

**Application for
Enhanced Mental Health Managed Counsel Program Services
to
The Meadows Foundation**

CONTACT INFORMATION

Organization

Collin County
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McKinney, TX 75071
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www.co.collin.tx.us
EIN: 75-6000873

Program Contact

John Roach, Jr., 296th Judicial District Judge
Local Administrative Judge, Board of District Judges
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Authorized Official

Keith Self
County Judge
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PROGRAM BACKGROUND

In October 2012, Collin County received a decreasing, four-year Texas Indigent Defense Commission (TIDC) discretionary grant to implement the Collin County Mental Health Managed Counsel (MHMC) Program, which seeks systemic solutions to get and keep mentally ill defendants out of the criminal justice system. The program's primary purpose is to improve the quality of representation for indigent defendants with mental illnesses by promptly assigning counsel with specialized knowledge in mental health defense, streamlining coordination of defendant competency restoration or stabilization, and providing case managers to assist attorneys through mental health case management, mitigation strategy assistance, and defendant advocacy. The first client was served on December 17, 2012.

The three contractual program staff members work in coordination with jail staff to identify arrestees with possible mental illness and quickly appoint attorneys trained to handle mental health clients. Inmates with potential mental illness, which are identified upon Texas Law Enforcement Telecommunication System (TLETS) Continuity of Care Query (CCQ), self-reporting, officer observation, and/or court or attorney referral, are screened by a licensed professional counselor for confirmatory diagnosis. In addition to the attorney assignment, an inmate with a qualifying diagnosis (major depression, post-traumatic stress disorder, schizophrenia, schizoaffective disorder, bipolar disorder) is also assigned to the MHMC Program Case Manager to help link the client with community service providers, such as for treatment, housing, and transportation, and to assist the attorneys with obtaining pertinent records and preparing case defense mitigation information.

Through the MHMC Program, Collin County implemented a mental health bond docket utilizing Texas Code of Criminal Procedure Article 17.032, which is coordinated by the Attorney Director. This docket is heard every Tuesday and Thursday and provides personal recognizance (unsecured, not monetary) bonds for

those who are mentally ill, as opposed to waiting in jail from 15 to 90 days on unfilled charges for a bond hearing. To be released on a PR bond, clients must have a mental health assessment and a MHMC Program-designed discharge plan linking them to services, as well as report routinely to the case manager and the court. This docket aims to reduce mental health deterioration by preventing prolonged incarceration for mentally ill defendants, who have not been charged with or previously committed violent offenses, while connecting clients to needed community services. As of November 2013, the average number of days served for bond defendants had been reduced from 64.7 to 21.7 days.

In addition to reducing the amount of time individuals with mental illness spend in custody through improved identification and implementation of the mental health bond docket, the MHMC Program has also streamlined the competency process resulting in fewer days (average) to complete evaluations following request (40.9 to 6.6 days), reduced the time from arrest to state hospital transport (131.9 to 61.1 days), and improved the turnaround after state hospital return to release (64.2 to 27.6 days) as compared with the previous, pre-program year. In 2013, the MHMC Program appointed 33 attorneys to 1,568 (739 misdemeanor, 829 felony) cases for 993 indigent clients. Of these, 68.5% were male (n=680) and 31.5% were female (n=313). At the time of arrest, MHMC clients ranged in age from 17 to 69 years old, with the 88.5% being either African American or Caucasian (see tables).

Age at Arrest	# of Clients	% of Total
17	28	2.8%
18 - 24	284	28.6%
25 - 34	330	33.2%
35 - 44	198	20.0%
45 - 54	128	12.9%
55 - 64	22	2.2%
≥ 65	3	0.3%

Racial / Ethnic Background	# of Clients	% of Total
African American	248	25.0%
Asian	5	0.5%
Caucasian	631	63.5%
Hispanic	108	10.9%
Indian	1	0.1%

The MHMC Program anticipates expanding in August 2014 to include a juvenile mental health wheel of attorneys.

Additionally, the MHMC Program recently began offering Moral Reconciliation Therapy™ (MRT) in December 2013 to clients. MRT™ is a systematic, evidence-based, cognitive-behavioral treatment program that combines education, group and individual counseling, and structured exercises designed to foster moral development in treatment-resistant clients. MRT™ has been shown to significantly lower recidivism for periods as long as 20 years after treatment.

PROPOSED PROJECT

Project Description

According to scientific research, incidence of individuals with serious mental illness within the criminal justice system (10-15%) is disproportionately high compared with mental illness incidence of 2% in the general population. Many of these persons tend to be indigent and do not have access to or the ability to navigate the fragmented mental health services infrastructure, resulting in increased contact with law enforcement and incarceration. However, the justice system does not have the ability to adequately address mental health needs, and as a result, mentally ill inmates tend to remain in custody longer and have higher rates of recidivism.

The current activities of the MHMC Program have successfully reduced the time in custody for mentally ill defendants and have connected participants with service providers in the community; however, individuals diagnosed with mental illness continue to repeatedly cycle through the judicial system. Various issues, including lack of picture identification and access to transportation, gaps in medication coverage, and inability to obtain or continue treatment with community service providers, can exacerbate mental health issues and/or cause newly released inmates to lose any mental health stability.

Collin County began offering Moral Reconciliation Therapy™ (MRT), which is a SAMHSA National Registry of Evidence-based Programs and Practices (NREPP) registered intervention that is proven to reduce recidivism, to in-custody inmates in December 2013. MRT™ consists of group counseling, with 10-15 participants, using structured group exercises and prescribed homework assignments. The participant workbook is structured around 12 objectively defined steps (units) focusing on seven basic treatment issues: confrontation of beliefs, attitudes, and behaviors; assessment of current relationships; reinforcement of positive behavior and habits; positive identity formation; enhancement of self-concept; decrease in hedonism and development of frustration tolerance; and development of higher stages of moral reasoning. Participants meet in groups once or twice weekly and can complete all steps of MRT™ in a minimum of 3 to 6 months. Because MRT™ is objective and every MRT™ group operates in the same manner, participants who begin MRT™ while in-custody can continue after being released with community programs.

Overall, MRT™ costs are minimal and consist of group facilitators and participant workbooks. While Collin County has several MRT™-trained facilitators, we would like to increase the number of providers in both the jail and the community. To expand this beneficial program, we need to train five more facilitators (\$600 per person), contract additional community service providers to provide 10 MRT™ classes per week (approximately 20 hours per week at \$20 per hour), and purchase participant workbooks (\$25 each). Furthermore, we do not currently have any Spanish MRT™ classes and will attempt to fill this need when training new providers and contracting with community providers. These program additions should allow 100-150 individuals to participate in MRT™ each week.

Along with MRT™, most MHMC clients have a need for other out/in-patient counseling and therapy, as well as drug therapy. Most program clients are indigent and qualify through NorthSTAR for mental health care and chemical dependency services. However, each month, two to three MHMC participants have need of out-patient substance abuse or mental health treatment that they cannot afford, and approximately one client needs in-patient treatment. Additionally, as studies suggest that a combined treatment of both psychotherapy and medication is more effective than either alone for mental illness, Collin County prescribes a two-week regimen for needed medications upon jail release. However, many MHMC clients do not/cannot pick up their medication(s) at the local pharmacy or they run out before being seen by a community provider. Unfortunately, the MHMC Program is financially unable to provide support for treatment. Grant funding would enable us to provide up to 540 intensive and 360 supportive out-patient group therapy sessions for 30 to 60 people, 21-day in-patient treatment for 12 people, and two-weeks of drug therapy upon release for over 200 people.

Even with financial assistance, many MHMC clients find it difficult to qualify for or obtain treatment and other services, as they do not possess the necessary government-issued identification and or have access to transportation. Government ID is required for qualification and treatment through NorthSTAR or LifePath Systems, which cannot begin until after the person is released from jail. Additionally, housing/shelter services in Collin County require photo identification. Currently, individuals must pay \$23 to get a birth certificate, wait 7-10 days to receive it; then request a social security card, wait at least two weeks for it to arrive; then apply for a state photo ID, and wait at least two more weeks before receiving it. This process can be too complicated for many individuals with mental illness and result in a minimum 4-week lag time between release and seeing a community provider, which can end in clients going off their medications and losing

stability. With additional funds, the MHMC Program will be able to help approximately 50 clients each month through the majority of the process while they are still in custody, and thus, reduce the time before treatment with community providers and housing assistance can begin. Unfortunately, most MHMC clients also lack transportation to attend treatment, meet with the MHMC Case Manager, or appear in court. Provision of DART rail and TAPS Public Transit passes for approximately 500-600 clients should help ensure participants continue with community treatment and meet PR bond reporting requirements.

The current resources only allow a patchwork solution and fail to address some of the underlying needs required to promote recovery, build resiliency, and assist mentally ill defendants transition to and maintain full function. Provision of additional resources through the MHMC Program will help participants begin treatment while in custody and increase the number of participants who continue treatment through community providers, thereby reducing recidivism.

Targets, Outcomes, and Project Evaluation

The intent of this project is to reduce recidivism by providing resources to facilitate recovery, build resiliency, and help individuals with mental health illness function successfully within the community. In an effort to reach these goals, the MHMC Program intends to increase the number of MHMC participants who continue treatment after release in the community through the following activities. All activities are intended to be completed within the 12-month period ending September 30, 2015.

- Train 5 MRT™ class facilitators.
- Provide 10 MRT™ classes each week for 1 year.
- Provide 18 intensive out-patient sessions for 30 persons.
- Provide 12 supportive out-patient sessions for 30 persons.
- Provide 21-day in-patient treatment for 12 persons.
- Provide 208 persons with a two-week supply of necessary medications upon jail release.
- Provide assistance with procurement of government identification to 50 in-custody clients per month.
- Provide public transportation passes to approximately 40-50 people per month.

Data elements to be collected and compiled for analysis and evaluation by the MHMC Program team and Collin County Commissioners Court include

- Total number of MHMC Program clients (client database),
- Number of MHMC Program clients receiving expanded project services (client database),
- Number of persons trained as MRT™ facilitators (training certification, invoices),
- Number of classes provided (invoices),
- Number of persons attending MRT™ classes (attendance rosters),
- Number of persons completing MRT™ program (workbook unit tracking sheets),
- Number of persons attending treatment with community providers (invoice, attendance rosters),
- Number of persons receiving two-week medication supply upon release (invoices, client database),
- Number of persons receiving assistance to procure government identification (invoices, client database),
- Number of persons receiving transportation passes (client database), and
- Number of MHMC clients re-arrested in Collin County for 5 years after release (jail database).

Data will be used within the program to identify additional unmet client needs and improve existing services. Data will also be presented to Collin County Commissioners, and will likely be provided to state agencies such as the Texas Indigent Defense Commission and the Department of State Health Services, to support program continuation and maintenance. Additionally, collected data may be used by local, nonprofit providers, such as LifePath, for future grant applications.

Budget

The MHMC Program would like to request \$158,110 to expand our program to include services that would help promote mental health recovery and maintenance for our clients. We would like to receive funds around October 1, 2014, to coincide with the beginning of the county fiscal year to streamline reporting and evaluation. However, we will begin services immediately following receipt of funds at any time.

MHMC PROGRAM EXPANSION BUDGET		
October 1 - September 30		
Expenses	FY 14	FY 15
Salaries and Expenses	\$185,129	\$214,844
Administrative Expenses	\$11,297	\$3,500
Program Expansion Expenses		
MRT™ Expenses - workbooks, service providers, training	\$750	\$25,050
Treatment - out/in-patient counseling, therapy, medication	\$0	\$84,820
Government Issued Identification	\$0	\$23,400
Transportation - treatment, court appearances, medical	\$250	\$24,840
Sub-Total Expansion Expenses	<u>\$1,000</u>	<u>\$158,110</u>
Total Expenses	\$197,426	\$376,454
Revenues		
	FY 14	FY 15
Collin County Funding	\$78,570	\$131,006
Texas Indigent Defense Commission	\$117,856	\$87,338
Program Expansion Revenues		
Collin County Bar Association	\$250	\$0
Collin County Bench Bar Foundation	\$500	\$0
Tom Daley, Attorney (private law firm donation)	\$250	\$0
To Be Raised	\$0	\$158,110
Sub-Total Program Expansion Revenues	<u>\$1,000</u>	<u>\$158,110</u>
Total Revenues	\$197,426	\$376,454

Sustainability

Following completion, a cost-benefit analysis will be performed for project components. As previously mentioned, data-supported project outcomes will be presented to Commissioners Court to assess the value of enhanced MHMC services and determine if additional county funding will be provided for project continuation. The MHMC Program is already in the process of seeking support from the Texas Health and Human Services Commission to include MRT™ classes through NorthSTAR. Additionally, the MHMC Program will continue to seek additional grants and donations from the community and develop additional partnerships with local service providers.

FUNDING SOURCES

In addition organizational funds, the following financial support has been provided for the MHMC Program.

<i>Funding Entity</i>	<i>Amount</i>	<i>Eligible Expenses</i>	<i>Grant Period</i>
Texas Indigent Defense Commission	\$ 250,774.00	Staff salaries, initial office equipment and supply purchases	10.1.2012 - 9.30.2013
Texas Indigent Defense Commission	\$ 183,296.00	Staff salaries	10.1.2013 - 9.30.2014
Texas Indigent Defense Commission	\$ 122,633.00	Staff salaries	10.1.2014 - 9.30.2015
Collin County Bar Association	\$ 250.00	Bus passes	NA
Tom Daley, Attorney	\$ 250.00	MRT™ textbooks	NA
Collin County Bench Bar Foundation	\$ 500.00	MRT™ textbooks	NA

ADMINISTRATION

List of Directors or Trustees

The MHMC Program Oversight Board provides recommendations and oversight concerning program operation, including policies and procedures and staff job descriptions. The members are listed below.

<i>Name</i>	<i>Professional Title</i>	<i>Ethnicity</i>	<i>Gender</i>
Dona Watson	LifePath Systems Board Member	Caucasian	F
Duncan Webb	Collin County Commissioner, Precinct 4	Caucasian	M
John Roach, Jr.	Judge, 296th District Court	Caucasian	M
Kyle Shaw	Defense Attorney	Caucasian	M
Lance Baxter	Judge, County Court at Law 3	Caucasian	M
Pam DeVault	Court Administrator	Caucasian	F
Terry McCraw	Capitan, Collin County Sheriff's Office	Caucasian	M

Staff

The MHMC Program has three contracted staff members. Alyse Ferguson, Attorney Director for the MHMC Program, has been a practicing attorney since receiving her Juris Doctor in 2005. She also earned a MS in Counseling Psychology in 1999 and a BS in Psychology in 1989 and has 7 years of experience in MHMR and 6 years in county community supervision and corrections. Toni Fawks, MHMC Program Case Manager, has been employed by LifePath Systems and working with clients since receiving her BS in Psychology in 2009. Kaylee Cappelle, MHMC Program Administrative Assistant, has been employed with LifePath Systems for 1 year, earned an Associates of Applied Science in Health Care Administration in 2014, and is currently working towards her BS in Psychology.

As the program staff is contractual, the Attorney Director consults with county employees Lance Baxter (County Court at Law 3 Judge, Doctor of Jurisprudence) and John Roach, Jr. (296th District Court Judge, Doctor of Jurisprudence) to provide legal guidance, while Pam DeVault (Court Administrator, BBA, MPA) assists with operational matters, when needed.

FINANCIAL INFORMATION (ATTACHMENTS)

Current Organization Operating Budget

The budget summary is attached. The entire budget document (682 pages) can be located at www.collincountytx.gov/budget/Documents/budgets/FY2014AdoptedBudget.pdf.

Current (Year-to-Date) Organization Financial Statements

Un-audited, year-to-date financial statements through June 30 are attached comparing fiscal years 2013 and 2014.

Organization Year-End Financial Statements

A simplified version of the Comprehensive Annual Financial Report (CAFR) for fiscal years 2011, 2012, and 2013 are attached including the independent auditor's report and the basic financial statements. However, the full, 240-page documents for each fiscal year, with the integral notes to the financial statements, can be located at http://www.collincountytx.gov/county_auditor/Pages/cafr.aspx.

Organization Tax-Exempt Status

Collin County, as a governmental unit, is not subject to federal income tax. Charitable contributions are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose. We have attached our "governmental information letter" for substantiation.

Collin County
Adopted Combined Fund Summary with Details (Excluding Bond Funds)
FY 2014

FUND NUMBER	FUND NAME	ESTIMATED BEGINNING BALANCE 09/30/2013	TAX RATE	TAX REVENUES	ESTIMATED OTHER REVENUES	ESTIMATED TOTAL REVENUES	FY 2014 ADOPTED BUDGET	ESTIMATED ENDING BALANCE 09/30/2014
OPERATING FUNDS								
001	General Fund *	\$ 150,590,876	0.176334	\$ 139,341,129	\$ 25,766,737	\$ 165,107,866	\$ 170,356,314	\$ 145,342,428
010	Road & Bridge Fund	19,240,318	0.004000	3,157,945	16,933,334	20,091,279	22,420,856	16,910,741
499	Permanent Improvement Fund	28,692,074	0.000000	-	12,000	12,000	1,922,000	26,782,074
OPERATING FUNDS TOTAL		\$ 198,523,268	\$ 0.180334	\$ 142,499,074	\$ 42,712,071	\$ 185,211,145	\$ 194,699,170	\$ 189,035,243
DEBT SERVICE FUNDS								
399	Debt Service Fund	9,958,878	0.057166	45,131,771	283,000	45,414,771	41,305,564	14,068,085
DEBT SERVICE FUNDS TOTAL		\$ 9,958,878	\$ 0.057166	\$ 45,131,771	\$ 283,000	\$ 45,414,771	\$ 41,305,564	\$ 14,068,085
OTHER FUNDS								
002	Housing Finance Corp Trust	\$ 1,080,127	-	-	\$ 17,000	\$ 17,000	-	\$ 1,097,127
003	Records Archive Fund	3,809,824	-	-	872,000	872,000	500,000	4,181,824
005	District Courts Rec Tech Fund	249,217	-	-	58,100	58,100	-	307,317
011	Farm to Market	20,245	-	-	20	20	-	20,265
012	Lateral Road	726,671	-	-	59,700	59,700	-	786,371
013	Judicial Appellate	194,811	-	-	62,170	62,170	55,800	201,181
015	Court Reporters Fund	272,293	-	-	235,050	235,050	375,000	132,343
021	Law Library	2,518,624	-	-	444,000	444,000	373,798	2,588,826
023	Farm Museum	8,913	-	-	10	10	-	8,923
024	Open SpaceParks	2,773	-	-	5	5	-	2,778
025	Records Management	3,150,895	-	-	887,500	887,500	1,653,919	2,384,476
026	Document Preservation	357,152	-	-	52,500	52,500	332,660	76,992
027	Juvenile Delinquency Prev	211	-	-	-	-	-	211
028	Justice Court Technology	622,510	-	-	101,500	101,500	128,393	595,617
029	Courthouse Security	300,462	-	-	670,500	670,500	740,764	230,198
031	Economic Development	14,488	-	-	5	5	-	14,493
032	Dangerous Wild Animal	4,375	-	-	800	800	-	5,175
033	Contract Elections	1,757,284	-	-	502,000	502,000	353,600	1,905,684
035	Election Equipment	13,245	-	-	10	10	-	13,255
036	Sheriffs Drug Forfeiture	173,652	-	-	100	100	-	173,752
037	DA Drug Forfeiture	430,449	-	-	250	250	-	430,699
038	DA Service Fee	136,443	-	-	39,500	39,500	-	175,943
039	Myers Park Foundation	15,348	-	-	20	20	-	15,368
040	Healthcare	8,495,879	-	-	1,468,027	1,468,027	3,684,371	6,279,535
042	Child Abuse Prevention	6,839	-	-	2,000	2,000	-	8,839
044	County Records Management & Preservation	1,422,128	-	-	186,000	186,000	277,700	1,330,428
046	Juvenile Case Manager Fund	137,099	-	-	57,000	57,000	-	194,099
047	Court Init.Guardianship/Prob Contribution	153,636	-	-	28,150	28,150	-	181,786
049	DA Deferred Prosecution Program	385,324	-	-	135,850	135,850	-	521,174
050	Drug Court Program Fund	219,176	-	-	64,850	64,850	209,496	74,530
051	SCAAP	1,469,917	-	-	3,000	3,000	-	1,472,917
052	County Courts Technology Fund	91,352	-	-	32,030	32,030	-	123,382
053	District Courts Technology Fund	42,769	-	-	20,405	20,405	-	63,174
054	Probate Contributions Fund	316,010	-	-	40,200	40,200	68,775	287,435
055	CCLC Court Rec Preservation	194,524	-	-	47,100	47,100	-	241,624
056	District Clerk Court Rec Preservation	322,398	-	-	80,200	80,200	-	402,598
058	Justice Court Courthouse Security	185,993	-	-	20,500	20,500	8,000	198,493
102	Public Health Emergency Preparedness	-	-	-	555,202	555,202	555,202	-
108	Health Care Grants	-	-	-	1,697,423	1,697,423	1,697,423	-
199	Local Agreement/Funding	-	-	-	8,700	8,700	-	8,700
501	Liability Insurance	2,001,382	-	-	952,000	952,000	1,325,000	1,628,382
502	Workers Compensation	359,844	-	-	710,500	710,500	785,000	285,344
504	Unemployment Insurance	617,203	-	-	82,739	82,739	172,000	527,942
505	Insurance Claim	1,859,107	-	-	20,568,996	20,568,996	21,360,498	1,067,605
507	Animal Control	122,690	-	-	1,294,800	1,294,800	1,096,519	320,971
599	CC Toll Road Authority**	(15,252,373)	-	-	500	500	1,550,000	(16,801,873)
640	Child Protective Services	(13,710)	-	-	61,510	61,510	46,330	1,470
650-659	CSCD	3,573,674	-	-	6,442,772	6,442,772	6,442,772	3,573,674
OTHER FUNDS TOTAL		\$ 22,570,873	\$ -	\$ -	\$ 38,563,194	\$ 38,563,194	\$ 43,793,020	\$ 17,341,047
BOND INVESTMENT REVENUE ESTIMATE		\$ -	\$ -	\$ -	\$ -	\$ 52,050	\$ -	\$ 52,050
GRAND TOTAL		\$ 231,053,019	\$ 0.237500	\$ 187,630,845	\$ 81,558,265	\$ 269,241,160	\$ 279,797,754	\$ 220,496,425

* Jury Fund, Myers Park, Pre-trial Release, Development Services, Juvenile Probation/Detention, Juvenile OCSOP, and Juvenile Alternative Education Funds consolidated into General Fund in FY 2013 due to GASB 54 reporting requirements.

** Negative Fund Balance due to liability to the Permanent Improvement Fund, various Bond Funds, and the General Fund.

Collin County, Texas
 Unaudited Balance Sheet
 Governmental Funds
 June 30, 2014 and 2013

	June 30, 2014	June 30, 2013
Assets:		
Cash	\$ 29,862,818	\$ 16,631,435
Investments	379,130,063	363,435,288
Receivables:		
Taxes (net of allowance for uncollectible)	4,409,226	4,848,556
Due from other governments	743,196	1,440,440
Advance to other funds	17,662,140	17,889,588
Interest	211,594	2,879
Miscellaneous	161,817	156,801
Inventories	2,889,188	3,264,903
Total Assets	\$ 435,070,042	\$ 407,669,890
 Liabilities:		
Accounts payable	\$ 994,302	\$ 955,084
Payroll related costs payable	943,219	966,326
Lease deposits payable	125,473	103,183
Due to other governments	209,876	173,000
Deferred revenue	3,199,289	7,509,438
Deferred tax revenue	4,298,645	4,833,555
Total Liabilities	9,770,804	14,540,586
 Fund Balance:		
Nonspendable	20,836,328	21,454,491
Restricted	190,696,327	169,854,635
Committed	22,545,500	35,021,018
Unassigned	191,221,083	166,799,160
Total Fund Balance	425,299,238	393,129,304
Total Liabilities and Fund Balance	\$ 435,070,042	\$ 407,669,890

Collin County, Texas
 Unaudited Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 For the Nine Months Ended June 30, 2014 and 2013

	June 30, 2014	June 30, 2013
Revenues:		
Property taxes	\$ 187,606,757	\$ 179,254,795
Fees and charges for services	30,633,762	25,156,623
Intergovernmental revenue	8,756,607	11,087,585
Fines and forfeitures	2,828,395	3,222,200
Rental revenues	1,073,916	1,036,505
Interest	1,116,076	145,631
Miscellaneous	650,140	957,960
Total Revenues	232,665,653	220,861,299
Expenditures:		
Salaries and wages	78,959,891	77,216,202
Training and travel	491,370	479,719
Maintenance and operating	51,282,480	42,562,268
Capital projects - capital outlay	13,341,088	13,415,163
Debt service:		
Principal retirement	27,165,000	28,035,000
Interest and fiscal charges	8,906,094	9,723,833
Total Expenditures	180,145,923	171,432,185
Excess (deficiency) of revenues over (under) expenditures	52,519,730	49,429,114
Other financing sources (uses):		
Transfers in	668,126	3,033,443
Transfers out	(716,987)	(3,063,443)
Sale of assets	29,107	3,597,075
Total other financing sources (uses)	(19,754)	3,567,075
Net change in fund balances	52,499,976	52,996,189
Fund balance - beginning	372,799,262	340,133,115
Fund balance - ending	\$ 425,299,238	\$ 393,129,304

COLLIN COUNTY, TEXAS

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
September 30, 2011**



***JEFF MAY
COUNTY AUDITOR***

COLLIN COUNTY, TEXAS

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2011

Prepared by:

Office of County Auditor
Collin County



COLLIN COUNTY

Auditor's Office
2300 Bloomdale Rd.
Suite 3100
McKinney, Texas 75071
www.collincountytx.gov

March 31, 2012

Honorable District Judges
Honorable County Judge
Honorable County Commissioners Collin County, Texas

The Comprehensive Annual Financial Report of Collin County, Texas, for the fiscal year ended September 30, 2011, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

PB&H, L.L.P., a firm of licensed certified public accountants, has audited Collin County's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the County for the fiscal year ended September 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based on the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion on Collin County's financial statements for the fiscal year ended September 30, 2011, and they are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

Located in North Central Texas, Collin County was incorporated in 1846 and both the County and the County Seat were named after the pioneer, Collin McKinney. The County is ranked as one of the top growth areas in the state and the country with a population of 801,740. This is up 61% over the 2000 census of 496,800 and 414% over the 1980 census of 155,950. The County has a land area of 836 square miles.

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

Collin County provides a full range of services, including judicial; law enforcement; maintaining land and vital records; jail facilities; construction and maintenance of roads, bridges, and other infrastructure; recreational activities and facilities; indigent health assistance; and homeland security response teams.

The annual budget serves as the foundation for Collin County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Budget Officer. The Budget Officer uses these requests as the starting point for developing a proposed budget. The proposed budget and a recommended budget prepared by the Budget Officer are submitted to Commissioners Court for their consideration. Commissioners Court then holds budget work sessions to hear specific requests that were not included in the Budget Officer's recommended budget. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. Once all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund by the primary activities of salaries and benefits, maintenance and operating, and capital expenditures. Budget to actual comparisons are provided in this report for the General Fund and all funds in which the Commissioners Court adopts an annual budget.

Factors Affecting Financial Condition

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

Local economy: Collin County is experiencing a slow economic recovery after a mild downturn. Population growth is continuing to increase at a rapid pace. In 2011 Collin County's population increased by 10,109 (1.3% annual increase); however this increase is

much less than the average increase of 26,394 annual increase the County has experienced over the past 10 years. Major industries with headquarters, or divisions, located within the county include petroleum research, telecommunications, computer technology, electronics, retail, hotel, food, and insurance institutions. Real property values were also affected by the economic slowdown. Collin County received 73.3% of total revenues in property taxes in 2011. As a result of the economic slowdown in the prior years, property tax revenues decreased by 2.3%; however, reserves were more than sufficient to absorb this decrease without an increase to the tax rate. Real property values are expected to slightly increase in 2012.

Long-term financial planning: The Commissioners Court continues to be very active in infrastructure development to help insure continued economic growth. They are continuously studying transportation and facility needs so that Collin County will remain a viable option for both industry and its employees. In November, 2007, they proposed and received approval from the taxpayers of Collin County to issue bonds totaling \$328.9 million for roads, facilities and parks, and another bond issue is expected in 2012. The County is also very active purchasing land and construction of the Outer Loop road project in which a grant of \$12 million was awarded by the State of Texas in 2010 which is funded with the State's Regional Toll Revenue (RTR) Fund. Also in 2011 the County opened a large expansion of the Collin County Courthouse which is intended to house all county and state district courts in one facility, and renovations of the older wing of the Courthouse are underway to allow for this consolidation.

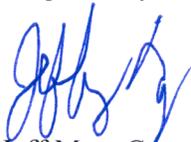
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Collin County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2010. This is the thirty-second consecutive year that Collin County has received this prestigious award. In order to be awarded a Certificate of Achievement, Collin County published an easily readable and efficiently organized CAFR, along with satisfying both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the County Auditor's Office. I also would like to express thanks to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of District Judges for their support of the Auditor's Office in maintaining the highest standard of professionalism possible in the management of Collin County's financial reporting.

Respectfully submitted,



Jeff May, County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Collin County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danson

President

Jeffrey R. Egan

Executive Director

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Collin County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2012, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison on pages 3 through 23 and pages 72 through 76 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 Collin County's basic financial statements. The introductory section, combining and individual fund financial statements, supplementary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pattillo, Brown & Hill, L.L.P.

March 31, 2012

**BASIC
FINANCIAL STATEMENTS**

COLLIN COUNTY, TEXAS

Statement of Net Assets

September 30, 2011

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets:				
Cash and cash equivalents	\$ 126,349,413	\$ 2,316,648	\$ 128,666,061	\$ 171,604
Investments	191,776,109	-	191,776,109	-
Receivables (net of allowance for uncollectibles)	8,620,235	-	8,620,235	-
Internal balances	17,037,815	(17,037,815)	-	-
Inventories	3,342,858	-	3,342,858	-
Deferred charges	2,561,019	-	2,561,019	-
Deferred contributions	10,659,009	-	10,659,009	-
Capital assets (net of accumulated depreciation):				
Land	21,618,453	9,061,859	30,680,312	-
Buildings and system	190,867,863	-	190,867,863	-
Improvements other than buildings	3,978,047	-	3,978,047	-
Machinery and equipment	23,861,963	-	23,861,963	-
Infrastructure	184,013,919	-	184,013,919	-
Construction in progress	11,221,963	5,766,377	16,988,340	-
Total assets	<u>795,908,666</u>	<u>107,069</u>	<u>796,015,735</u>	<u>171,604</u>
Liabilities:				
Accounts payable and other current liabilities	15,000,414	47,733	15,048,147	160,241
Due to other governments	156,180	-	156,180	-
Unearned revenue	12,216,658	-	12,216,658	-
Noncurrent liabilities:				
Due within one year	34,500,098	-	34,500,098	-
Due in more than one year	378,052,975	-	378,052,975	-
Total liabilities	<u>439,926,325</u>	<u>47,733</u>	<u>439,974,058</u>	<u>160,241</u>
Net assets:				
Invested in capital assets, net of related debt	194,172,874	14,828,236	209,001,110	-
Restricted for:				
Debt service	1,812,620	-	1,812,620	-
Health Care Foundation	9,299,826	-	9,299,826	-
Meyers Park Foundation	31,067	-	31,067	-
Grant programs	6,302,419	-	6,302,419	-
Unrestricted	144,363,535	(14,768,900)	129,594,635	11,363
Total net assets	<u>\$ 355,982,341</u>	<u>\$ 59,336</u>	<u>\$ 356,041,677</u>	<u>\$ 11,363</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Government activities:								
General administration	\$ 67,690,144	\$ 7,338,754	\$ 189,827	\$ 8,853	\$(60,152,710)	\$ -	\$(60,152,710)	
Judicial	14,109,924	4,824,277	705,831	-	(8,579,816)	-	(8,579,816)	
Financial administration	8,821,845	2,799,714	144,464	-	(5,877,667)	-	(5,877,667)	
Legal	9,292,969	299,332	118,974	-	(8,874,663)	-	(8,874,663)	
Public facilities	17,040,033	267,620	1,200	-	(16,771,213)	-	(16,771,213)	
Equipment services	2,494,730	111	-	-	(2,494,619)	-	(2,494,619)	
Public safety	50,874,877	8,974,595	3,558,255	207,484	(38,134,543)	-	(38,134,543)	
Public transportation	70,789,320	13,941,876	7,401,981	8,000	(49,437,463)	-	(49,437,463)	
Health and welfare	18,074,594	513,488	5,630,398	163,344	(11,767,364)	-	(11,767,364)	
Culture and recreation	1,521,696	24,375	152,262	-	(1,345,059)	-	(1,345,059)	
Conservation	235,128	-	-	-	(235,128)	-	(235,128)	
Interest and fiscal charges	17,588,985	515,635	-	-	(17,073,350)	-	(17,073,350)	
Total government activities	<u>278,534,245</u>	<u>39,499,777</u>	<u>17,903,192</u>	<u>387,681</u>	<u>(220,743,595)</u>	<u>-</u>	<u>(220,743,595)</u>	
Business-type activities:								
Toll Road Authority	\$ -	\$ 4,000	\$ 38,500	\$ -	-	42,500	42,500	
Total business-type activities	<u>-</u>	<u>4,000</u>	<u>38,500</u>	<u>-</u>	<u>-</u>	<u>42,500</u>	<u>42,500</u>	
Total primary government	<u>\$ 278,534,245</u>	<u>\$ 39,503,777</u>	<u>\$ 17,941,692</u>	<u>\$ 387,681</u>	<u>(220,743,595)</u>	<u>42,500</u>	<u>(220,701,095)</u>	
Component unit:								
Health and welfare	\$ 31,927	\$ -	\$ -	\$ -				\$(31,851)
Total component unit	<u>\$ 31,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(31,851)</u>
General revenues								
Property taxes					170,774,229	-	170,774,229	-
Mixed beverage tax					2,419,396	-	2,419,396	-
Unrestricted investment earnings					1,977,093	3,201	1,980,294	-
Miscellaneous					195,152	-	195,152	-
Total general revenues					<u>175,365,870</u>	<u>3,201</u>	<u>175,369,071</u>	<u>-</u>
Change in net assets					(45,377,725)	45,701	(45,332,024)	(31,851)
Net assets - beginning of year					<u>401,360,066</u>	<u>13,635</u>	<u>401,373,701</u>	<u>43,214</u>
Net assets - end of year					<u>\$ 355,982,341</u>	<u>\$ 59,336</u>	<u>\$ 356,041,677</u>	<u>\$ 11,363</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Balance Sheet
Governmental Funds
September 30, 2011

Assets	General Fund	General Road and Bridge	Health Care Foundation	RTR - Wylie
Cash and cash equivalents	\$ 39,359,188	\$ 4,916,144	\$ 1,459,836	\$ 4,204,294
Investments	102,284,291	9,969,683	8,001,724	-
Receivables:				
Taxes (net of allowance for uncollectibles)	2,399,476	41,598	-	-
Fines and fees	1,290,948	757,380	-	-
Due from other governments	1,103,415	292,285	-	-
Due from other funds	1,014,281	-	-	-
Advance to other funds	16,816,388	-	-	-
Interest	154,879	-	-	-
Miscellaneous	375,323	130,586	5,376	-
Inventories	<u>565,447</u>	<u>2,777,411</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 165,363,636</u>	<u>\$ 18,885,087</u>	<u>\$ 9,466,936</u>	<u>\$ 4,204,294</u>
Liabilities				
Accounts payable	\$ 3,008,863	\$ 731,484	\$ 73,578	\$ -
Payroll related costs payable	5,510,964	212,167	68,364	-
Lease deposits payable	-	-	25,168	-
Due to other governments	153,731	4	-	-
Due to other funds	-	-	-	-
Deferred revenue	1,458,051	757,380	-	4,204,294
Deferred tax revenue	<u>1,886,766</u>	<u>48,714</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,018,375</u>	<u>1,749,749</u>	<u>167,110</u>	<u>4,204,294</u>
Fund balances				
Reserved for:				
Nonspendable	17,681,835	2,777,411	-	-
Restricted	3,172,334	14,357,927	-	-
Committed	27,305,618	-	9,299,826	-
Unassigned	<u>105,185,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>153,345,261</u>	<u>17,135,338</u>	<u>9,299,826</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 165,363,636</u>	<u>\$ 18,885,087</u>	<u>\$ 9,466,936</u>	<u>\$ 4,204,294</u>

The notes to the financial statements are an integral part of this statement.

RTR - Outer Loop Phase 3	Debt Service	2003 Road Bond	2007 Road Bond	Other Governmental Funds	Total
\$ 4,229,751	\$ 1,660,816	\$ 9,311,299	\$ 13,135,920	\$ 37,224,655	\$ 115,501,903
4,501,378	-	18,057,847	35,850,870	11,935,249	190,601,042
-	888,200	-	-	247	3,329,521
-	-	-	-	-	2,048,328
-	-	-	-	1,047,686	2,443,386
-	-	-	-	-	1,014,281
-	-	14,499	-	1,340,558	18,171,445
-	-	-	-	-	154,879
-	-	-	-	131,145	642,430
-	-	-	-	-	3,342,858
<u>\$ 8,731,129</u>	<u>\$ 2,549,016</u>	<u>\$ 27,383,645</u>	<u>\$ 48,986,790</u>	<u>\$ 51,679,540</u>	<u>\$ 337,250,073</u>
\$ 1,161,422	\$ -	\$ 270,598	\$ 60,956	\$ 1,690,224	\$ 6,997,125
-	-	-	-	94,839	5,886,334
-	-	-	-	-	25,168
-	-	-	-	2,445	156,180
-	-	-	-	869,693	869,693
7,569,707	-	-	-	389,996	14,379,428
-	736,396	-	-	247	2,672,123
<u>8,731,129</u>	<u>736,396</u>	<u>270,598</u>	<u>60,956</u>	<u>3,047,444</u>	<u>30,986,051</u>
-	-	14,499	-	1,340,558	21,814,303
-	1,812,620	27,098,548	48,925,834	47,291,538	142,658,801
-	-	-	-	-	36,605,444
-	-	-	-	-	105,185,474
-	1,812,620	27,113,047	48,925,834	48,632,096	306,264,022
<u>\$ 8,731,129</u>	<u>\$ 2,549,016</u>	<u>\$ 27,383,645</u>	<u>\$ 48,986,790</u>	<u>\$ 51,679,540</u>	<u>\$ 337,250,073</u>

COLLIN COUNTY, TEXAS
 Reconciliation of the Balance Sheet of the
 Governmental Funds to the Statement of Net Assets
 September 30, 2011

Total fund balances – governmental funds	\$ 306,264,022
Amounts reported for governmental activities in the statement of net assets are different because:	
Bond issuance costs for the sale of bonds are expenditures in the funds but are amortized over the life of the bonds in government-wide statements.	2,561,019
Capital project construction payments made to construct assets owned by other local governments.	10,659,009
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These capital assets (net of accumulated depreciation) consist of:	
Land	\$ 21,618,453
Buildings and systems	188,518,509
Improvements other than buildings	3,978,047
Machinery equipment	23,853,937
Infrastructure	184,013,919
Construction in progress	<u>11,221,963</u>
Total capital assets	433,204,828
Some amounts deferred in the funds were recorded in a different fiscal year than the current year:	
Special assessment for road construction in the prior year that is deferred to a future period is included in the funds.	114,442
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	2,048,328
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	<u>2,672,123</u>
Total deferred revenues	4,834,893
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	8,725,525
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Interest payable	(2,031,723)
Bonds, notes and loans payable	(387,580,044)
Compensated absences	(6,649,987)
Unamortized bond premiums	<u>(14,005,201)</u>
Total liabilities	<u>(410,266,955)</u>
Net assets of governmental activities	<u>\$ 355,982,341</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance:
Governmental Funds
For the Year Ended September 30, 2011

	<u>General</u>	<u>General Road and Bridge</u>	<u>Health Care Foundation</u>	<u>RTR - Wylie</u>
Revenues:				
Taxes:				
Property	\$ 131,828,854	\$ -	\$ -	\$ -
Licenses and permits	314,052	1,431	-	-
Federal and state funds	6,379,302	-	104,116	36,601
Fees and charges for services	17,054,849	12,842,972	269,773	-
Fines and forfeitures	1,992,671	1,819,075	-	-
Other local government funds	-	-	-	-
Rental	170,184	-	1,163,911	-
Interest	2,117,949	194,336	168,431	-
Miscellaneous	762,501	297,943	6,880	-
Total revenues	<u>160,620,362</u>	<u>15,155,757</u>	<u>1,713,111</u>	<u>36,601</u>
Expenditures:				
Current:				
General administration	63,529,742	-	-	-
Judicial	14,954,776	-	-	-
Financial administration	10,093,805	-	-	-
Legal	10,465,059	-	-	-
Public facilities	10,159,746	-	312,863	-
Equipment services	2,094,787	-	-	-
Public safety	57,793,126	-	-	-
Public transportation	-	16,285,621	-	-
Health and welfare	12,011,123	-	2,973,070	-
Culture and recreation	1,028,684	-	-	-
Conservation	278,096	-	-	-
Capital outlay	11,600,278	1,053,634	78,365	36,601
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	<u>194,009,222</u>	<u>17,339,255</u>	<u>3,364,298</u>	<u>36,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,388,860)</u>	<u>(2,183,498)</u>	<u>(1,651,187)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	25,557	-	425	-
Transfers out	(1,001,263)	-	-	-
Sale of assets	20,353	92,000	-	-
Debt issuance	-	-	-	-
Refunding escrow payments	-	-	-	-
Premium (discount) on sale of bonds	-	-	-	-
Total other financing sources (uses)	<u>(955,353)</u>	<u>92,000</u>	<u>425</u>	<u>-</u>
Net change in fund balances	<u>(34,344,213)</u>	<u>(2,091,498)</u>	<u>(1,650,762)</u>	<u>-</u>
Fund balances – beginning	<u>187,689,474</u>	<u>19,226,836</u>	<u>10,950,588</u>	<u>-</u>
Fund balances – ending	<u>\$ 153,345,261</u>	<u>\$ 17,135,338</u>	<u>\$ 9,299,826</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement

RTR - Outer Loop Phase 3	Debt Service	2003 Road Bond	2007 Road Bond	Other Governmental Funds	Total
\$ -	\$ 39,568,030	\$ -	\$ -	\$ 5,166	\$ 171,402,050
-	-	-	-	-	315,483
4,450,022	308,884	-	-	7,352,531	18,631,456
-	-	-	-	3,159,515	33,327,109
-	-	-	-	86,603	3,898,349
-	-	-	-	63,735	63,735
-	-	-	-	-	1,334,095
-	206,752	271,383	285,479	295,458	3,539,788
-	-	-	15,843	235,892	1,319,059
<u>4,450,022</u>	<u>40,083,666</u>	<u>271,383</u>	<u>301,322</u>	<u>11,198,900</u>	<u>233,831,124</u>
-	-	-	-	1,037,155	64,566,897
-	-	-	-	1,350,322	16,305,098
-	-	-	-	-	10,093,805
-	-	-	-	187,123	10,652,182
-	-	-	-	33,342	10,505,951
-	-	-	-	-	2,094,787
-	-	-	-	628,879	58,422,005
-	-	-	-	2,733,166	19,018,787
-	-	-	-	3,505,938	18,490,131
-	-	-	-	3,262	1,031,946
-	-	-	-	-	278,096
4,450,022	-	15,129,035	8,248,592	21,036,524	61,633,051
-	26,685,000	-	-	-	26,685,000
-	16,682,967	-	-	-	16,682,967
-	307,586	-	-	-	307,586
-	1,940,678	-	-	-	1,940,678
<u>4,450,022</u>	<u>45,616,231</u>	<u>15,129,035</u>	<u>8,248,592</u>	<u>30,515,711</u>	<u>318,708,967</u>
-	(5,532,565)	(14,857,652)	(7,947,270)	(19,316,811)	(84,877,843)
-	629,000	-	-	549,609	1,204,591
-	-	-	-	(193,404)	(1,194,667)
-	-	-	-	-	112,353
-	22,930,000	-	28,490,000	2,100,000	53,520,000
-	(23,060,000)	-	-	-	(23,060,000)
-	2,419,246	-	-	-	2,419,246
-	<u>2,918,246</u>	<u>-</u>	<u>28,490,000</u>	<u>2,456,205</u>	<u>33,001,523</u>
-	(2,614,319)	(14,857,652)	20,542,730	(16,860,606)	(51,876,320)
-	<u>4,426,939</u>	<u>41,970,699</u>	<u>28,383,104</u>	<u>65,492,702</u>	<u>358,140,342</u>
<u>\$ -</u>	<u>\$ 1,812,620</u>	<u>\$ 27,113,047</u>	<u>\$ 48,925,834</u>	<u>\$ 48,632,096</u>	<u>\$ 306,264,022</u>

COLLIN COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2011

Net change in fund balances – governmental funds \$(51,876,320)

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

Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	\$ 47,119,859	
Capital assets decreases	(31,788,750)	
Depreciation expense for all capital assets	<u>(21,048,571)</u>	
Total change in capital assets activity		(5,717,462)

Bond proceeds provide current financial resources. However, in the statement of activities, some items do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Debt issuance and refunding increases long-term debt in statement of net assets.	(53,520,000)	
Debt repayment is expenditure in governmental funds, but reduces long-term liabilities in the statement of net assets.	49,745,000	
Bond issuance fees and bond premiums require the use of current financial resources but are amortized over the life of the bond in the statement of activities.	<u>(1,269,338)</u>	
Total long-term debt		(5,044,338)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities. (1,148,448)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. The change in these revenues are as follows:

Property taxes	(632,986)	
Fines and forfeitures	<u>(194,480)</u>	
Total changes in revenues		(827,466)

Some items 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 change in these expenditures are as follows:

Interest owed but not yet paid	162,046	
Arbitrage payable	30,292	
OPEB obligation	19,070,838	
Compensated absences	<u>(26,867)</u>	
Total changes in long-term liabilities		<u>19,236,309</u>
Change in net assets of governmental activities		<u><u>\$(45,377,725)</u></u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Net Assets

Proprietary Funds

September 30, 2011

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,316,648	\$ 10,847,510
Investments	-	1,175,068
Receivables:		
Miscellaneous receivables	-	1,690
Total current assets	<u>2,316,648</u>	<u>12,024,268</u>
Capital assets (net of accumulated depreciation):		
Land	9,061,859	-
Buildings and systems	-	2,349,354
Machinery and equipment	-	8,026
Construction in progress	5,766,377	-
Total capital assets	<u>14,828,236</u>	<u>2,357,380</u>
Total assets	<u>17,144,884</u>	<u>14,381,648</u>
Liabilities:		
Current liabilities:		
Accounts payable	47,733	2,411,087
Payroll payable	-	27,429
Claims payable	-	1,939,389
Due to other funds	-	144,588
Total current liabilities	<u>47,733</u>	<u>4,522,493</u>
Noncurrent liabilities:		
Advance from other funds	17,037,815	1,133,630
Total liabilities	<u>17,085,548</u>	<u>5,656,123</u>
Net assets:		
Invested in capital assets	14,828,236	2,357,380
Unrestricted	<u>(14,768,900)</u>	<u>6,368,145</u>
Total net assets	<u>\$ 59,336</u>	<u>\$ 8,725,525</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended September 30, 2011

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Operating revenues:		
Premiums	\$ -	\$ 22,724,122
Charges for services	-	1,308,414
Other	-	1,585,582
Total operating revenues	<u>-</u>	<u>25,618,118</u>
Operating expenses:		
Administration	-	3,795,672
Benefits	-	22,872,984
Depreciation	-	182,776
Total operating expenses	<u>-</u>	<u>26,851,432</u>
Operating income	-	(1,233,314)
Non-operating revenues (expenses):		
Rental revenues	4,000	-
Donations	38,500	-
Interest income	3,201	84,866
Total non-operating revenues (expenses)	<u>45,701</u>	<u>84,866</u>
Change in net assets	45,701	(1,148,448)
Total net assets – beginning	<u>13,635</u>	<u>9,873,973</u>
Total net assets – ending	<u>\$ 59,336</u>	<u>\$ 8,725,525</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2011

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from customers and users	\$ -	\$ 24,105,610
Insurance recovery	-	1,624,390
Administration costs	-	(3,935,172)
Benefits paid	-	(23,176,599)
Net cash used by operating activities	-	(1,381,771)
Cash flows from capital financing activities:		
Purchases of capital assets	(129,497)	-
Net cash used by capital financing activities	(129,497)	-
Cash flows from investing activities:		
Sale (purchase) of investment	-	3,463,728
Advance from other funds	9,923	-
Rental revenues	4,000	-
Donations	38,500	-
Interest income	3,201	84,866
Net cash provided by investing activities	55,624	3,548,594
Net increase (decrease) in cash and cash equivalents	(73,873)	2,166,823
Cash and cash equivalents – October 1, 2010	2,390,521	8,680,687
Cash and cash equivalents – September 30, 2011	\$ 2,316,648	\$ 10,847,510
Reconciliation of operating loss to net cash provided (used) in operating activities:		
Operating loss	\$ -	\$(1,233,314)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	-	182,776
Change in intergovernmental receivable	-	111,881
Change in accounts payable	-	(307,526)
Change in payroll payable	-	3,231
Change in due to other funds	-	144,588
Change in advance from other funds	-	(283,407)
Total adjustments	-	(148,457)
Net cash used in operating activities	\$ -	\$(1,381,771)

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Net Assets

Fiduciary Funds

September 30, 2011

Assets

Cash and cash equivalents	\$ 27,048,720
Investments	9,820,756
Assets held as security deposits	3,201,623
Receivables:	
Miscellaneous receivables	<u>348,737</u>
Total assets	<u>\$ 40,419,836</u>

Liabilities

Due to other governments	\$ 7,360,251
Due to others/vouchers payable	30,647,441
Cash bonds outstanding	2,332,952
Cost deposits outstanding	<u>79,192</u>
Total liabilities	<u>\$ 40,419,836</u>

The notes to the financial statements are an integral part of this statement.

**COLLIN COUNTY
TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012**



**JEFF MAY
COUNTY AUDITOR**

COLLIN COUNTY, TEXAS

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2012

Prepared by:

Office of County Auditor
Collin County



COLLIN COUNTY

Auditor's Office
2300 Bloomdale Rd.
Suite 3100
McKinney, Texas 75071
www.collincountytx.gov

April 30, 2013

Honorable District Judges
Honorable County Judge
Honorable County Commissioners, Collin County, Texas

The Comprehensive Annual Financial Report of Collin County, Texas, for the fiscal year ended September 30, 2012, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

PB&H, L.L.P., a firm of licensed certified public accountants, has audited Collin County's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the County for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based on the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion on Collin County's financial statements for the fiscal year ended September 30, 2012, and they are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Collin County was a part of a broader federal mandated "Single Audit" of federal granted funding as well as a state mandated "Single Audit" of state granted funding designed to meet the special needs of federal and state grantor agencies. Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. Specific emphasis was placed on internal controls and compliance with laws and regulations involving the administration of federal awards.

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

Collin County Profile

Located in North Central Texas, Collin County was incorporated in 1846 and both the County and the County Seat were named after the pioneer, Collin McKinney. In the 1970's the growth from the Dallas/Fort Worth Metroplex area began expanding northward into parts of the County causing a transformation from rural to suburban. Today a large portion of the County is considered to be a part of the Dallas/Fort Worth Metroplex even though the majority of the County remains rural. The County has a recent history of rapid growth that rivals any fast growing area in the entire United States. The growth rate has declined in the past few years despite in a large part due to the real estate market being sluggish; however, conditions are right to expect the growth rate to increase in upcoming years. The population of 813,133 is up 2.6% over the 2010 census of 791,631 and 421% over the 1980 census of 155,950. The County has a land area of 836 square miles.

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

Collin County provides a full range of services, including judicial; law enforcement; maintaining land and vital records; jail facilities; construction and maintenance of roads, bridges, and other infrastructure; recreational activities and facilities; indigent health assistance; and homeland security response teams.

The annual budget serves as the foundation for Collin County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Budget Officer. The Budget Officer uses these requests as the starting point for developing a proposed budget. The proposed budget and a recommended budget prepared by the Budget Officer are submitted to Commissioners Court for their consideration. Commissioners Court then holds budget work sessions to hear specific requests that were not included in the Budget Officer's recommended budget. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. Once all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund by the primary category of salaries and benefits, employee training, maintenance and operating, and capital expenditures. Budget to actual comparisons are provided in this report for the General Fund and all funds in which the Commissioners Court adopts an annual budget.

Factors Affecting Financial Condition

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

Local economy: Collin County is recovering from the economic slowdown in 2009 caused in large part from the downturn in real properties as a result of the 2009 “Great Recession.” The county is experiencing decreasing rates of foreclosures (62% from 2010 to 2012), and distressed properties which is impacting housing values are rapidly declining. Population growth is continuing to increase at a slower rate than in prior years but is poised to pick up again. In 2012 Collin County’s population increased by 11,393 (1.4% annual increase). The unemployment rate of 5.7% as of September 30, 2012, remains well below the national average rate and is significantly lower than the 2011 rate of 7.6% unemployment. The unemployment rate was 5.5% as of September 30, 2008, just before the national “Great Recession” of 2009 impacted the entire country. Major industries with headquarters, or divisions, located within the county include petroleum research, electronics, retail, hotel, food, and insurance institutions. Real property values were also affected by the economic slowdown. Collin County received 74.2% of total revenues in property taxes in 2012. Property tax revenues increased by 2.3% with no change in the tax rate from the prior year. Real property values are expected to increase moderately in 2012.

Long-term financial planning: The Commissioners Court continues to be very active in infrastructure development to help insure continued economic growth. They are continuously studying transportation and facility needs so that Collin County will remain a viable option for both industry and its employees. In November, 2007, they proposed and received approval from the taxpayers of Collin County to issue bonds totaling \$328.9 million for roads, facilities and parks. The county continues to issue bonds over time that were approved by voters in 2007. The County is also very active purchasing land and constructing sections of roads for the Outer Loop project. The project is funded in part by \$12 million that was awarded by the State of Texas Regional Toll Revenue (RTR) Fund in 2010.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Collin County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2011. This is the thirty-third consecutive year that Collin County has received this prestigious award. In order to be awarded a Certificate of Achievement, Collin County published an easily readable and efficiently organized CAFR, along with satisfying both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Office of County Auditor. The assistance and support of all election officials, department heads, and employees, as well as the Board of District Judges, is greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeff May". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jeff May, Collin County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Collin County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Collin County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2013, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison on pages 3 through 25 and pages 75 through 79 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 Collin County's basic financial statements. The introductory section, combining and individual fund financial statements, supplementary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pattillo, Brown & Hill, L.L.P.

April 30, 2013

**BASIC
FINANCIAL STATEMENTS**

COLLIN COUNTY, TEXAS

Statement of Net Assets

September 30, 2012

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets:				
Cash and cash equivalents	\$ 171,445,039	\$ 1,827,804	\$ 173,272,843	\$ 154,907
Investments	177,276,874	-	177,276,874	-
Receivables (net of allowance for uncollectibles)	7,946,649	1,101	7,947,750	200
Internal balances	17,039,366	(17,039,366)	-	-
Inventories	2,991,180	-	2,991,180	-
Capital assets (net of accumulated depreciation):				
Land	22,470,327	9,079,292	31,549,619	-
Buildings and system	188,376,959	-	188,376,959	-
Improvements other than buildings	4,125,906	-	4,125,906	-
Machinery and equipment	22,745,713	-	22,745,713	-
Infrastructure	186,876,744	-	186,876,744	-
Construction in progress	13,141,992	6,199,416	19,341,408	-
Total assets	<u>814,436,749</u>	<u>68,247</u>	<u>814,504,996</u>	<u>155,107</u>
Liabilities:				
Accounts payable and other current liabilities	13,741,815	6,250	13,748,065	152,109
Due to other governments	891	-	891	-
Unearned revenue	9,171,939	-	9,171,939	-
Noncurrent liabilities:				
Due within one year	37,194,908	-	37,194,908	-
Due in more than one year	392,458,694	-	392,458,694	-
Total liabilities	<u>452,568,247</u>	<u>6,250</u>	<u>452,574,497</u>	<u>152,109</u>
Net assets:				
Invested in capital assets, net of related debt	214,253,331	15,278,708	229,532,039	-
Restricted for:				
Debt service	6,178,596	-	6,178,596	-
Health Care Foundation	8,437,046	-	8,437,046	-
Meyers Park Foundation	15,327	-	15,327	-
Grant programs	6,532,763	-	6,532,763	-
Unrestricted	126,451,439	(15,216,711)	111,234,728	2,998
Total net assets	<u>\$ 361,868,502</u>	<u>\$ 61,997</u>	<u>\$ 361,930,499</u>	<u>\$ 2,998</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Activities
For the Fiscal Year Ended September 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Government activities:								
General administration	\$ 29,244,085	\$ 7,933,951	\$ 185,136	\$ 595,561	\$(20,529,437)	\$ -	\$(20,529,437)	
Judicial	16,068,834	4,861,226	717,145	-	(10,490,463)	-	(10,490,463)	
Financial administration	10,027,826	3,022,817	160,636	-	(6,844,373)	-	(6,844,373)	
Legal	10,204,545	279,982	166,131	-	(9,758,432)	-	(9,758,432)	
Public facilities	18,700,897	-	21,639	82,512	(18,596,746)	-	(18,596,746)	
Equipment services	2,858,704	-	5,116	-	(2,853,588)	-	(2,853,588)	
Public safety	57,155,752	9,677,514	3,605,469	213,868	(43,658,901)	-	(43,658,901)	
Public transportation	45,514,784	14,102,036	4,068,208	40,538	(27,304,002)	-	(27,304,002)	
Health and welfare	17,188,582	450,180	5,068,301	123,207	(11,546,894)	-	(11,546,894)	
Culture and recreation	1,591,047	1,040	204,754	3,727	(1,381,526)	-	(1,381,526)	
Conservation	249,193	-	-	-	(249,193)	-	(249,193)	
Interest and fiscal charges	22,193,212	-	313,699	-	(21,879,513)	-	(21,879,513)	
Total government activities	<u>230,997,461</u>	<u>40,328,746</u>	<u>14,516,234</u>	<u>1,059,413</u>	<u>(175,093,068)</u>	<u>-</u>	<u>(175,093,068)</u>	
Business-type activities:								
Toll Road Authority	\$ -	\$ -	\$ -	\$ -	-	-	-	
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total primary government	<u>\$ 230,997,461</u>	<u>\$ 40,328,746</u>	<u>\$ 14,516,234</u>	<u>\$ 1,059,413</u>	<u>(175,093,068)</u>	<u>-</u>	<u>(175,093,068)</u>	
Component unit:								
Health and welfare	\$ 38,621	\$ -	\$ 30,256	\$ -				\$(8,365)
Total component unit	<u>\$ 38,621</u>	<u>\$ -</u>	<u>\$ 30,256</u>	<u>\$ -</u>				<u>\$(8,365)</u>
General revenues								
Property taxes					175,548,525	-	175,548,525	-
Mixed beverage tax					2,213,241	-	2,213,241	-
Unrestricted investment earnings					2,314,418	2,661	2,317,079	-
Miscellaneous					903,048	-	903,048	-
Total general revenues					<u>180,979,232</u>	<u>2,661</u>	<u>180,981,893</u>	<u>-</u>
Change in net assets					5,886,164	2,661	5,888,825	(8,365)
Net assets - beginning of year					<u>355,982,338</u>	<u>59,336</u>	<u>356,041,674</u>	<u>11,363</u>
Net assets - end of year					<u>\$ 361,868,502</u>	<u>\$ 61,997</u>	<u>\$ 361,930,499</u>	<u>\$ 2,998</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Balance Sheet
Governmental Funds
September 30, 2012

Assets	General Fund	General Road and Bridge	Health Care Foundation	RTR - Wylie
Cash and cash equivalents	\$ 67,091,472	\$ 6,746,934	\$ 1,600,510	\$ 4,211,556
Investments	88,037,182	9,615,480	7,021,721	-
Receivables:				
Taxes (net of allowance for uncollectibles)	2,205,139	38,537	-	-
Fines and fees	1,368,894	766,158	-	-
Due from other governments	1,116,666	131,997	-	-
Due from other funds	689,187	-	-	-
Advance to other funds	16,534,531	-	-	-
Interest	205,236	-	2,132	-
Miscellaneous	120,375	40,075	616	-
Inventories	551,167	2,440,013	-	-
Total assets	<u>\$ 177,919,849</u>	<u>\$ 19,779,194</u>	<u>\$ 8,624,979</u>	<u>\$ 4,211,556</u>
Liabilities				
Accounts payable	\$ 4,212,841	\$ 478,212	\$ 103,047	\$ -
Payroll related costs payable	4,564,440	119,262	37,428	-
Lease deposits payable	-	-	47,458	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	1,535,871	766,158	-	4,211,556
Deferred tax revenue	1,978,636	41,850	-	-
Total liabilities	<u>12,291,788</u>	<u>1,405,482</u>	<u>187,933</u>	<u>4,211,556</u>
Fund balances				
Nonspendable	17,385,699	2,440,013	-	-
Restricted	4,116,734	15,933,699	-	-
Committed	25,252,246	-	8,437,046	-
Unassigned	118,873,382	-	-	-
Total fund balances	<u>165,628,061</u>	<u>18,373,712</u>	<u>8,437,046</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 177,919,849</u>	<u>\$ 19,779,194</u>	<u>\$ 8,624,979</u>	<u>\$ 4,211,556</u>

The notes to the financial statements are an integral part of this statement.

RTR - Outer Loop Phase 3	Debt Service	2003 Road Bond	2007 Road Bond	Other Governmental Funds	Total
\$ 2,623,205	\$ 6,039,789	\$ 14,788,269	\$ 25,835,618	\$ 35,577,962	\$ 164,515,315
2,257,161	-	8,222,723	49,892,988	7,919,418	172,966,673
-	839,302	-	-	247	3,083,225
-	-	-	-	-	2,135,052
-	-	-	-	851,120	2,099,783
-	-	-	-	-	689,187
-	-	14,499	-	1,340,558	17,889,588
-	-	-	1,166	-	208,534
-	57,727	-	-	117,420	336,213
-	-	-	-	-	2,991,180
<u>\$ 4,880,366</u>	<u>\$ 6,936,818</u>	<u>\$ 23,025,491</u>	<u>\$ 75,729,772</u>	<u>\$ 45,806,725</u>	<u>\$ 366,914,750</u>
\$ 771,822	\$ -	\$ 829,790	\$ 10,408	\$ 661,999	\$ 7,068,119
-	-	-	-	54,862	4,775,992
-	-	-	-	-	47,458
-	-	-	-	891	891
-	-	-	-	689,187	689,187
4,108,544	-	-	-	798,904	11,421,033
-	758,222	-	-	247	2,778,955
<u>4,880,366</u>	<u>758,222</u>	<u>829,790</u>	<u>10,408</u>	<u>2,206,090</u>	<u>26,781,635</u>
-	-	14,499	-	1,340,558	21,180,769
-	6,178,596	22,181,202	75,719,364	42,260,077	166,389,672
-	-	-	-	-	33,689,292
-	-	-	-	-	118,873,382
-	6,178,596	22,195,701	75,719,364	43,600,635	340,133,115
<u>\$ 4,880,366</u>	<u>\$ 6,936,818</u>	<u>\$ 23,025,491</u>	<u>\$ 75,729,772</u>	<u>\$ 45,806,725</u>	<u>\$ 366,914,750</u>

COLLIN COUNTY, TEXAS
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Assets
September 30, 2012

Total fund balances – governmental funds		\$ 340,133,115
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.		
These capital assets (net of accumulated depreciation) consist of:		
Land	\$ 22,470,327	
Buildings and systems	186,122,503	
Improvements other than buildings	4,125,906	
Machinery equipment	22,676,729	
Infrastructure	186,876,744	
Construction in progress	<u>13,141,992</u>	
Total capital assets		435,414,201
Some amounts deferred in the funds were recorded in a different fiscal year than the current year:		
Special assessment for road construction in the prior year that is deferred to a future period is included in the funds.	114,042	
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	2,135,052	
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	<u>2,778,955</u>	
Total deferred revenues		5,028,049
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		8,130,455
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Interest payable	(1,793,417)	
Bonds, notes and loans payable	(393,210,044)	
Compensated absences	(6,685,695)	
Unamortized bond premiums	<u>(25,148,162)</u>	
Total liabilities		(426,837,318)
Net assets of governmental activities		<u>\$ 361,868,502</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012

	<u>General</u>	<u>General Road and Bridge</u>	<u>Health Care Foundation</u>	<u>RTR - Wylie</u>
Revenues:				
Taxes:				
Property	\$ 126,555,655	\$ 2,190,413	\$ -	\$ -
Licenses and permits	282,352	1,377	-	-
Federal and state funds	7,042,027	-	64,252	-
Fees and charges for services	18,435,832	13,902,503	349,029	-
Fines and forfeitures	2,191,532	1,812,981	-	-
Other local government funds	-	2,017	-	-
Rental	222,540	-	1,142,921	-
Interest	1,133,435	123,371	65,331	-
Miscellaneous	811,304	215,226	21,027	-
Total revenues	<u>156,674,677</u>	<u>18,247,888</u>	<u>1,642,560</u>	<u>-</u>
Expenditures:				
Current:				
General administration	24,948,893	-	-	-
Judicial	14,551,857	-	-	-
Financial administration	9,773,492	-	-	-
Legal	9,969,632	-	-	-
Public facilities	10,457,208	-	114,982	-
Equipment services	2,208,379	-	-	-
Public safety	55,369,495	-	-	-
Public transportation	-	15,149,678	-	-
Health and welfare	11,651,835	-	2,386,705	-
Culture and recreation	1,027,050	-	-	-
Conservation	246,119	-	-	-
Capital outlay	4,010,412	2,129,858	3,653	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	<u>144,214,372</u>	<u>17,279,536</u>	<u>2,505,340</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,460,305</u>	<u>968,352</u>	<u>(862,780)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	125,958	-	-	-
Transfers out	(346,348)	-	-	-
Sale of assets	42,885	270,022	-	-
Debt issuance	-	-	-	-
Refunding escrow payments	-	-	-	-
Premium (discount) on sale of bonds	-	-	-	-
Total other financing sources (uses)	<u>(177,505)</u>	<u>270,022</u>	<u>-</u>	<u>-</u>
Net change in fund balances	12,282,800	1,238,374	(862,780)	-
Fund balances – beginning	<u>153,345,261</u>	<u>17,135,338</u>	<u>9,299,826</u>	<u>-</u>
Fund balances – ending	<u>\$ 165,628,061</u>	<u>\$ 18,373,712</u>	<u>\$ 8,437,046</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement

RTR - Outer Loop Phase 3	Debt Service	2003 Road Bond	2007 Road Bond	Other Governmental Funds	Total
\$ -	\$ 46,695,224	\$ -	\$ -	\$ 400	\$ 175,441,692
-	-	-	-	-	283,729
3,475,206	313,699	-	-	4,801,284	15,696,468
-	-	-	-	3,068,259	35,755,623
-	-	-	-	97,494	4,102,007
-	-	13,501	-	155,999	171,517
-	-	-	-	-	1,365,461
-	454,592	125,744	236,882	110,823	2,250,178
-	-	-	-	219,445	1,267,002
<u>3,475,206</u>	<u>47,463,515</u>	<u>139,245</u>	<u>236,882</u>	<u>8,453,704</u>	<u>236,333,677</u>
-	-	-	-	1,197,442	26,146,335
-	-	-	-	1,314,073	15,865,930
-	-	-	-	-	9,773,492
-	-	-	-	123,701	10,093,333
-	-	-	-	32,680	10,604,870
-	-	-	-	9,463	2,217,842
-	-	-	-	720,707	56,090,202
-	-	-	-	348,677	15,498,355
-	-	-	-	2,887,676	16,926,216
-	-	-	-	6,741	1,033,791
-	-	-	-	-	246,119
3,475,206	-	5,056,591	9,943,352	10,570,582	35,189,654
-	26,050,000	-	-	-	26,050,000
-	16,107,474	-	-	-	16,107,474
-	349,107	-	-	-	349,107
-	4,678,400	-	-	-	4,678,400
<u>3,475,206</u>	<u>47,184,981</u>	<u>5,056,591</u>	<u>9,943,352</u>	<u>17,211,742</u>	<u>246,871,120</u>
-	278,534	(4,917,346)	(9,706,470)	(8,758,038)	(10,537,443)
-	-	-	-	318,924	444,882
-	-	-	-	(96,982)	(443,330)
-	-	-	-	4,635	317,542
-	36,900,000	-	31,365,000	3,270,000	71,535,000
-	(39,855,000)	-	-	-	(39,855,000)
-	7,042,442	-	5,135,000	230,000	12,407,442
-	4,087,442	-	36,500,000	3,726,577	44,406,536
-	4,365,976	(4,917,346)	26,793,530	(5,031,461)	33,869,093
-	1,812,620	27,113,047	48,925,834	48,632,096	306,264,022
<u>\$ -</u>	<u>\$ 6,178,596</u>	<u>\$ 22,195,701</u>	<u>\$ 75,719,364</u>	<u>\$ 43,600,635</u>	<u>\$ 340,133,115</u>

COLLIN COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds to the
Statement of Activities

For the Year Ended September 30, 2012

Net change in fund balances – governmental funds		\$ 33,869,093
Amounts reported for governmental activities in the statement of activities are different because:		
Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:		
Capital assets additions	\$ 24,523,437	
Capital assets decreases	(10,764,341)	
Depreciation expense for all capital assets	<u>(22,208,729)</u>	
Total change in capital assets activity		(8,449,633)
Bond proceeds provide current financial resources. However, in the statement of activities, some items do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Debt issuance and refunding increases long-term debt in statement of net assets.	(71,535,000)	
Debt repayment is expenditure in governmental funds, but reduces long-term liabilities in the statement of net assets.	65,905,000	
Bond premiums and bond discounts require the use of current financial resources but are amortized over the life of the bond in the statement of activities.	<u>(13,703,979)</u>	
Total long-term debt		(19,333,979)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities.		
		(595,070)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. The change in these revenues are as follows:		
Property taxes	106,432	
Fines and forfeitures	<u>86,724</u>	
Total changes in revenues		193,156
Some items 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 change in these expenditures are as follows:		
Interest owed but not yet paid	238,306	
Compensated absences	<u>(35,709)</u>	
Total changes in long-term liabilities		<u>202,597</u>
Change in net assets of governmental activities		<u>\$ 5,886,164</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Net Assets

Proprietary Funds

September 30, 2012

	<u>Business-type Activities – Collin County Toll Road Authority</u>	<u>Governmental Activities – Internal Service Funds</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,827,804	\$ 6,929,724
Investments	-	4,310,201
Receivables:		
Miscellaneous receivables	<u>1,101</u>	<u>83,842</u>
Total current assets	<u>1,828,905</u>	<u>11,323,767</u>
Capital assets (net of accumulated depreciation):		
Land	9,079,292	-
Buildings and systems	-	2,254,456
Machinery and equipment	-	68,984
Construction in progress	<u>6,199,416</u>	<u>-</u>
Total capital assets	<u>15,278,708</u>	<u>2,323,440</u>
Total assets	<u>17,107,613</u>	<u>13,647,207</u>
Liabilities:		
Current liabilities:		
Accounts payable	6,250	2,713,042
Payroll payable	-	14,099
Claims payable	<u>-</u>	<u>1,939,389</u>
Total current liabilities	<u>6,250</u>	<u>4,666,530</u>
Noncurrent liabilities:		
Advance from other funds	<u>17,039,366</u>	<u>850,222</u>
Total liabilities	<u>17,045,616</u>	<u>5,516,752</u>
Net assets:		
Invested in capital assets	15,278,708	2,323,440
Unrestricted	<u>(15,216,711)</u>	<u>5,807,015</u>
Total net assets	<u>\$ 61,997</u>	<u>\$ 8,130,455</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended September 30, 2012

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Operating revenues:		
Premiums	\$ -	\$ 23,001,662
Charges for services	-	1,362,976
Other	-	1,672,818
Total operating revenues	<u>-</u>	<u>26,037,456</u>
Operating expenses:		
Administration	-	3,593,712
Benefits	-	22,996,800
Depreciation	-	106,254
Total operating expenses	<u>-</u>	<u>26,696,766</u>
Operating loss	-	(659,310)
Non-operating revenues (expenses):		
Interest income	<u>2,661</u>	<u>64,240</u>
Total non-operating revenues (expenses)	<u>2,661</u>	<u>64,240</u>
Change in net assets	2,661	(595,070)
Total net assets – beginning	<u>59,336</u>	<u>8,725,525</u>
Total net assets – ending	<u>\$ 61,997</u>	<u>\$ 8,130,455</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2012

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from customers and users	\$ -	\$ 24,342,021
Insurance recovery	-	1,613,283
Administration costs	-	(4,097,257)
Benefits paid	-	(22,704,940)
Net cash used by operating activities	<u>-</u>	<u>(846,893)</u>
Cash flows from capital financing activities:		
Purchases of capital assets	(493,056)	-
Net cash used by capital financing activities	<u>(493,056)</u>	<u>-</u>
Cash flows from investing activities:		
Sale (purchase) of investment	-	(3,135,133)
Advance from other funds	1,552	-
Interest income	<u>2,660</u>	<u>64,240</u>
Net cash provided by investing activities	<u>4,212</u>	<u>(3,070,893)</u>
Net increase (decrease) in cash and cash equivalents	(488,844)	(3,917,786)
Cash and cash equivalents – October 1, 2011	<u>2,316,648</u>	<u>10,847,510</u>
Cash and cash equivalents – September 30, 2012	<u>\$ 1,827,804</u>	<u>\$ 6,929,724</u>
Reconciliation of operating loss to net cash provided (used) in operating activities:		
Operating loss	\$ <u>-</u>	\$ <u>(659,310)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	-	106,254
Other nonoperating expenses	-	(72,314)
Change in intergovernmental receivable	-	(82,153)
Change in accounts payable	-	301,956
Change in payroll payable	-	(13,331)
Change in due to other funds	-	(144,588)
Change in advance from other funds	-	(283,407)
Total adjustments	<u>-</u>	<u>(187,583)</u>
Net cash used in operating activities	<u>\$ -</u>	<u>\$(846,893)</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Net Assets

Fiduciary Funds

September 30, 2012

Assets

Cash and cash equivalents	\$ 29,516,836
Investments	10,967,909
Assets held as security deposits	3,134,244
Receivables:	
Miscellaneous receivables	<u>27,670</u>
Total assets	<u>\$ 43,646,659</u>

Liabilities

Due to other governments	\$ 7,374,375
Due to others/vouchers payable	33,914,328
Cash bonds outstanding	2,290,577
Cost deposits outstanding	<u>67,379</u>
Total liabilities	<u>\$ 43,646,659</u>

The notes to the financial statements are an integral part of this statement.

**COLLIN COUNTY
TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013**



**JEFF MAY
COUNTY AUDITOR**

COLLIN COUNTY, TEXAS

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2013

Prepared by:

Office of County Auditor
Collin County



COLLIN COUNTY

Auditor's Office
2300 Bloomdale Rd.
Suite 3100
McKinney, Texas 75071
www.collincountytx.gov

March 28, 2014

Honorable District Judges
Honorable County Judge
Honorable County Commissioners, Collin County, Texas

The Comprehensive Annual Financial Report of Collin County, Texas, for the fiscal year ended September 30, 2013, is submitted herewith in accordance with Chapter 114.025 of the Local Government Code. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants.

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

PB&H, L.L.P., a firm of licensed certified public accountants, has audited Collin County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based on the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion on Collin County's financial statements for the fiscal year ended September 30, 2013, and they are fairly presented in conformity with GAAP.

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

The independent audit of the financial statements of Collin County was a part of a broader federally mandated "Single Audit" of federally granted funding as well as a state mandated "Single Audit" of state granted funding designed to meet the special needs of federal and state grantor agencies. Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. Specific emphasis was placed on internal controls and compliance with laws and regulations involving the administration of federal awards.

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

Collin County Profile

Located in North Central Texas, Collin County was incorporated in 1846 and both the County and the County Seat were named after the pioneer Collin McKinney. In the 1970's the growth from the Dallas/Fort Worth Metroplex area began expanding northward into parts of the County causing a transformation from rural to suburban. Today a large portion of the County is considered to be a part of the Dallas/Fort Worth Metroplex even though the majority of the County remains rural. The County has a recent history of rapid growth that rivals any fast growing area in the entire United States. The growth rate declined during the national economic downturn period in 2009 but is rapidly recovering in the past two years due to vibrant economic activity. The population of 834,642 is up 2.6% over the 2012 population of 813,133, 5.4% over the 2010 census population of 791,631, and 435% over the 1980 census population of 155,950. The County has a land area of 836 square miles.

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

Collin County provides a full range of services, including judicial; law enforcement; maintaining land and vital records; jail facilities; construction and maintenance of roads, bridges, and other infrastructure; recreational activities and facilities; indigent health assistance; and homeland security response teams.

The annual budget serves as the foundation for Collin County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Budget Officer. The Budget Officer uses these requests as the starting point for developing a proposed budget. The proposed budget and a recommended budget prepared by the Budget Officer are submitted to Commissioners Court for their consideration. Commissioners Court then holds budget work sessions to hear specific requests that were not included in the Budget Officer's recommended budget. The Court is required to publish specific information, notices, and hold public hearings as defined by state statute. Once all these requirements are met, the Court may adopt the budget and the tax rate by September 1 or as soon thereafter as is practical. The appropriated budget is adopted by fund by the primary category of salaries and benefits, employee training, maintenance and operating, and capital expenditures. Budget to actual comparisons are

provided in this report for the General Fund and all funds in which the Commissioners Court adopts an annual budget.

Factors Affecting Financial Condition

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

Local economy: Collin County has recovered from the economic slowdown in 2009 and is experiencing vibrant economic activity in many areas. Tax appraisals in the County increased 6.2% during 2013 of which 2.2% was for new construction and the remainder was increases in existing properties. The one-year population growth rate increased 2.4% from 1.4% in the prior year. However, due to major corporate construction projects this rate of growth is expected to dramatically increase in upcoming years. A new State Farm facility that is under construction in Richardson is expected to bring ten thousand jobs into the area and as many as forty thousand people into the County. Another project in the county, a planned Federal Express facility, is expected to bring in another 1,500 jobs. The unemployment rate of 5.5% as of September 30, 2013, (5.7% in 2012) remains well below the national average rate and is significantly lower than the 2011 rate of 7.6% unemployment. The unemployment rate was 5.5% as of September 30, 2008, just before the national “Great Recession” of 2009 impacted the entire country. Major industries with headquarters, or divisions, located within the county include petroleum research, electronics, retail, hotel, food, and insurance institutions. Property tax revenues increased by 2.8% in spite of a decrease in the tax rate of \$0.0025 per \$100 of valuation. Real property values are expected to continue to increase at a more rapid pace in 2014.

Long-term financial planning: The Commissioners Court continues to be very active in infrastructure development to help insure continued economic growth. They are continuously studying transportation and facility needs so that the County will remain a viable option for both industry and its employees. In November of 2007 they proposed and received approval from the taxpayers of Collin County to issue bonds totaling \$328.9 million for roads, facilities and parks. The County continues to issue bonds over time that were approved by voters in 2007. The County is also very active in purchasing land and constructing sections of roads for the Outer Loop project. The project is funded in part by \$12 million that was awarded by the State of Texas Regional Toll Revenue (RTR) Fund in 2010.

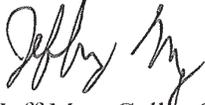
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Collin County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. This is the thirty-fourth consecutive year that Collin County has received this prestigious award. In order to be awarded a Certificate of Achievement, Collin County published an easily readable and efficiently organized CAFR, along with satisfying both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Office of County Auditor. The assistance and support of all elected officials, department heads, and employees, as well as the Board of District Judges, is greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeff May". The signature is written in a cursive, flowing style.

Jeff May, Collin County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Collin County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners Court
McKinney, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Collin County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 24, the budgetary comparisons on pages 70 through 74, and the schedule of funding progress on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Collin County, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Collin County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 28, 2014

**BASIC
FINANCIAL STATEMENTS**

COLLIN COUNTY, TEXAS

Statement of Net Position

September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash	\$ 25,279,308	\$ 58,322	\$ 25,337,630	\$ 140,074
Investments	353,204,996	1,728,673	354,933,669	-
Receivables (net of allowance for uncollectibles)	7,924,899	-	7,924,899	-
Internal balances	17,095,325	(17,095,325)	-	-
Inventories	2,633,036	-	2,633,036	-
Deferred contributions	383,793	-	383,793	-
Capital assets (net of accumulated depreciation):				
Land	23,608,661	9,102,732	32,711,393	-
Buildings and system	174,688,425	-	174,688,425	-
Improvements other than buildings	3,766,663	-	3,766,663	-
Machinery and equipment	21,846,363	-	21,846,363	-
Infrastructure	183,649,040	-	183,649,040	-
Construction in progress	15,188,184	6,269,352	21,457,536	-
Total assets	\$ 829,268,693	\$ 63,754	\$ 829,332,447	\$ 140,074
Liabilities:				
Accounts payable and other current liabilities	\$ 14,681,428	\$ -	\$ 14,681,428	\$ 140,074
Due to other governments	197,568	-	197,568	-
Unearned revenue	7,356,981	-	7,356,981	-
Noncurrent liabilities:				
Due within one year	34,296,465	-	34,296,465	-
Due in more than one year	399,506,273	-	399,506,273	-
Total liabilities	456,038,715	-	456,038,715	140,074
Net position:				
Net investment in capital assets	231,894,333	15,372,084	247,266,417	-
Restricted for:				
Debt service	9,957,971	-	9,957,971	-
Health Care Foundation	8,486,389	-	8,486,389	-
Myers Park Foundation	15,350	-	15,350	-
Grant programs	6,906,263	-	6,906,263	-
Unrestricted (deficit)	115,969,672	(15,308,330)	100,661,342	-
Total net position	\$ 373,229,978	\$ 63,754	\$ 373,293,732	\$ -

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Activities
For The Year Ended September 30, 2013

Fuctions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General administration	\$ 27,866,729	\$ 9,189,297	\$ 388,802	\$ 145,112	\$(18,143,518)	\$ -	\$(18,143,518)	
Judicial	16,427,358	4,889,281	846,486	-	(10,691,591)	-	(10,691,591)	
Financial administration	10,167,597	3,075,027	178,896	-	(6,913,674)	-	(6,913,674)	
Legal	10,300,586	310,396	169,564	-	(9,820,626)	-	(9,820,626)	
Public facilities	21,949,602	-	138,181	-	(21,811,421)	-	(21,811,421)	
Equipment services	3,236,108	-	3,838	477,240	(2,755,030)	-	(2,755,030)	
Public safety	55,924,293	9,831,511	3,664,559	205,432	(42,222,791)	-	(42,222,791)	
Public transportation	42,392,813	15,767,626	1,776,197	102,869	(24,746,121)	-	(24,746,121)	
Health and welfare	18,130,149	310,934	6,687,977	-	(11,131,238)	-	(11,131,238)	
Culture and recreation	3,333,334	1,377	229,457	-	(3,102,500)	-	(3,102,500)	
Conservation	246,371	-	-	-	(246,371)	-	(246,371)	
Interest and fiscal charges	21,846,718	-	300,053	-	(21,546,665)	-	(21,546,665)	
Total governmental activities	<u>231,821,658</u>	<u>43,375,449</u>	<u>14,384,010</u>	<u>930,653</u>	<u>(173,131,546)</u>	<u>-</u>	<u>(173,131,546)</u>	
Business-type activities:								
Toll Road Authority	-	-	-	-	-	-	-	
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total primary government	<u>231,821,658</u>	<u>43,375,449</u>	<u>14,384,010</u>	<u>930,653</u>	<u>(173,131,546)</u>	<u>-</u>	<u>(173,131,546)</u>	
Component unit:								
Health and welfare	<u>45,677</u>	<u>-</u>	<u>42,638</u>	<u>-</u>				<u>(3,039)</u>
Total component unit	<u>\$ 45,677</u>	<u>\$ -</u>	<u>\$ 42,638</u>	<u>\$ -</u>				<u>\$(3,039)</u>
General revenues								
Property taxes					180,402,943	-	180,402,943	-
Mixed beverage tax					2,613,224	-	2,613,224	-
Investment earnings					1,334,777	1,757	1,336,534	41
Miscellaneous					142,080	-	142,080	-
Total general revenues					<u>184,493,024</u>	<u>1,757</u>	<u>184,494,781</u>	<u>41</u>
Change in net position					11,361,478	1,757	11,363,235	(2,998)
Net position - beginning of year					<u>361,868,500</u>	<u>61,997</u>	<u>361,930,497</u>	<u>2,998</u>
Net position - end of year					<u>\$ 373,229,978</u>	<u>\$ 63,754</u>	<u>\$ 373,293,732</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2013

Assets	General Fund	General Road and Bridge	Health Care Foundation	RTR - Wylie
Cash	\$ 18,208,118	\$ 2,052,871	\$ 1,541,332	\$ 446
Investments	155,188,855	15,202,250	7,146,917	4,217,217
Receivables:				
Taxes (net of allowance for uncollectibles)	1,951,489	44,268	-	-
Fines and fees	1,223,612	753,144	-	-
Due from other governments	1,309,507	113,094	-	-
Due from other funds	1,953,002	-	-	-
Advance to other funds	16,269,485	-	-	-
Interest	248,657	-	10,125	-
Miscellaneous	320,842	169,576	-	-
Inventories	583,318	2,049,718	-	-
	<u>\$ 197,256,885</u>	<u>\$ 20,384,921</u>	<u>\$ 8,698,374</u>	<u>\$ 4,217,663</u>
Total assets				
	<u>\$ 197,256,885</u>	<u>\$ 20,384,921</u>	<u>\$ 8,698,374</u>	<u>\$ 4,217,663</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 3,289,482	\$ 360,399	\$ 48,144	\$ -
Payroll related costs payable	4,934,039	123,258	43,940	-
Lease deposits payable	-	-	119,901	-
Due to other governments	196,677	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	1,223,612	753,144	-	4,217,663
Deferred tax revenue	1,894,106	50,505	-	-
	<u>11,537,916</u>	<u>1,287,306</u>	<u>211,985</u>	<u>4,217,663</u>
Total liabilities				
	<u>11,537,916</u>	<u>1,287,306</u>	<u>211,985</u>	<u>4,217,663</u>
Fund Balances:				
Nonspendable	17,137,803	2,049,718	-	-
Restricted	5,139,168	17,047,897	-	-
Committed	15,361,692	-	8,486,389	-
Unassigned	148,080,306	-	-	-
	<u>185,718,969</u>	<u>19,097,615</u>	<u>8,486,389</u>	<u>-</u>
Total fund balances				
	<u>185,718,969</u>	<u>19,097,615</u>	<u>8,486,389</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 197,256,885</u>	<u>\$ 20,384,921</u>	<u>\$ 8,698,374</u>	<u>\$ 4,217,663</u>

The notes to the financial statements are an integral part of this statement.

RTR - Outer Loop	Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ 3,911	\$ 14,844	\$ 227,739	\$ 841,842	\$ 22,891,103
3,364,416	9,882,304	89,760,855	59,504,140	344,266,954
-	632,656	-	-	2,628,413
-	-	-	-	1,976,756
-	-	-	983,723	2,406,324
-	-	-	-	1,953,002
-	-	37,598	1,355,057	17,662,140
-	-	-	-	258,782
-	43,681	-	118,563	652,662
-	-	-	-	2,633,036
<u>\$ 3,368,327</u>	<u>\$ 10,573,485</u>	<u>\$ 90,026,192</u>	<u>\$ 62,803,325</u>	<u>\$ 397,329,172</u>
\$ 203,434	\$ 1,990	\$ 162,085	\$ 1,075,466	\$ 5,141,000
-	-	-	57,243	5,158,480
-	-	-	-	119,901
-	-	-	891	197,568
-	-	-	1,793,002	1,793,002
3,164,893	-	-	88,467	9,447,779
-	613,524	-	114,042	2,672,177
<u>3,368,327</u>	<u>615,514</u>	<u>162,085</u>	<u>3,129,111</u>	<u>24,529,907</u>
-	-	-	1,355,057	20,542,578
-	9,957,971	89,864,107	58,319,157	180,328,300
-	-	-	-	23,848,081
-	-	-	-	148,080,306
-	9,957,971	89,864,107	59,674,214	372,799,265
<u>\$ 3,368,327</u>	<u>\$ 10,573,485</u>	<u>\$ 90,026,192</u>	<u>\$ 62,803,325</u>	<u>\$ 397,329,172</u>

COLLIN COUNTY, TEXAS

Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position

September 30, 2013

Total fund balances – governmental funds		\$ 372,799,265
Amounts reported for governmental activities in the statement of net position are different because:		
Capital project construction payments made to construct assets owned by other local governments.		383,793
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These capital assets (net of accumulated depreciation) consist of:		
Land	\$ 23,608,661	
Buildings and systems	172,528,867	
Improvements other than buildings	3,766,663	
Machinery equipment	21,780,075	
Infrastructure	183,649,040	
Construction in progress	<u>15,188,184</u>	
Total capital assets		420,521,490
Some amounts deferred in the funds were recorded in a different fiscal year than the current year:		
Special assessment for road construction in the prior year that is deferred to a future period is included in the funds.	\$ 114,042	
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	1,976,756	
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	<u>2,672,177</u>	
Total deferred revenues		4,762,975
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		7,619,037
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Interest payable	(4,191,799)	
Bonds, notes and loans payable	(393,350,000)	
Compensated absences	(6,564,264)	
Unamortized bond premiums	<u>(28,750,519)</u>	
Total liabilities		(432,856,582)
Net position of governmental activities		<u>\$ 373,229,978</u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For The Year Ended September 30, 2013

	<u>General</u>	<u>General Road and Bridge</u>	<u>Health Care Foundation</u>	<u>RTR - Wylie</u>
Revenues:				
Taxes:				
Property	\$ 129,156,674	\$ 2,254,403	\$ -	\$ -
Licenses and permits	378,671	3,780	-	-
Federal and state funds	5,033,417	-	1,270,265	-
Fees and charges for services	19,319,252	15,580,069	277,491	-
Fines and forfeitures	2,142,678	1,966,217	-	-
Other local government funds	-	89,186	-	-
Rental revenues	254,430	-	1,095,368	-
Interest	485,868	85,864	26,099	-
Miscellaneous	1,269,903	200,127	31,311	-
Total revenues	<u>158,040,893</u>	<u>20,179,646</u>	<u>2,700,534</u>	<u>-</u>
Expenditures:				
Current:				
General administration	23,850,268	-	-	-
Judicial	14,598,191	-	-	-
Financial administration	9,903,760	-	-	-
Legal	10,040,658	-	-	-
Public facilities	10,575,698	-	82,011	-
Equipment services	2,164,730	-	-	-
Public safety	52,794,966	-	-	-
Public transportation	-	18,299,851	-	-
Health and welfare	12,075,076	-	2,569,180	-
Culture and recreation	841,464	-	-	-
Conservation	244,445	-	-	-
Capital outlay:	3,964,567	1,315,273	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Total expenditures	<u>141,053,823</u>	<u>19,615,124</u>	<u>2,651,191</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,987,070</u>	<u>564,522</u>	<u>49,343</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	79,505	-	-	-
Transfers out	(515,900)	-	-	-
Sale of assets	3,540,233	159,381	-	-
Debt issuance	-	-	-	-
Refunding escrow payments	-	-	-	-
Premium (discount) on sale of bonds	-	-	-	-
Total other financing sources (uses)	<u>3,103,838</u>	<u>159,381</u>	<u>-</u>	<u>-</u>
Net change in fund balances	20,090,908	723,903	49,343	-
Fund balances – beginning	<u>165,628,061</u>	<u>18,373,712</u>	<u>8,437,046</u>	<u>-</u>
Fund balances – ending	<u>\$ 185,718,969</u>	<u>\$ 19,097,615</u>	<u>\$ 8,486,389</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

RTR - Outer Loop	Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ -	\$ 49,098,644	\$ -	\$ -	\$ 180,509,721
-	-	-	-	382,451
956,145	300,053	-	6,820,890	14,380,770
-	-	-	3,680,974	38,857,786
-	-	-	213,204	4,322,099
-	-	-	84,200	173,386
-	-	-	-	1,349,798
-	286,702	302,306	133,751	1,320,590
-	-	235,615	162,474	1,899,430
<u>956,145</u>	<u>49,685,399</u>	<u>537,921</u>	<u>11,095,493</u>	<u>243,196,031</u>
-	-	-	934,707	24,784,975
-	-	-	1,689,053	16,287,244
-	-	-	1,912	9,905,672
-	-	-	148,095	10,188,753
-	-	-	34,369	10,692,078
-	-	-	474,640	2,639,370
-	-	-	2,659,151	55,454,117
-	-	-	346,876	18,646,727
-	-	-	3,111,590	17,755,846
-	-	-	-	841,464
-	-	-	-	244,445
956,145	-	14,430,776	10,498,226	31,164,987
-	28,035,000	-	-	28,035,000
-	16,803,031	-	-	16,803,031
-	339,472	-	-	339,472
-	4,180,537	-	-	4,180,537
<u>956,145</u>	<u>49,358,040</u>	<u>14,430,776</u>	<u>19,898,619</u>	<u>247,963,718</u>
-	327,359	(13,892,855)	(8,803,126)	(4,767,687)
-	-	-	538,323	617,828
-	-	-	(101,928)	(617,828)
-	-	37,598	44,609	3,781,821
-	46,320,000	25,665,000	2,200,000	74,185,000
-	(46,010,000)	-	-	(46,010,000)
-	3,142,016	2,335,000	-	5,477,016
-	3,452,016	28,037,598	2,681,004	37,433,837
-	3,779,375	14,144,743	(6,122,122)	32,666,150
-	6,178,596	75,719,364	65,796,336	340,133,115
<u>\$ -</u>	<u>\$ 9,957,971</u>	<u>\$ 89,864,107</u>	<u>\$ 59,674,214</u>	<u>\$ 372,799,265</u>

COLLIN COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

For The Year Ended September 30, 2013

Net change in fund balances – governmental funds \$ 32,666,150

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

Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	\$ 14,523,793	
Capital assets decreases	(7,121,621)	
Depreciation expense	<u>(21,911,091)</u>	
Total change in capital assets activity		(14,508,919)

Bond proceeds provide current financial resources. However, in the statement of activities, some items do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Debt issuance and refunding increase long-term debt in statement of net position	(74,185,000)	
Debt repayment is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.	74,045,000	
Bond premiums and bond discounts require the use of current financial resources but are amortized over the life of the bond in the statement of activities.	<u>(3,602,312)</u>	
Total long-term debt		(3,742,312)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds are reported with the governmental activities.

(511,418)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. The changes in these revenues are as follows:

Property taxes	(106,778)	
Fines and forfeitures	<u>(158,296)</u>	
Total changes in revenues		(265,074)

Some items 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 changes in these expenditures are as follows:

Interest owed but not yet paid	(2,398,382)	
Compensated absences	<u>121,433</u>	
Total changes in long-term liabilities		(2,276,949)

Change in net position of governmental activities		\$ <u>11,361,478</u>
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The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For The Year Ended September 30, 2013

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Operating revenues:		
Premiums	\$ -	\$ 24,402,170
Charges for services	-	1,469,085
Other	-	1,663,222
Total operating revenues	<u>-</u>	<u>27,534,477</u>
Operating expenses:		
Administration	-	3,939,297
Benefits	-	24,015,271
Depreciation	-	105,514
Total operating expenses	<u>-</u>	<u>28,060,082</u>
Operating (loss)	-	(525,605)
Nonoperating revenues (expenses):		
Interest income	<u>1,757</u>	<u>14,187</u>
Total nonoperating revenues (expenses)	<u>1,757</u>	<u>14,187</u>
Change in net position	1,757	(511,418)
Total net position – beginning	<u>61,997</u>	<u>8,130,455</u>
Total net position – ending	<u><u>\$ 63,754</u></u>	<u><u>\$ 7,619,037</u></u>

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2013

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from customers and users	\$ -	\$ 26,059,351
Insurance recovery	-	1,557,008
Administration costs	-	(4,057,212)
Benefits paid	-	(23,487,017)
Net cash provided by operating activities	-	72,130
Cash flows from capital financing activities:		
Purchases of capital assets	(98,525)	-
Net cash used by capital financing activities	(98,525)	-
Cash flows from investing activities:		
Sale (purchase) of investments	353,342	1,474,183
Advance from other funds	55,959	-
Interest income	1,757	14,187
Net cash provided by investing activities	411,058	1,488,370
Net increase (decrease) in cash and cash equivalents	312,533	1,560,500
Cash and cash equivalents – October 1, 2012	(254,211)	827,703
Cash and cash equivalents – September 30, 2013	\$ 58,322	\$ 2,388,203
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ -	\$(525,605)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	-	105,514
Other nonoperating expenses	-	(7,920)
Change in intergovernmental receivable	-	81,882
Change in accounts payable	-	537,263
Change in payroll payable	-	4,403
Change in due to other funds	-	160,000
Change in advance from other funds	-	(283,407)
Total adjustments	-	597,735
Net cash used in operating activities	\$ -	\$ 72,130

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
September 30, 2013

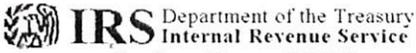
Assets

Cash	\$	23,641,581
Investments		17,603,352
Assets held as security deposits		3,337,904
Receivables:		
Miscellaneous receivables		79,493
Total assets	\$	44,662,330

Liabilities

Due to other governments	\$	8,429,837
Due to others/vouchers payable		33,473,194
Cash bonds outstanding		2,734,394
Cash deposits outstanding		24,905
Total liabilities	\$	44,662,330

The notes to the financial statements are an integral part of this statement.



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248162362
Apr. 11, 2012 LTR 4076C E0
75-6000873 000000 00

00017138
BODC: TE

COUNTY OF COLLIN
COUNTY AUDITOR
2300 BLOOMDALE RD STE 3100
MCKINNEY TX 75071-8517

RECEIVED
COUNTY AUDITOR
12 APR 16 AM 11:29

Federal Identification Number: 75-6000873
Person to Contact: Mr. McQueen
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This responds to your request for information about your federal tax status. Our records do not specify your federal tax status. However, the following general information about the tax treatment of state and local governments and affiliated organizations may be of interest to you.

GOVERNMENTAL UNITS

Governmental units, such as States and their political subdivisions, are not generally subject to federal income tax. Political subdivisions of a State are entities with one or more of the sovereign powers of the State such as the power to tax. Typically they include counties or municipalities and their agencies or departments. Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

ENTITIES MEETING THE REQUIREMENTS OF SECTION 115(1)

An entity that is not a governmental unit but that performs an essential government function may not be subject to federal income tax, pursuant to Code section 115(1). The income of such entities is excluded from the definition of gross income as long as the income (1) is derived from a public utility or the exercise of an essential government function, and (2) accrues to a State, a political subdivision of a State, or the District of Columbia. Contributions made to entities whose income is excluded income under section 115 may not be tax deductible to contributors.

TAX-EXEMPT CHARITABLE ORGANIZATIONS

An organization affiliated with a State, county, or municipal government may qualify for exemption from federal income tax under section 501(c)(3) of the Code, if (1) it is not an integral part of the government, and (2) it does not have governmental powers inconsistent with exemption (such as the power to tax or to exercise enforcement or regulatory powers). Note that entities may meet the requirements of both sections 501(c)(3) and 115 under certain circumstances. See Revenue Procedure 2003-12, 2003-1 C.B. 316.

013506

0248162362
Apr. 11, 2012 LTR 4076C E0
75-6000873 000000 00
00017139

COUNTY OF COLLIN
COUNTY AUDITOR
2300 BLOOMDALE RD STE 3100
MCKINNEY TX 75071-8517

Most entities must file a Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, to request a determination that the organization is exempt from federal income tax under 501(c)(3) of the Code and that charitable contributions are tax deductible to contributors under section 170(c)(2). In addition, private foundations and other persons sometimes want assurance that their grants or contributions are made to a governmental unit or a public charity. Generally, grantors and contributors may rely on the status of governmental units based on State or local law. Form 1023 and Publication 4220, Applying for 501(c)(3) Tax-Exempt Status, are available online at www.irs.gov/eo.

We hope this general information will be of assistance to you. This letter, however, does not determine that you have any particular tax status. If you are unsure of your status as a governmental unit or state institution whose income is excluded under section 115(1) you may seek a private letter ruling by following the procedures specified in Revenue Procedure 2007-1, 2007-1 I.R.B. 1 (updated annually).

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



S. A. Martin, Operations Manager
Accounts Management Operations