



TOM GREEN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2008**

TOM GREEN COUNTY, TEXAS

TABLE OF CONTENTS

SEPTEMBER 30, 2008

	<u>Page Number</u>
FINANCIAL SECTION	
Independent Auditors' Report.....	1 – 2
Management's Discussion and Analysis	3 – 9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
Statement of Fiduciary Assets and Liabilities	15
Notes to Financial Statements.....	16 – 31
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	32 – 33
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Grants Fund.....	34 – 35
Notes to the Required Supplementary Information	36

(continued)

TOM GREEN COUNTY, TEXAS

**TABLE OF CONTENTS
(Continued)
SEPTEMBER 30, 2008**

	<u>Page Number</u>
FINANCIAL SECTION (Continued)	
Combining Statements	
Nonmajor Governmental Funds	
Combining Balance Sheet.....	37 – 43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	44 – 50
Fiduciary Funds – All Agency Funds	
Combining Statement of Changes in Assets and Liabilities.....	51 – 58
COMPLIANCE SECTION	
Independent Auditors Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	59 – 60
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	61 – 62
Schedule of Expenditures of Federal Awards.....	63 – 64
Note to Schedule of Expenditures of Federal Awards.....	65
Schedule of Findings and Questioned Costs.....	66 – 67
Summary Schedule of Prior Audit Findings.....	68

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tom Green County, Texas as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tom Green 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 through 36 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 required 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 Tom Green County, Texas' basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the basic financial statements of Tom Green County, Texas. The combining fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pattillo, Brown & Hill, LLP

April 15, 2009

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Tom Green County

As management of Tom Green County, Texas, we offer readers of Tom Green County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here with the County's financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets of Tom Green County exceeded its liabilities as of September 30, 2008, by \$34,311,783. Of this amount, \$11,096,385 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designations and fiscal policies.
- The County's total net assets increased by \$1,731,402.
- As of the close of the current fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$14,676,145, a decrease of \$(835,995) compared to the prior year.
- The unreserved fund balance for the General Fund was \$11,326,389 or 38% of total General Fund expenditures, an increase of 13% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of Tom Green County's finances in a manner similar to a private sector business. The *Statement of Net Assets* presents information on all of the County's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Tom Green County is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and revenues for each of the County's functions or programs. Direct expenses are those that are specially associated with an activity and are clearly identifiable with that activity. Program revenues include charges paid by the recipient of services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not programmatic are presented as general revenues. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tom Green County that are principally supported by taxes and intergovernmental revenues. The governmental activities of Tom Green County include general government, public safety, conservation, highways and streets, health and welfare, and culture and recreation. Tom Green County has no business-type activities.

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. Tom Green County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized as either governmental funds or 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 the near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

Tom Green County maintains 44 individual 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, the Texas Juvenile Probation Contracts Fund, and the Beacon to the Future Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Tom Green County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund, the Texas Juvenile Probation Contracts Fund, and the Beacon to the Future Fund to demonstrate compliance with this budget. More information is available concerning the County's budget by reviewing the approved annual budget on file with the Tom Green County Clerk.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support Tom Green County's own programs.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information: GASB Statement No. 34 also requires that certain information be presented in the required supplementary information immediately following the notes to the financial statements. Combining fund statements can also be found within this section.

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 Tom Green County, assets exceeded liabilities by \$34,311,783 at the close of the fiscal year.

Tom Green County's investment in capital assets (e.g. land, buildings, furniture and equipment, and roads and bridges), less any related outstanding debt used to acquire those assets, is 58% of net assets. Tom Green County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tom Green 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.

Of the remaining net assets, \$11,096,385 of net assets are unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors, and 10% (\$3,431,687) of net assets is restricted.

TOM GREEN COUNTY'S NET ASSETS

	Governmental Activities	
	2008	2007
Current assets	\$ 17,558,314	\$ 18,231,432
Capital assets	<u>30,673,711</u>	<u>29,965,798</u>
Total assets	<u>48,232,025</u>	<u>48,197,230</u>
Current liabilities	1,629,635	1,370,559
Long-term liabilities	<u>12,290,607</u>	<u>14,246,290</u>
Total liabilities	<u>13,920,242</u>	<u>15,616,849</u>
Net assets:		
Invested in capital assets, net of related debt	19,783,711	18,908,135
Restricted	3,431,687	3,652,332
Unrestricted	<u>11,096,385</u>	<u>10,019,914</u>
Total net assets	<u>\$ 34,311,783</u>	<u>\$ 32,580,381</u>

As of September 30, 2008, the County has positive balances in all categories of net assets.

TOM GREEN COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities	
	2008	2007
REVENUES		
Program revenues:		
Charges for services	\$ 7,495,667	\$ 7,093,123
Operating grants and contributions	2,660,967	3,634,216
Capital grants and contributions	59,052	88,023
General revenues:		
Property taxes	19,349,481	18,140,308
Other taxes	6,809,849	6,409,045
Investment earnings	629,355	901,920
Miscellaneous	353,681	131,683
Total revenues	37,358,052	36,398,318
EXPENSES		
General government	10,264,851	20,486,559
Public safety	17,675,223	5,669,272
Highways and streets	2,792,144	2,978,607
Conservation	155,503	440,214
Health and welfare	1,656,020	1,685,391
Culture and recreation	2,780,973	3,277,847
Interest on long-term debt	301,936	600,830
Total expenses	35,626,650	35,138,720
CHANGE IN NET ASSETS	1,731,402	1,259,598
NET ASSETS, BEGINNING	32,580,381	31,320,783
NET ASSETS, ENDING	\$ 34,311,783	\$ 32,580,381

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds: The focus of Tom Green County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing Tom Green County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the 2008 fiscal year, Tom Green County's governmental funds reported a combined ending fund balance of \$14,676,145, a decrease of \$(835,995) compared with the prior year. Most of this balance is available for new spending with the exception of \$204,581.

The General Fund is the chief operating fund of Tom Green County. At the end of fiscal year 2008, the General Fund had a fund balance of \$11,327,874 with \$1,485 reserved. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 38% of total General Fund expenditures. In addition, overall revenue in the General Fund increased \$1,320,818 from 2007, and General Fund expenditures decreased \$3,709,105 in the same time.

Descriptions of Functions/Programs:

General Government: The costs associated with management and support departments (e.g. Purchasing, Human Resources, and Risk Management), operations of the court systems and prosecution offices (District and County Courts, Justices of the Peace, District and County Attorneys), costs of maintaining public facilities including the Justice Center and the Juvenile Detention Center, the Elections Department, and financial administration for the County.

Public Safety: The costs associated with the investigation and arrest of individuals suspected to be involved in criminal activities as well as costs associated with emergency services (i.e. Sheriff's Department, Constables, and Volunteer Fire Departments).

Conservation: Includes support for the agriculture and homemakers extension office.

Highways and Streets: The costs associated with County road and bridge departments and maintaining the County's infrastructure.

Health and Welfare: The costs associated with providing health benefits to citizens of the County (i.e. Indigent Health Care, Mental Health Unit, and contributions to support organizations).

Culture and Recreation: The costs associated with the operations of the County Library and Parks.

Interest on Long-term Debt: The finance charges associated with debt issuances for construction of County facilities.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities as of September 30, 2008, amounts to \$30,673,711 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure (roads and bridges), equipment, and furnishings. In addition, the County capitalized the following amounts during the year in completing capital projects or purchasing assets:

• Land	\$ 14,780
• Construction in progress	558,005
• Buildings	21,794
• Improvements	57,870
• Machinery and equipment	2,166,670
• Infrastructure	8,836

CAPITAL ASSETS

	Historical Cost	Accumulated Depreciation	Net Investment
Land	\$ 3,774,398	\$ -	\$ 3,774,398
Construction in progress	558,005	-	558,005
Buildings and improvements	38,915,491	18,757,647	20,157,844
Improvements other than buildings	57,870	16,555	41,315
Machinery and equipment	11,234,477	7,276,321	3,958,156
Roads and bridges	<u>19,947,436</u>	<u>17,763,843</u>	<u>2,183,593</u>
Total	<u>\$ 74,487,677</u>	<u>\$ 43,814,366</u>	<u>\$ 30,673,311</u>

LONG-TERM DEBT

At the end of the current fiscal year, the County's long-term outstanding debt was as follows:

	Original Amount	Interest Rate	Balance 09/30/08
Certificates of obligation:			
Series 1998	\$ 18,885,000	4 to 4.85%	\$ 2,005,000
Series 2008	7,265,000		7,265,000
Tax anticipation note	1,850,000	4%	1,810,000
Sales taxes payable, State of Texas	950,350	None	488,400
Loss on refunding	(113,128)	None	(113,128)
Compensated absences			835,335
Total			\$ 12,290,607

General Fund Budgetary Highlights

The Commissioners' Court made revisions during the year to the original appropriations approved for the 2008 fiscal year budget. These revisions were mainly transfers from department to department within the original budget. Some changes were necessary to cover the expenses of programs previously funded by federal and state agencies. The County expects that trend to continue as grant funds diminish from year to year.

ECONOMIC FACTORS

Tom Green County has continued to see increases in sales tax income due to retail expansions within the City of San Angelo. This trend is expected to level out in 2009, as Texas sees some delayed effects of the overall national economy. The County has prepared for this anticipated change along with the possibility of negative effects on property values by saving significant reserves to aid the budget over the next few years. For fiscal year 2009, new industry within the County is expected to provide a long-term boost to property values. Wind turbine farms are beginning to be established within the County's borders and Tom Green County can look to its neighbors in West Texas for indicators of the value of this industry. In addition, the County continues to have a very low debt service requirement, which was reduced further by a refinancing issuance this year. Overall, the budget implications to the County are not dire nor expected to be, but the Commissioners' Court does expect to put significant effort towards future budgets to ensure that the County operates within its means with as little burden to taxpayers as possible.

FUTURE BUDGET CONCERNS

The County is currently in the middle of major upgrades to its software systems. The financial management software has already been implemented and the judicial and law enforcement software implementation is in progress. Upon completion of this last phase, the County will pay for the software out of budgeted funds in 2009 and 2010. Funds for this project were allocated from the reserves of the County and are not provided by incurring any debt.

The County has begun construction and renovation of a new public library. Through the fund raising efforts of the Beacon to the Future campaign, the fiscal impact to the County's budget is expected to be minimal. Donations from the campaign will be passed through the County for the expenditure on the project, and construction is projected to be complete in September 2010.

In addition to this building, the County is also facing long-term concerns about space for various offices and officials within the County. Of particular interest is providing additional office space for the Concho Valley Community Supervision and Corrections Department. This department has experienced tremendous growth in the past two years and has outgrown its current location. The Commissioners' Court is considering a range of options that include either constructing new facilities or purchasing and renovating an existing building within the County. Funds for this project may come from another issuance of tax anticipation notes if the County can secure favorable interest rates and terms.

The County must also consider in its future budgets the prospect of more unfunded mandates from the State of Texas, especially as the Legislature begins its term in 2009.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Tom Green County's finances for all those with an interest in the County's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Auditor's Office
112 W. Beauregard Ave
San Angelo TX 76903-5850

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TOM GREEN COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 3,302,165
Investments	11,031,391
Receivables (net of allowances for uncollectibles)	2,692,641
Due from other governments	452,905
Prepaid expenses	2,340
Deferred charges	76,872
Capital assets:	
Land	3,774,398
Construction in progress	558,005
Buildings	38,915,491
Improvements other than buildings	57,870
Furniture and equipment	11,234,477
Infrastructure	19,947,436
Less: accumulated depreciation	(43,813,966)
Total capital assets	<u>30,673,711</u>
Total assets	<u>48,232,025</u>
LIABILITIES	
Accounts payable	1,271,317
Accrued liabilities	275,389
Due to other governments	4,634
Unearned revenue	19,818
Accrued interest	58,477
Noncurrent liabilities:	
Due within one year	2,356,667
Due in more than one year	<u>9,933,940</u>
Total liabilities	<u>13,920,242</u>
NET ASSETS	
Invested in capital assets, net of related debt	19,783,711
Restricted for:	
Debt service	286,512
Other purposes	3,145,175
Unrestricted	<u>11,096,385</u>
Total net assets	<u>\$ 34,311,783</u>

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

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TOM GREEN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 10,264,851	\$ 3,122,437	\$ 596,184	\$ 59,052	\$(6,487,178)
Public safety	17,675,223	1,423,063	1,918,381	-	(14,333,779)
Highways and streets	2,792,144	2,809,213	-	-	17,069
Conservation	155,503	50,170	2,736	-	(102,597)
Health and welfare	1,656,020	5,894	89,160	-	(1,560,966)
Culture and recreation	2,780,973	84,890	54,506	-	(2,641,577)
Interest on long-term debt	301,936	-	-	-	(301,936)
Total governmental activities	\$ 35,626,650	\$ 7,495,667	\$ 2,660,967	\$ 59,052	(25,410,964)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					16,873,980
Property taxes, levied for debt service					2,475,501
Sales taxes					6,529,952
Other taxes					279,897
Unrestricted investment earnings					629,355
Miscellaneous					353,681
Total general revenues					27,142,366
Change in net assets					1,731,402
Net assets - beginning					32,580,381
Net assets - ending					\$ 34,311,783

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

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TOM GREEN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2008

	General	Texas Juvenile Probation Contracts	Beacon to the Future	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 807,840	\$ 1,358,318	\$ 1,605	\$ 1,134,402	\$ 3,302,165
Investments	9,848,858	-	-	1,182,533	11,031,391
Receivables (net of allowances for uncollectibles):					
Accounts	195,441	-	-	44,200	239,641
Taxes:					
Property	604,563	-	-	88,471	693,034
Sales	1,122,738	-	-	-	1,122,738
Mixed beverage	64,462	-	-	-	64,462
Due from other funds	295,122	47	-	328,282	623,451
Due from other governments	172,933	67,030	-	212,942	452,905
Prepaid items	1,485	-	-	855	2,340
Total assets	<u>\$ 13,113,442</u>	<u>\$ 1,425,395</u>	<u>\$ 1,605</u>	<u>\$ 2,991,685</u>	<u>\$ 17,532,127</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	680,651	147,924	299,177	143,565	1,271,317
Accrued liabilities	243,672	5,813	-	25,904	275,389
Due to other funds	283,893	10,264	-	329,294	623,451
Due to other governments	-	4,634	-	-	4,634
Deferred revenue	577,352	-	-	103,839	681,191
Total liabilities	<u>1,785,568</u>	<u>168,635</u>	<u>299,177</u>	<u>602,602</u>	<u>2,855,982</u>
Fund balances:					
Reserved for:					
Prepaid items	1,485	-	-	855	2,340
Debt service	-	-	-	202,241	202,241
Unreserved, reported in:					
General fund	11,326,389	-	-	-	11,326,389
Special revenue funds	-	1,256,760	(297,572)	2,185,987	3,145,175
Total fund balances	<u>11,327,874</u>	<u>1,256,760</u>	<u>(297,572)</u>	<u>2,389,083</u>	<u>14,676,145</u>
Total liabilities and fund balances	<u>\$ 13,113,442</u>	<u>\$ 1,425,395</u>	<u>\$ 1,605</u>	<u>\$ 2,991,685</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,673,711
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,234,139
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	(12,272,212)
Net assets of governmental activities	<u>\$ 34,311,783</u>

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

TOM GREEN COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	General	Texas Juvenile Probation Contracts	Beacon to the Future	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 23,571,170	\$ -	\$ -	\$ 2,459,194	\$ 26,030,364
Fees of office	2,865,980	-	-	1,629,354	4,495,334
Intergovernmental	956,511	900,876	-	1,124,923	2,982,310
Fines and forfeitures	1,199,731	-	-	28,276	1,228,007
Licenses and permits	35,888	-	-	873,340	909,228
Donations	-	-	852,787	85,000	937,787
Investment earnings	466,778	29,816	1,691	131,070	629,355
Miscellaneous	196,490	-	-	157,191	353,681
Total revenues	<u>29,292,548</u>	<u>930,692</u>	<u>854,478</u>	<u>6,488,348</u>	<u>37,566,066</u>
EXPENDITURES					
Current:					
General government	9,531,113	-	-	253,955	9,785,068
Public safety	14,325,454	991,216	-	1,163,802	16,480,472
Highways and streets	-	-	-	2,135,811	2,135,811
Conservation	116,379	-	-	2,736	119,115
Health and welfare	1,656,020	-	-	-	1,656,020
Culture and recreation	1,963,416	-	697,783	118,539	2,779,738
Debt service:					
Principal	39,600	-	-	2,017,663	2,057,263
Interest and other charges	-	-	-	478,488	478,488
Capital outlay	2,108,094	25,034	558,005	321,748	3,012,881
Total expenditures	<u>29,740,076</u>	<u>1,016,250</u>	<u>1,255,788</u>	<u>6,492,742</u>	<u>38,504,856</u>
EXCESS (DEFICIENCY) OF OVER (UNDER) EXPENDITURES	<u>(447,528)</u>	<u>(85,558)</u>	<u>(401,310)</u>	<u>(4,394)</u>	<u>(938,790)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	-	-	-	7,265,000	7,265,000
Proceeds from sale of capital assets	19,562	-	-	676	20,238
Payment to refunded bond escrow agent	-	-	-	(7,182,443)	(7,182,443)
Transfers in	78,480	-	83,448	266,447	428,375
Transfers out	(249,871)	-	-	(178,504)	(428,375)
Total other financing sources and uses	<u>(151,829)</u>	<u>-</u>	<u>83,448</u>	<u>171,176</u>	<u>102,795</u>
NET CHANGE IN FUND BALANCES	<u>(599,357)</u>	<u>(85,558)</u>	<u>(317,862)</u>	<u>166,782</u>	<u>(835,995)</u>
FUND BALANCES, BEGINNING	<u>11,927,231</u>	<u>1,342,318</u>	<u>20,290</u>	<u>2,222,301</u>	<u>15,512,140</u>
FUND BALANCES, ENDING	<u>\$ 11,327,874</u>	<u>\$ 1,256,760</u>	<u>\$(297,572)</u>	<u>\$ 2,389,083</u>	<u>\$ 14,676,145</u>

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

TOM GREEN 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, 2008

Net change in fund balances - total governmental funds:	\$(835,995)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	625,192
The net effect of various miscellaneous transactions involving capital assets is to increase net assets.	111,594
Governmental funds report the entire proceeds from the disposal of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the disposal of the asset. Thus, the change in net assets differs from the change in fund balance by the net value of the disposed asset.	(28,873)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(267,066)
Governmental funds report long-term debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments	2,057,263
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	<u>69,287</u>
Change in net assets of governmental activities	<u>\$ 1,731,402</u>

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

TOM GREEN COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,554,265
Investments	2,177,023
Accounts receivable	36,850
Due from other governments	334
Total assets	\$ 3,768,472
LIABILITIES	
Accounts payable	\$ 2,795,379
Due to other governments	973,093
Total liabilities	\$ 3,768,472

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

TOM GREEN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Tom Green 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 County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County has no business-type activities.

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.

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)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 County considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, grants 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.

The *Texas Juvenile Probation Contracts Fund* is the accumulation of state funding for the Tom Green County Juvenile Probation and Detention departments. It accounts separately for each revenue stream from the Texas Juvenile Probation Commission for the operation of offender supervision and rehabilitation.

The *Beacon to the Future Fund* is the separate fund to account for donations received in a public campaign to raise funds for the construction and renovation of a new public library. Donations received into this fund are expended for construction purposes as well as to establish a long-term trust to fund some basic library services in the future.

Additionally, the County reports the following fund types:

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations or other governments. These assets are funds held by various County officials for fees due to other governments or beneficiaries. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

(continued)

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

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

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.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The County's cash and investments consist of cash on hand, demand deposits, and investment pools.

Investments for the County are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools are the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the time of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance 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."

All property tax receivables are shown net of an allowance for uncollectibles.

Taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12 percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and Prepaid Items

Inventory items are considered immaterial and are not reported in the financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$3,000 (amount not rounded) 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.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure (roads and bridges)	20
Buildings and improvements	20 - 30
Vehicles	5
Machinery and equipment	3 - 15

Compensated Absences

It is the County's policy to permit employees to accumulate earned but not unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-term Obligations

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

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.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(12,272,212) difference are as follows:

Bonds, notes and capital leases	\$(11,568,400)
Deferred charges - bonds	76,872
Accrued interest payable	(58,477)
Compensated absences	(835,335)
Loss on refunding	<u>113,128</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$(<u>12,272,212</u>)

(continued)

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$625,192 difference are as follows:

Capital outlay	\$ 3,012,881
Depreciation expense	<u>(2,387,689)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>625,192</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$(267,066) difference are as follows:

Property tax revenue	\$ 128,966
Fine and fee revenue	<u>(396,032)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$(<u>267,066</u>)

Another element of that reconciliation states, “Governmental funds report long-term debt proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure. In contrast, the statement of activities treats such repayments as a reduction in long-term liabilities.” The details of this \$2,057,263 difference are as follows:

Debt issued or incurred:	
Issuance of refunding bond	\$(7,265,000)
Principal repayments and refundings	<u>9,322,263</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>2,057,263</u>

(continued)

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

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$69,287 difference are as follows:

Compensated absences	\$(24,708)
Accrued interest	<u>93,995</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 69,287</u>

3. **DETAILED NOTES ON ALL FUNDS**

Deposits and Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
MBIA	\$ 5,318,537	31
Funds Management	<u>6,045,060</u>	50
Total fair value	<u>\$ 11,363,597</u>	
Portfolio weighted average maturity (days)		41

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

(continued)

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

Deposits and Investments (Continued)

The County's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Regulatory oversight for the operations of the external investment pool is found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits, and the establishment of oversight boards.

Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 90 days.

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, 2008, the County's deposit balance was collateralized with securities held by the pledging financial institution or covered by FDIC insurance.

Credit Risk

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

MBIA
Funds Management

AAA
AAAm

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

Receivables

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

	<u>General</u>	<u>Texas Juvenile Probation Contracts</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,901,507	\$ -	\$ 123,498	\$ 2,025,005
Accounts	<u>368,374</u>	<u>67,030</u>	<u>257,142</u>	<u>692,546</u>
Gross receivables	2,269,881	67,030	380,640	2,717,551
Less: allowance for uncollectibles	<u>(109,744)</u>	<u>-</u>	<u>(35,027)</u>	<u>(144,771)</u>
Net total receivables	<u>\$ 2,160,137</u>	<u>\$ 67,030</u>	<u>\$ 345,613</u>	<u>\$ 2,572,780</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
General:		
Delinquent property taxes receivable	\$ 577,102	\$ -
Intergovernmental	-	250
Other governmental:		
Delinquent property taxes receivable	84,271	-
Intergovernmental	<u>-</u>	<u>19,568</u>
Governmental funds	<u>\$ 661,373</u>	<u>\$ 19,818</u>

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

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

	Beginning Balance	Increases	Decreases	Adjustments/ Reclassifications	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 3,759,618	\$ -	\$ -	\$ 14,780	\$ 3,774,398
Construction in progress	-	558,005	-	-	558,005
Total capital assets being depreciated	<u>3,759,618</u>	<u>558,005</u>	<u>-</u>	<u>14,780</u>	<u>4,332,403</u>
Capital assets, being depreciated:					
Buildings	38,893,697	324,164	-	(302,370)	38,915,491
Improvements other than buildings	-	-	-	57,870	57,870
Infrastructure	19,938,600	-	-	8,836	19,947,436
Machinery and equipment	9,544,082	2,189,764	(476,275)	(23,094)	11,234,477
Total capital assets being depreciated	<u>68,376,379</u>	<u>2,513,928</u>	<u>(476,275)</u>	<u>(258,758)</u>	<u>70,155,274</u>
Less accumulated depreciation:					
Buildings	(17,937,067)	(1,142,827)	-	322,247	(18,757,647)
Improvements other than buildings	-	-	-	(16,555)	(16,555)
Infrastructure	(17,466,987)	(296,856)	-	-	(17,763,843)
Machinery and equipment	(6,766,145)	(948,006)	447,402	(9,572)	(7,276,321)
Total accumulated depreciation	<u>(42,170,199)</u>	<u>(2,387,689)</u>	<u>447,402</u>	<u>296,120</u>	<u>(43,814,366)</u>
Total capital assets being depreciated, net	<u>26,206,180</u>	<u>126,239</u>	<u>(28,873)</u>	<u>37,362</u>	<u>26,340,908</u>
Governmental activities capital assets, net	\$ <u>29,965,798</u>	\$ <u>684,244</u>	\$ <u>(28,873)</u>	\$ <u>52,142</u>	\$ <u>30,673,311</u>

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

Governmental activities:	
General government	\$ 511,336
Public safety	1,185,856
Highways and streets	654,356
Culture and recreation	<u>36,141</u>
	\$ <u>2,387,689</u>

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Receivables, Payables and Transfers

Due to/from other funds:

	Due to			
	General	Texas Juvenile Probation Contracts	Nonmajor	Total
Due from:				
General	\$ -	\$ 10,264	\$ 284,858	\$ 295,122
TJPC	47	-	-	47
Nonmajor	<u>283,846</u>	<u>-</u>	<u>44,436</u>	<u>328,282</u>
Total	<u>\$ 283,893</u>	<u>\$ 10,264</u>	<u>\$ 329,294</u>	<u>\$ 623,451</u>

These balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers:

	Transfers out		
	General	Nonmajor Funds	Total
Transfer in:			
General	\$ -	\$ 78,480	\$ 78,480
Beacon to the Future	-	83,448	83,448
Nonmajor governmental funds	<u>249,871</u>	<u>16,576</u>	<u>266,447</u>
Total transfers	<u>\$ 249,871</u>	<u>\$ 178,504</u>	<u>\$ 428,375</u>

Transfers are used to: (1) move revenues from the fund required by statute or budget to collect them to the fund required by budget to expend them; and (2) fund the County's match portion for grants.

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt

Capital Leases

The assets acquired through capital leases are as follows:

	<u>Asset</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Governmental activities			
Assets:			
Equipment	\$ 152,885	\$ 82,738	\$ 70,147
Total	<u>\$ 152,885</u>	<u>\$ 82,738</u>	<u>\$ 70,147</u>

Refunding Bonds, Sales Tax Payable and Notes Payable

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$26,150,000.

\$18,885,000 Series 1998 General Obligation Refunding Bonds	\$ 2,005,000
\$950,351 Sales Tax Payable to the State of Texas in monthly installments of \$3,251 to \$3,300 through February 2021; interest at 0%.	488,400
\$1,850,000 Tax Anticipation Note issued in 2007	1,810,000
\$7,265,000 Series 2008 General Obligation Refunding Bonds issued in 2008.	<u>7,265,000</u>
Total	<u>\$ 11,568,400</u>

(continued)

3. **DETAILED NOTES ON ALL FUNDS (Continued)**

Long-term Debt (Continued)

Refunding Bonds, Sales Tax Payable and Notes Payable (Continued)

Annual debt service requirements to maturity for the bonds and the note payables are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,189,600	\$ 304,586
2010	2,254,600	230,716
2011	2,319,600	170,668
2012	2,349,600	107,361
2013-2017	2,323,000	74,985
2018-2022	132,000	-
Total	<u>\$ 11,568,400</u>	<u>\$ 888,316</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities					
Refunding bonds	\$ 11,005,000	\$ 7,265,000	\$ 9,000,000	\$ 9,270,000	\$ 2,110,000
Tax anticipation note	1,850,000	-	40,000	1,810,000	40,000
Sales tax payable	528,000	-	39,600	488,400	39,600
Capital leases	52,663	-	52,663	-	-
Compensated absences	810,627	677,990	653,282	835,335	167,067
Loss on refunding	-	(113,128)	-	(113,128)	-
Governmental activity long-term liabilities	<u>\$ 14,246,290</u>	<u>\$ 7,829,862</u>	<u>\$ 9,785,545</u>	<u>\$ 12,290,607</u>	<u>\$ 2,356,667</u>

Advanced Refunding

During the fiscal year, the County issued \$7,265,000 of general obligation refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$7,075,000 of governmental activities certificates of obligation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$113,128. This amount is being netted against the new debt and is being amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next seven years by \$311,629 and resulted in an economic gain of \$293,263.

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

Retirement Benefits

Plan Description

Tom Green 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 multi-employer public employee retirement system consisting of 574 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with eight 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 years or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any County-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 so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 7.25% for the months of the accounting year in 2007, and 6.73% for the months of the accounting year in 2008. The deposit rate payable by the employee members for calendar year 2008 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 governing body of the employer within the options available in the TCDRS Act.

(continued)

3. **DETAILED NOTES ON ALL FUNDS (Continued)**

Retirement Benefits (Continued)

Annual Pension Cost

For the employer's accounting year ended September 30, 2008, the annual pension cost for the TCDRS plan for its employees was \$1,325,884 and the actual contributions \$1,325,884. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2006 and December 31, 2005, the basis for determining the contribution rates for calendar years 2008 and 2007. The December 31, 2007, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/05	12/31/06	12/31/07
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period in years	20	15	15
Asset valuation method	long-term appreciation with adjustment	SAF: 10-yr smoothed value ESF: fund value	SAF: 10-yr smoothed value ESF: fund value
Assumptions:			
Investment return ¹	8.00%	8.00%	8.00%
Projected salary increases ¹	5.3%	5.3%	5.3%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

**Trend Information for the
Retirement Plan for the Employees of Tom Green County**

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
09/30/06	\$ 1,212,615	100%	-
09/30/07	1,316,467	100%	-
09/30/08	1,325,884	100%	-

(continued)

3. DETAILED NOTES ON ALL FUNDS (Continued)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$ 32,709,456	\$ 37,368,825	\$ 4,659,369	87.53%	\$ 15,990,555	29.14%
12/31/06	36,711,725	40,009,825	3,298,100	91.76%	17,408,406	18.95%
12/31/07	40,001,935	43,618,068	3,616,133	91.71%	18,416,411	19.64%

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

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. The County purchases workers' compensation insurance coverage from the Texas Association of Counties Self-insurance Fund, a public entity risk pool, which is self-sustaining through member premiums. The Fund reinsures through commercial companies for claims in excess of \$300,000.

The County maintains commercial insurance coverage covering other risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. There have been no significant reductions in insurance coverage from the prior year.

Commitments and Contingencies

Litigation

The County is party to various legal proceedings which normally occur in governmental operations. In the opinion of management, these legal proceedings are not likely to have a material adverse impact on the affected funds of the County. No accrual has been made for any contingency in these financial statements.

Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOM GREEN COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Taxes	\$ 23,299,924	\$ 23,299,924	\$ 23,571,170	\$ 271,246
Fees of office	2,524,055	2,527,555	2,865,980	338,425
Intergovernmental	648,667	652,267	956,511	304,244
Fines and forfeitures	1,189,000	1,189,000	1,199,731	10,731
Licenses and permits	338,000	338,000	35,888	(302,112)
Investment earnings	532,000	532,000	466,778	(65,222)
Miscellaneous	192,548	202,688	196,490	(6,198)
Total revenues	<u>28,724,194</u>	<u>28,741,434</u>	<u>29,292,548</u>	<u>551,114</u>
EXPENDITURES				
Current:				
General government:				
Salaries and wages	3,340,729	3,358,075	3,334,787	23,288
Benefits	1,399,686	1,407,322	1,227,766	179,556
Operations	6,556,141	6,543,457	4,968,560	1,574,897
Capital outlay	90,045	146,471	829,903	(683,432)
Total general government	<u>11,386,601</u>	<u>11,455,325</u>	<u>10,361,016</u>	<u>1,094,309</u>
Public safety:				
Salaries and wages	8,996,381	9,039,508	8,635,590	403,918
Benefits	2,678,175	2,689,208	2,379,172	310,036
Operations	3,524,794	3,586,660	3,310,692	275,968
Capital outlay	297,690	322,070	347,531	(25,461)
Total public safety	<u>15,497,040</u>	<u>15,637,446</u>	<u>14,672,985</u>	<u>964,461</u>
Highways and streets:				
Operations	150,000	-	-	-
Capital outlay	750,000	900,000	901,024	(1,024)
Total highways and streets	<u>900,000</u>	<u>900,000</u>	<u>901,024</u>	<u>(1,024)</u>
Conservation:				
Salaries and wages	56,453	56,453	56,453	-
Benefits	17,151	17,151	19,733	(2,582)
Operations	40,344	40,344	40,193	151
Total conservation	<u>113,948</u>	<u>113,948</u>	<u>116,379</u>	<u>(2,431)</u>

(continued)

TOM GREEN COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (Continued)				
Health and welfare:				
Salaries and wages	\$ 100,380	\$ 100,380	\$ 94,013	\$ 6,367
Benefits	32,485	32,485	26,907	5,578
Operations	2,216,255	2,217,266	1,535,100	682,166
Total health and welfare	<u>2,349,120</u>	<u>2,350,131</u>	<u>1,656,020</u>	<u>694,111</u>
Culture and recreation:				
Salaries and wages	1,034,752	1,029,625	1,015,719	13,906
Benefits	289,022	289,022	251,759	37,263
Operations	655,604	771,431	695,938	75,493
Capital outlay	21,000	31,000	29,636	1,364
Total culture and recreation	<u>2,000,378</u>	<u>2,121,078</u>	<u>1,993,052</u>	<u>128,026</u>
Debt service:				
Principal	39,600	39,600	39,600	-
Total debt service	<u>39,600</u>	<u>39,600</u>	<u>39,600</u>	<u>-</u>
Total expenditures	<u>32,286,687</u>	<u>32,617,528</u>	<u>29,740,076</u>	<u>2,877,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,562,493)</u>	<u>(3,876,094)</u>	<u>(447,528)</u>	<u>3,428,566</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	15,000	15,000	19,562	4,562
Issuance of long-term debt	1,850,000	1,850,000	-	(1,850,000)
Transfers in	412,560	19,125	78,480	59,355
Transfers out	-	(367,885)	(249,871)	118,014
Total other financing sources and uses	<u>2,277,560</u>	<u>1,516,240</u>	<u>(151,829)</u>	<u>(1,668,069)</u>
NET CHANGE IN FUND BALANCE	<u>(1,284,933)</u>	<u>(2,359,854)</u>	<u>(599,357)</u>	<u>1,760,497</u>
FUND BALANCE, BEGINNING	<u>11,927,231</u>	<u>11,927,231</u>	<u>11,927,231</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,642,298</u>	<u>\$ 9,567,377</u>	<u>\$ 11,327,874</u>	<u>\$ 1,760,497</u>

TOM GREEN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TEXAS JUVENILE PROBATION CONTRACTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,660,268	\$ 1,658,810	\$ 900,876	\$(757,934)
Investment earnings	-	-	29,816	29,816
Total revenues	<u>1,660,268</u>	<u>1,658,810</u>	<u>930,692</u>	<u>(728,118)</u>
EXPENDITURES				
Current:				
Public safety	1,699,495	1,694,037	991,216	702,821
Capital outlay	<u>48,775</u>	<u>52,775</u>	<u>25,034</u>	<u>27,741</u>
Total expenditures	<u>1,748,270</u>	<u>1,746,812</u>	<u>1,016,250</u>	<u>730,562</u>
NET CHANGE IN FUND BALANCE	(88,002)	(88,002)	(85,558)	2,444
FUND BALANCE, BEGINNING	<u>1,342,318</u>	<u>1,342,318</u>	<u>1,342,318</u>	-
FUND BALANCE, ENDING	<u>\$ 1,254,316</u>	<u>\$ 1,254,316</u>	<u>\$ 1,256,760</u>	<u>\$ 2,444</u>

TOM GREEN COUNTY, TEXAS

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

BEACON TO THE FUTURE

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Donations	\$ -	\$ 1,113,699	\$ 852,787	\$(260,912)
Investment earnings	-	11,000	1,691	(9,309)
Total revenues	<u>-</u>	<u>1,124,699</u>	<u>854,478</u>	<u>(270,221)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	839,100	697,783	141,317
Capital outlay	-	340,586	558,005	(217,419)
Total expenditures	<u>-</u>	<u>1,179,686</u>	<u>1,255,788</u>	<u>(76,102)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(54,987)</u>	<u>(401,310)</u>	<u>(346,323)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	54,987	83,448	28,461
Total other financing sources and uses	<u>-</u>	<u>54,987</u>	<u>83,448</u>	<u>28,461</u>
NET CHANGE IN FUND BALANCE	-	-	(317,862)	(317,862)
FUND BALANCE, BEGINNING	<u>20,290</u>	<u>20,290</u>	<u>20,290</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 20,290</u>	<u>\$ 20,290</u>	<u>\$(297,572)</u>	<u>\$(317,862)</u>

TOM GREEN COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2008

Budgetary Information

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

1. The County Judge and Commissioners' Court have departmental meetings with management to determine the departmental budget requests.
2. The County Judge and Commissioners must meet in several workshops to establish a proposed budget for the fiscal year commencing the following October. The operational budget includes proposed expenditures and the means of financing them. The proposed budget is filed with County Clerk and made available for public inspection at least 15 days prior to public budget hearing.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before October 1, in the timeframe required by statute.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. Individual amendments were not material in relation to the original appropriations, and all amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2008. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year-end. All encumbrances lapse at year-end.

Excess of Expenditures Over Appropriations

For the year ended September 30, 2008, expenditures exceeded appropriations in the Beacon to the Future Special Revenue Fund by \$76,102. These overexpenditures will be funded by future revenues.

**COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
ASSETS				
Cash	\$ 31,128	\$ 41,214	\$ 206	\$ 135,938
Investments	116,050	243,580	19,984	67,261
Receivables (net of allowance for uncollectibles)				
Accounts	10,325	10,028	3,892	4,662
Property taxes	4	4	-	-
Due from other funds	110,919	110,348	-	-
Due from other governments	6,017	5,994	-	-
Prepaid items	-	-	-	-
	<u>\$ 274,443</u>	<u>\$ 411,168</u>	<u>\$ 24,082</u>	<u>\$ 207,861</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 19,954	\$ 82,606	\$ 8,205	\$ 2,868
Accrued liabilities	7,562	7,074	-	-
Due to other funds	1,225	1,119	-	732
Deferred revenue	-	-	-	-
Total liabilities	<u>28,741</u>	<u>90,799</u>	<u>8,205</u>	<u>3,600</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Prepaid items	-	-	-	-
Unreserved, reported in:				
Special revenue funds	245,702	320,369	15,877	204,261
Total fund balances	<u>245,702</u>	<u>320,369</u>	<u>15,877</u>	<u>204,261</u>
	<u>\$ 274,443</u>	<u>\$ 411,168</u>	<u>\$ 24,082</u>	<u>\$ 207,861</u>
Total liabilities and fund balances				

Special Revenue

General Land Purchase	Grants	Employee Enrichment	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ 1	\$ 42,054	\$ 9,535	\$ 63,748	\$ 75,981	\$ 29,103
-	-	-	266,630	137,824	-	-	-
-	184	-	690	138	1,995	914	976
-	-	-	-	-	-	-	-
-	62,563	-	-	-	-	-	-
-	131,889	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 194,636</u>	<u>\$ 1</u>	<u>\$ 309,374</u>	<u>\$ 147,497</u>	<u>\$ 65,743</u>	<u>\$ 76,895</u>	<u>\$ 30,079</u>
\$ -	2,283	\$ -	\$ -	\$ 18,296	\$ -	\$ 83	\$ 70
-	7,926	-	-	-	-	102	-
-	154,740	-	-	-	2,500	25,443	-
-	12,168	-	-	-	-	-	-
<u>-</u>	<u>177,117</u>	<u>-</u>	<u>-</u>	<u>18,296</u>	<u>2,500</u>	<u>25,628</u>	<u>70</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>17,519</u>	<u>1</u>	<u>309,374</u>	<u>129,201</u>	<u>63,243</u>	<u>51,267</u>	<u>30,009</u>
<u>-</u>	<u>17,519</u>	<u>1</u>	<u>309,374</u>	<u>129,201</u>	<u>63,243</u>	<u>51,267</u>	<u>30,009</u>
<u>\$ -</u>	<u>\$ 194,636</u>	<u>\$ 1</u>	<u>\$ 309,374</u>	<u>\$ 147,497</u>	<u>\$ 65,743</u>	<u>\$ 76,895</u>	<u>\$ 30,079</u>

(continued)

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2008

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Juvenile Deferred Processing
ASSETS				
Cash	\$ 13,902	\$ 1,458	\$ 9,089	\$ 26,741
Investments	-	208,594	-	-
Receivables (net of allowance for uncollectibles)				
Accounts	1,018	191	-	230
Property taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
	<u>\$ 14,920</u>	<u>\$ 210,243</u>	<u>\$ 9,089</u>	<u>\$ 26,971</u>
Total assets				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 105	\$ -
Accrued liabilities	-	-	62	-
Due to other funds	-	2,500	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>2,500</u>	<u>167</u>	<u>-</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Prepaid items	-	-	-	-
Unreserved, reported in:				
Special revenue funds	14,920	207,743	8,922	26,971
Total fund balances	<u>14,920</u>	<u>207,743</u>	<u>8,922</u>	<u>26,971</u>
	<u>\$ 14,920</u>	<u>\$ 210,243</u>	<u>\$ 9,089</u>	<u>\$ 26,971</u>
Total liabilities and fund balances				

Special Revenue

<u>Judicial Efficiency</u>	<u>Courthouse Landscaping</u>	<u>Court-at-Law Excess State Supplement</u>	<u>LEOSE Training</u>	<u>Judicial Education County Judge</u>	<u>Park Donations</u>	<u>Lateral Road</u>	<u>Post- Adjudication Juvenile Detention Facility</u>
\$ 36,319	\$ 17	\$ 14,046	\$ 16,649	\$ 8,345	\$ -	\$ 1,708	\$ 16,048
-	-	-	-	-	-	-	-
-	-	-	475	15	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,180	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 36,319</u>	<u>\$ 17</u>	<u>\$ 14,046</u>	<u>\$ 17,979</u>	<u>\$ 12,540</u>	<u>\$ -</u>	<u>\$ 1,708</u>	<u>\$ 16,048</u>
\$ 2,329	\$ -	\$ 69	\$ -	\$ 225	\$ -	\$ -	\$ 2,866
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,329</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>2,866</u>
-	-	-	-	-	-	-	-
-	-	-	855	-	-	-	-
<u>33,990</u>	<u>17</u>	<u>13,977</u>	<u>17,124</u>	<u>12,315</u>	<u>-</u>	<u>1,708</u>	<u>13,182</u>
<u>33,990</u>	<u>17</u>	<u>13,977</u>	<u>17,979</u>	<u>12,315</u>	<u>-</u>	<u>1,708</u>	<u>13,182</u>
<u>\$ 36,319</u>	<u>\$ 17</u>	<u>\$ 14,046</u>	<u>\$ 17,979</u>	<u>\$ 12,540</u>	<u>\$ -</u>	<u>\$ 1,708</u>	<u>\$ 16,048</u>

(continued)

TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2008

	Special Revenue			
	TCDP Christoval Water Project	Administrative Fee - JP	Crisis Intervention Program Donations	Graffiti Eradication
ASSETS				
Cash	\$ -	\$ 5,162	\$ 4,720	\$ 595
Investments	-	122,610	-	-
Receivables (net of allowance for uncollectibles)				
Accounts	-	69	-	5
Property taxes	-	-	-	-
Due from other funds	-	-	302	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
	\$ -	\$ 127,841	\$ 5,022	\$ 600
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 166	\$ 111	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	166	111	-
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Prepaid items	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	127,675	4,911	600
Total fund balances	-	127,675	4,911	600
	\$ -	\$ 127,841	\$ 5,022	\$ 600

Special Revenue								
Election Contract Service	Reserve for Special Venue Trials	Guardianship	Child Abuse Prevention	Road and Bridge Subdivision Future Maintenance	Gates PAC-HUG Grant	Family Reunification Grant	Pretrial Diversion Program	Yearning for Zion
\$ 55,036	\$ 200,000	\$ 4,576	\$ 1,199	\$ 16,687	\$ 80	\$ -	\$ 33,734	\$ -
-	-	-	-	-	-	-	-	-
7,588	-	60	80	-	-	-	-	665
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	15	-	-
6,578	-	-	-	-	-	58,284	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 69,202</u>	<u>\$ 200,000</u>	<u>\$ 4,636</u>	<u>\$ 1,279</u>	<u>\$ 16,687</u>	<u>\$ 80</u>	<u>\$ 58,299</u>	<u>\$ 33,734</u>	<u>\$ 665</u>
\$ 510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86	\$ -
3,178	-	-	-	-	-	-	-	-
-	-	-	-	-	-	58,299	-	-
7,400	-	-	-	-	-	-	-	-
<u>11,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,299</u>	<u>86</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>58,114</u>	<u>200,000</u>	<u>4,636</u>	<u>1,279</u>	<u>16,687</u>	<u>80</u>	<u>-</u>	<u>33,648</u>	<u>665</u>
<u>58,114</u>	<u>200,000</u>	<u>4,636</u>	<u>1,279</u>	<u>16,687</u>	<u>80</u>	<u>-</u>	<u>33,648</u>	<u>665</u>
<u>\$ 69,202</u>	<u>\$ 200,000</u>	<u>\$ 4,636</u>	<u>\$ 1,279</u>	<u>\$ 16,687</u>	<u>\$ 80</u>	<u>\$ 58,299</u>	<u>\$ 33,734</u>	<u>\$ 665</u>

(continued)

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TOM GREEN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2008

	Debt Service			
	Certificates of Obligation Series 1998	2007 TAN I&S	2008 Refunding I&S	Total Governmental Funds
ASSETS				
Cash	\$ 237,649	\$ 1,734	\$ -	\$ 1,134,402
Investments	-	-	-	1,182,533
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	-	44,200
Property taxes	88,366	97	-	88,471
Due from other funds	-	-	44,135	328,282
Due from other governments	-	-	-	212,942
Prepaid items	-	-	-	855
	<u>\$ 326,015</u>	<u>\$ 1,831</u>	<u>\$ 44,135</u>	<u>\$ 2,991,685</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 221	\$ 2,512	\$ -	\$ 143,565
Accrued liabilities	-	-	-	25,904
Due to other funds	43,557	578	38,601	329,294
Deferred revenue	84,271	-	-	103,839
Total liabilities	<u>128,049</u>	<u>3,090</u>	<u>38,601</u>	<u>602,602</u>
Fund balances:				
Reserved for:				
Debt service	197,966	(1,259)	5,534	202,241
Prepaid items	-	-	-	855
Unreserved, reported in:				
Special revenue funds	-	-	-	2,185,987
Total fund balances	<u>197,966</u>	<u>(1,259)</u>	<u>5,534</u>	<u>2,389,083</u>
Total liabilities and fund balances	<u>\$ 326,015</u>	<u>\$ 1,831</u>	<u>\$ 44,135</u>	<u>\$ 2,991,685</u>

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue			
	Road and Bridge Precincts 1 and 3	Road and Bridge Precincts 2 and 4	County Law Library	Library
	1 and 3	2 and 4	Library	Library
REVENUES				
Taxes	\$ 63	\$ 63	\$ -	\$ -
Fees of office	474,495	474,495	71,369	55,632
Intergovernmental	-	-	-	19,505
Fines and forfeitures	12,882	12,408	-	-
Licenses and permits	436,670	436,670	-	-
Donations	-	75,000	-	10,000
Investment earnings	9,047	18,684	1,375	60,829
Miscellaneous	125	34,325	-	8,931
Total revenues	<u>933,282</u>	<u>1,051,645</u>	<u>72,744</u>	<u>154,897</u>
EXPENDITURES				
Current:				
General government	-	-	92,365	-
Public safety	-	-	-	-
Highways and streets	1,008,210	1,094,721	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	-	78,295
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	9,430	168,016	-	-
Total expenditures	<u>1,017,640</u>	<u>1,262,737</u>	<u>92,365</u>	<u>78,295</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(84,358)</u>	<u>(211,092)</u>	<u>(19,621)</u>	<u>76,602</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	-	-	-	-
Proceeds from the sale of capital assets	676	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	110,348	110,348	-	-
Transfers out	<u>(32,875)</u>	<u>(49,450)</u>	<u>(30,000)</u>	<u>(53,448)</u>
Total other financing sources and uses	<u>78,149</u>	<u>60,898</u>	<u>(30,000)</u>	<u>(53,448)</u>
NET CHANGE IN FUND BALANCES	<u>(6,209)</u>	<u>(150,194)</u>	<u>(49,621)</u>	<u>23,154</u>
FUND BALANCES, BEGINNING	<u>251,911</u>	<u>470,563</u>	<u>65,498</u>	<u>181,107</u>
FUND BALANCES, ENDING	<u>\$ 245,702</u>	<u>\$ 320,369</u>	<u>\$ 15,877</u>	<u>\$ 204,261</u>

Special Revenue

General Land Purchase	Grants	Employee Enrichment	County Clerk Preservation and Archive	Justice Court Technology	Records Management District Clerk	Courthouse and Justice Security	County Attorney Fee Account
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,669	232,572	39,473	29,436	77,628	51,511
-	914,935	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	90	8,226	5,656	1,073	1,190	263
-	-	3,108	-	-	-	-	62
<u>-</u>	<u>914,935</u>	<u>6,867</u>	<u>240,798</u>	<u>45,129</u>	<u>30,509</u>	<u>78,818</u>	<u>51,836</u>
-	-	13,513	32,757	-	8,748	-	-
-	864,595	-	-	69,292	-	61,499	28,135
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,250	-	-	-	-	-	-
-	-	-	52,663	-	-	-	-
-	-	-	990	-	-	-	-
-	70,411	-	73,891	-	-	-	-
<u>-</u>	<u>936,256</u>	<u>13,513</u>	<u>160,301</u>	<u>69,292</u>	<u>8,748</u>	<u>61,499</u>	<u>28,135</u>
-	(21,321)	(6,646)	80,497	(24,163)	21,761	17,319	23,701
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	29,176	-	-	-	-	-	-
<u>-</u>	<u>29,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	7,855	(6,646)	80,497	(24,163)	21,761	17,319	23,701
-	9,664	6,647	228,877	153,364	41,482	33,948	6,308
<u>\$ -</u>	<u>\$ 17,519</u>	<u>\$ 1</u>	<u>\$ 309,374</u>	<u>\$ 129,201</u>	<u>\$ 63,243</u>	<u>\$ 51,267</u>	<u>\$ 30,009</u>

(continued)

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue			
	District Attorney Fee Accounts	Records Management County Courts	Veterans' Services	Juvenile Deferred Processing
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	36,831	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	2,986
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment earnings	350	6,585	166	576
Miscellaneous	10,702	-	4,285	-
Total revenues	<u>11,052</u>	<u>43,416</u>	<u>4,451</u>	<u>3,562</u>
EXPENDITURES				
Current:				
General government	-	2,501	-	-
Public safety	15,767	-	-	-
Highways and streets	-	-	-	-
Conservation	-	-	-	-
Culture and recreation	-	-	2,918	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,767</u>	<u>2,501</u>	<u>2,918</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,715)</u>	<u>40,915</u>	<u>1,533</u>	<u>3,562</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(4,715)</u>	<u>40,915</u>	<u>1,533</u>	<u>3,562</u>
FUND BALANCES, BEGINNING	<u>19,635</u>	<u>166,828</u>	<u>7,389</u>	<u>23,409</u>
FUND BALANCES, ENDING	<u>\$ 14,920</u>	<u>\$ 207,743</u>	<u>\$ 8,922</u>	<u>\$ 26,971</u>

Special Revenue

<u>Judicial Efficiency</u>	<u>Courthouse Landscaping</u>	<u>Court-at-Law Excess State Supplement</u>	<u>LEOSE Training</u>	<u>Judicial Education County Judge</u>	<u>Park Donations</u>	<u>Lateral Road</u>	<u>Post- Adjudication Juvenile Detention Facility</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,349	-	-	-
-	-	-	14,736	-	-	33,806	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
644	-	351	404	196	-	594	67
<u>9,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,104</u>	<u>-</u>	<u>351</u>	<u>15,140</u>	<u>6,545</u>	<u>-</u>	<u>34,400</u>	<u>67</u>
5,281	-	13,964	-	3,035	-	-	-
-	-	-	14,135	-	-	-	2,866
-	-	-	-	-	-	32,880	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,281</u>	<u>-</u>	<u>13,964</u>	<u>14,135</u>	<u>3,035</u>	<u>-</u>	<u>32,880</u>	<u>2,866</u>
<u>4,823</u>	<u>-</u>	<u>(13,613)</u>	<u>1,005</u>	<u>3,510</u>	<u>-</u>	<u>1,520</u>	<u>(2,799)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(108)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(108)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,715	-	(13,613)	1,005	3,510	-	1,520	(2,799)
<u>29,275</u>	<u>17</u>	<u>27,590</u>	<u>16,974</u>	<u>8,805</u>	<u>-</u>	<u>188</u>	<u>15,981</u>
<u>\$ 33,990</u>	<u>\$ 17</u>	<u>\$ 13,977</u>	<u>\$ 17,979</u>	<u>\$ 12,315</u>	<u>\$ -</u>	<u>\$ 1,708</u>	<u>\$ 13,182</u>

(continued)

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Revenue			
	TCDP Christoval Water Project	Administrative Fee - JP	Crisis Intervention Program Donations	Graffiti Eradication
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	-	20,030	-	55
Intergovernmental	2,736	-	-	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Donations	-	-	-	-
Investment earnings	-	4,125	103	11
Miscellaneous	-	-	1,969	-
Total revenues	<u>2,736</u>	<u>24,155</u>	<u>2,072</u>	<u>66</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	3,999	2,059	-
Highways and streets	-	-	-	-
Conservation	2,736	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,736</u>	<u>3,999</u>	<u>2,059</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>20,156</u>	<u>13</u>	<u>66</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	20,156	13	66
FUND BALANCES, BEGINNING	<u>-</u>	<u>107,519</u>	<u>4,898</u>	<u>534</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 127,675</u>	<u>\$ 4,911</u>	<u>\$ 600</u>

Special Revenue

Election Contract Service	Reserve for Special Venue Trials	Guardianship	Child Abuse Prevention	Road and Bridge Subdivision Future Maintenance	Gates PAC-HUG Grant	Family Reunification Grant	Pretrial Diversion Program	Yearning for Zion
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	4,620	1,274	-	-	-	49,250	665
19,703	-	-	-	-	33,750	85,752	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
658	-	16	5	112	2,406	-	101	-
<u>84,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>104,585</u>	<u>-</u>	<u>4,636</u>	<u>1,279</u>	<u>112</u>	<u>36,156</u>	<u>85,752</u>	<u>49,351</u>	<u>665</u>
80,736	-	-	-	-	-	-	-	-
-	-	-	-	-	-	85,752	15,703	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	36,076	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>80,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,076</u>	<u>85,752</u>	<u>15,703</u>	<u>-</u>
<u>23,849</u>	<u>-</u>	<u>4,636</u>	<u>1,279</u>	<u>112</u>	<u>80</u>	<u>-</u>	<u>33,648</u>	<u>665</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	16,575	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,849</u>	<u>-</u>	<u>4,636</u>	<u>1,279</u>	<u>16,687</u>	<u>80</u>	<u>-</u>	<u>33,648</u>	<u>665</u>
<u>34,265</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 58,114</u>	<u>\$ 200,000</u>	<u>\$ 4,636</u>	<u>\$ 1,279</u>	<u>\$ 16,687</u>	<u>\$ 80</u>	<u>\$ -</u>	<u>\$ 33,648</u>	<u>\$ 665</u>

(continued)

TOM GREEN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Debt Service			Total Governmental Funds
	Certificates of Obligation Series 1998	2007 TAN I&S	2008 Refunding I&S	
REVENUES				
Taxes	\$ 2,314,316	\$ 100,617	\$ 44,135	\$ 2,459,194
Fees of office	-	-	-	1,629,354
Intergovernmental	-	-	-	1,124,923
Fines and forfeitures	-	-	-	28,276
Licenses and permits	-	-	-	873,340
Donations	-	-	-	85,000
Investment earnings	6,664	402	101	131,070
Miscellaneous	-	-	-	157,191
Total revenues	<u>2,320,980</u>	<u>101,019</u>	<u>44,236</u>	<u>6,488,348</u>
EXPENDITURES				
Current:				
General government	1,023	32	-	253,955
Public safety	-	-	-	1,163,802
Highways and streets	-	-	-	2,135,811
Conservation	-	-	-	2,736
Culture and recreation	-	-	-	118,539
Debt service:				
Principal	1,925,000	40,000	-	2,017,663
Interest and other charges	293,993	62,246	121,259	478,488
Capital outlay	-	-	-	321,748
Total expenditures	<u>2,220,016</u>	<u>102,278</u>	<u>121,259</u>	<u>6,492,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>100,964</u>	<u>(1,259)</u>	<u>(77,023)</u>	<u>(4,394)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	-	-	7,265,000	7,265,000
Proceeds from the sale of capital assets	-	-	-	676
Payment to refunded bond escrow agent	-	-	(7,182,443)	(7,182,443)
Transfers in	-	-	-	266,447
Transfers out	(12,623)	-	-	(178,504)
Total other financing sources and uses	<u>(12,623)</u>	<u>-</u>	<u>82,557</u>	<u>171,176</u>
NET CHANGE IN FUND BALANCES	<u>88,341</u>	<u>(1,259)</u>	<u>5,534</u>	<u>166,782</u>
FUND BALANCES, BEGINNING	<u>109,625</u>	<u>-</u>	<u>-</u>	<u>2,222,301</u>
FUND BALANCES, ENDING	<u>\$ 197,966</u>	<u>\$ (1,259)</u>	<u>\$ 5,534</u>	<u>\$ 2,389,083</u>

FIDUCIARY FUNDS

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

SEPTEMBER 30, 2008

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<u>COUNTY SHERIFF</u>				
ASSETS				
Cash	\$ 1,765	\$ 96,424	\$ 92,687	\$ 5,502
TOTAL ASSETS	\$ 1,765	\$ 96,424	\$ 92,687	\$ 5,502
LIABILITIES				
Accounts payable	\$ 1,765	\$ 96,424	\$ 92,687	\$ 5,502
TOTAL LIABILITIES	\$ 1,765	\$ 96,424	\$ 92,687	\$ 5,502
<u>COUNTY CLERK</u>				
ASSETS				
Cash	\$ 114,282	\$ 444,066	\$ 448,054	\$ 110,294
Investments	685,580	85,487	226,000	545,067
TOTAL ASSETS	\$ 799,862	\$ 529,553	\$ 674,054	\$ 655,361
LIABILITIES				
Accounts payable	\$ 799,862	\$ 529,553	\$ 674,054	\$ 655,361
TOTAL LIABILITIES	\$ 799,862	\$ 529,553	\$ 674,054	\$ 655,361
<u>DISTRICT CLERK</u>				
ASSETS				
Cash	\$ 80,410	\$ 946,094	\$ 884,514	\$ 141,990
Investments	1,372,084	176,633	209,237	1,339,480
TOTAL ASSETS	\$ 1,452,494	\$ 1,122,727	\$ 1,093,751	\$ 1,481,470
LIABILITIES				
Accounts payable	\$ 1,452,494	\$ 1,122,727	\$ 1,093,751	\$ 1,481,470
TOTAL LIABILITIES	\$ 1,452,494	\$ 1,122,727	\$ 1,093,751	\$ 1,481,470

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued

SEPTEMBER 30, 2008

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<u>TAX ASSESSOR-COLLECTOR</u>				
ASSETS				
Cash	\$ 1,036,825	\$ 36,744,212	\$ 36,811,780	\$ 969,257
Accounts receivable	<u>14,658</u>	<u>914,250</u>	<u>916,626</u>	<u>12,282</u>
TOTAL ASSETS	<u>\$ 1,051,483</u>	<u>\$ 37,658,462</u>	<u>\$ 37,728,406</u>	<u>\$ 981,539</u>
LIABILITIES				
Accounts payable	\$ 10,817	\$ 15,982	\$ 18,353	\$ 8,446
Due to other governments	<u>1,040,666</u>	<u>37,642,480</u>	<u>37,710,053</u>	<u>973,093</u>
TOTAL LIABILITIES	<u>\$ 1,051,483</u>	<u>\$ 37,658,462</u>	<u>\$ 37,728,406</u>	<u>\$ 981,539</u>
<u>WATER WASTE TREATMENT FEES</u>				
ASSETS				
Cash	\$ 220	\$ 4,015	\$ 1,880	\$ 2,355
Accounts receivable	<u>100</u>	<u>70</u>	<u>100</u>	<u>70</u>
TOTAL ASSETS	<u>\$ 320</u>	<u>\$ 4,085</u>	<u>\$ 1,980</u>	<u>\$ 2,425</u>
LIABILITIES				
Accounts payable	\$ <u>320</u>	\$ <u>4,615</u>	\$ <u>2,510</u>	\$ <u>2,425</u>
TOTAL LIABILITIES	<u>\$ 320</u>	<u>\$ 4,615</u>	<u>\$ 2,510</u>	<u>\$ 2,425</u>
<u>JUROR DONATIONS</u>				
ASSETS				
Cash	\$ -	\$ 316	\$ 70	\$ 246
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 70</u>	<u>\$ 246</u>
LIABILITIES				
Accounts payable	\$ -	\$ 316	\$ 70	\$ 246
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 316</u>	<u>\$ 70</u>	<u>\$ 246</u>

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 (Continued)
SEPTEMBER 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
<u>119TH DISTRICT ATTORNEY</u>				
<u>DPS FORFEITURE</u>				
ASSETS				
Cash	\$ 96	\$ 2	\$ -	\$ 98
TOTAL ASSETS	\$ 96	\$ 2	\$ -	\$ 98
LIABILITIES				
Accounts payable	\$ 96	\$ 290	\$ 288	\$ 98
TOTAL LIABILITIES	\$ 96	\$ 290	\$ 288	\$ 98
 <u>51ST DISTRICT ATTORNEY SPECIAL</u>				
<u>FORFEITURE</u>				
ASSETS				
Cash	\$ 44,960	\$ 46,322	\$ 24,618	\$ 66,664
Accounts receivable	6,177	-	6,177	-
TOTAL ASSETS	\$ 51,137	\$ 46,322	\$ 30,795	\$ 66,664
LIABILITIES				
Accounts payable	\$ 51,137	\$ 159,962	\$ 144,435	\$ 66,664
TOTAL LIABILITIES	\$ 51,137	\$ 159,962	\$ 144,435	\$ 66,664
 <u>119TH DISTRICT ATTORNEY</u>				
<u>SPECIAL FORFEITURE</u>				
ASSETS				
Cash	\$ 2,634	\$ 25,088	\$ 14,498	\$ 13,224
Accounts receivable	1,692	-	1,692	-
TOTAL ASSETS	\$ 4,326	\$ 25,088	\$ 16,190	\$ 13,224
LIABILITIES				
Accounts payable	\$ 4,326	\$ 30,835	\$ 21,937	\$ 13,224
TOTAL LIABILITIES	\$ 4,326	\$ 30,835	\$ 21,937	\$ 13,224

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued
SEPTEMBER 30, 2008)

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<u>PASS-THROUGH GRANTS</u>				
ASSETS				
Cash	\$ 164	\$ 4	\$ 1	\$ 167
TOTAL ASSETS	<u>\$ 164</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 167</u>
LIABILITIES				
Accounts payable	\$ 164	\$ 496	\$ 493	\$ 167
TOTAL LIABILITIES	<u>\$ 164</u>	<u>\$ 496</u>	<u>\$ 493</u>	<u>\$ 167</u>
<u>STATE MUNICIPAL FEES</u>				
ASSETS				
Cash	\$ -	\$ 138,278	\$ 126,760	\$ 11,518
Accounts receivable	339	71	168	242
Due from other funds	24,813	-	24,813	-
Due from other governments	421	334	421	334
TOTAL ASSETS	<u>\$ 25,573</u>	<u>\$ 138,683</u>	<u>\$ 152,162</u>	<u>\$ 12,094</u>
LIABILITIES				
Accounts payable	\$ 18,434	\$ 73,877	\$ 80,217	\$ 12,094
Due to other funds	7,139	-	7,139	-
TOTAL LIABILITIES	<u>\$ 25,573</u>	<u>\$ 73,877</u>	<u>\$ 87,356</u>	<u>\$ 12,094</u>

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
<u>STATE FEES - CRIMINAL</u>				
ASSETS				
Cash	\$ 28,421	\$ 1,924,049	\$ 1,940,444	\$ 12,026
Accounts receivable	4,549	6,785	899	10,435
Investments	199,906	554,200	541,730	212,376
Due from other funds	7,139	-	7,139	-
Due from other governments	2,786	-	2,786	-
TOTAL ASSETS	\$ 242,801	\$ 2,485,034	\$ 2,492,998	\$ 234,837
LIABILITIES				
Accounts payable	\$ 242,801	\$ 982,684	\$ 990,648	\$ 234,837
Due to other funds	-	39,730	39,730	-
TOTAL LIABILITIES	\$ 242,801	\$ 1,022,414	\$ 1,030,378	\$ 234,837
<u>STATE FEES - CIVIL</u>				
ASSETS				
Cash	\$ 23,147	\$ 832,632	\$ 853,367	\$ 2,412
Accounts receivable	7,016	5,923	8	12,931
Investments	67,100	200,000	187,000	80,100
TOTAL ASSETS	\$ 97,263	\$ 1,038,555	\$ 1,040,375	\$ 95,443
LIABILITIES				
Accounts payable	\$ 97,263	\$ 341,926	\$ 343,746	\$ 95,443
Due to other funds	-	380	380	-
TOTAL LIABILITIES	\$ 97,263	\$ 342,306	\$ 344,126	\$ 95,443
<u>CHILD SAFETY FEE</u>				
ASSETS				
Cash	\$ 49,288	\$ 22,988	\$ 44,261	\$ 28,015
Accounts receivable	394	417	394	417
TOTAL ASSETS	\$ 49,682	\$ 23,405	\$ 44,655	\$ 28,432
LIABILITIES				
Accounts payable	\$ 49,682	\$ 167,011	\$ 188,261	\$ 28,432
TOTAL LIABILITIES	\$ 49,682	\$ 167,011	\$ 188,261	\$ 28,432

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued

SEPTEMBER 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
<u>DISTRICT ATTORNEY</u>				
ASSETS				
Cash	\$ 186,618	\$ 278,458	\$ 389,117	\$ 75,959
TOTAL ASSETS	\$ 186,618	\$ 278,458	\$ 389,117	\$ 75,959
LIABILITIES				
Accounts payable	\$ 186,618	\$ 278,458	\$ 389,117	\$ 75,959
TOTAL LIABILITIES	\$ 186,618	\$ 278,458	\$ 389,117	\$ 75,959
<u>COUNTY ATTORNEY</u>				
ASSETS				
Cash	\$ 40,484	\$ 329,530	\$ 331,376	\$ 38,638
TOTAL ASSETS	\$ 40,484	\$ 329,530	\$ 331,376	\$ 38,638
LIABILITIES				
Accounts payable	\$ 40,484	\$ 329,530	\$ 331,376	\$ 38,638
TOTAL LIABILITIES	\$ 40,484	\$ 329,530	\$ 331,376	\$ 38,638
<u>CHILD RESTRAINT STATE FEE</u>				
ASSETS				
Cash	\$ 9,319	\$ 7,684	\$ 9,318	\$ 7,685
TOTAL ASSETS	\$ 9,319	\$ 7,684	\$ 9,318	\$ 7,685
LIABILITIES				
Accounts payable	\$ 9,319	\$ 3,040	\$ 4,674	\$ 7,685
TOTAL LIABILITIES	\$ 9,319	\$ 3,040	\$ 4,674	\$ 7,685

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued)

SEPTEMBER 30, 2008

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
<u>SHERIFF FORFEITURE</u>				
ASSETS				
Cash	\$ 14,417	\$ 61,895	\$ 54,281	\$ 22,031
TOTAL ASSETS	\$ 14,417	\$ 61,895	\$ 54,281	\$ 22,031
LIABILITIES				
Accounts payable	\$ 14,417	\$ 59,160	\$ 51,546	\$ 22,031
TOTAL LIABILITIES	\$ 14,417	\$ 59,160	\$ 51,546	\$ 22,031
<u>THIRD COURT OF APPEALS</u>				
ASSETS				
Cash	\$ 18,153	\$ 10,553	\$ 693	\$ 28,013
Accounts receivable	220	473	220	473
TOTAL ASSETS	\$ 18,373	\$ 11,026	\$ 913	\$ 28,486
LIABILITIES				
Accounts payable	\$ 18,373	\$ 65,232	\$ 55,119	\$ 28,486
TOTAL LIABILITIES	\$ 18,373	\$ 65,232	\$ 55,119	\$ 28,486
<u>CAFETERIA PLAN TRUST</u>				
ASSETS				
Cash	\$ 8,176	\$ 88,450	\$ 78,455	\$ 18,171
TOTAL ASSETS	\$ 8,176	\$ 88,450	\$ 78,455	\$ 18,171
LIABILITIES				
Accounts payable	\$ 8,176	\$ 48,097	\$ 38,102	\$ 18,171
Due to other funds	-	2,500	2,500	-
TOTAL LIABILITIES	\$ 8,176	\$ 50,597	\$ 40,602	\$ 18,171

(continued)

TOM GREEN COUNTY, TEXAS

FIDUCIARY FUNDS - ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

(Continued
SEPTEMBER 30, 2008)

	<u>Balance October 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2008</u>
<u>CAFETERIA/ZP</u>				
ASSETS				
Cash	\$ -	\$ 77,913	\$ 77,913	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 77,913</u>	<u>\$ 77,913</u>	<u>\$ -</u>
LIABILITIES				
Due to other funds	\$ -	\$ 77,913	\$ 77,913	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 77,913</u>	<u>\$ 77,913</u>	<u>\$ -</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 1,659,379	\$ 42,078,973	\$ 42,184,087	\$ 1,554,265
Accounts receivable	35,145	927,989	926,284	36,850
Investments	2,324,670	1,016,320	1,163,967	2,177,023
Due from other funds	31,952	-	31,952	-
Due from other governments	3,207	334	3,207	334
TOTAL ASSETS	<u>\$ 4,054,353</u>	<u>\$ 44,023,616</u>	<u>\$ 44,309,497</u>	<u>\$ 3,768,472</u>
LIABILITIES				
Accounts payable	\$ 3,006,548	\$ 4,310,215	\$ 4,521,384	\$ 2,795,379
Due to other funds	7,139	120,523	127,662	-
Due to other governments	1,040,666	37,642,480	37,710,053	973,093
TOTAL LIABILITIES	<u>\$ 4,054,353</u>	<u>\$ 42,073,218</u>	<u>\$ 42,359,099</u>	<u>\$ 3,768,472</u>

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COMPLIANCE SECTION

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

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Tom Green County, Texas, as of and for the year ended September 30, 2008, which collectively comprise Tom Green County's basic financial statements and have issued our report thereon dated April 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Pattillo, Brown & Hill, LLP

April 15, 2009



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

Honorable County Judge and Members of the
Commissioners' Court of Tom Green County
San Angelo, Texas

Compliance

We have audited the compliance of Tom Green County, Texas, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 2008. Tom Green County, Texas' major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Tom Green County, Texas' management. Our responsibility is to express an opinion on Tom Green County, Texas' compliance based on our audit.

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

In our opinion, Tom Green County, Texas complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Item 2008-1.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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

Pattillo, Brown & Hill, LLP

April 15, 2009

TOM GREEN COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2008

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Program or Award Amount	Expenditures
<u>U. S. Department of Agriculture</u>				
Direct program:				
School Breakfast Program	10.553	226-2004	N/A	\$ <u>23,127</u>
Total Direct Program				<u>23,127</u>
Total U. S. Department of Agriculture				<u>23,127</u>
<u>U. S. Department of Housing and Urban Development</u>				
Passed through the Office of Rural Community Affairs:				
Community Development Block Grant	14.228	725869	\$ 183,750	<u>2,736</u>
Total passed through the Office of Rural Community Affairs				<u>2,736</u>
Total U. S. Department of Housing and Urban Development				<u>2,736</u>
<u>U. S. Department of Justice</u>				
Direct program:				
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1006	22,285	<u>22,285</u>
Total direct program				<u>22,285</u>
Passed through the Governor's Office, State of Texas, Criminal Justice Division:				
Crime Victim Assistance	16.575	VA-07-V30-14052-08	44,734	29,759
Byrne Formula Grant Program	16.579	DJ-06-A10-17427-04	103,470	87,897
Byrne Formula Grant Program	16.579	DJ-07-A10-17427-05	103,470	<u>8,684</u>
Total passed through the Governor's Office, State of Texas, Criminal Justice Division				<u>126,340</u>
Passed through the City of San Angelo:				
Edward Byrne Memorial Justice	16.738	2007-F6514-TX-DJ	8,202	<u>8,202</u>
Total passed through the City of San Angelo				<u>8,202</u>
Total U. S. Department of Justice				<u>156,827</u>

(continued)

TOM GREEN COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
YEAR ENDED SEPTEMBER 30, 2008**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Program or Award Amount	Expenditures
<u>U. S. Department of Transportation</u>				
Passed through the Texas Department of Transportation:				
State and Community Highway Safety	20.600	588EGF5112	\$ 27,500	\$ 22,579
State and Community Highway Safety	20.609	588XXF5033	10,000	6,917
State and Community Highway Safety	20.614	588EGF5469	4,000	4,000
Total passed through the Texas Department of Transportation				<u>33,496</u>
Total U. S. Department of Transportation				<u>33,496</u>
<u>U. S. Department of Health and Human Services</u>				
Direct program:				
Foster Care Title IV-E	93.658	TJPC-E-2007-226	N/A	31,840
Foster Care Title IV-E	93.658	TJPC-E-2008-226	N/A	142,525
Total Direct Program				<u>174,365</u>
Total U. S. Department of Health and Human Services				<u>174,365</u>
<u>U. S. Department of Homeland Security</u>				
Passed through the Texas Department of Public Safety:				
State Homeland Security Grant Program	97.073	2007-GE-T7-0024	108,691	108,691
Law Enforcement Terrorism Prevention Program	97.074	2006-GE-T6-0068	29,820	7,082
Law Enforcement Terrorism Prevention Program	97.074	2007-GE-T7-0024	43,200	41,733
Total passed through the Texas Department of Public Safety				<u>157,506</u>
Total U. S. Department of Homeland Security				<u>157,506</u>
Total Federal Awards				\$ <u>548,057</u>

TOM GREEN COUNTY, TEXAS

**NOTE TO SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED SEPTEMBER 30, 2008

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

TOM GREEN COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness identified?	No
Significant deficiency identified that is not considered to be a material weakness?	None reported
Internal control over major programs: Material weakness identified?	No
Significant deficiency identified that is not considered to be a material weakness?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133	2008-1
Dollar threshold considered between Type A and Type B federal programs	\$300,000
Low risk auditee statement	The County was classified as a low-risk auditee in the context of OMB Circular A-133.
Major federal programs	97.073 and 97.074 LETPP and SHSP

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

None

(continued)

TOM GREEN COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Findings and Questioned Costs for Federal Awards

Item 2008-1: U. S. Department of Homeland Security
Law Enforcement Terrorism Prevention Program and State Homeland
Security Grant Program, CFDA #97.074 and 97.073

Criteria: Recipients of federal awards are required to maintain records that identify
the percentage of federal participation in the cost of each capital asset.

Condition: We identified equipment acquired under federal awards during the audit
period in which the property records did not contain the percentage of
federal participation in the cost.

Effect: When real property with a current per-unit fair market value of \$5000 or
more is sold, non-federal entities are normally required to remit to the
awarding agency the federal portion (based on the federal participation in
the project) of net sales proceeds. Failure to properly identify the
percentage of federal participation in the cost of each capital asset could
prevent the County from complying with this requirement.

Recommendation: The County should maintain records that identify the percentage of federal
participation in the cost of each capital asset.

Management's Response: The County maintains records of transactions that separately identify
grant funds and expenditures from those funds. This information can be
used to determine the percentage of federal participation in the cost of a
capital asset. While Tom Green County has not sold any of the assets in
this category for an amount in excess of \$5,000, we realize the
importance of complying with this federal requirement. The County's
new financial management software has the capability of tracking these
percentages in each individual asset record and this will be utilized to
satisfy the finding.

Contact Person Responsible
for Corrective Action: Tom Green County Purchasing Agent

Anticipated Completion
Date: Immediate addition to any new asset, and information added to existing
assets within six months of the report date.

TOM GREEN COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

None