

COOKE COUNTY, TEXAS

**Annual
Financial Report**

**For Fiscal Year
September 30, 2009**

COOKE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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COOKE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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COOKE COUNTY AUDITOR
COOKE COUNTY COURTHOUSE
100 SO. DIXON STREET
GAINESVILLE, TEXAS 76240
PHONE: 940-668-5431 - FAX: 940-668-5442

January 10, 2011

Honorable District Judge
Honorable County Judge
Honorable County Commissioners
Cooke County, Texas

The Annual Financial Report of Cooke County, Texas, for the fiscal year ended September 30, 2009, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

This report consists of management's representations concerning the finances of Cooke County, Texas. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide basis for making these representations, Cooke County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Cooke County's comprehensive framework, because the cost of internal controls should not outweigh their benefits, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants, has audited Cooke County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2009, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion on Cooke County's financial statements for fiscal year ended September 30, 2009, that they were fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Cooke County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. Cooke County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Located in North Central Texas, Cooke County was incorporated in 1848 and the County was named after the Texas Revolution Hero William G. Cooke. The County's population has remained relatively stable in the last hundred years. The current population projection is 38,486, which is a 6% increase over the 2000 census of 36,363. The County has a land area of 792 square miles.

The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated which provide for a Commissioners' Court consisting of the County Judge and four Commissioners, one for each of four geographical precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms.

Cooke County provides a full range of services, including judicial, law enforcement, jail facilities, construction and maintenance of roads, bridges, and other infrastructure and homeland security response teams.

The annual budget serves as the foundation for Cooke County's financial planning and control. All departments of the County are required to submit requests for appropriations to the County Judge by the first of June. The County Judge uses these requests as the starting point for developing a proposed budget. Commissioners' Court then holds budget hearings to hear the requests from all departments. The proposed budget is then prepared by the County Judge and submitted to Commissioners' Court for their consideration. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. Once, and if all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by line item. Budget to actual comparisons are provided in this report for the General Fund and all major Special Revenue Funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Cooke County operates.

Local Economy. Cooke County is experiencing the same economic slowdown felt across North Texas. Population growth has remained relatively steady. Renovation to the nearly 100-year old courthouse will soon begin and be the anchor to an active City square.

Long-term financial planning. The Commissioners' Court continues to be very active in maintaining viable fund balances to be able to finance any projects or emergencies that may arise.

Cash management policies and practices. Cash temporarily idle during the year was invested according to the adopted investment policy. Short-term and long-term cash flow was met with investing in cash-equivalent tools such as 2A-7 pools and the County bank depository. The investments are met to obtain the highest possible yield while still protecting the principal.

Risk management. Cooke County has a pooled insurance program for liability claims, workers' compensation and health and dental insurance. Additional information on Cooke County's risk management activities can be found in Note 4(a) of the notes to the financial statements.

Pension. The County provides retirement, disability, and death benefits for all of its fulltime employees through a nontraditional defined pension plan in the statewide Texas County and District Retirement System (TCDRS). Detail information on the retirement plan can be found in the notes to the financial statements.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the County Auditor's office. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Commissioners' Court and Board of District Judges for their support for maintaining the highest standard professionalism in the management of Cooke County's finances.

Respectfully submitted,

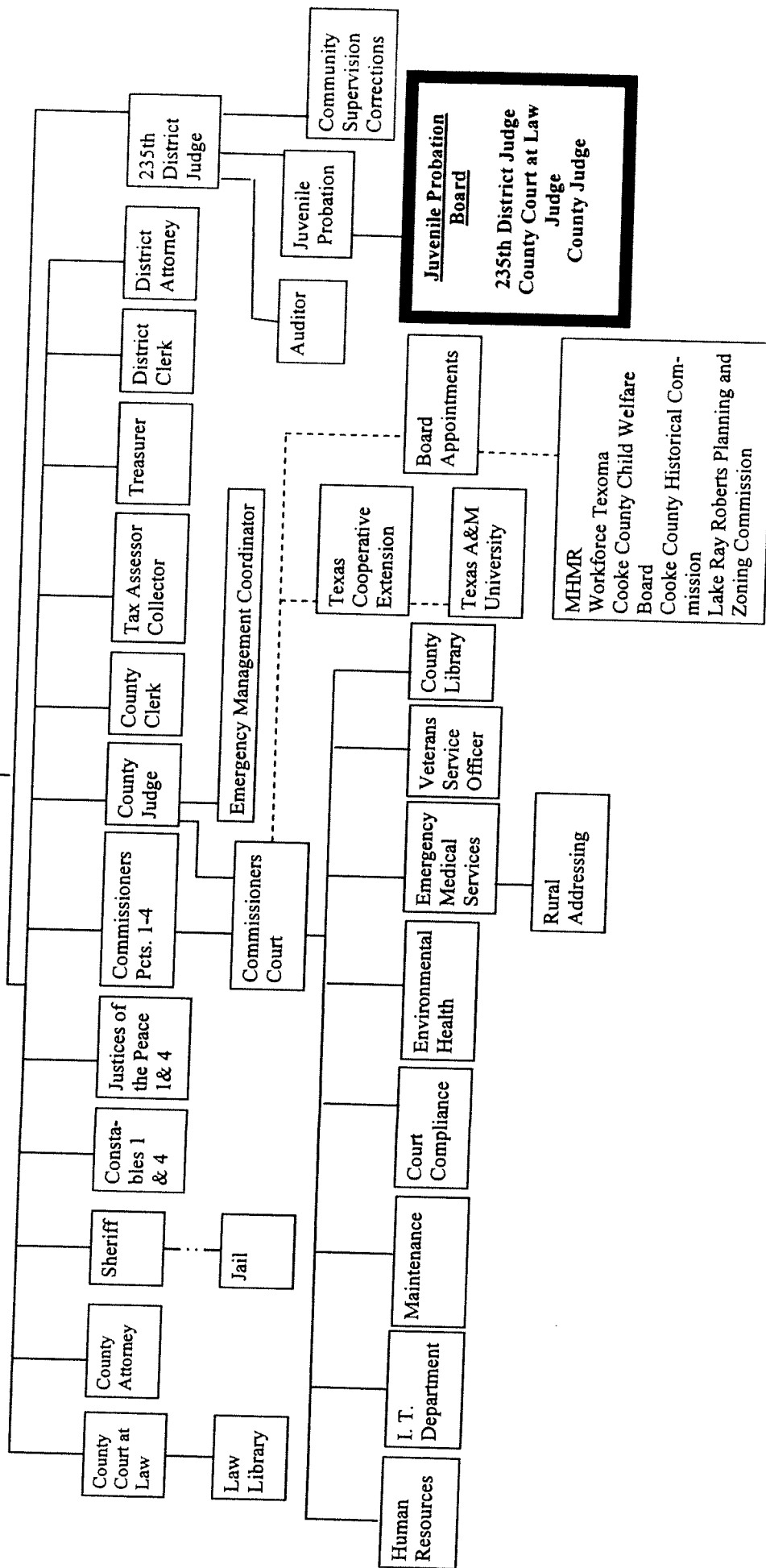
Shelly Atteberry
Cooke County Auditor

COOKE COUNTY, TEXAS

ELECTED OFFICIALS AND APPOINTED DEPARTMENT HEADS

County Judge	John O. Roane
Commissioner Pct. 1	Gary Hollowell
Commissioner Pct. 2	Stephen Key
Commissioner Pct. 3	Alan Smith
Commissioner Pct. 4	Leon Klement
County Attorney	Tonya Davis
County Auditor	Shelly Atteberry
County Clerk	Rebecca Lawson
County Court at Law Judge	John Morris
District Clerk	Patricia Payne
Justice of Peace Pct. 1	Dorthy Lewis
Justice of Peace Pct. 4	Jason Brinkley
Sheriff	Michael E. Compton
Tax Assessor-Collector	Billie J. Knight
Treasurer	Judy Hunter
District Attorney	Janice Warder
District Judge	Janelle Haverkamp
Environmental Health	Laura Blanton
Librarian	Jennifer Johnson-Spence
Veterans Service Officer	Judson Perry
EMS Administrator	Bobby Harbin
Constable Pct. 1	Terry Gilbert
Constable Pct. 4	Richard Roth

Cooke County, Texas Organizational Chart 2009



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Judge and
Commissioners' Court
Cooke County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cooke County, Texas, (the "County") as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cooke County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2009, and the respective changes in financial position 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 January 10, 2011, on our consideration of Cooke County, Texas' internal control over financial reporting and 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 of financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary information on pages 3 through 10 and 36 through 37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Saxillo, Brown & Hill, LLP

January 10, 2011

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of Cooke County, Texas, 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, 2009. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 1 and the County's basic financial statements that begin on page 11.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2009, by \$27,016,256 (net assets), an increase of \$1,468,545 (5.75%) over the previous year. Of this amount, \$8,625,635 (unrestricted net assets) may be used to meet the County's ongoing obligations.
- As of September 30, 2009, the County's governmental funds reported combined ending fund balances of \$15,928,514. Approximately 93.45% of this total amount, \$14,885,743, is available for spending at the County's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved fund balance in the General Fund was \$8,275,796 or 55.95% of total expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and 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 private-sector business. The analysis of the County's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the County is better or worse off as a result of the year's activities.

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. All of the County's assets are reported whether they serve the current year or future years.

The *Statement of Activities* presents information showing how the County's net assets changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Liabilities are considered regardless of whether they must be paid in the current or future years.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The County has no business-type activities and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 11 – 12 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. The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole.

- Some funds are required by state law and/or bond covenants.
- Other funds may be established by the Commissioners' Court to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* 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 funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 30 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund, interest and sinking fund, and the jail construction fund, all of which are considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, road and bridge funds, and certain other special revenue funds. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 13 – 16 of this report.

- **Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The statement of fiduciary net assets can be found on page 17 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 immediately following the basic financial statements on pages 18 – 35 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 36 – 37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$27,016,256 as of September 30, 2009, an increase of \$1,468,545 as compared with the previous fiscal year. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, is \$8,625,635 at September 30, 2009, a decrease of \$7,151,566 from the prior year unrestricted net assets of \$15,777,201.

The following table reflects the condensed Statement of Net Assets:

COOKE COUNTY'S NET ASSETS

	Governmental Activities	
	2009	2008
Current and other assets	\$ 18,102,126	\$ 18,274,362
Capital assets	19,964,981	18,169,114
Total assets	<u>38,067,107</u>	<u>36,443,476</u>
Long-term liabilities	9,703,854	9,683,031
Other liabilities	1,346,997	1,212,734
Total liabilities	<u>11,050,851</u>	<u>10,895,765</u>
Net assets:		
Invested in capital assets, net of related debt	10,630,086	9,190,271
Restricted	7,760,535	580,239
Unrestricted	<u>8,625,635</u>	<u>15,777,201</u>
Total net assets	<u>\$ 27,016,256</u>	<u>\$ 25,547,711</u>

Investment in capital assets (i.e. land, buildings, furniture, and equipment) less any related debt used to acquire those assets that are still outstanding is \$10,630,086, an increase of 15.67% over the prior fiscal year balance of \$9,190,271. This represents a significant portion (39.35%) of the County's net assets. Cooke County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A smaller portion of the County's total net assets (28.73%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$8,625,635 (31.93%) may be used to meet the County's ongoing obligations to citizens and creditors. This surplus is not an indication that the County has significant resources available to meet financial obligations next year, but rather the result of having *long-term commitments* that are less than currently available resources.

COOKE COUNTY, TEXAS' CHANGES IN NET ASSETS

	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 4,559,745	\$ 5,389,614
Operating grants and contributions	454,090	393,723
Capital grants and contributions	89,482	616,875
General revenues:		
Property taxes	12,494,416	11,616,214
Other taxes	2,245,022	2,892,087
Investment earnings	240,267	565,831
Miscellaneous	38,954	211,846
Total revenues	<u>20,121,976</u>	<u>21,686,190</u>
Expenses:		
General government	3,611,309	3,383,724
Health and safety	2,866,278	2,426,074
Education	125,405	125,755
Culture and recreation	404,513	419,850
Welfare	41,135	38,072
Judicial	7,477,080	7,172,369
Transportation	3,686,697	3,520,495
Interest on long-term debt	441,014	450,847
Total expenses	<u>18,653,431</u>	<u>17,537,186</u>
Change in net assets	1,468,545	4,149,004
Net assets, beginning	25,547,711	19,154,327
Prior period adjustment	-	2,244,380
Net assets, ending	<u>\$ 27,016,256</u>	<u>\$ 25,547,711</u>

Government Activities

The County's total net assets increased by \$1,468,545 (5.75%) in comparison with the prior fiscal year's increase of \$4,149,004. The total cost of all governmental activities this year was \$18,653,431, an increase of 6.37% over the prior fiscal year. The amount that our taxpayers paid for these activities through property taxes was \$12,494,416 or 66.98% of total governmental expenditures. The next largest segment of revenues came from charges for services, which accounted for \$4,559,745 or 24.44% of total governmental expenditures.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus on Cooke 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.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,928,514, a decrease of \$105,085 (0.66%) in comparison with the prior year. Approximately 93.45%, or \$14,885,743 of this total fund balance constitutes unrestricted fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been committed to pay debt service (\$792,141), use the funds to construct a new jail facility (\$208,841), and the library (\$41,789).

The General Fund is the chief operating fund of Cooke County. At the end of the current fiscal year, unreserved and total fund balance of the General Fund was \$8,275,796, a decrease of \$538,908 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. At September 30, 2009, unreserved fund balance represents 55.95% of the total General Fund expenditures.

The fund balance of the County's General Fund decreased by \$538,908 during the current fiscal year. Key factors in this growth are as follows:

- A decrease in sales tax and other local taxes of \$640,946;
- Intergovernmental revenues decreased \$19,840;
- A decrease in fines and fees of \$337,668; and
- Miscellaneous decreased \$85,928.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were limited to a total increase in appropriations of \$179,225 and consisted of the following items that are briefly summarized as follows:

- \$226,437 decrease in the courthouse;
- \$1,459,034 decrease in other;
- \$72,640 increase in emergency medical services;
- \$154,926 increase in jail operations;
- \$55,024 increase in district attorney;
- \$1,288,080 increase in capital outlay.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Cooke County's investment in capital assets for its governmental type activities as of September 30, 2009, amounts to \$19,964,981 (net of accumulated depreciation). This investment in capital assets includes buildings and improvements, machinery and equipment, and construction in progress.

Major capital asset events during the current fiscal year include the jail, courthouse annex and restoration.

COOKE COUNTY'S CAPITAL ASSETS

	Governmental Activities	
	2009	2008
Land	\$ 392,108	\$ 392,108
Buildings and improvements	18,686,239	8,505,989
Machinery and equipment	7,505,850	7,004,593
Infrastructure	2,078,464	1,561,164
Construction in progress	3,624,421	12,170,234
Accumulated depreciation	(12,322,101)	(11,464,974)
Total capital assets	<u>\$ 19,964,981</u>	<u>\$ 18,169,114</u>

Additional information regarding the County's capital assets can be found in the notes on pages 27 – 28 of this report.

COOKE COUNTY'S OUTSTANDING DEBT AT YEAR-END

	Governmental Activities	
	2009	2008
General obligations	<u>\$ 8,965,000</u>	<u>\$ 9,345,000</u>
	<u>\$ 8,965,000</u>	<u>\$ 9,345,000</u>

Long-term Debt. At year-end, the County had \$8,965,000 in bonds outstanding versus \$9,965,000 at September 30, 2008. More detailed information about the County's long-term liabilities is presented in the notes to the financial statements on pages 29 – 30.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cooke County's elected officials considered many factors when setting the fiscal year 2010 budget and tax rates. The County authorized a maintenance and operations tax rate of \$0.4187 as compared with the fiscal year 2009 rate of \$0.4149. However, in fiscal year 2008-09, the interest and sinking rate was \$0.0350, while for fiscal year 2009-10, the interest and sinking tax rate will be \$0.0312, making the County's total tax rate, including \$0.0001 for lateral road, \$0.4500 for 2009-10 as compared with a total tax rate of \$0.4500 for fiscal year 2008-09.

The County's 2009-10 budget projects an increase in General Fund revenues of \$331,178 (3%) and an increase in General Fund expenditures of \$1,240,998 (7%).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cooke County Auditor's office, at the Cooke County Courthouse, Gainesville, Texas 76240.

**BASIC
FINANCIAL STATEMENTS**

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COOKE COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 16,607,975
Receivables (net of allowance for uncollectibles)	1,477,409
Inventory	4,369
Prepaid items	4,185
Total current assets	<u>18,093,938</u>
Noncurrent assets:	
Bond issuance costs	8,188
Capital assets:	
Non-depreciable	4,016,529
Depreciable	15,948,452
Total capital assets, net of accumulated depreciation	<u>19,964,981</u>
Total noncurrent assets	<u>19,973,169</u>
Total assets	<u>38,067,107</u>
LIABILITIES	
Current liabilities:	
Accounts payable	633,499
Accrued liabilities	536,367
Due to others	109,124
Unearned revenue	1,606
Interest payable	66,401
Total current liabilities	<u>1,346,997</u>
Noncurrent liabilities:	
Due within one year	602,100
Due in more than one year	9,101,754
Total noncurrent liabilities	<u>9,703,854</u>
Total liabilities	<u>11,050,851</u>
NET ASSETS	
Invested in capital assets, net of related debt	10,630,086
Restricted for:	
Construction	208,841
Debt service	759,453
Library	41,789
Public safety	441,064
Records management	655,238
Road and bridge	4,324,031
Other	1,330,119
Unrestricted	<u>8,625,635</u>
Total net assets	<u>\$ 27,016,256</u>

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

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COOKE COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
Primary government					
Governmental activities:					
General government	\$ 3,611,309	\$ 1,019,125	\$ 46,903	\$ -	\$(2,545,281)
Health and safety	2,866,278	1,291,023	104,090	-	(1,471,165)
Education	125,405	-	-	-	(125,405)
Culture and recreation	404,513	-	47,998	-	(356,515)
Welfare	41,135	-	-	-	(41,135)
Judicial	7,477,080	987,099	195,215	-	(6,294,766)
Transportation	3,686,697	1,262,498	59,884	89,482	(2,274,833)
Interest on long-term debt	441,014	-	-	-	(441,014)
Total governmental activities	<u>18,653,431</u>	<u>4,559,745</u>	<u>454,090</u>	<u>89,482</u>	<u>(13,550,114)</u>
Total primary government	<u>\$ 18,653,431</u>	<u>\$ 4,559,745</u>	<u>\$ 454,090</u>	<u>\$ 89,482</u>	<u>(13,550,114)</u>
General revenues:					
Taxes:					
Property taxes					12,494,416
Sales taxes					2,188,066
Other taxes					56,956
Investment income					240,267
Miscellaneous					<u>38,954</u>
Total general revenues					<u>15,018,659</u>
Change in net assets					1,468,545
Net assets - beginning					<u>25,547,711</u>
Net assets - ending					<u>\$ 27,016,256</u>

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

COOKE COUNTY, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2009

	General	Other Governmental Funds	Total
ASSETS			
Cash and investments	\$ 8,594,646	\$ 8,013,329	\$ 16,607,975
Receivables (net of allowances for uncollectibles)			
Taxes	755,399	206,467	961,866
Accounts	387,979	20,080	408,059
Intergovernmental	75,487	31,997	107,484
Inventory	3,694	675	4,369
Prepays	3,960	225	4,185
Total assets	<u>\$ 9,821,165</u>	<u>\$ 8,272,773</u>	<u>\$ 18,093,938</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 347,728	\$ 285,771	\$ 633,499
Accrued liabilities	485,825	50,542	536,367
Due to others	1,206	107,918	109,124
Deferred revenue	710,610	175,824	886,434
Total liabilities	<u>1,545,369</u>	<u>620,055</u>	<u>2,165,424</u>
Fund balances:			
Reserved for:			
Reserved for construction	-	208,841	208,841
Reserved for debt service	-	792,141	792,141
Reserved for library	-	41,789	41,789
Unreserved, undesignated, reported in:			
General fund	8,275,796	-	8,275,796
Special revenue funds	-	6,609,947	6,609,947
Total fund balances	<u>8,275,796</u>	<u>7,652,718</u>	<u>15,928,514</u>
Total liabilities and fund balances	<u>\$ 9,821,165</u>	<u>\$ 8,272,773</u>	<u>\$ 18,093,938</u>

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

COOKE COUNTY, TEXAS

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

SEPTEMBER 30, 2009

Total fund balances - governmental funds balance sheet	\$ 15,928,514
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Taxes and other receivables that are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	884,828
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	19,964,981
Interest payable on long-term does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(66,401)
Bonds payable and capital leases are not reported as liabilities in the governmental fund balance sheet. This amount represents total noncurrent liabilities related to governmental activities.	(9,334,895)
Bond issuance costs related to the certificates of obligation.	8,188
Compensated absences are not reported as liabilities in the governmental fund balance sheet.	(368,959)
Net assets of governmental activities	\$ <u>27,016,256</u>

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

COOKE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Other Governmental Funds	Total Governmental
REVENUES			
Taxes			
Ad valorem taxes	\$ 8,198,722	\$ 4,257,924	\$ 12,456,646
Sales taxes	2,188,066	-	2,188,066
Other	56,956	-	56,956
Intergovernmental	369,190	170,242	539,432
License and permits	-	1,005,460	1,005,460
Fines and fees	3,246,057	454,413	3,700,470
Investment earnings	148,100	96,605	244,705
Miscellaneous	21,615	97,391	119,006
Total revenues	<u>14,228,706</u>	<u>6,082,035</u>	<u>20,310,741</u>
EXPENDITURES			
Current:			
General government	3,246,825	269,450	3,516,275
Health and safety	2,737,763	-	2,737,763
Education	125,405	-	125,405
Culture and recreation	354,720	42,940	397,660
Welfare	41,135	-	41,135
Judicial	6,937,704	141,307	7,079,011
Transportation	-	3,780,426	3,780,426
Capital outlay	1,349,058	1,081,266	2,430,324
Debt service:			
Principal	-	512,301	512,301
Interest and fiscal charges	-	428,365	428,365
Total expenditures	<u>14,792,610</u>	<u>6,256,055</u>	<u>21,048,665</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(563,904)	(174,020)	(737,924)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,135	2,569	5,704
Transfers out	-	(5,704)	(5,704)
Insurance recovery	1,468	-	1,468
Proceeds from capital leases	-	502,197	502,197
Proceeds from sale of assets	20,393	108,781	129,174
Total other financing sources and uses	<u>24,996</u>	<u>607,843</u>	<u>632,839</u>
NET CHANGE IN FUND BALANCES	(538,908)	433,823	(105,085)
FUND BALANCES, BEGINNING	<u>8,814,704</u>	<u>7,218,895</u>	<u>16,033,599</u>
FUND BALANCES, ENDING	<u>\$ 8,275,796</u>	<u>\$ 7,652,718</u>	<u>\$ 15,928,514</u>

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

COOKE 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, 2009

Net change in fund balances - total governmental funds	\$(105,085)
Amounts reported for governmental activities in the Statement of Activities are different	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the government-wide statement of net assets in the current period.	2,838,730
Depreciation expense on capital assets reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(1,042,863)
Compensated absences are accrued on the government-wide statement of net assets, but do not require the use of current financial resources. The current period change in compensated absences is reported in the government-wide statement of activities and change in net assets. This is the current period net increase in compensated absences not reported as expenditures in governmental funds.	(30,928)
Accrued interest expense on long-term debt is reported in the government-wide financial statements but not governmental funds as it does not require the use of current financial resources; therefore, this is the current period change in accrued interest expense.	(12,064)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. During the current year the County issued capital leases. This amount represents current period debt payments less the issuance of a capital lease.	10,105
Bond issuance costs are amortized over the life of the bond in the government-wide statement of net assets.	(585)
Some revenues in the statement of activities do not provide current financial resources, and therefore, are not reported as revenues in governmental funds.	(188,765)
Change in net assets of governmental activities	<u>\$ 1,468,545</u>

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

COOKE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2009

ASSETS

Cash and investments

\$ 1,500,825

LIABILITIES

Deposits held for others

\$ 1,500,825

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

COOKE COUNTY, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cooke County is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The financial statements of the County include all funds and agencies over which the County exercises oversight responsibilities, accountability or with which the County has a special financial relationship. The County has no component units.

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 primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* generally are supported by taxes and intergovernmental revenue.

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. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *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 revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is 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.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County has the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the County reports the following fund type:

Special Revenue Funds are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the County or from Commissioners' Court.

Permanent Funds are used to report resources that are legally restricted to the extent that only the earnings, and not the principal, may be used for the purposes that support the reporting government or its citizenry.

Agency Funds are used to account for assets held by the County on behalf of individuals and other governments. Examples include taxes, fines, bonds and restitution. Agency Funds are custodial in nature and do not include measurements of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, government securities, mutual funds, repurchase agreements, and the Texas Local Government Investment Pool.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable based on 2008 historical collection rates receivable allowance for uncollectibles. The property tax receivable allowance is equal to 4 percent of current year tax levy at September 30, 2009. The County has contracted with a law firm to aggressively collect these delinquent property taxes.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, dams and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment	3 - 10
Infrastructure	40

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Governmental funds report a liability for compensated absences only in connection with terminated employee; therefore, no liability is recorded for accumulated leave.

- Vacation leave – All regular fulltime County employees accumulate vacation leave. An employee does not vest in vacation leave until the completion of one year of employment. Employees who have completed 12 months of employment are eligible for 40 hours of vacation leave. Vacation leave is accumulated at the following rates:

After 1 year	3.3 hours per month/40 hours per year
1 to 12 years	6.7 hours per month/80 hours per year
Over 12 years	10 hours per month/120 hours per year

The maximum vacation time that may accumulate is the amount the employee would earn in 18 months at the current rate of vacation accrual. Upon termination, an employee is paid for accumulated vacation leave.

- Sick leave – In addition to vacation leave, County employees accumulate sick leave at the rate of 8 hours per month. Sick leave is vested only to the extent that such sick leave is actually used while employed. Employees are not paid for accumulated sick leave upon termination or retirement.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts, as well as issuance costs and deferred gain or loss on refunding of debt, are deferred and amortized over the life of the bonds. 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.

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

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 use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists 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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The County adopts annual appropriated budgets for the General Fund, some Special Revenue Funds and the Debt Service Fund on the modified accrual basis of accounting. Budgets were not adopted for Probate Judge Fund, Seizure Law Enforcement Fund, Flood Damage Fund, or Court Reporter Fund. Project length budgets are adopted for Capital Projects Funds and amended on an annual basis to reflect the uncompleted portion of the projects.

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

- a) During June, the County Judge submits to the Commissioners' Court a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Each fund is budgeted on an annual basis with no carryovers into the next year. If a fund has a balance at the end of the year, the balance is included in the computation of available cash for next year's budget.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted.
- d) The County Auditor is required to monitor the expenditures of the various funds. The budget is controlled on a departmental object class basis. Expenditures can be reallocated within a departmental object class at any time by Court order, but the budget must be formally amended to allow the original level of budgeted expenditures within a fund to be exceeded. The Court must approve all amendments to the budget.

The Court approves budget amendments proposed by the County Judge throughout and immediately subsequent to the fiscal year. These amendments are routinely approved and the current year budgetary data presented includes all approved budget amendments. Budgetary amendments are integrated after the fiscal year-end due to the normal year-end closing procedures and adjustments that are discovered during that period. Budget amendments are necessary at that time to comply with Chapter 111, Local Government Code of the State of Texas, which states that funds may be spent only for items or categories of items that are included in the adopted budget. The County has chosen to adopt the budget at the department object class level, since this allows budgetary control, but is still meaningful to the Commissioners' Court and the citizens of the County. All annual appropriations lapse at the end of each fiscal year, in accordance with state law. The following budget amendments were significant:

	Increase (Decrease)
General Fund	
General government	\$(1,574,267)
Health and safety	178,342
Judicial	249,365
Capital outlay	1,288,080

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third party selected or approved the County, and placed through a primary government securities dealer.

Following are the County's investments at September 30, 2009:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ <u>12,121,862</u>	43
Total investments	\$ <u>12,121,862</u>	43

Investment pools are not categorized as to investment risk since specific securities relating to the government cannot be identified. Investments in 2a7-like pools are valued based upon the value of pool shares. TexPool is a 2a7-like pool. No investments are reported at amortized cost.

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

Interest Rate Risk. As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities not exceed two years for all investment types.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2009, the County's \$5,535,556 deposit balance was collateralized with securities held by the pledging financial institution or by FDIC insurance.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

Credit Risk. State law and county policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating by at least one nationally recognized rating service. The County's investments as of September 30, 2009, were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's

B. Receivables and Deferred Revenues

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

	<u>Governmental Funds</u>		
	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:			
Taxes	\$ 841,700	\$ 247,545	\$ 1,089,245
Adjudicated fines	3,627,151	-	3,627,151
Ambulance	6,278,768	-	6,278,768
Accounts	53,087	20,080	73,167
Intergovernmental	<u>75,487</u>	<u>31,997</u>	<u>107,484</u>
Gross receivables	10,876,193	299,622	11,175,815
Less: allowance for uncollectibles	<u>(9,657,328)</u>	<u>(41,078)</u>	<u>(9,698,406)</u>
Net total receivables	<u>\$ 1,218,865</u>	<u>\$ 258,544</u>	<u>\$ 1,477,409</u>

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

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables and Deferred Revenues (Continued)

	<u>Unavailable</u>	<u>Unearned</u>
General fund:		
Delinquent property taxes receivable	\$ 375,718	\$ -
Adjudicated fines receivable	175,756	-
Ambulance receivable	159,136	-
Total general fund	<u>710,610</u>	<u>-</u>
Other governmental funds:		
Delinquent property taxes receivable	174,218	-
Unearned grant revenue	-	1,606
Total other governmental funds	<u>174,218</u>	<u>1,606</u>
Total governmental funds	<u>\$ 884,828</u>	<u>\$ 1,606</u>

Property Taxes

Property subject to taxation consists of real property and certain personal property situated in the County. Certain properties of religious, educational and charitable organizations, including the federal government and the State of Texas, are exempt from taxation. Additionally, there are other exemptions, in arriving at the total assessed valuation of property subject to County taxation. The valuations are subject to countywide revaluation every year. The effective tax rate is computed based upon the previous year's total assessed valuation.

Portions of the adopted tax rate are assessed and designated for specific purposes. These designated tax revenues are deposited into funds created for the accumulation and disbursement of these revenues. The following schedule details the components of the 2009 tax rate allocated to each fund:

	<u>Rate Per \$100</u>
General fund	\$ 0.2949
Permanent improvements	0.0150
Road and bridge fund	0.1050
FM and lateral roads	0.0001
Interest and sinking	<u>0.0350</u>
	<u>\$ 0.45000</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables and Deferred Revenues (Continued)

Property Tax Calendar, Collections and Delinquencies

Ad valorem taxes are levied prior to October 1 and are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty. Taxes become delinquent February 1 of each year and are subject to simple interest of 12% per annum, plus a 6% penalty for the first calendar month such taxes are delinquent, plus an additional 2 percent each month thereafter not to exceed 12%.

Taxes on real property attach as an enforceable lien as of January 1 and are a lien against such property until paid. The County may foreclose on real property upon which it has a lien for unpaid taxes. Delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title to the property. Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike real property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Grant revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements.

C. Capital Assets

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. In accordance with GASB 34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are valued in two ways: either actual historical cost where the amount can be determined from existing records or using current cost deflated to the year of construction. Once the historical cost is determined, regardless of how it is determined, the asset is then depreciated over its useful life.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 392,108	\$ -	\$ -	\$ 392,108
Construction in progress	12,170,234	1,634,437	(10,180,250)	3,624,421
Total assets not being depreciated	12,562,342	1,634,437	(10,180,250)	4,016,529
Capital assets, being depreciated:				
Buildings and improvements	8,505,989	10,180,250	-	18,686,239
Infrastructure	1,561,164	517,300	-	2,078,464
Machinery and equipment	7,004,593	762,066	(260,809)	7,505,850
Total capital assets being depreciated	17,071,746	11,459,616	(260,809)	28,270,553
Less accumulated depreciation:				
Buildings and improvements	6,189,370	299,572	-	6,488,942
Infrastructure	106,107	51,962	-	158,069
Machinery and equipment	5,169,497	691,329	(185,736)	5,675,090
Total accumulated depreciation	11,464,974	1,042,863	(185,736)	12,322,101
Total capital assets being depreciated, net	5,606,772	10,416,753	(75,073)	15,948,452
Governmental activities capital assets, net	\$ 18,169,114	\$ 12,051,190	\$ (10,255,323)	\$ 19,964,981

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

Governmental activities:	
General government	\$ 119,676
Health and safety	128,515
Culture and recreation	6,853
Judicial	398,069
Transportation	389,750
Total depreciation expense - governmental activities	\$ 1,042,863

D. Interfund Transfers

The following schedule briefly summarizes the County's transfer activity:

Transfers in	Transfers out	Amount
General	Nonmajor governmental	\$ 3,135
Nonmajor governmental	Nonmajor governmental	2,569
		\$ 5,704

Transfers are used to move unrestricted revenues collected in Special Revenue Funds to the General Fund, Permanent Fund, and other Special Revenue Funds.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases

The County is committed under various leases for office equipment (i.e., copiers and postage machine). These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended September 30, 2009, amounted to \$28,055. Future minimum lease payments for these leases are as follows:

<u>Year Ending September 30,</u>	<u>Lease Obligation</u>
2010	\$ 35,031
2011	33,404
2012	22,453
2013	<u>4,209</u>
Totals	<u>\$ 95,097</u>

F. Long-term Liabilities

The County issues general obligation bonds to finance major capital projects. General obligations debt, certificates of obligation and contractual obligations are generally payable from property tax revenues. All other obligations, including capital leases and compensated absences, are payable from revenues of the General Fund.

General Obligation Bonds

The County periodically sells issues of general obligation bonds. Detailed information on outstanding certificates of obligation follows:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Principal Balance</u>	<u>Due Within One Year</u>
\$10,500,000 General Obligation Bonds, Series 2004	07/15/2004	3.0% - 5.5%	\$ 8,965,000	\$ 405,000

The County issued general obligation bonds in the amount of \$10,500,000 to provide funds for the construction of and acquisition of equipment for a new jail facility. The bonds, dated July 15, 2004, were issued as Cooke County, Texas, General Obligation Bonds, Series 2004. Interest on the bonds is payable at rates from 3.0% to 5.5% and is due February 15 and August 15 of each year to maturity. Principal is payable February 15 of each year commencing February 15, 2005, with a final payment February 15, 2024.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Liabilities (Continued)

General Obligation Bonds (Continued)

The annual debt service requirements for general obligation bonds outstanding, as of September 30, 2009, are as follows:

Fiscal Year Ending September 30,	General Obligation Bonds		
	Principal	Interest	Total
2010	\$ 405,000	\$ 414,305	\$ 819,305
2011	430,000	399,155	829,155
2012	455,000	381,993	836,993
2013	485,000	363,192	848,192
2014	510,000	342,655	852,655
2015-2019	2,925,000	1,363,044	4,288,044
2020-2024	<u>3,755,000</u>	<u>538,863</u>	<u>4,293,863</u>
Total	\$ <u>8,965,000</u>	\$ <u>3,803,207</u>	\$ <u>12,768,207</u>

Capital Leases

The County entered into three separate agreements with Bancorp South Equipment Finance to purchase three Volvo motor graders. These agreements are for three-year terms based on the delivery of the equipment and expire on October 25, 2011 and November 25, 2011. Payments for two of these leases total \$89,164 annually while the third lease annually pays \$43,138. All three leases carry an effective interest rate of 3.55%. For the year ended December 31, 2009, lease obligations payments were \$132,302.

The assets acquired through capital leases are as follows:

	Governmental Activities	Total
Asset:		
Machinery and equipment	\$ 502,197	\$ 502,197
Less: accumulated depreciation	(71,937)	(71,937)
Total	\$ <u>430,260</u>	\$ <u>430,260</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Liabilities (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2009, were as follows:

Year Ending September 30,	Governmental Activities
2010	\$ 132,302
2011	132,302
2012	<u>132,302</u>
Total	396,906
Less: amount representing interest	<u>27,011</u>
Present value of minimum lease payments	<u>\$ 369,895</u>

Changes in Long-term Liabilities

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2009:

Description	Amounts Outstanding September 30, 2008	Issued	Retired	Amounts Outstanding September 30, 2009	Due Within One Year
General obligation bonds	\$ 9,345,000	\$ -	\$ 380,000	\$ 8,965,000	\$ 405,000
Capital leases	-	502,197	132,302	369,895	123,308
Compensated absences	<u>338,031</u>	<u>793,919</u>	<u>762,991</u>	<u>368,959</u>	<u>73,792</u>
	<u>\$ 9,683,031</u>	<u>\$ 1,296,116</u>	<u>\$ 1,275,293</u>	<u>\$ 9,703,854</u>	<u>\$ 602,100</u>

Compensated absences are generally liquidated by the General Fund and Special Revenue Funds.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2009, the County carried insurance through various commercial carriers, including the Texas Association of Counties, to cover all risks of losses. The County has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

B. Contingent Liabilities and Commitments

Litigation

The County may be contingently liable in respect of lawsuits and claims in the ordinary course of operations that, in the opinion of management, will not have material adverse effect on the combined financial statements.

C. 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 Commissioners' Court within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 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.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and County-financed monetary credits. The level of these credits is adopted by the Commissioners' Court of the County within the actuarial constraints imposed by the TCDRS Act to that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

(continued)

IV. OTHER INFORMATION (Continued)

C. Retirement Plan (Continued)

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 8.96% for the months of the accounting year in 2009, and 8.49% for the months of the accounting year in 2008.

The deposit rate payable by the employee members for calendar year 2009 is the rate of 7%, as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ended September 30, 2009, the annual pension cost for the TCDRS plan for its employees was \$777,037, and the actual contributions were \$777,037. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2007 and December 31, 2006, the basis for determining the contribution rates for calendar years 2009 and 2008. The December 31, 2008, actuarial valuation is the most recent valuation.

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/06	12/31/07	12/31/08
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	15	15	20
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(continued)

IV. OTHER INFORMATION (Continued)

C. Retirement Plan (Continued)

Annual Pension Cost (Continued)

Trend Information for the Retirement Plan for the Employees of Cooke County

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/07	\$ 572,014	100%	\$ -
09/30/08	674,900	100%	-
09/30/09	777,037	100%	-

Schedule of Funding Progress for the Retirement Plan For the Employees of Cooke County

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2006	\$ 11,168,779	\$ 12,843,163	\$ 1,674,384	86.96%	\$ 7,165,241	23.37%
2007	12,686,810	14,373,319	1,686,509	88.27%	7,496,821	22.50%
2008	12,655,126	15,366,899	2,711,773	82.35%	8,231,293	32.94%

- 1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ended with the valuation date.
- 2) Revised economic and demographic assumptions due to an experience review were reflected in this valuation.

D. Other Post-retirement Health Care Benefits

The County provides certain health care and life insurance benefits, under county policy, for all active employees upon retirement that meet one of the following requirements: age 60 with 20 or more years of service or at age 55 with 25 or more years of service.

A retiree may choose to receive health care coverage through the County's insurance plan if retiring between the ages of 55 to 60 with 25 or 20 years of services respectively or the retiree may choose to obtain coverage through the CountyChoice Silver plan offered by Texas Association of Counties if retiring at age 55 to 60 until the retiree becomes Medicare eligible. As noted, it is the retiree's option to choose either based upon age and other qualifying requirements when retirement occurs. The retiree is free to choose an independent plan for coverage. The County pays the premium 100% until the retiree becomes Medicare eligible. Paid retirement benefits have been offered to qualified retirees since fiscal year 2003.

(continued)

IV. OTHER INFORMATION (Continued)

D. Other Post-retirement Health Care Benefits (Continued)

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were \$40,674.

In June 2004, the GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. GASB 45 requires employer governments to account for and report the annual cost of other postemployment benefits in the same manner as they do pensions. This statement is effective for the County's financial statements for the fiscal year ending September 30, 2010.

The County contracted with an actuarial firm to value the postemployment medical plan. Results of the valuations are as follows:

Actuarial Accrued Liability (AAL)	\$ 1,891,628
Annual Required Contribution (ARC)	192,948
Amortization Period	30 years

The most recent actuarial evaluation of the plan was made as of October 1, 2007. The projected unit credit, level percent of payroll actuarial cost method has been used to calculate the annual required contributions for this plan. The actuarial calculations assumed a discount rate of 4.5% and a projected increase in active member payroll of 3.0% per year.

The County's annual employer contributions each year will continue to equal the benefits that are paid on behalf of the retirees and the stipends paid directly to retirees. The County will reflect proper treatment and note disclosure of Health Care Benefits for Retired Employees in accordance with GASB Statement No. 45 beginning with the fiscal year ending September 30, 2010.

COOKE COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem	\$ 8,326,163	\$ 8,326,163	\$ 8,198,722	\$(127,441)
Sales	2,300,000	2,300,000	2,188,066	(111,934)
Other	40,000	40,000	56,956	16,956
Intergovernmental	225,080	317,204	369,190	51,986
Fines and fees	3,097,000	3,097,000	3,246,057	149,057
Investment earnings	275,000	275,000	148,100	(126,900)
Miscellaneous	37,300	66,112	21,615	(44,497)
Total revenues	14,300,543	14,421,479	14,228,706	(192,773)
EXPENDITURES				
Current:				
General government:				
Courthouse	616,358	389,921	318,854	71,067
Auditor	318,960	322,960	292,678	30,282
Tax assessor	349,519	349,519	305,166	44,353
County clerk	343,842	342,376	326,210	16,166
District clerk	236,028	235,501	230,825	4,676
Treasurer	107,818	107,818	106,312	1,506
Rural addressing	62,829	62,828	50,504	12,324
Commissioners' office	3,200	3,200	1,815	1,385
Human resources	68,222	68,222	65,170	3,052
Election expense	30,000	43,098	43,098	-
Court appointed attorneys	465,000	465,000	210,271	254,729
Technology	168,764	264,864	223,182	41,682
Tax appraisal district	295,113	295,113	256,145	38,968
Other	2,900,905	1,441,871	816,595	625,276
Total general government	5,966,558	4,392,291	3,246,825	1,145,466
Health and safety:				
Environmental health	62,257	62,257	59,337	2,920
Emergency management	84,886	174,088	169,937	4,151
Emergency medical services	2,533,029	2,605,669	2,369,702	235,967
Fire marshal	124,739	141,239	138,787	2,452
Total health and safety	2,804,911	2,983,253	2,737,763	245,490
Education:				
County extension	136,204	136,204	125,405	10,799
Total education	136,204	136,204	125,405	10,799
Culture and recreation:				
Library	277,639	305,225	285,967	19,258
Social services	59,000	69,000	68,753	247
Total cultural and recreational	336,639	374,225	354,720	19,505
Welfare:				
Child welfare	12,100	12,218	12,218	-
Veterans' service	29,604	29,605	28,917	688
Total welfare	41,704	41,823	41,135	688

(continued)

COOKE COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current:				
Judicial:				
County judge	\$ 132,680	\$ 132,681	\$ 131,715	\$ 966
Sheriff	2,131,152	2,131,577	2,037,838	93,739
Jail operations	2,486,308	2,641,234	2,504,091	137,143
County attorney	506,695	506,696	494,396	12,300
Justice of the peace, 1	183,767	183,767	181,314	2,453
Justice of the peace, 4	150,306	155,835	144,519	11,316
Highway patrol	53,983	56,183	55,091	1,092
District judge	219,093	219,621	206,655	12,966
District attorney	381,391	436,415	432,257	4,158
Jury	113,600	113,600	37,602	75,998
Constable, precinct 1	49,495	49,495	45,112	4,383
Constable, precinct 4	49,995	49,996	48,117	1,879
County court-at-law	369,449	369,449	362,609	6,840
Adult probation	14,545	21,678	21,678	-
Juvenile probation	164,892	188,489	168,107	20,382
Compliance officer	66,769	66,769	65,957	812
Game warden	1,000	1,000	646	354
Total judicial	7,075,120	7,324,485	6,937,704	386,781
Capital outlay	211,000	1,499,080	1,349,058	150,022
Total expenditures	16,572,136	16,751,361	14,792,610	1,958,751
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(2,271,593)	(2,329,882)	(563,904)	1,765,978
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,135	3,135
Insurance recovery	-	-	1,468	(1,468)
Proceeds from sale of capital assets	-	12,285	20,393	8,108
Total other financing sources (uses)	-	12,285	24,996	12,711
NET CHANGE IN FUND BALANCES	(2,271,593)	(2,317,597)	(538,908)	1,778,689
FUND BALANCES, BEGINNING	8,814,704	8,814,704	8,814,704	-
FUND BALANCES, ENDING	\$ 6,543,111	\$ 6,497,107	\$ 8,275,796	\$ 1,778,689

COMBINING STATEMENTS

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	Special Revenue			
	<u>Jail Commissary</u>	<u>Courthouse Security</u>	<u>Records Management</u>	<u>Records Preservation</u>
ASSETS				
Cash and investments	\$ 44,294	\$ 151,079	\$ 229,055	\$ 331,746
Receivables (net of allowances for uncollectibles)				
Taxes	-	-	-	-
Accounts	1,324		-	-
Intergovernmental	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>45,618</u>	\$ <u>151,079</u>	\$ <u>229,055</u>	\$ <u>331,746</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 770	\$ -	\$ -	\$ 70,111
Accrued liabilities	-	673	-	-
Due to others	-	-	-	-
Deferred revenue	-	-	-	-
	<u> 770</u>	<u> 673</u>	<u> -</u>	<u> 70,111</u>
Total liabilities				
Fund balances:				
Reserved for construction	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for library	-	-	-	-
Unreserved, undesignated	44,848	150,406	229,055	261,635
	<u> 44,848</u>	<u> 150,406</u>	<u> 229,055</u>	<u> 261,635</u>
Total fund balances				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>45,618</u>	\$ <u>151,079</u>	\$ <u>229,055</u>	\$ <u>331,746</u>

(continued)

Special Revenue						
Permanent Improvement	Law Library	Law Enforcement Education	Farm to Market and Lateral Road	Justice of the Peace Technology	Probate Judge	Check Collecting
\$ 1,286,655	\$ 56,137	\$ 36,478	\$ 776,275	\$ 67,697	\$ 12	\$ 14,048
22,229	-	-	231	-	-	-
109	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,308,993</u>	<u>\$ 56,137</u>	<u>\$ 36,478</u>	<u>\$ 776,506</u>	<u>\$ 67,697</u>	<u>\$ 12</u>	<u>\$ 14,048</u>
\$ 35,023	\$ 721	\$ -	\$ 33,489	\$ 173	\$ -	\$ 22
-	-	-	-	-	-	636
-	-	-	-	-	-	-
14,632	-	-	203	-	-	-
<u>49,655</u>	<u>721</u>	<u>-</u>	<u>33,692</u>	<u>173</u>	<u>-</u>	<u>658</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,259,338</u>	<u>55,416</u>	<u>36,478</u>	<u>742,814</u>	<u>67,524</u>	<u>12</u>	<u>13,390</u>
<u>1,259,338</u>	<u>55,416</u>	<u>36,478</u>	<u>742,814</u>	<u>67,524</u>	<u>12</u>	<u>13,390</u>
<u>\$ 1,308,993</u>	<u>\$ 56,137</u>	<u>\$ 36,478</u>	<u>\$ 776,506</u>	<u>\$ 67,697</u>	<u>\$ 12</u>	<u>\$ 14,048</u>

(continued)

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2009

	Special Revenue			
	Cooke County Historical	Juvenile Probation Diversion	Library	District Attorney Drug Enforcement
ASSETS				
Cash and investments	\$ 1,961	\$ 1,804	\$ 40,673	\$ 10,481
Receivables (net of allowances for uncollectibles)				
Taxes	-	-	-	-
Accounts	-	-	77	-
Intergovernmental	-	-	-	-
Inventory	-	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 1,961</u>	<u>\$ 1,804</u>	<u>\$ 40,750</u>	<u>\$ 10,481</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,389	\$ -
Accrued liabilities	-	-	-	-
Due to others	-	-	63	-
Deferred revenue	-	-	1,607	-
Total liabilities	<u>-</u>	<u>-</u>	<u>3,059</u>	<u>-</u>
Fund balances:				
Reserved for construction	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for library	-	-	-	-
Unreserved, undesignated	<u>1,961</u>	<u>1,804</u>	<u>37,691</u>	<u>10,481</u>
Total fund balances	<u>1,961</u>	<u>1,804</u>	<u>37,691</u>	<u>10,481</u>
Total liabilities and fund balances	<u>\$ 1,961</u>	<u>\$ 1,804</u>	<u>\$ 40,750</u>	<u>\$ 10,481</u>

(continued)

Special Revenue

<u>Seizure Law Enforcement</u>	<u>Sheriff Drug Enforcement</u>	<u>Flood Damage</u>	<u>Disaster Relief</u>	<u>Road and Bridge #1</u>	<u>Road and Bridge #2</u>	<u>Road and Bridge #3</u>
\$ 7,371	\$ 19,124	\$ 17,739	\$ 107,855	\$ 747,809	\$ 533,070	\$ 1,060,136
-	-	-	-	35,991	35,991	35,990
-	-	-	-	2,725	2,656	3,341
-	-	-	-	7,786	7,786	7,786
-	-	-	-	-	225	225
-	-	-	-	225	-	-
<u>\$ 7,371</u>	<u>\$ 19,124</u>	<u>\$ 17,739</u>	<u>\$ 107,855</u>	<u>\$ 794,536</u>	<u>\$ 579,728</u>	<u>\$ 1,107,478</u>
\$ -	\$ -	\$ -	\$ -	\$ 12,226	\$ 34,558	\$ 57,434
-	-	-	-	11,080	12,552	12,123
-	-	-	107,855	-	-	-
-	-	-	-	31,417	31,417	31,418
-	-	-	107,855	54,723	78,527	100,975
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,371	19,124	17,739	-	739,813	501,201	1,006,503
7,371	19,124	17,739	-	739,813	501,201	1,006,503
<u>\$ 7,371</u>	<u>\$ 19,124</u>	<u>\$ 17,739</u>	<u>\$ 107,855</u>	<u>\$ 794,536</u>	<u>\$ 579,728</u>	<u>\$ 1,107,478</u>

(continued)

COOKE COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2009

	Special Revenue				
	Road and Bridge #4	Records Archive	Juvenile Probation IV-E	Court Reporter Fund	Chapter 19
ASSETS					
Cash and investments	\$ 1,226,339	\$ 164,548	\$ 21,269	\$ 26,031	\$ 2,779
Receivables (net of allowances for uncollectibles)					
Taxes	35,989	-	-	-	-
Accounts	4,275	-	-	-	-
Intergovernmental	7,786	-	853	-	-
Inventory	225	-	-	-	-
Prepays	-	-	-	-	-
Total assets	<u>\$ 1,274,614</u>	<u>\$ 164,548</u>	<u>\$ 22,122</u>	<u>\$ 26,031</u>	<u>\$ 2,779</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 39,790	\$ -	\$ 65	\$ -	\$ -
Accrued liabilities	10,211	-	488	-	2,779
Due to others	-	-	-	-	-
Deferred revenue	31,418	-	-	-	-
Total liabilities	<u>81,419</u>	<u>-</u>	<u>553</u>	<u>-</u>	<u>2,779</u>
Fund balances:					
Reserved for construction	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for library	-	-	-	-	-
Unreserved, undesignated	1,193,195	164,548	21,569	26,031	-
Total fund balances	<u>1,193,195</u>	<u>164,548</u>	<u>21,569</u>	<u>26,031</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,274,614</u>	<u>\$ 164,548</u>	<u>\$ 22,122</u>	<u>\$ 26,031</u>	<u>\$ 2,779</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Interest and Sinking</u>	<u>Jail Construction</u>	<u>Library Permanent</u>	
\$ 785,543	\$ 208,841	\$ 36,480	\$ 8,013,329
40,046	-	-	206,467
264	-	5,309	20,080
-	-	-	31,997
-	-	-	675
-	-	-	225
<u>\$ 825,853</u>	<u>\$ 208,841</u>	<u>\$ 41,789</u>	<u>\$ 8,272,773</u>
\$ -	\$ -	\$ -	\$ 285,771
-	-	-	50,542
-	-	-	107,918
<u>33,712</u>	<u>-</u>	<u>-</u>	<u>175,824</u>
<u>33,712</u>	<u>-</u>	<u>-</u>	<u>620,055</u>
-	208,841	-	208,841
792,141	-	-	792,141
-	-	41,789	41,789
-	-	-	6,609,947
<u>792,141</u>	<u>208,841</u>	<u>41,789</u>	<u>7,652,718</u>
<u>\$ 825,853</u>	<u>\$ 208,841</u>	<u>\$ 41,789</u>	<u>\$ 8,272,773</u>

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue			
	Jail Commissary	Courthouse Security	Records Management	Records Preservation
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and fees	11,080	35,763	23,988	49,632
Investment earnings	1,505	1,513	2,105	3,738
Miscellaneous	-	-	-	-
Total revenues	<u>12,585</u>	<u>37,276</u>	<u>26,093</u>	<u>53,370</u>
EXPENDITURES				
Current:				
General government	-	-	868	140,822
Culture and recreation	-	-	-	-
Judicial	11,110	46,913	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>11,110</u>	<u>46,913</u>	<u>868</u>	<u>140,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,475</u>	<u>(9,637)</u>	<u>25,225</u>	<u>(87,452)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	(53,215)
Transfers out	-	(385)	-	-
Proceeds from capital leases	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(385)</u>	<u>-</u>	<u>(53,215)</u>
NET CHANGE IN FUND BALANCES	<u>1,475</u>	<u>(10,022)</u>	<u>25,225</u>	<u>(140,667)</u>
FUND BALANCES, BEGINNING	<u>43,373</u>	<u>160,428</u>	<u>203,830</u>	<u>402,302</u>
FUND BALANCES, ENDING	<u>\$ 44,848</u>	<u>\$ 150,406</u>	<u>\$ 229,055</u>	<u>\$ 261,635</u>

Special Revenue						
Permanent Improvement	Law Library	Law Enforcement Education	Farm to Market and Lateral Road	Justice of the Peace Technology	Probate Judge	Check Collecting
\$ 431,501	\$ -	\$ -	\$ 2,794	\$ -	\$ -	\$ -
2,133	-	6,908	823	-	-	-
-	-	-	-	-	-	-
-	15,810	-	-	20,830	12	16,183
11,144	612	712	6,931	841	-	(6)
-	-	-	14	-	-	(379)
<u>444,778</u>	<u>16,422</u>	<u>7,620</u>	<u>10,562</u>	<u>21,671</u>	<u>12</u>	<u>15,798</u>
82,398	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,528	1,560	-	20,724	-	22,588
-	-	-	107,032	-	-	-
114,597	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>196,995</u>	<u>8,528</u>	<u>1,560</u>	<u>107,032</u>	<u>20,724</u>	<u>-</u>	<u>22,588</u>
<u>247,783</u>	<u>7,894</u>	<u>6,060</u>	<u>(96,470)</u>	<u>947</u>	<u>12</u>	<u>(6,790)</u>
-	-	-	-	-	-	385
-	-	-	-	-	(3,135)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	26
-	-	-	-	-	(3,135)	411
247,783	7,894	6,060	(96,470)	947	(3,123)	(6,379)
<u>1,011,555</u>	<u>47,522</u>	<u>30,418</u>	<u>839,284</u>	<u>66,577</u>	<u>3,135</u>	<u>19,769</u>
\$ <u>1,259,338</u>	\$ <u>55,416</u>	\$ <u>36,478</u>	\$ <u>742,814</u>	\$ <u>67,524</u>	\$ <u>12</u>	\$ <u>13,390</u>

(continued)

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue			
	Cooke County Historical	Juvenile Probation Diversion	Library	District Attorney Drug Enforcement
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	7,619	-
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	5,305
Investment earnings	44	47	691	170
Miscellaneous	-	1,777	17,685	-
Total revenues	<u>44</u>	<u>1,824</u>	<u>25,995</u>	<u>5,475</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	42,750	-
Judicial	-	1,430	-	4,039
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>1,430</u>	<u>42,750</u>	<u>4,039</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>44</u>	<u>394</u>	<u>(16,755)</u>	<u>1,436</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(2,184)	-
Proceeds from capital leases	-	-	-	-
Proceeds from sale of assets	-	-	10	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,174)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	44	394	(18,929)	1,436
FUND BALANCES, BEGINNING	<u>1,917</u>	<u>1,410</u>	<u>56,620</u>	<u>9,045</u>
FUND BALANCES, ENDING	<u>\$ 1,961</u>	<u>\$ 1,804</u>	<u>\$ 37,691</u>	<u>\$ 10,481</u>

(continued)

Special Revenue

Seizure Law Enforcement	Sheriff Drug Enforcement	Flood Damage	Disaster Relief	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3
\$ -	\$ -	\$ -	\$ -	\$ 710,896	\$ 710,896	\$ 710,893
-	-	-	-	38,536	79,776	13,699
-	-	-	-	251,365	251,365	251,365
6,866	1,614	-	-	54,091	54,091	54,090
-	380	-	-	8,155	6,888	11,682
-	-	-	-	174	42,026	107
<u>6,866</u>	<u>1,994</u>	<u>-</u>	<u>-</u>	<u>1,063,217</u>	<u>1,145,042</u>	<u>1,041,836</u>
-	-	-	40,346	-	-	-
-	-	-	-	-	-	-
11,682	1,149	-	-	-	-	-
-	-	-	-	861,403	1,110,447	972,726
-	-	-	-	165,106	389,651	5,700
-	-	-	-	43,137	89,164	-
-	-	-	-	-	-	-
<u>11,682</u>	<u>1,149</u>	<u>-</u>	<u>40,346</u>	<u>1,069,646</u>	<u>1,589,262</u>	<u>978,426</u>
(4,816)	845	-	(40,346)	(6,429)	(444,220)	63,410
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	163,745	338,452	-
-	-	-	-	20,270	54,727	138
-	-	-	-	184,015	393,179	138
(4,816)	845	-	(40,346)	177,586	(51,041)	63,548
<u>12,187</u>	<u>18,279</u>	<u>17,739</u>	<u>40,346</u>	<u>562,227</u>	<u>552,242</u>	<u>942,955</u>
\$ <u>7,371</u>	\$ <u>19,124</u>	\$ <u>17,739</u>	\$ <u>-</u>	\$ <u>739,813</u>	\$ <u>501,201</u>	\$ <u>1,006,503</u>

(continued)

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue				
	Road and Bridge #4	Records Archive	Juvenile Probation IV-E	Court Reporter Fund	Chapter 19
REVENUES					
Ad valorem taxes	\$ 710,894	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,075	-	853	-	1,844
Licenses and permits	251,365	-	-	-	-
Fines and fees	54,090	43,690	-	7,278	-
Investment earnings	11,588	801	438	280	-
Miscellaneous	1,987	-	-	-	-
Total revenues	<u>1,042,999</u>	<u>44,491</u>	<u>1,291</u>	<u>7,558</u>	<u>1,844</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	5,016
Culture and recreation	-	-	-	-	-
Judicial	-	-	11,584	-	-
Transportation	728,818	-	-	-	-
Capital outlay	245,921	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>974,739</u>	<u>-</u>	<u>11,584</u>	<u>-</u>	<u>5,016</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>68,260</u>	<u>44,491</u>	<u>(10,293)</u>	<u>7,558</u>	<u>(3,172)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	53,215	-	-	-
Transfers out	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-
Proceeds from sale of assets	33,610	-	-	-	-
Total other financing sources (uses)	<u>33,610</u>	<u>53,215</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	101,870	97,706	(10,293)	7,558	(3,172)
FUND BALANCES, BEGINNING	<u>1,091,325</u>	<u>66,842</u>	<u>31,862</u>	<u>18,473</u>	<u>3,172</u>
FUND BALANCES, ENDING	<u>\$ 1,193,195</u>	<u>\$ 164,548</u>	<u>\$ 21,569</u>	<u>\$ 26,031</u>	<u>\$ -</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Interest and Sinking</u>	<u>Jail Construction</u>	<u>Library Permanent</u>	
\$ 980,050	\$ -	\$ -	\$ 4,257,924
4,976	-	-	170,242
-	-	-	1,005,460
-	-	-	454,413
17,576	2,975	5,795	96,605
-	-	34,000	97,391
<u>1,002,602</u>	<u>2,975</u>	<u>39,795</u>	<u>6,082,035</u>
-	-	-	269,450
-	-	190	42,940
-	-	-	141,307
-	-	-	3,780,426
-	160,291	-	1,081,266
380,000	-	-	512,301
<u>428,365</u>	<u>-</u>	<u>-</u>	<u>428,365</u>
<u>808,365</u>	<u>160,291</u>	<u>190</u>	<u>6,256,055</u>
<u>194,237</u>	<u>(157,316)</u>	<u>39,605</u>	<u>(174,020)</u>
-	-	2,184	2,569
-	-	-	(5,704)
-	-	-	502,197
-	-	-	108,781
<u>-</u>	<u>-</u>	<u>2,184</u>	<u>607,843</u>
194,237	(157,316)	41,789	433,823
<u>597,904</u>	<u>366,157</u>	<u>-</u>	<u>7,218,895</u>
<u>\$ 792,141</u>	<u>\$ 208,841</u>	<u>\$ 41,789</u>	<u>\$ 7,652,718</u>

COOKE COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

SEPTEMBER 30, 2009

	<u>County Clerk</u>	<u>District Clerk</u>	<u>Tax-Assessor Collector</u>	<u>District Attorney</u>
ASSETS				
Cash and investments	\$ <u>114,610</u>	\$ <u>819,992</u>	\$ <u>104,778</u>	\$ <u>17,985</u>
Total assets	\$ <u>114,610</u>	\$ <u>819,992</u>	\$ <u>104,778</u>	\$ <u>17,985</u>
LIABILITIES				
Deposits held for others	\$ <u>114,610</u>	\$ <u>819,992</u>	\$ <u>104,778</u>	\$ <u>17,985</u>
Total liabilities	\$ <u>114,610</u>	\$ <u>819,992</u>	\$ <u>104,778</u>	\$ <u>17,985</u>

<u>Sheriff</u>	<u>County Attorney</u>	<u>Adult Probations</u>	<u>Juvenile Probations</u>	<u>Total Fiduciary Funds</u>
\$ <u>49,959</u>	\$ <u>34,708</u>	\$ <u>306,337</u>	\$ <u>52,456</u>	\$ <u>1,500,825</u>
\$ <u>49,959</u>	\$ <u>34,708</u>	\$ <u>306,337</u>	\$ <u>52,456</u>	\$ <u>1,500,825</u>
\$ <u>49,959</u>	\$ <u>34,708</u>	\$ <u>306,337</u>	\$ <u>52,456</u>	\$ <u>1,500,825</u>
\$ <u>49,959</u>	\$ <u>34,708</u>	\$ <u>306,337</u>	\$ <u>52,456</u>	\$ <u>1,500,825</u>