2,703,716	2,703,716	-
FUND BALANCE, ENDING	\$ 2,703,716	\$ 2,973,716	\$ 1,705,671	\$ (1,268,045)

HOOD COUNTY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL COURTHOUSE RESTORATION - CAPITAL PROJECTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,800,000	\$ 4,800,000	\$ 1,916,993	\$(2,883,007)
Investment income	-	-	380	380
Total revenues	<u>4,800,000</u>	<u>4,800,000</u>	<u>1,917,373</u>	<u>(2,882,627)</u>
EXPENDITURES				
Current:				
General administration	63,047	63,047	41,884	21,163
Capital outlay	<u>5,650,000</u>	<u>5,650,000</u>	<u>2,327,857</u>	<u>3,322,143</u>
Total expenditures	<u>5,713,047</u>	<u>5,713,047</u>	<u>2,369,741</u>	<u>3,343,306</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(913,047)</u>	<u>(913,047)</u>	<u>(452,368)</u>	<u>460,679</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>913,047</u>	<u>913,047</u>	-	<u>(913,047)</u>
Total other financing sources and uses	<u>913,047</u>	<u>913,047</u>	-	<u>(913,047)</u>
NET CHANGE IN FUND BALANCE	-	-	(452,368)	(452,368)
FUND BALANCE, BEGINNING	<u>771,829</u>	<u>771,829</u>	<u>771,829</u>	-
FUND BALANCE, ENDING	<u>\$ 771,829</u>	<u>\$ 771,829</u>	<u>\$ 319,461</u>	<u>\$(452,368)</u>

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 2010

	<u>County Clerk Bond Fund</u>	<u>County Clerk Special Fund</u>	<u>District Clerk Trust Fund</u>
ASSETS			
Cash and investments	\$ <u>275,075</u>	\$ <u>529,576</u>	\$ <u>472,373</u>
Total assets	\$ <u><u>275,075</u></u>	\$ <u><u>529,576</u></u>	\$ <u><u>472,373</u></u>
LIABILITIES			
Amounts held for others	\$ <u>275,075</u>	\$ <u>529,576</u>	\$ <u>472,373</u>
Total liabilities	\$ <u><u>275,075</u></u>	\$ <u><u>529,576</u></u>	\$ <u><u>472,373</u></u>

<u>District Clerk Special Fund</u>	<u>District Attorney Seizure Fund</u>	<u>District Attorney Restitution Fund</u>	<u>County Attorney Restitution Fund</u>	<u>Sheriff Inmate Trust Fund</u>
\$ <u>19,394</u>	\$ <u>14,940</u>	\$ <u>5,959</u>	\$ <u>8,901</u>	\$ <u>32,265</u>
\$ <u>19,394</u>	\$ <u>14,940</u>	\$ <u>5,959</u>	\$ <u>8,901</u>	\$ <u>32,265</u>
\$ <u>19,394</u>	\$ <u>14,940</u>	\$ <u>5,959</u>	\$ <u>8,901</u>	\$ <u>32,265</u>
\$ <u>19,394</u>	\$ <u>14,940</u>	\$ <u>5,959</u>	\$ <u>8,901</u>	\$ <u>32,265</u>

(continued)

HOOD COUNTY, TEXAS

COMBINING BALANCE SHEET

**AGENCY FUNDS
(Continued)
SEPTEMBER 30, 2010**

	<u>Juvenile Probation Restitution Fund</u>	<u>Justice of the Peace Precincts 1 and 2 Fund</u>	<u>Justice of the Peace Precincts 3 and 4 Fund</u>
ASSETS			
Cash and investments	\$ <u>317</u>	\$ <u>100</u>	\$ <u>9,205</u>
Total assets	\$ <u><u>317</u></u>	\$ <u><u>100</u></u>	\$ <u><u>9,205</u></u>
LIABILITIES			
Amounts held for others	\$ <u>317</u>	\$ <u>100</u>	\$ <u>9,205</u>
Total liabilities	\$ <u><u>317</u></u>	\$ <u><u>100</u></u>	\$ <u><u>9,205</u></u>

<u>Unclaimed Property Fund</u>	<u>Tax Assessor Auto Registration Fund</u>	<u>Bail Bond Board Fund</u>	<u>CSCD Adult Supervision Fund</u>	<u>CSCD CCP Court Officer Fund</u>	<u>CSCD Adult Probation Restitution Fund</u>
\$ <u>11,997</u>	\$ <u>209,669</u>	\$ <u>14,544</u>	\$ <u>228,790</u>	\$ <u>20,841</u>	\$ <u>48,865</u>
\$ <u>11,997</u>	\$ <u>209,669</u>	\$ <u>14,544</u>	\$ <u>228,790</u>	\$ <u>20,841</u>	\$ <u>48,865</u>
\$ <u>11,997</u>	\$ <u>209,669</u>	\$ <u>14,544</u>	\$ <u>228,790</u>	\$ <u>20,841</u>	\$ <u>48,865</u>
\$ <u>11,997</u>	\$ <u>209,669</u>	\$ <u>14,544</u>	\$ <u>228,790</u>	\$ <u>20,841</u>	\$ <u>48,865</u>

(continued)

HOOD COUNTY, TEXAS
COMBINING BALANCE SHEET
AGENCY FUNDS
(Continued)
SEPTEMBER 30, 2010

	Sheriff Seizure I Fund	Sheriff Seizure II Fund	VIT Escrow Fund	Total Agency Funds
ASSETS				
Cash and investments	\$ <u>5,823</u>	\$ <u>5,906</u>	\$ <u>165,265</u>	\$ <u>2,079,805</u>
Total assets	\$ <u><u>5,823</u></u>	\$ <u><u>5,906</u></u>	\$ <u><u>165,265</u></u>	\$ <u><u>2,079,805</u></u>
LIABILITIES				
Amounts held for others	\$ <u>5,823</u>	\$ <u>5,906</u>	\$ <u>165,265</u>	\$ <u>2,079,805</u>
Total liabilities	\$ <u><u>5,823</u></u>	\$ <u><u>5,906</u></u>	\$ <u><u>165,265</u></u>	\$ <u><u>2,079,805</u></u>

STATE AWARD PROGRAMS



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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable County Judge
and County Commissioners
Hood County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood County, Texas (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Pavillo, Brown & Hill, LLP

May 17, 2011



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

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS
UNIFORM GRANT MANAGEMENT STANDARDS**

To the Honorable County Judge
and County Commissioners
Hood County, Texas

Compliance

We have audited the compliance of Hood County with the types of compliance requirements described in the State of Texas Uniform Grants Management Standards that is applicable to the major state program for the year ended September 30, 2010. Hood County's major state program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of Hood County's management. Our responsibility is to express an opinion on Hood County's compliance based on our audit.

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

In our opinion, Hood County, complied, in all material respects, with the requirements referred to above that are applicable to the major state program for the year ended September 30, 2010.

Internal Control Over Compliance

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

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

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

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



May 17, 2011

HOOD COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED SEPTEMBER 30, 2010

State Grantor/Pass-through Grantor/ Program Title	Pass-through Grantor's Number	Expenditures
Commission on State Emergency Communications Passed through the North Texas Council of Governments Regional 911 Program	N/A	<u>\$ 28,425</u> <u>28,425</u>
Total Passed through North Texas Council of Governments		<u>28,425</u>
Total Commission on State Emergency Communications		
<u>Texas Historical Courthouse</u> Texas Historic Preservation Program	N/A	<u>1,950,783</u> <u>1,950,783</u>
Total Texas Historical Courthouse		
<u>Texas Office of the Attorney General</u> Victim Coordinator and Liaison Texas Victim Information and Notification Everyday (VINE)	1014299 1012368	<u>27,666</u> <u>17,925</u>
Total Texas Office of the Attorney General		<u>45,591</u>
<u>Texas Office of the Governor</u> Passed through Texas Department of Criminal Justice: Special Investigator for Crimes Against Children	SF-08-V30-19398-01	<u>66,190</u> <u>66,190</u>
Total Passed through Texas Department of Criminal Justice		<u>66,190</u>
Total Texas Office of the Governor		
<u>Texas State Library</u> Lone Star Grant	442-10316	<u>10,206</u> <u>10,206</u>
Total Texas Library		
<u>Texas Task Force on Indigent Defense</u> Indigent Defense Formula Grant	212-10-111	<u>50,886</u> <u>50,886</u>
Total Texas Task Force on Indigent Defense		<u>50,886</u>
Total State Awards		<u>\$ 2,152,081</u>

HOOD COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

SEPTEMBER 30, 2010

1. GENERAL

The Schedule of Expenditures of State Awards presents the activity of all applicable state awards programs of the reporting entity. The County's reporting entity is defined in Note 1 of the basic financial statements. State awards received directly from state agencies, as well as state awards passed through other government agencies, are included on the Schedule of Expenditures of State Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements.

The information in this schedule is presented in accordance with the requirements of *the State of Texas Uniform Grant Management Standards*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

HOOD COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for state awards as defined in Section 501(a), the State of Texas Uniform Grant Management Standards	None
Dollar threshold considered between Type A and Type B state programs	\$300,000 - State
Low risk auditee statement	The County was not classified as a low-risk auditee in the context of the State of Texas Uniform Grant Management Standards.
Major state program	Texas Historic Courthouse Preservation Program

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for State Awards

None

HOOD COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

None