

ELLIS COUNTY, TEXAS
Comprehensive Annual Financial
Report

**For the Year Ended
September 30, 2010**

Prepared by: Ellis County Auditor's Office

**ELLIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2010**

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INTRODUCTORY SECTION



ELLIS COUNTY AUDITOR'S OFFICE

Michael S. Navarro, CPA
County Auditor

Audit Division

Beth Allen
1st Assistant

Holly Davis
Assistant

DeVonda Spurlock
Assistant

March 28, 2011

Honorable District Judges of Ellis County and

Honorable Members of the Ellis County Commissioners Court:

As prescribed by Local Government Code Section 114.025 of the State of Texas, the Comprehensive Annual Financial Report of the government of Ellis County, Texas for the fiscal year ended September 30, 2010 is hereby submitted.

These basic financial statements are the responsibility of the County's management. It is my belief that the data, as presented, is accurate in all material aspects; that it is presented in a manner to fairly set forth the financial position and results of operations of the County; and that all disclosures necessary to enable the readers to gain the maximum understanding of the County's financial affairs have been included. The County's accounting system supports an adequate internal control structure. This structure helps to safeguard the County's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable, but not absolute, assurance that the County's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

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

Profile of the Government

Ellis County is located in north central Texas, 20 miles south of Dallas. The County provides a full range of services authorized by statute. These services include general governmental services such as recording and licensing, maintaining the county and district court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation and maintaining county roads and bridges. The County is a public corporation and political subdivision of the State of Texas, officially established by the State legislature on December 20, 1849. Waxahachie is the county seat and home of the historic Ellis County Courthouse built in 1895 and recognized by many as one of the most picturesque buildings in the state. William Hawkins was the first chief justice (county judge). Judge Oran Milo Roberts presided over the first term of the Ellis County district court during the fall of 1850. The 2010 estimated population for the County was 149,610. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, every two years, two are up for election. The County Judge is elected at large to serve a four-year term.

Address

101 West Main, Suite 301
Waxahachie, Texas 75165

Phone

Audit (972) 825-5120

Fax (972) 825-5124

Local Economy

Ellis County is transitioning from a rural to a more urbanized economy, however, agriculture is still an important economic factor. Other major industries include honey processing, steel fabricators, automobile shipping, power generation, and manufacturers of fiberglass insulation, cement, vinyl siding, warehousing and much more. The County comprises 939.91 square miles of the Blackland Prairie. Two major north-south interstates, I-35E and I-45, run through Ellis County, and east-west traffic is enhanced by State Highway 287. Local industry benefits from proximity to two major airports as well as railway hubs. The County is home to several institutions of higher education as well as recognized and exemplary public school districts.

Reasonably priced real property has spurred residential development over the last twenty years, which in turn spawns population growth. According to the United States Census Bureau, the population of Ellis County is 149,610. This represents a growth of 34.3% from the 2000 Census. Ellis County experienced a 30.8% increase from 1990 to 2000. Ellis County has a diverse population consisting of White 65.5%, Hispanic or Latino 23.5%, Black or African American 8.8%, and other races 2.2%. The most recent data from the US Census Bureau (2010 data not yet released at time of transmittal letter) shows that of persons age 25+, 77.8% in Ellis County are high school graduates compared to the state rate of 75.7%. 17.1% hold a bachelor's degree or higher compared to the state rate of 23.2%. The mean travel time to work for workers age 16+ is 30.3 minutes compared to the 25.4 minutes for Texas. Residents are continuing to be drawn to the County due to the small, hometown values and relaxed atmosphere combined with the close proximity to the Dallas/Ft. Worth metroplex that the County offers.

The most recent estimates from the US Census Bureau show that the median household money income in Ellis County is \$63,500 compared to the state median of \$50,049. The home ownership rate in Ellis County is 76.2% compared to the state rate of 63.8%. There are 54,365 housing units in the County, of which 50,503 are occupied. In Ellis County, 9.8% of the population is below the poverty level compared to the state rate of 15.8%. These statistics clearly show that the economic condition in the County makes the area attractive.

Historically solid gains in the tax base from fiscal years 2003-2009 came to a relative crawl. Taxable property value increased from \$10,287,862,182 in tax year 2008 to \$10,396,760,106 in tax year 2009. For fiscal year 2011 (tax year 2010), we will see a small decline of approximately 1% in the tax base. In light of the continued economic downturn, we believe that another decline of approximately 1.5% will occur in fiscal year 2012. However, we do believe that past aggressive tax abatement policies will continue to pay dividends for the taxing jurisdictions in the future. The tax abatement on the 2009 assessed value is \$204,805,120.

The continued growth in population, while having a positive impact on the local economic community as a whole, will continue to present real challenges for the County government. If the County is to continue to provide the level of service it has established, it will need to explore all avenues of increasing revenues as well as finding more efficient ways to operate and to keep up with demands imposed by the constituents. Currently, Ellis County has one of the lower tax rates of the 254 Texas counties. Innovative leadership has enabled the County to govern effectively as well as efficiently.

Major Initiatives and Long Term Capital Planning

In 2010, Ellis County completed construction and opened a satellite courthouse location in Ennis, Texas. This location has direct access from Interstate 45, enabling residents of the Eastern part of the County to have quick access to governmental services. Additionally, the detention center and justice center in Waxahachie, Texas, which were begun in prior fiscal

years, were completed and opened. This moved the court functions into a more centralized location downtown. The tax office facilities in both Waxahachie and Ennis, were constructed with the ability to upgrade to drive through service in the future. The County has begun construction on the County Farm Project, which will provide a Juvenile Justice Alternative Education Program, Juvenile Probation staff facility, a vehicle storage area, and law enforcement training facilities. This project is the last step in a series of capital projects that should be sufficient for county operations for the next decade.

Financial Administration

The officials responsible for the financial administration of the County are the County Auditor, the County Judge and four County Commissioners (the Commissioners Court), the Tax Assessor-Collector, and the County Treasurer.

The County Auditor is the chief financial officer of the County and is responsible for substantially all County financial and accounting control functions. The Auditor's responsibilities include accounting, auditing, and financial operations. The Auditor also serves as the County Investment Officer. The Auditor does not have disbursement responsibilities.

The Commissioners Court is the governing body of the County. It has only powers expressly granted to it by the legislature and powers necessarily implied from such grant. Among other things, it approves the County budget, determines the County tax rate, approves contracts in the name of the County, determines whether a proposition to insure bonds should be submitted to the voters, and appoints certain County officials. The County Judge is the presiding officer of the Commissioners Court. Each Commissioner represents one of the four precincts into which the County is divided and is elected by the voters of his precinct. The County Commissioners are responsible for maintaining road and bridges, personnel and equipment for their precincts.

The Tax Collector is responsible for collecting ad valorem taxes, certain State and County fees and other revenues.

The County Treasurer is responsible for depositing money received by the County in the depository selected by the Commissioners Court. The Treasurer is also responsible for bank reconciliation and distributing disbursements.

Independent Audit

State statutes do not require an annual audit by independent, certified public accountants. However, the accounting firm of Pattillo, Brown and Hill, L.L.P., was engaged by the County to perform an annual audit in accordance with local policy. 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, 2010, 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 statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Ellis County, Texas' financial statements for the period ended September 30, 2010, are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ellis County, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2009. This was the fourteenth consecutive year that this government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Auditor's Office staff consisting of Beth Allen, Holly Davis, and DeVonda Spurlock. Assistance in gathering information was obtained from numerous sources including the Ellis County Treasurer, Ellis County Judge, Ellis County Tax Assessor-Collector, Ellis County Central Appraisal District, our outside accounting firm, Patillo, Brown and Hill, L.L.P., and the North Central Texas Council of Governments.

I would like to express my appreciation to all Ellis County Elected Officials and Department Heads for their cooperation and leadership in conducting the financial affairs of the County.

Special thanks are being extended to my staff that worked so diligently throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Navarro, CPA". The signature is stylized and cursive.

Michael S. Navarro, CPA
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ellis County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

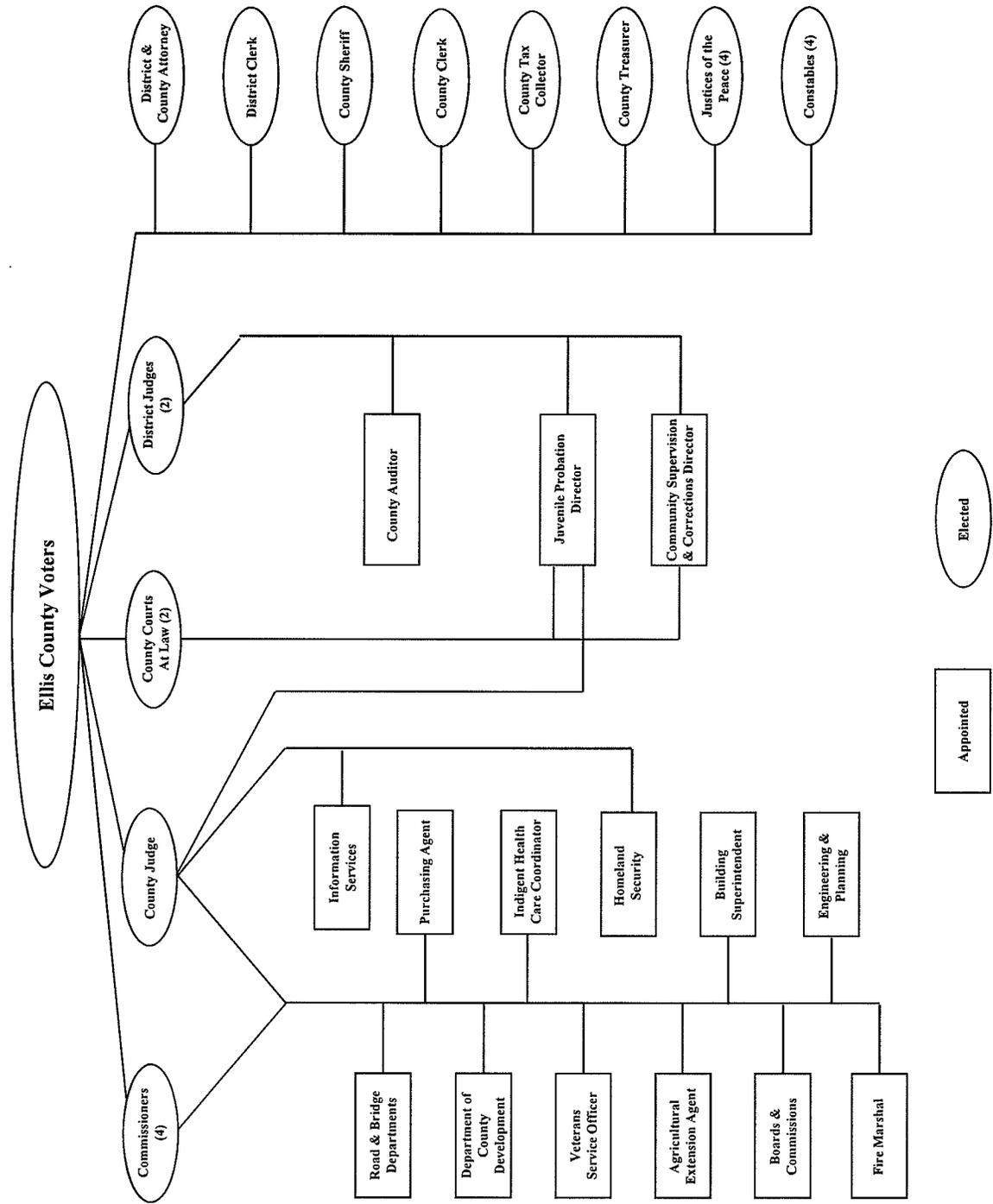
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

ELLIS COUNTY, TEXAS ORGANIZATIONAL CHART



DIRECTORY OF PUBLIC OFFICIALS

COMMISSIONERS COURT

COUNTY JUDGE

Carol Bush

COUNTY COMMISSIONERS

Precinct 1

Dennis Robinson

Precinct 2

Bill Dodson

Precinct 3

Heath Sims

Precinct 4

Ron Brown

JUDICIAL

DISTRICT JUDGE

40th Judicial District

Bob Carroll

378th Judicial District

Joe Grubbs

COUNTY COURT AT LAW JUDGE I

Jim Chapman

COUNTY COURT AT LAW JUDGE II

Gene Calvert

JUSTICE OF THE PEACE

Precinct 1

Bill Woody

Precinct 2

Jackie Miller

Precinct 3

Curtis Polk

Precinct 4

Steve Egan

LAW ENFORCEMENT AND LEGAL

SHERIFF

Johnny Brown

COUNTY ATTORNEY

Patrick Wilson

CONSTABLES

Precinct 1

Ben Fry

Precinct 2

Terry Nay

Precinct 3

Jimmie Ray

Precinct 4

Michael Jones

ADULT PROBATION OFFICER*

Alfred Mims

JUVENILE PROBATION OFFICER*

Darrin Ray

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

Michael S. Navarro

COUNTY TREASURER

Cheryl Chambers

TAX COLLECTOR

John Bridges

PURCHASING AGENT*

Richard Denniston

RECORDING OFFICIALS

DISTRICT CLERK

Melanie Reed

COUNTY CLERK

Cindy Polley

*Denotes appointed officials. All others are elected officials.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ellis County, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas, as of September 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2011, on our consideration of Ellis County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 40 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ellis County, Texas's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory 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 it.

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

March 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

The assets of Ellis County exceeded its liabilities at the close of the most recent fiscal year by \$39,196,950 (*net assets*). Of this amount, \$21,694,182 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets increased by \$338,871.
- As of the close of the current fiscal year, Ellis County's governmental funds reported combined ending fund balances of \$23,386,216, a decrease of \$26,952,402 in comparison with the prior year. The majority of this decrease was due to capital outlay of \$24,712,424, associated with the construction of County building projects. \$21,069,383 is *available for spending* at the government's discretion (*unreserved fund balance*) in accordance with applicable laws.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7,771,665 and 21.70% of total General Fund expenditures.
- The County's total debt decreased by \$2,422,936 (3.46%) during the current fiscal year. This decrease is attributed to principal payments made during the current fiscal year offset by the net OPEB obligation.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 11 – 12 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Ellis County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Ellis County can be divided into two categories: governmental funds and fiduciary funds.

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

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

Ellis County maintains 44 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Permanent Improvement Fund and 2007 Capital Projects Fund, which are considered to be major funds. Data from the other 41 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Ellis County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all budgeted funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 – 17 of this report.

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

The basic fiduciary fund financial statements can be found on page 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 39 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Ellis County’s General Fund budget to actual comparison. Required supplementary information can be found on pages 40 – 49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50 – 104 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of Ellis County, assets exceeded liabilities by \$39,196,950 at the close of the most recent fiscal year.

Ellis County’s investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding, is 38.7% of net assets. Ellis County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Ellis County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Ellis County’s Net Assets

	Governmental Activities	
	2010	2009
Current and other assets	\$ 30,278,158	\$ 59,413,312
Capital assets	<u>82,072,379</u>	<u>57,094,092</u>
Total assets	<u>112,350,537</u>	<u>116,507,404</u>
Long-term liabilities	67,507,973	69,930,909
Other liabilities	<u>5,645,614</u>	<u>7,718,416</u>
Total liabilities	<u>73,153,587</u>	<u>77,649,325</u>
Net assets:		
Invested in capital assets, net of related debt	15,185,935	13,138,945
Restricted	2,316,833	2,486,180
Unrestricted	<u>21,694,182</u>	<u>23,232,954</u>
Total net assets	<u>\$ 39,196,950</u>	<u>\$ 38,858,079</u>

An additional portion of Ellis County’s net assets (5.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$21,694,182 may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Ellis County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Governmental activities. Governmental activities increased Ellis County’s net assets by \$338,871, thereby accounting for 0.9% of the total net assets of Ellis County.

Ellis County’s Changes in Net Assets

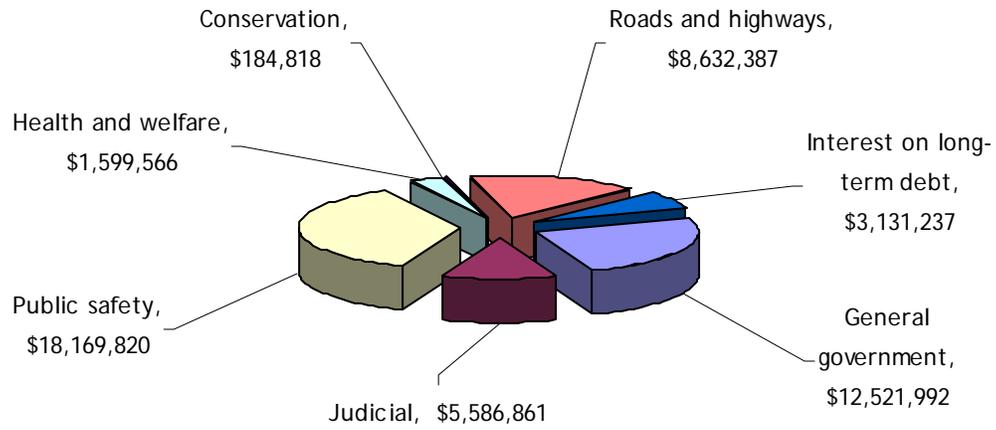
	Governmental Activities	
	2010	2009
REVENUES		
Program revenues:		
Charges for services	\$ 7,690,688	\$ 8,030,039
Operating grants and contributions	662,432	1,408,369
General revenues:		
Property taxes	39,209,600	38,520,587
Investment earnings	157,483	769,177
Miscellaneous	2,307,765	2,160,005
Other taxes	137,584	123,451
Total Revenues	<u>50,165,552</u>	<u>51,011,628</u>
EXPENSES		
General government	12,521,992	12,576,295
Judicial	5,586,861	5,505,751
Public safety	18,169,820	17,957,887
Health and welfare	1,599,566	1,995,092
Conservation	184,818	189,700
Roads and highways	8,632,387	8,621,000
Interest on long-term debt	3,131,237	3,236,353
Total Expenses	<u>49,826,681</u>	<u>50,082,078</u>
INCREASE (DECREASE) IN NET ASSETS	338,871	929,550
NET ASSETS, BEGINNING	38,858,079	37,928,054
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>475</u>
NET ASSETS, ENDING	<u>\$ 39,196,950</u>	<u>\$ 38,858,079</u>

Property taxes increased by \$689,013 (1.79%) during the year. This result is mainly due to new property on the tax rolls due to growth.

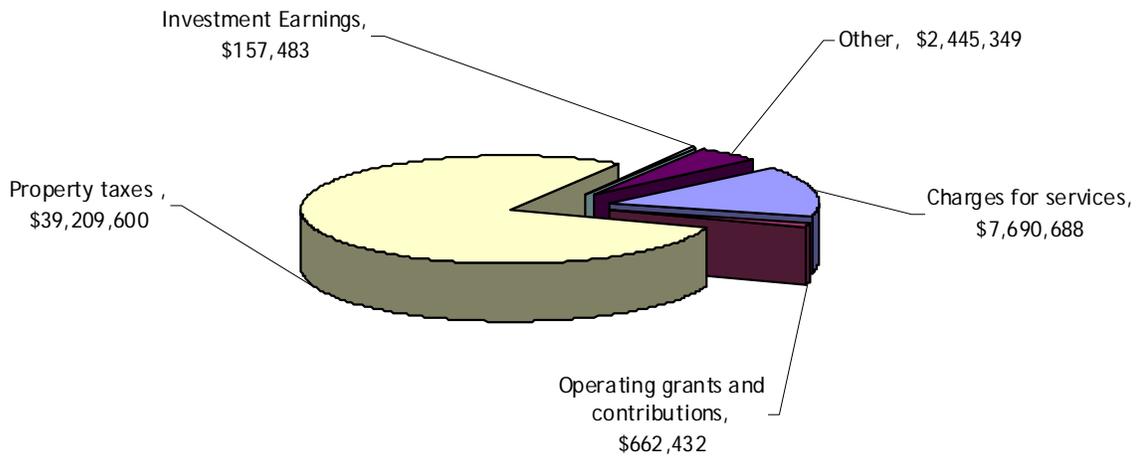
Investment income decreased primarily due to a decrease in funds available to be invested.

Expenses decreased in 2010, driven by a 19.82% decrease in health and welfare as well as an decrease in interest expenses on long-term debt.

Expenses By Source



Revenues By Source



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

The General Fund is the chief operating fund of Ellis County. At the end of the current fiscal year, unreserved total fund balance of the General Fund was \$7,771,665. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund, expenditures. Unreserved total fund balance represents 21.70% of total General Fund expenditures.

The fund balance of Ellis County's General Fund decreased by \$423,499 during the current fiscal year. This decrease is primarily due a 1.21% increase in current year expenditures.

The Permanent Improvement Fund has an ending fund balance of \$6,353,534, a decrease of \$5,004,579 from the prior year. This decrease is a result from capital outlay expenditures.

The 2007 Capital Projects Fund has an ending fund balance of \$0, a decrease of \$20,522,000 from the prior year. This decrease is due to capital outlay expenditures and the completion of the county building project being financed by the bonds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$1,203,612 increase in appropriations) and can be briefly summarized as follows:

- Budgetary amendments were made to recognize an increase in juvenile detention costs, recognize federal funding and expenditures, recognize non-departmental expenditures, and on updating an aging patrol fleet.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Ellis County's investment in capital assets for its governmental activities as of September 30, 2010, amount to \$82,072,379 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system improvements, and machinery and equipment.

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

	Governmental Activities	
	2010	2009
Land	\$ 2,319,448	\$ 2,319,448
Construction work in progress	867,179	34,303,599
Buildings and improvements	74,725,359	16,599,936
Machinery and equipment	4,160,393	3,871,109
Total	\$ 82,072,379	\$ 57,094,092

The County had the following additions to fixed asset:

Addition to construction in progress for building projects	\$ 25,507,084
Purchase of vehicles and equipment	1,321,913

Additional information on Ellis County's capital assets can be found in note 4 on pages 30 – 31 of this report.

Long-term debt. At the end of the current fiscal year, Ellis County had total debt outstanding of \$67,507,973.

**Ellis County's Outstanding Debt
General Obligation Bonds**

General Obligation Bonds	\$ 50,500,151
Refunding Bonds	14,160,126
Capital Lease	42,421
Total	\$ 64,702,698

The County also had vacation payable of \$1,347,300 and net OPEB obligation of \$1,457,975.

The County's overall debt decreased from the prior year due to principal payments made during the fiscal year. Additionally, interest accrued on capital appreciation bonds held by the County in the amount of \$249,102.

Ellis County's bond rating is "AA" rating from Fitch and an "Aa3" rating from Moody's.

Additional information on Ellis County's long-term debt can be found in note 4 on pages 31 – 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Affordable land along major highways has spurred residential development over the past decade, which in turn has fueled rapid population growth since 2000. The population has grown by 34.3%, to 149,610 in 2010. Based on current projections by the North Central Texas Council of Governments, Ellis County is once again expected to continue to grow. This growth, while having a positive impact on the local economic community as a whole, presents real challenges for the County government. If the County is to continue to provide the level of service it has established, it will need to explore all avenues of incoming revenue, as well as finding more efficient ways to operate and to keep up with the demands imposed by the constituents.
- Historically solid tax base gains resulting from high levels of primarily residential growth have dwindled in light of overall weaker economic conditions. Management is expecting a decline in the tax base for fiscal year 2011 of 1%, as well as a decline of 1.5% in fiscal year 2012.
- The overall direct debt burden is low. Assisted by “pay as you go” capital spending, the county’s capital needs appear manageable.
- The unemployment rate in January 2011 for Ellis County was 8.5 percent, up from 8.4 percent in January 2010. State of Texas unemployment rate for January 2011 was 8.3 percent, up from 8.2 percent in January 2010.
- Estimated Revenue for fiscal year 2011 is \$35,430,378 for the General Fund, and estimated expenditures are \$35,430,378.

All of these factors were considered in preparing Ellis County’s budget for the 2011 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Ellis County’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael S. Navarro, CPA, Ellis County Auditor’s office, 101 West Main, Suite 301, Waxahachie, Texas 75165.

BASIC FINANCIAL SECTION

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

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 27,145,925
Receivables, net of allowances for uncollectibles	
Taxes	1,073,443
Other	1,623,254
Deferred Charges	435,536
Capital assets:	
Land	2,319,448
Buildings and improvements	96,360,077
Furniture and equipment	12,356,221
Construction in progress	867,179
Accumulated depreciation	(29,830,546)
Total capital assets, net of accumulated depreciation	<u>82,072,379</u>
Total assets	<u>112,350,537</u>
LIABILITIES	
Accounts payable	4,360,974
Accrued liabilities	822,665
Accrued interest	461,975
Noncurrent liabilities:	
Due within one year	3,439,246
Due in more than one year	<u>64,068,727</u>
Total liabilities	<u>73,153,587</u>
NET ASSETS	
Invested in capital assets, net of related debt	15,185,935
Restricted for:	
Debt service	2,316,833
Unrestricted	<u>21,694,182</u>
Total net assets	<u>\$ 39,196,950</u>

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

ELLIS COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 12,521,992	\$ 2,873,269	\$ 400,783	\$ -	\$(9,247,940)
Judicial	5,586,861	1,923,763	53,458	-	(3,609,640)
Public safety	18,169,820	605,550	146,766	-	(17,417,504)
Health and welfare	1,599,566	-	-	-	(1,599,566)
Conservation	184,818	-	-	-	(184,818)
Roads and highways	8,632,387	2,288,106	61,425	-	(6,282,856)
Interest on long-term debt	3,131,237	-	-	-	(3,131,237)
Total governmental activities	49,826,681	7,690,688	662,432	-	(41,473,561)
Total primary government	\$ 49,826,681	\$ 7,690,688	\$ 662,432	\$ -	\$(41,473,561)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 33,530,286
Property taxes, levied for debt service					5,679,314
Other taxes					137,584
Miscellaneous					2,307,765
Investment earnings					157,483
Total general revenues					41,812,432
Change in net assets					338,871
Net assets, beginning					38,858,079
Net assets, ending					\$ 39,196,950

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

ELLIS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	<u>General</u>	<u>Permanent Improvement</u>	<u>2007 Capital Projects</u>
ASSETS			
Cash and investments	\$ 9,111,997	\$ 8,392,732	\$ -
Receivables, net of allowances for uncollectibles:			
Taxes receivable	773,003	-	-
Due from other funds	-	-	-
Accounts receivable	908,414	-	-
Other receivables	<u>342,667</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,136,081</u>	<u>\$ 8,392,732</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,978,395	\$ 2,039,198	\$ -
Accrued liabilities	731,597	-	-
Due to other funds	-	-	-
Deferred revenue	<u>654,424</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,364,416</u>	<u>2,039,198</u>	<u>-</u>
Fund balances:			
Reserved for debt service	-	-	-
Unreserved, reported in:			
General fund	7,771,665	-	-
Capital projects	-	6,353,534	-
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>7,771,665</u>	<u>6,353,534</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,136,081</u>	<u>\$ 8,392,732</u>	<u>\$ -</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

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

Other Governmental Funds	Total Governmental Funds
\$ 9,641,196	\$ 27,145,925
300,440	1,073,443
-	-
-	908,414
<u>9,054</u>	<u>351,721</u>
\$ <u>9,950,690</u>	\$ <u>29,479,503</u>
\$ 343,381	\$ 4,360,974
91,068	822,665
-	-
<u>255,224</u>	<u>909,648</u>
<u>689,673</u>	<u>6,093,287</u>
2,316,833	2,316,833
-	7,771,665
1,589,202	7,942,736
<u>5,354,982</u>	<u>5,354,982</u>
<u>9,261,017</u>	<u>23,386,216</u>
\$ <u>9,950,690</u>	
	82,072,379
	1,708,303
	(<u>67,969,948</u>)
	\$ <u>39,196,950</u>

ELLIS COUNTY, TEXAS

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

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Permanent Improvement</u>	<u>2007 Capital Projects</u>
REVENUES			
Taxes	\$ 28,538,866	\$ -	\$ -
Intergovernmental	480,052	-	-
Licenses and permits	-	-	-
Fees of office	3,424,137	-	-
Fines and forfeitures	1,367,056	-	-
Interest earnings	39,676	20,093	76,335
Other	1,449,267	216,173	-
Total revenues	<u>35,299,054</u>	<u>236,266</u>	<u>76,335</u>
EXPENDITURES			
Current:			
General government	11,243,059	1,126,756	-
Judicial	5,124,200	-	-
Public safety	17,659,156	-	-
Health and welfare	1,599,566	-	-
Conservation	181,572	-	-
Roads and highways	-	-	-
Capital outlay	-	4,114,089	20,598,335
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>35,807,553</u>	<u>5,240,845</u>	<u>20,598,335</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(508,499)</u>	<u>(5,004,579)</u>	<u>(20,522,000)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	85,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>85,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(423,499)</u>	<u>(5,004,579)</u>	<u>(20,522,000)</u>
FUND BALANCES, BEGINNING	<u>8,195,164</u>	<u>11,358,113</u>	<u>20,522,000</u>
FUND BALANCES, ENDING	<u>\$ 7,771,665</u>	<u>\$ 6,353,534</u>	<u>\$ -</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 10,870,531	\$ 39,409,397
158,051	638,103
2,267,653	2,267,653
341,057	3,765,194
356,499	1,723,555
21,379	157,483
<u>672,448</u>	<u>2,337,888</u>
<u>14,687,618</u>	<u>50,299,273</u>
326,892	12,696,707
455,219	5,579,419
229,500	17,888,656
-	1,599,566
-	181,572
8,642,883	8,642,883
-	24,712,424
4,660,899	4,660,899
<u>2,924,549</u>	<u>2,924,549</u>
<u>17,239,942</u>	<u>78,886,675</u>
(<u>2,552,324</u>)	(<u>28,587,402</u>)
1,635,000	1,635,000
122,938	207,938
<u>(207,938)</u>	<u>(207,938)</u>
<u>1,550,000</u>	<u>1,635,000</u>
(1,002,324)	(26,952,402)
<u>10,263,341</u>	<u>50,338,618</u>
<u>\$ 9,261,017</u>	<u>\$ 23,386,216</u>

ELLIS COUNTY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Amounts reported for governmental activities in the Statement of Activities (page 12) are different because:

Net change in fund balances - total governmental funds (page 16) \$(26,952,402)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 24,978,287

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (133,721)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,044,542

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (597,835)

Change in net assets of governmental activities (page 12) \$ 338,871

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

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

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>8,220,687</u>
Total assets	\$ <u><u>8,220,687</u></u>
LIABILITIES	
Due to other governments	\$ 1,998,793
Due to beneficiaries	<u>6,221,894</u>
Total liabilities	\$ <u><u>8,220,687</u></u>

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

NOTES TO FINANCIAL STATEMENTS

ELLIS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Ellis County is a political subdivision of the State of Texas. The County provides a full range of services authorized by statute. Such services include general governmental services such as recording and licensing, maintaining the County and district court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation, and maintaining County roads and bridges. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations and so data from those units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Ellis County has neither of these items. The Commissioners' Court, consisting of four Commissioners and the County Judge, all elected by the voters of Ellis County, is the policy-making body of the County, which operates under provisions of state statutes.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenue, fines and fees are reported separately from business-type activities, which rely primarily on fees and charges from services provided for support. Ellis County has no business type activities.

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

The fund financial statements provide information about the County's funds. The emphasis of fund financial statements is on major governmental and non-major governmental funds each displayed in a separate column.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The County has no proprietary funds at this time. The agency funds of the County have no measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

The ***General Fund*** is the primary operating fund to the County. All general tax revenues and other receipts that are not allocated by law, by budget or by contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund. This is considered the major governmental fund of the County.

The ***Permanent Improvement Fund*** is used to account for the renovation of existing county buildings as well as for planning for future county facility needs. It is the primary capital projects fund for the County.

The ***2007 Construction Project Fund*** is used to account for the construction of a Detention Center, Parking Garage, and Justice Center to house courts and related functions. Financing is provided primarily by the sale of general obligation bonds.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the government reports the following fund types:

Governmental Funds:

Special Revenue Funds – *Special Revenue Funds* account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specific purposes. Included as a Special Revenue Fund is the Road and Bridge Fund which accounts for revenues and expenditures specifically designated for the maintenance and construction of County roads and bridges.

Debt Service Funds – The *Debt Service Funds* account for the accumulation of resources for, and payment of interest and principal on, the County's general long-term bonded debt.

Capital Projects Funds – The *Capital Projects Funds* account for all resources used in the acquisition and construction of major capital facilities other than road and bridge maintenance and construction.

Fiduciary Funds:

Trust and Agency Funds – *Trust and Agency Funds* account for assets held by the County in a trustee, custodian, or agent capacity. The Funds are accounted for in essentially the same manner as governmental funds. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. County offices such as the treasurer, tax collector, county attorney, sheriff, district clerk, county clerk, justice of the peace and juvenile and adult probations have trust accounts.

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

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

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the County to invest in (1) obligations of the U. S. Treasury, certain U. S. Agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

Investments for the County are reported at fair value in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's financial statement of activity or statement of revenues, expenditures and changes in fund balance.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 25% of outstanding property taxes at September 30, 2010.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

(continued)

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

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

Capital Assets

GASB Statement 34 requires the County to report and depreciate new infrastructure assets effective with the fiscal year ended September 30, 2006. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first required for the fiscal year ending in 2007.

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	20-50
Equipment	5-20
Infrastructure (streets and drainage)	35-50

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. The general fund typically has been used in prior years to liquidate the liability for compensated absences.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The government has no business-type activities.

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

(continued)

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

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

Fund Equity

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General, Special Revenue and Capital Projects Funds. At the end of September 30, 2010, encumbrances lapsed and were subject to reappropriation in the budget of the subsequent year.

Insurance

The County maintains third party insurance coverage for general liability, property, automobile liability, public official liability and worker's compensation. The County also provides group health insurance coverage for fulltime employees. There was no significant change in coverage from the prior year. Settlements have not exceeded insurance coverage for each of the past four fiscal years.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.”

(continued)

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

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

The details of this \$67,969,948 difference are as follows:

Capital Leases, General Obligation Bonds, and Certificates of Obligation	\$ 63,098,835
Accreted interest payable	1,603,863
Accrued interest payable	461,975
Net OPEB obligation	1,457,975
Compensated absences	<u>1,347,300</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 67,969,948</u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$24,978,287 difference are as follows:

Capital outlay (includes \$2,116,573 not classified as capital expenditures on the fund statements)	\$ 26,828,997
Disposals	(57,216)
Depreciation expense	<u>(1,793,494)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 24,978,287</u>

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this \$3,044,542 difference are as follows:

Capital lease and bond payments	\$ 4,679,542
Proceeds from issuance of bonds	<u>(1,635,000)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,044,542</u>

(continued)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets, as required by state statute, are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Trust and Agency Funds. All annual appropriations lapse at year-end.

The government's department heads may make transfers of appropriations within a department. Transfers of appropriation between departments require the approval of the governing council. The legal level of control is exercised at the department level. State law provides that amendments approved by the Commissioners' Court may be made to the original budget provided that funds are available for the added disbursements. The original approved budget is issued in a separate report. Reported budgeted amounts reflect the budget as originally adopted and all budget amendments approved by the Commissioners' Court.

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

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

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

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

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

In compliance with the **Public Funds Investment Act**, the County has adopted a deposit and investment policy. That policy does address the following risks:

Interest Rate Risk: In accordance with the County's investment policy, the County manages its exposure to declines in fair values by limiting the maximum allowable stated maturity of any individual investment to two years and the weighted average maturity of its pooled investments to 90 days or less, dependent on market conditions.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2010, all of the County's \$9,559,952 deposit balance was covered by FDIC insurance or collateralized with securities held by the pledging financial institution.

Credit Risk: It is the County's policy to limit investments to investment types with an investment quality rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The County's investments were rated AAAM by Standard and Poor's Investors Services

Concentration of Credit Risk: The government's investment policy requires the County to diversify its portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investments.

Under provisions of state and local statutes, the County's investment policies, and provisions of the County's depository contracts with an area financial institution, the County is authorized to place available deposits and investments in the following:

1. Obligations of the U. S., its agencies and instrumentalities;
2. Certificates of Deposit issued by state and national banks or savings or loan associations domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation or collateralized in accordance with Section 2256.09, the Texas Government Code;
3. Commercial paper that has a maturity of 270 days or less and is rated at least an A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;

(continued)

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

Deposits and Investments (Continued)

- 4. No-load money market mutual funds; and
- 5. TexPool, Lone Star Investment Pool, Tex Star, Investors Cash Trust and MBIA Class.

As of September 30, 2010, the County had the following investments:

	<u>Fair Amount</u>	<u>Weighted Average Maturity (Days)</u>
General Fund		
Lone Star Pool	\$ 554,905	28
MBIA - Investment Pool	6,309,955	31
TEXSTAR	1,551,479	34
Investors' Cash Trust - MMM	<u>108,155</u>	48
Total general fund	<u>8,524,494</u>	
Permanent Improvement Fund		
Lone Star Pool	2,925,129	28
Investors' Cash Trust - MMM	480,112	41
TEXSTAR	<u>4,974,406</u>	34
Total Permanent Improvement Fund	<u>8,379,647</u>	
Nonmajor Funds		
Lone Star Pool	3,787,514	28
Investors' Cash Trust - MMM	1,590,185	48
TEXSTAR	1,430,876	34
MBIA - Investment Pool	<u>1,867,390</u>	31
Total nonmajor funds	<u>8,675,965</u>	
Agency Funds		
Lone Star Pool	251,120	28
Investors Cash Trust - MMM	<u>30,462</u>	48
Total Agency Funds	<u>281,582</u>	
Totals		
Investments Not Subject to Categorization		
Investments Pools/MM	<u>25,861,688</u>	
Totals	<u>\$ 25,861,688</u>	

(continued)

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

Property Tax

Property taxes attach as liens on property as of January 1. Taxes are levied on October 1, are due by January 31 and become delinquent on February 1. County property tax revenues are recognized when levied to the extent that they result in available spendable resources. The County is permitted by Section 9 of the Texas Constitution to levy taxes up to \$.80 per \$100 of assessed valuation for general government services, permanent improvement, road and bridge and jury fund purposes other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax-rate to finance general government services, permanent improvements, road and bridge and jury fund purposes including payment of principal and interest on long-term debt for the year ended September 30, 2010, was \$.393599 per \$100 of assessed valuation.

- (1) The County's Tax Collector acts as an agent in the billing and collecting of taxes for other taxing authorities. These transactions are recorded in an agency account.
- (2) The tax rates for the County, computed per \$100 from the present taxable assessed valuation of \$10,396,760,106 for 2009, which funds 2010 is as follows:

General Maintenance and Operations Rate:	
Interest and Sinking (Debt Rate)	\$0.056900
Operations Rate	0.303191
Farm to Market Rate	<u>0.033508</u>
Total Tax Rate	<u>\$0.393599</u>

Receivables

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

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:			
Taxes	\$ 1,030,671	\$ 400,591	\$ 1,431,262
Accounts receivable	908,414	-	908,414
Other receivables	<u>342,667</u>	<u>9,054</u>	<u>351,721</u>
Gross receivables	2,281,752	409,645	2,691,397
Less: allowance for uncollectibles	<u>257,668</u>	<u>100,151</u>	<u>357,819</u>
Net Total Receivables	<u>\$ 2,024,084</u>	<u>\$ 309,494</u>	<u>\$ 2,333,578</u>

(continued)

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

Receivables (Continued)

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

	<u>Unavailable</u>	<u>Total</u>
General fund:		
Delinquent property taxes receivable	\$ 654,424	\$ 654,424
Nonmajor funds:		
Delinquent property taxes receivable	<u>255,224</u>	<u>255,224</u>
Governmental Funds	<u>\$ 909,648</u>	<u>\$ 909,648</u>

Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,319,448	\$ -	\$ -	\$ 2,319,448
Construction work in progress	<u>34,303,599</u>	<u>25,507,084</u>	<u>58,943,504</u>	<u>867,179</u>
Total capital assets, not being depreciated	<u>36,623,047</u>	<u>25,507,084</u>	<u>58,943,504</u>	<u>3,186,627</u>
Capital assets, being depreciated:				
Buildings and improvements	37,416,573	58,943,504	-	96,360,077
Machinery and equipment	<u>11,997,114</u>	<u>1,321,913</u>	<u>962,806</u>	<u>12,356,221</u>
Total capital assets, being depreciated	<u>49,413,687</u>	<u>60,265,417</u>	<u>962,806</u>	<u>108,716,298</u>
Less accumulated depreciation for:				
Buildings and improvements	20,816,637	818,081	-	21,634,718
Machinery and equipment	<u>8,126,005</u>	<u>975,413</u>	<u>905,590</u>	<u>8,195,828</u>
Total accumulated depreciation	<u>28,942,642</u>	<u>1,793,494</u>	<u>905,590</u>	<u>29,830,546</u>
Total capital assets, being depreciated, net	<u>20,471,045</u>	<u>58,471,923</u>	<u>57,216</u>	<u>78,885,752</u>
Governmental activities capital assets, net	<u>\$ 57,094,092</u>	<u>\$ 83,979,007</u>	<u>\$ 59,000,720</u>	<u>\$ 82,072,379</u>

(continued)

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

Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 451,741
Judicial	3,664
Public safety	867,892
Conservation	6,511
Roads and highways	<u>463,686</u>
Total depreciation expense - governmental activities	<u>\$ 1,793,494</u>

Capital Leases

The assets acquired through capital leases are as follows:

Asset:	<u>Activities</u>
Machinery and equipment	\$ 534,556
Less: Accumulated depreciation	<u>154,158</u>
Total	<u>\$ 380,398</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, were as follows:

<u>Year Ending September 30</u>	<u>Activities</u>
2011	\$ 43,725
Total minimum lease payments	43,725
Less: amount representing interest	<u>1,304</u>
Present value of minimum lease payments	<u>\$ 42,421</u>

Long-term Debt

Long-term Debt Walk-forward

	Payable Amounts Outstanding <u>10/01/09</u>	Issued	Retired	Accretion	Outstanding <u>09/30/10</u>
General obligation bonds	\$ 53,525,000	\$ -	\$ 3,435,000	\$ -	\$ 50,090,000
Premium on issuance	428,794	-	18,643	-	410,151
Refunding bonds	13,416,024	1,635,000	1,140,000	249,102	14,160,126
Capital leases	128,320	-	85,899	-	42,421
Net OPEB obligation	737,229	881,199	160,453	-	1,457,975
Compensated absences	<u>1,695,542</u>	<u>1,613,904</u>	<u>1,962,146</u>	-	<u>1,347,300</u>
Totals	<u>\$ 69,930,909</u>	<u>\$ 4,130,103</u>	<u>\$ 6,802,141</u>	<u>\$ 249,102</u>	<u>\$ 67,507,973</u>

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Long-term Debt (Continued)

A summary of the changes in long-term debt for the year ended September 30, 2010, is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 10/01/09	Issued	Retired	Accretion on Bonds	Outstanding 09/30/10	Amounts Due Within One Year
General Obligation, Bonds, 1998	4.0-6.0%	\$ 5,000,000	\$ 75,599	\$ 2,120,000	\$ -	\$ 2,120,000	\$ -	\$ -	\$ -
General Obligation, Bonds, 2007	4.0-5.25%	53,875,000	2,444,200	51,405,000	-	1,315,000	-	50,090,000	1,370,000
Premium on Issuance			-	428,794	-	18,643	-	410,151	-
General Obligation Refunding Bonds, Series 2002	3.0-5.56%	17,146,262	371,406	13,416,024	-	1,140,000	249,102	12,525,126	1,190,000
General Obligation Refunding Bonds, Series 2010	2.18%	1,635,000	7,624	-	1,635,000	-	-	1,635,000	500,000
Capital leases	6.9%	168,407	7,183	128,320	-	85,899	-	42,421	42,421
Net OPEB obligation	N/A	N/A	-	737,229	881,199	160,453	-	1,457,975	-
Compensated absences	N/A	N/A	-	1,695,542	1,613,904	1,962,146	-	1,347,300	336,825
Totals			\$ 2,906,012	\$ 69,930,909	\$ 4,130,103	\$ 6,802,141	\$ 249,102	\$ 67,507,973	\$ 3,439,246

Bonds

General Long-term Debt consists of various issues of General Obligation Bonds, Certificates of Obligation and Tax Notes; the County's accrued liability for compensated absences; and other payables such as capital leases for vehicles and equipment. General Obligation Bonds, Certificates of Obligation and Tax Notes are direct obligations of the County with the County's full faith and credit pledged towards payments of those obligations. Principal and interest payments on the County's bonded debt are secured solely by ad valorem taxes levied on all taxable property within the County.

The debt service requirements on the bonded debt is as follows:

Year Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2011	3,060,000	2,747,306	\$ 5,807,306
2012	3,225,000	2,624,068	5,849,068
2013	3,365,000	2,493,510	5,858,510
2014	3,510,000	2,345,113	5,855,113
2015	3,665,000	2,187,731	5,852,731
2016-2020	13,985,126	11,826,774	25,811,900
2021-2025	11,680,000	7,103,275	18,783,275
2026-2030	14,770,000	4,019,825	18,789,825
2031-2032	6,990,000	528,500	7,518,500
Total	\$ 64,250,126	\$ 35,876,102	\$ 100,126,228

(continued)

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

Long-term Debt (Continued)

Accretion on Premium Compound Interest Bonds

A portion of the bonds sold in the Series 2002 refunding bond issue was premium compound interest bonds. These obligations have par values of \$3,181,262 and maturity values of \$7,030,000. The interest on these obligations will be paid upon maturity in the fiscal years ending September 30, 2016 through 2019. The accreted values of these bonds at September 30, 2010, are approximately \$1,603,863 accordingly, accretion on these bonds of approximately \$249,102 has been recorded in the current year.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the County is in compliance with all significant limitations and restrictions.

Current Refunding

The government issued \$1,635,000 of general obligation bonds for a current refunding of \$1,625,000 of general obligation bonds. The refunding was undertaken to reduce the interest expense of total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$16,585. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain of \$50,482 and a reduction of \$52,003 in future debt service payments.

Interfund Receivables, Payables and Transfers

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

Interfund transfers:

	<u>Transfers In</u>		
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Transfers Out:			
Other governmental funds	\$ <u>85,000</u>	\$ <u>122,938</u>	\$ <u>207,938</u>
Total Transfers Out	\$ <u>85,000</u>	\$ <u>122,938</u>	\$ <u>207,938</u>

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

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Other Information

Risk Management

Ellis County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers' compensation. The County carries commercial insurance in order to manage the above listed risks. Amounts of coverage for the above types of risk have not been subject to a significant reduction in the past year. The amounts of settlements have not exceeded insurance coverage for the past three fiscal years.

Health Care Coverage

During the year ended September 30, 2010, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed 100% of the premium for each employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a Preferred Provider Organization. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the County and the licensed insurer is renewable, and terms of coverage and contribution costs are included in the contractual provisions.

The latest financial statements for the self-insurance fund are available for the year ended September 30, 2010, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Litigation

On December 30, 2010, a judgment was filed in the 40th District Court reducing the taxable value of property owned by Holnam Texas Limited Partnership in Midlothian, Texas for the tax year of 2003. Although Ellis County is not a direct party to the suit, the County will have to refund to Holnam \$118,073, which represents ad valorem property taxes paid by Holnam on the disputed taxable value, if the judgment is not subsequently overturned on appeal. Holnam has also disputed tax years 2005, 2007, 2008, 2009, and 2010 but the potential liability to the County cannot be determined at this time.

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County's financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

Grants

The County has received Federal and State financial assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agencies for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of County management such disallowance, if any, will not be significant to the County's financial position.

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

Retirement Plan

Plan Description

Ellis County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy

The employer has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 9.21% for the months of the accounting year in 2009, and 9.84% for the months of the calendar year in 2010. The deposit rate payable by employee members for the calendar year 2010 is the rate of 7.00% as adopted by the governing body of the employer. The employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ending September 30, 2010, the annual pension cost for the TCDRS plan for its employees was \$3,686,031 and the actual contributions were \$3,686,031.

(continued)

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

Retirement Plan (Continued)

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2008 and December 31, 2007, the basis for determining the contribution rates for calendar years 2010 and 2009. The December 31, 2009, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/07	12/31/08	12/31/09
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	15	20	20
Asset valuation method	SAF: 10-year smoothed value ESF: Fund Value	SAF: 10-year smoothed value ESF: Fund Value	SAF: 10-year smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.3%	5.3%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(1) includes inflation at the stated rate

Trend Information

For the Retirement Plan for the Employees of Ellis County

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/08	\$ 3,348,620	100%	\$ -
9/30/09	3,569,372	100%	-
9/30/10	3,686,031	100%	-

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

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	32,661,431	37,313,399	4,651,968	87.53%	19,107,201	24.35%
12/31/08	33,735,886	41,630,132	7,894,246	81.04%	20,818,503	37.92%
12/31/09	38,447,877	46,559,017	8,111,140	82.58%	22,365,837	36.27%

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

(continued)

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

Postemployment Health Care

Plan Description and Funding Policy. In addition to the pension benefits described above, the Commissioners' Court established a medical and dental insurance benefit plan for retirees that choose to participate. The County administers this single-employer defined benefit medical and dental plan ("the Retiree Medical and Dental Plan"). The Retiree Medical and Dental Plan does not issue a publicly available financial report.

Eligible retirees will be provided subsidized medical and dental insurance benefits if they meet the following conditions and elect to participate:

- Must be drawing a monthly annuity from the Texas County & District Retirement System, and who retired directly from active employment with Ellis County.
- Can continue medical and dental benefits that were in effect on date of retirement.
- No open enrollment opportunity (can drop coverage at any time, but cannot add)
- Beneficiary can continue enrollment in plan as long as is drawing monthly annuity.
- Make the following payments to the County:
 1. Retiree - \$295/month
 2. Retiree's spouse - \$295/month
 3. Retiree's dependent - \$295/month
 4. Dental - \$30/month

The County will cease insurance coverage on the retiree and dependent on the last day of the month when the retiree or dependent fails to submit the required set subsidy amount.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2010, is as follows:

Fiscal Year	2010
Annual Required Contribution (ARC)	\$ 848,981
Interest on Net OPEB Obligation	32,218
Adjustment to the ARC	(29,849)
Annual OPEB Cost	851,350
Contributions Made	(130,604)
Increase in Net OPEB Obligation	720,746
Net OPEB Obligation, beginning of year	737,229
Net OPEB Obligation, ending of year	\$ 1,457,975
Percentage of ARC contribution	15.3%

(continued)

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

Postemployment Health Care (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 are as follows. This information is not included for fiscal years 2008 and 2007 due to fiscal year 2009 being a transition year of the implementation of GASB Statement 45.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
09/30/2009	\$ 824,253	10.6%	\$ 737,229
09/30/2010	851,350	15.3%	720,746

Funded Status and Funding Progress. The funding status of the County's retiree health care plan, under GASB Statement No. 45 as of December 31, 2007 is as follows:

<u>Actuarial Valuation Date</u>	<u>12/31/2007</u>
Actuarial value of assets	\$ -
Actuarial accrued liabilities (AAL)	5,811,749
Unfunded actuarial accrued liability (UAAL)	5,811,749
Funded ratio	0.00%
Covered payroll (active plan members)	22,365,837
UAAL as a percentage of covered payroll	25.98%

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. A schedule of funding progress is not available in year of implementation of GASB Statement 45.

Employee Benefits Plan

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

(continued)

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

Employee Benefits Plan (Continued)

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation Rate	3.00% per annum
Investment rate of return	4.5% net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization period	Open 30 year period
Amortization method	Level as a percentage of payroll
Inflation and Salary growth rate	3.0% per annum
Medical trend	10.0% in 2008 decreasing by 0.5% per year to an ultimate rate of 4.5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

ELLIS COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem tax	\$ 28,763,496	\$ 28,763,496	\$ 28,401,282	\$(362,214)
Mixed drink tax	115,000	115,000	137,584	22,584
Total taxes	<u>28,878,496</u>	<u>28,878,496</u>	<u>28,538,866</u>	<u>(339,630)</u>
Intergovernmental:				
State - hazardous waste fees	125,000	125,000	43,274	(81,726)
Other	236,637	311,855	436,778	124,923
Total intergovernmental	<u>361,637</u>	<u>436,855</u>	<u>480,052</u>	<u>43,197</u>
Fees of Office:				
District Clerk	353,700	353,700	376,759	23,059
County Clerk	1,204,700	1,204,700	1,046,241	(158,459)
Sheriff	232,400	232,400	232,283	(117)
County Attorney	75,419	77,419	96,475	19,056
Tax Collector	696,000	696,000	926,622	230,622
County Court-At-Law	157,300	157,300	156,509	(791)
Justice of the Peace, Precinct #1	54,600	54,600	47,935	(6,665)
Justice of the Peace, Precinct #2	87,600	87,600	66,510	(21,090)
Justice of the Peace, Precinct #3	16,000	16,000	16,545	545
Justice of the Peace, Precinct #4	63,000	63,000	47,626	(15,374)
Constable, Precinct #1	56,300	56,300	41,430	(14,870)
Constable, Precinct #2	94,000	94,000	81,501	(12,499)
Constable, Precinct #3	23,700	23,700	26,974	3,274
Constable, Precinct #4	72,600	72,600	72,005	(595)
Elections	16,600	16,600	6,465	(10,135)
Public Works Administration	225,300	225,300	182,257	(43,043)
Total Fees of Office	<u>3,429,219</u>	<u>3,431,219</u>	<u>3,424,137</u>	<u>(7,082)</u>
Fines and forfeitures	<u>1,860,000</u>	<u>1,860,000</u>	<u>1,367,056</u>	<u>(492,944)</u>
Interest earnings	<u>127,434</u>	<u>127,434</u>	<u>39,676</u>	<u>(87,758)</u>
Miscellaneous:				
Jail pay phone commission	82,000	82,000	88,941	6,941
Miscellaneous	481,200	512,470	1,360,326	847,856
Total miscellaneous	<u>563,200</u>	<u>594,470</u>	<u>1,449,267</u>	<u>854,797</u>
Total revenues	<u>\$ 35,219,986</u>	<u>\$ 35,328,474</u>	<u>\$ 35,299,054</u>	<u>\$(29,420)</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
County Clerk:				
Salaries	\$ 625,173	\$ 619,290	\$ 619,290	\$ -
Benefits	234,869	229,270	229,270	-
Supplies	20,240	23,035	23,035	-
Capital outlay	1,500	-	-	-
Other	28,575	28,121	28,121	-
Total County Clerk	910,357	899,716	899,716	-
County Judge:				
Salaries	122,641	122,644	122,644	-
Benefits	34,455	33,653	33,653	-
Supplies	3,500	3,497	3,497	-
Other	13,500	7,259	7,259	-
Total County Judge	174,096	167,053	167,053	-
Juvenile Services:				
Salaries	284,824	231,890	231,890	-
Benefits	151,538	206,025	206,025	-
Supplies	5,000	5,016	5,016	-
Capital outlay	6,000	5,984	5,591	393
Other	49,950	54,847	53,589	1,258
Juvenile detention service	534,304	932,804	806,062	126,742
Nonresidential	72,000	117,000	94,125	22,875
Total Juvenile Services	1,103,616	1,553,566	1,402,298	151,268
Department of Development:				
Salaries	419,359	419,359	416,359	3,000
Benefits	148,651	148,651	145,292	3,359
Supplies	4,000	5,100	4,272	828
Capital outlay	3,500	4,350	1,193	3,157
Other	9,600	9,300	6,816	2,484
Automobile	19,500	17,850	12,507	5,343
Total Department of Development	604,610	604,610	586,439	18,171
Veterans Services:				
Salaries	30,355	30,355	19,437	10,918
Benefits	7,195	7,695	5,920	1,775
Supplies	400	400	369	31
Other	1,000	500	422	78
Total Veterans Services	38,950	38,950	26,148	12,802
Commissioners' Court:				
Salaries	353,820	353,820	337,469	16,351
Benefits	94,907	94,907	90,867	4,040
Supplies	500	500	359	141
Other	1,300	1,300	464	836
Total Commissioners' Court	\$ 450,527	\$ 450,527	\$ 429,159	\$ 21,368

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Community Supervision/Corrections:				
Capital outlay	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Utilities	600	600	-	600
Total Community Supervision/Correction	3,100	3,100	-	3,100
Nondepartmental:				
Payroll insurance expense	493,838	637,709	637,709	-
Other	862,457	1,611,903	1,611,903	-
Organizational dues/subscriptions	194,000	231,338	231,338	-
Comprehensive insurance	270,000	289,345	289,345	-
Tax appraisal fee	426,866	404,998	404,998	-
Legal/professional fees	63,000	59,726	59,726	-
Lawsuit settlement	13,000	308	308	-
Total Nondepartmental	2,323,161	3,235,327	3,235,327	-
Purchasing:				
Salaries	131,864	131,864	130,371	1,493
Benefits	42,862	42,499	41,215	1,284
Capital outlay - for all departments	400	3,300	3,244	56
Other	21,600	23,863	23,863	-
Total Purchasing	196,726	201,526	198,693	2,833
Elections:				
Salaries	153,130	154,613	154,613	-
Benefits	55,819	56,073	56,073	-
Capital outlay	1,300	117	117	-
Election workers salaries/benefits	43,300	47,259	47,259	-
Other	75,537	199,807	199,807	-
Total Elections	329,086	457,869	457,869	-
County Auditor:				
Salaries	263,276	262,892	262,892	-
Benefits	79,120	78,469	78,469	-
Supplies	4,500	3,074	3,074	-
Capital outlay	3,000	1,201	1,201	-
Other	8,625	9,542	9,542	-
Total County Auditor	358,521	355,178	355,178	-
Tax Assessor/Collector:				
Salaries	605,265	603,837	603,837	-
Benefits	226,348	223,298	223,298	-
Supplies	18,000	23,117	23,117	-
Other	31,000	29,340	29,340	-
Telephone	11,000	12,113	12,113	-
Postage	45,000	25,486	25,486	-
Capital outlay	1,200	5,272	5,272	-
Total Tax Assessor/Collector	\$ 937,813	\$ 922,463	\$ 922,463	\$ -

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Treasurer:				
Salaries	\$ 102,748	\$ 102,748	\$ 102,748	\$ -
Benefits	31,411	30,431	30,431	-
Other	14,700	9,304	9,304	-
Capital outlay	700	118	118	-
Total Treasurer	<u>149,559</u>	<u>142,601</u>	<u>142,601</u>	<u>-</u>
Human Services:				
Salaries	245,555	246,646	246,646	-
Benefits	83,408	81,843	81,843	-
Supplies	3,500	2,427	2,427	-
Utilities	2,265	1,549	1,549	-
Other	1,160,906	870,322	870,322	-
Capital outlay	750	648	648	-
Total Human Services	<u>1,496,384</u>	<u>1,203,435</u>	<u>1,203,435</u>	<u>-</u>
Courthouse/Office Building:				
Salaries	175,297	175,296	175,296	-
Benefits	71,530	70,245	70,245	-
Supplies	14,500	15,726	15,726	-
Capital outlay	2,000	8,378	8,378	-
Other	23,116	18,365	18,365	-
Telephone	500	687	687	-
Repairs and maintenance	100,050	94,510	94,510	-
Total Courthouse/Office Buildings	<u>386,993</u>	<u>383,207</u>	<u>383,207</u>	<u>-</u>
Engineering:				
Salaries	422,235	417,619	417,619	-
Benefits	127,203	124,373	124,373	-
Supplies	2,200	6,335	6,335	-
Capital outlay	-	9,700	9,700	-
Other	33,150	14,960	14,960	-
Utilities	3,200	3,945	3,945	-
Total Engineering	<u>587,988</u>	<u>576,932</u>	<u>576,932</u>	<u>-</u>
MIS:				
Salaries	184,628	182,771	182,771	-
Benefits	56,543	53,326	53,326	-
Supplies	11,480	2,072	2,072	-
Capital outlay	400	6,895	6,895	-
Other	6,400	11,477	11,477	-
Total Computer	<u>259,451</u>	<u>256,541</u>	<u>256,541</u>	<u>-</u>
Total General Government	<u>\$ 10,310,938</u>	<u>\$ 11,452,601</u>	<u>\$ 11,243,059</u>	<u>\$ 209,542</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
JUDICIAL				
40th Judicial District Judge:				
Salaries	\$ 98,836	\$ 98,836	\$ 98,836	\$ -
Benefits	37,551	37,551	36,464	1,087
Supplies	6,500	6,500	3,250	3,250
Capital outlay	3,500	500	-	500
Other	17,070	20,070	13,589	6,481
Total 40th Judicial District Judge	<u>163,457</u>	<u>163,457</u>	<u>152,139</u>	<u>11,318</u>
378th Judicial District Judge:				
Salaries	36,591	36,591	36,591	-
Benefits	20,259	20,259	20,023	236
Supplies	6,000	6,000	1,273	4,727
Capital outlay	3,000	3,000	547	2,453
Other	13,900	13,900	8,916	4,984
Total 378th Judicial District Judge	<u>79,750</u>	<u>79,750</u>	<u>67,350</u>	<u>12,400</u>
District Clerk:				
Salaries	441,604	441,604	440,405	1,199
Benefits	163,985	163,985	160,543	3,442
Supplies	14,000	16,279	16,232	47
Capital outlay	3,500	3,280	3,221	59
Other	109,100	107,041	92,908	14,133
Total District Clerk	<u>732,189</u>	<u>732,189</u>	<u>713,309</u>	<u>18,880</u>
County Court-at-Law:				
Salaries	227,796	227,796	221,118	6,678
Benefits	60,160	60,160	56,148	4,012
Capital outlay	1,500	39	-	39
Other	21,031	22,492	21,566	926
Total County Court-at-Law	<u>310,487</u>	<u>310,487</u>	<u>298,832</u>	<u>11,655</u>
County Court-at-Law #2:				
Salaries	227,203	227,203	227,203	-
Benefits	60,125	58,490	57,448	1,042
Other	12,425	13,537	13,353	184
Utilities	850	607	607	-
Supplies	5,000	6,466	6,460	6
Capital outlay	900	200	200	-
Total County Court-at-Law #2	<u>\$ 306,503</u>	<u>\$ 306,503</u>	<u>\$ 305,271</u>	<u>\$ 1,232</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
JUDICIAL (Continued)				
Justice of the Peace #1:				
Salaries	\$ 152,254	\$ 152,254	\$ 152,254	\$ -
Benefits	53,048	53,048	52,301	747
Capital outlay	1,500	1,969	1,969	-
Other	20,950	20,481	13,398	7,083
Total Justice of the Peace #1	<u>227,752</u>	<u>227,752</u>	<u>219,922</u>	<u>7,830</u>
Justice of the Peace #2:				
Salaries	209,140	209,140	209,140	-
Benefits	76,074	76,074	75,219	855
Capital outlay	2,500	1,000	640	360
Other	21,360	22,860	17,431	5,429
Total Justice of the Peace #2	<u>309,074</u>	<u>309,074</u>	<u>302,430</u>	<u>6,644</u>
Justice of the Peace #3:				
Salaries	146,565	146,565	145,087	1,478
Benefits	46,824	46,246	46,142	104
Capital outlay	800	-	-	-
Other	12,096	13,474	13,474	-
Total Justice of the Peace #3	<u>206,285</u>	<u>206,285</u>	<u>204,703</u>	<u>1,582</u>
Justice of the Peace #4:				
Salaries	152,254	152,254	152,241	13
Benefits	54,603	54,603	52,380	2,223
Capital outlay	1,000	1,000	555	445
Other	23,460	23,460	20,458	3,002
Total Justice of the Peace #4	<u>231,317</u>	<u>231,317</u>	<u>225,634</u>	<u>5,683</u>
Court Reporter:				
Other	70,000	79,459	79,459	-
Total Court Reporter	<u>70,000</u>	<u>79,459</u>	<u>79,459</u>	<u>-</u>
County and District Attorney:				
Salaries	1,801,445	1,801,445	1,800,205	1,240
Benefits	587,670	587,670	576,670	11,000
Supplies	17,000	19,233	14,956	4,277
Capital outlay	2,200	3,124	3,123	1
Other	174,090	167,474	160,197	7,277
Total County and District Attorney	<u>2,582,405</u>	<u>2,578,946</u>	<u>2,555,151</u>	<u>23,795</u>
Total Judicial	<u>\$ 5,219,219</u>	<u>\$ 5,225,219</u>	<u>\$ 5,124,200</u>	<u>\$ 101,019</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
PUBLIC SAFETY				
Sheriff:				
Salaries	\$ 5,092,925	\$ 4,780,161	\$ 4,774,374	\$ 5,787
Benefits	1,571,728	1,505,728	1,497,688	8,040
Supplies	40,000	34,258	34,075	183
Capital outlay	22,350	68,685	57,682	11,003
Other	468,450	518,611	415,040	103,571
Utilities	88,000	99,749	99,749	-
Automobile Purchases/Expenses	371,600	1,073,067	925,952	147,115
Total Sheriff	<u>7,655,053</u>	<u>8,080,259</u>	<u>7,804,560</u>	<u>275,699</u>
Highway Patrol:				
Salaries	34,880	34,880	34,880	-
Benefits	14,038	14,038	13,926	112
Total Highway Patrol	<u>48,918</u>	<u>48,918</u>	<u>48,806</u>	<u>112</u>
Fire Marshall:				
Salaries	75,450	76,350	75,350	1,000
Benefits	26,615	26,775	26,417	358
Auto	6,950	8,950	6,457	2,493
Capital outlay	600	1,100	693	407
Other	44,900	42,400	33,727	8,673
Total Fire Marshall	<u>154,515</u>	<u>155,575</u>	<u>142,644</u>	<u>12,931</u>
Constable #1:				
Salaries	98,468	98,468	98,468	-
Benefits	30,532	30,532	29,985	547
Other	9,460	13,721	11,152	2,569
Automobile	9,075	9,075	6,814	2,261
Total Constable #1	<u>147,535</u>	<u>151,796</u>	<u>146,419</u>	<u>5,377</u>
Constable #2:				
Salaries	99,368	102,341	102,341	-
Benefits	44,797	44,797	43,590	1,207
Capital outlay	1,200	9,230	9,230	-
Other	13,570	10,034	9,358	676
Automobile	15,456	9,756	7,454	2,302
Total Constable #2	<u>\$ 174,391</u>	<u>\$ 176,158</u>	<u>\$ 171,973</u>	<u>\$ 4,185</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
PUBLIC SAFETY (Continued)				
Constable #3:				
Salaries	\$ 98,468	\$ 98,468	\$ 97,868	\$ 600
Benefits	30,532	30,532	30,064	468
Capital outlay	700	795	795	-
Other	7,960	10,128	8,759	1,369
Automobile	6,900	6,319	5,950	369
Total Constable #3	<u>144,560</u>	<u>146,242</u>	<u>143,436</u>	<u>2,806</u>
Constable #4:				
Salaries	98,468	98,468	97,268	1,200
Benefits	30,532	30,532	29,310	1,222
Total Constable #4	<u>153,125</u>	<u>165,061</u>	<u>159,834</u>	<u>5,227</u>
Commercial Vehicle Enforcement:				
Salaries	28,443	29,769	29,769	-
Benefits	11,548	11,672	11,672	-
Total Ccommercial Vehicle Enforcement	<u>39,991</u>	<u>41,441</u>	<u>41,441</u>	<u>-</u>
Emergency Management:				
Salaries	102,096	95,506	95,506	-
Benefits	30,936	27,849	27,849	-
Capital outlay	19,623	4,249	4,249	-
Other	56,025	82,163	82,163	-
Automobile	4,380	4,492	4,492	-
Total Emergency Management	<u>213,060</u>	<u>214,259</u>	<u>214,259</u>	<u>-</u>
Jail				
Salaries	4,800,206	4,312,406	4,310,634	1,772
Benefits	1,684,102	1,578,604	1,576,152	2,452
Utilities	460,000	479,096	479,096	-
Repairs	164,500	173,193	172,847	346
Supplies	1,862,380	1,698,288	1,665,115	33,173
Capital outlay	33,000	453,615	453,615	-
Other	215,860	132,234	128,325	3,909
Total Jail	<u>9,220,048</u>	<u>8,827,436</u>	<u>8,785,784</u>	<u>41,652</u>
Total Public Safety	<u>\$ 17,951,196</u>	<u>\$ 18,007,145</u>	<u>\$ 17,659,156</u>	<u>\$ 347,989</u>

(continued)

ELLIS COUNTY, TEXAS

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
HEALTH AND WELFARE				
Mental Health/Juvenile Expense:				
Other	\$ 7,000	\$ 8,140	\$ 8,140	\$ -
Total Mental Health/Juvenile Expenses	<u>7,000</u>	<u>8,140</u>	<u>8,140</u>	<u>-</u>
Indigent Legal:				
Other	26,500	26,500	16,480	10,020
Legal and professional fees	<u>1,607,220</u>	<u>1,606,080</u>	<u>1,574,946</u>	<u>31,134</u>
Total Pauper	<u>1,633,720</u>	<u>1,632,580</u>	<u>1,591,426</u>	<u>41,154</u>
Total Health and Welfare	<u>1,640,720</u>	<u>1,640,720</u>	<u>1,599,566</u>	<u>41,154</u>
CONSERVATION				
Agricultural Extension Service:				
Salaries	108,500	108,537	108,537	-
Benefits	52,623	52,444	46,103	6,341
Supplies	5,400	7,163	7,163	-
Capital outlay	1,890	1,470	1,470	-
Other	14,200	13,121	13,121	-
Auto	2,600	2,591	2,591	-
Telephone	<u>2,700</u>	<u>2,587</u>	<u>2,587</u>	<u>-</u>
Total Agricultural Extension Service	<u>187,913</u>	<u>187,913</u>	<u>181,572</u>	<u>6,341</u>
Total Conservation	<u>187,913</u>	<u>187,913</u>	<u>181,572</u>	<u>6,341</u>
Total Expenditures	<u>35,309,986</u>	<u>36,513,598</u>	<u>35,807,553</u>	<u>706,045</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(90,000)</u>	<u>(1,185,124)</u>	<u>(508,499)</u>	<u>676,625</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>90,000</u>	<u>90,000</u>	<u>85,000</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>90,000</u>	<u>90,000</u>	<u>85,000</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCES	-	<u>(1,095,124)</u>	<u>(423,499)</u>	671,625
FUND BALANCES, BEGINNING	<u>8,195,164</u>	<u>8,195,164</u>	<u>8,195,164</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 8,195,164</u>	<u>\$ 7,100,040</u>	<u>\$ 7,771,665</u>	<u>\$ 671,625</u>

ELLIS COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2010

BUDGET INFORMATION

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

1. The County Judge and the County Auditor have individual meetings with department heads to receive the departmental budget requests.
2. Public workshops are held where department heads present their budget to members of the Commissioners' Court.
3. The County Judge evaluates the requests and considers the feedback of the Commissioners' Court over the next several weeks.
4. The County Auditor projects the revenues of the County for the next fiscal year.
5. The County Judge, assisted by the County Auditor, prepares a proposed budget to file with the County Clerk a minimum of seven days before a scheduled public hearing on the budget.
6. A public hearing is conducted to obtain taxpayer feedback as well as to receive feedback from the Commissioners' Court.
7. If no changes are warranted in the proposed budget, the budget is then legally enacted by the Commissioners' Court on or before September 30, in the timeframe required by statute.

After the adoption of the budget, the government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners' Court. The legal level of control is exercised at the department level. All governmental funds have legally adopted budgets. State law provides that amendments approved by the Commissioners' Court may be made to the original budget provided that funds are available for the added disbursements. Reported budgeted amounts reflect the budget as originally adopted and all subsequent transfers and amendments. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget appropriations lapse at year end. All encumbrances lapse at year end.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditures for particular purposes.

ROAD AND BRIDGE FUNDS

These funds, reported by commissioner's precinct, are used to account for revenues and expenditures relating to road and bridge construction and maintenance.

FARM TO MARKET FUNDS

These funds, reported by commissioner's precinct, are used to account for revenues and expenditures relating to construction and maintenance.

LATERAL ROADS

This fund is used to account for state funding and expenditures relating to maintenance of lateral roads.

DISTRICT CLERK ARCHIVES

This fund is used to account for the receipt of archives fees from district court cases. Receipts are restricted to expenditures relating to the maintenance of district clerk records.

JUSTICE COURT TECHNOLOGY FUND

This fund is used to account for funds from court costs received and expenditures relating to justice court technological advances.

COUNTY AND DISTRICT COURT TECHNOLOGY FUND

This fund is used to account for funds from court costs received and expenditures relating to county and district court technological advances.

DISTRICT COURT RECORDS TECHNOLOGY FUND

This fund is used to account for funds from court costs received and expenditures relating to district court records technological advances.

JURY FUND

This fund is used to account for revenues and expenditures relating to various court activities.

LAW LIBRARY FUND

This fund is used to account for the receipt of law library fees collected by the County and District Clerks. Receipts are restricted to payment of the cost of maintaining the law library.

DISTRICT ATTORNEY HOT CHECK

This fund is used to account for fees collected by the District Attorney under the "Hot Check" statute. Expenditures from this fund shall be at the sole discretion of the District Attorney and may be used only to defray the salaries and expenses of their office.

DISTRICT ATTORNEY SEIZURE FUND

This fund is used to account for money and property seized by the District Attorney's Office as a result of drug seizures.

DISTRICT ATTORNEY ASSET SHARING FUND

This fund is used to account for money and property seized by a federal agency and shared with the District Attorney.

SPECIAL REVENUE FUNDS

(Continued)

DISTRICT ATTORNEY FORFEITURE FUND

This fund is used to account for money and property forfeited to the District Attorney's Office as a result of drug seizures.

SHERIFF SEIZURE FUND

This fund is used to account for money and property seized by the Sheriff's Office as a result of drug seizures.

SHERIFF DRUG FORFEITURE FUND

This fund is used to account for money and property forfeited to the Sheriff's Office as a result of drug seizures.

EMISSIONS ENFORCEMENT

This fund is used to account for money and property related to a grant which provides for enforcement action on facilities which violate emission inspection laws.

CONSTABLE FORFEITURE FUND

This fund is used to account for money and property forfeited to the Constable's Office as a result of drug seizures.

RECORDS MANAGEMENT FUND

This fund is used to account for the cost of records management in the County Clerk's office. Funding is from records management fees charged on transactions in the County Clerk's Office.

GENERAL RECORDS MANAGEMENT PRESERVATION FUND

This fund is used to account for cost of records management for general County records. Funding is from fees charged for County transactions.

COURTHOUSE SECURITY FUND

This fund is used to account for costs relating to security for County offices. Funding is from fees charged for County transactions.

SHERIFF FEDERAL FORFEITURE

This fund is used to account for funds through a sharing agreement with the Federal Government on federal drug cases.

COURT RECORDS PRESERVATION

This fund is used to account for funds from court costs received and expenditures relating to court records preservation.

COUNTY CLERK ARCHIVES MANAGEMENT

This fund is used to account for the receipt of archives fees from County court cases. Expenditures are restricted to items related to the maintenance of county clerk records.

SHERIFF HIDTA

This fund is used to account for funds through a sharing agreement with the Federal Government on federal HIDTA cases.

LAW ENFORCEMENT BLOCK FUND

This fund is used to account for a grant, which provides funds for the purchase of law enforcement related equipment.

CONSTABLE SEIZURE

This fund is used to account for money and properties seized by the Constables as a result of drug seizures.

DEBT SERVICE FUNDS

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and their subsequent disbursement to pay principal, interest and related costs on the County's long term debt.

2007 DEBT SERVICE FUND

This fund is used to account for the accumulation of resources and their subsequent disbursement to pay principal, interest and related costs on the County's 2007 general obligation bond.

CAPITAL PROJECTS FUNDS

The Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

RIGHT-OF-WAY AVAILABLE FUND

This fund is used to account for the acquisition of right-of-ways other than those financed by proprietary funds.

2008 RIGHT-OF-WAY FUND

This fund is used to account for the acquisition of right-of-ways other than those financed by proprietary funds or the Right-Of-Way Available Fund.

ROAD DISTRICT #1 AVAILABLE FUND

This fund is used to account for the acquisition and construction of county roads that lie within the geographical boundaries of Road District #1.

ROAD DISTRICT #5 AVAILABLE FUND

This fund is used to account for the acquisition and construction of county roads that lie within the geographical boundaries of Road District #5.

ROAD DISTRICT #16 AVAILABLE FUND

This fund is used to account for the acquisition and construction of county roads that lie within the geographical boundaries of Road District #16.

ELLIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	Special Revenue				
	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Farm to Market #1
ASSETS					
Cash and investments	\$ 344,408	\$ 466,192	\$ 416,262	\$ 445,729	\$ 296,250
Due from other funds	-	-	-	-	-
Taxes receivable	8,760	15,391	15,211	8,522	23,794
Other receivables	-	-	-	-	-
Total assets	<u>\$ 353,168</u>	<u>\$ 481,583</u>	<u>\$ 431,473</u>	<u>\$ 454,251</u>	<u>\$ 320,044</u>
LIABILITIES					
Accounts payable	\$ 21,712	\$ 73,976	\$ 17,108	\$ 53,890	\$ 18,334
Accrued liabilities	21,576	25,382	23,978	20,132	-
Due to other funds	-	-	-	-	-
Deferred revenue	7,416	13,030	12,877	7,215	20,362
Total liabilities	<u>50,704</u>	<u>112,388</u>	<u>53,963</u>	<u>81,237</u>	<u>38,696</u>
FUND BALANCES					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	302,464	369,195	377,510	373,014	281,348
Total fund balances	<u>302,464</u>	<u>369,195</u>	<u>377,510</u>	<u>373,014</u>	<u>281,348</u>
Total liabilities and fund balances	<u>\$ 353,168</u>	<u>\$ 481,583</u>	<u>\$ 431,473</u>	<u>\$ 454,251</u>	<u>\$ 320,044</u>

Special Revenue

Farm to Market #2	Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	County & District Court Technology	District Court Records Technology	Jury
\$ 425,363	\$ 334,609	\$ 226,728	\$ 38,536	\$ 38,163	\$ 4,293	\$ 684	\$ 7,525	\$ 2,405
-	-	-	-	-	-	-	-	-
23,794	23,794	23,794	-	-	-	-	-	2,254
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190</u>
<u>\$ 449,157</u>	<u>\$ 358,403</u>	<u>\$ 250,522</u>	<u>\$ 38,536</u>	<u>\$ 38,163</u>	<u>\$ 4,293</u>	<u>\$ 684</u>	<u>\$ 7,525</u>	<u>\$ 4,849</u>
\$ 70,382	\$ 55,894	\$ 13,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,814
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,362	20,362	20,362	-	-	-	-	-	1,908
<u>90,744</u>	<u>76,256</u>	<u>33,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,722</u>
-	-	-	-	-	-	-	-	-
<u>358,413</u>	<u>282,147</u>	<u>216,992</u>	<u>38,536</u>	<u>38,163</u>	<u>4,293</u>	<u>684</u>	<u>7,525</u>	<u>127</u>
<u>358,413</u>	<u>282,147</u>	<u>216,992</u>	<u>38,536</u>	<u>38,163</u>	<u>4,293</u>	<u>684</u>	<u>7,525</u>	<u>127</u>
<u>\$ 449,157</u>	<u>\$ 358,403</u>	<u>\$ 250,522</u>	<u>\$ 38,536</u>	<u>\$ 38,163</u>	<u>\$ 4,293</u>	<u>\$ 684</u>	<u>\$ 7,525</u>	<u>\$ 4,849</u>

(continued)

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

	Special Revenue				District Attorney Asset Sharing
	Law Library	District Attorney Hot Check	District Attorney Seizure	District Attorney Forfeiture	
ASSETS					
Cash and investments	\$ 98,846	\$ 258,468	\$ 197,331	\$ 344,954	\$ -
Due from other funds	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Other receivables	-	-	-	-	-
Total assets	\$ 98,846	\$ 258,468	\$ 197,331	\$ 344,954	\$ -
LIABILITIES					
Accounts payable	\$ 4,562	\$ 469	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	4,562	469	-	-	-
FUND BALANCES					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	94,284	257,999	197,331	344,954	-
Total fund balances	94,284	257,999	197,331	344,954	-
Total liabilities and fund balances	\$ 98,846	\$ 258,468	\$ 197,331	\$ 344,954	\$ -

Special Revenue

Sheriff Seizure	Sheriff Drug Forfeiture	Emissions Enforcement	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture	Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security
\$ 305,859	\$ 84,083	\$ 1,020	\$ 181	\$ 366	\$ 482	\$ 3,499	\$ 158,501	\$ 1,761
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 305,859</u>	<u>\$ 84,083</u>	<u>\$ 1,020</u>	<u>\$ 181</u>	<u>\$ 366</u>	<u>\$ 482</u>	<u>\$ 3,499</u>	<u>\$ 158,501</u>	<u>\$ 1,761</u>
\$ -	\$ 10,000	\$ 280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>10,000</u>	<u>280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
<u>305,859</u>	<u>74,083</u>	<u>740</u>	<u>181</u>	<u>366</u>	<u>482</u>	<u>3,499</u>	<u>158,501</u>	<u>1,761</u>
<u>305,859</u>	<u>74,083</u>	<u>740</u>	<u>181</u>	<u>366</u>	<u>482</u>	<u>3,499</u>	<u>158,501</u>	<u>1,761</u>
<u>\$ 305,859</u>	<u>\$ 84,083</u>	<u>\$ 1,020</u>	<u>\$ 181</u>	<u>\$ 366</u>	<u>\$ 482</u>	<u>\$ 3,499</u>	<u>\$ 158,501</u>	<u>\$ 1,761</u>

(continued)

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

	Special Revenue					
	Sheriff Federal Forfeiture	Court Records Preservation	County Clerk Archives Management	Sheriff HIDTA	Law Enforcement Block Fund	Constable Precinct #4 Seizure
ASSETS						
Cash and investments	\$ 368,358	\$ 2,956	\$ 872,710	\$ -	\$ 17,627	\$ 3,108
Due from other funds	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total assets	<u>\$ 368,358</u>	<u>\$ 2,956</u>	<u>\$ 872,710</u>	<u>\$ -</u>	<u>\$ 17,627</u>	<u>\$ 3,108</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 228	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>228</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	<u>368,358</u>	<u>2,956</u>	<u>872,482</u>	<u>-</u>	<u>17,627</u>	<u>3,108</u>
Total fund balances	<u>368,358</u>	<u>2,956</u>	<u>872,482</u>	<u>-</u>	<u>17,627</u>	<u>3,108</u>
Total liabilities and fund balances	<u>\$ 368,358</u>	<u>\$ 2,956</u>	<u>\$ 872,710</u>	<u>\$ -</u>	<u>\$ 17,627</u>	<u>\$ 3,108</u>

Debt Service		Capital Projects					Totals
Debt Service	2007 Debt Service	Right of Way	2008 Right of Way	Road District #1	Road District #5	Road District #16	
\$ 1,188,784	\$ 1,096,037	\$ 118,982	\$ 39,261	\$ 1,180,976	\$ 66,450	\$ 183,449	\$ 9,641,196
-	-	-	-	-	-	-	-
49,636	104,945	-	545	-	-	-	300,440
-	8,864	-	-	-	-	-	9,054
<u>\$ 1,238,420</u>	<u>\$ 1,209,846</u>	<u>\$ 118,982</u>	<u>\$ 39,806</u>	<u>\$ 1,180,976</u>	<u>\$ 66,450</u>	<u>\$ 183,449</u>	<u>\$ 9,950,690</u>
\$ 564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,381
-	-	-	-	-	-	-	91,068
-	-	-	-	-	-	-	-
42,022	88,847	-	461	-	-	-	255,224
<u>42,586</u>	<u>88,847</u>	<u>-</u>	<u>461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>689,673</u>
1,195,834	1,120,999	-	-	-	-	-	2,316,833
-	-	118,982	39,345	1,180,976	66,450	183,449	6,944,184
<u>1,195,834</u>	<u>1,120,999</u>	<u>118,982</u>	<u>39,345</u>	<u>1,180,976</u>	<u>66,450</u>	<u>183,449</u>	<u>9,261,017</u>
<u>\$ 1,238,420</u>	<u>\$ 1,209,846</u>	<u>\$ 118,982</u>	<u>\$ 39,806</u>	<u>\$ 1,180,976</u>	<u>\$ 66,450</u>	<u>\$ 183,449</u>	<u>\$ 9,950,690</u>

ELLIS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue				
	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Farm to Market #1
REVENUES					
Taxes	\$ 322,342	\$ 566,006	\$ 559,233	\$ 313,623	\$ 831,862
Intergovernmental	-	-	-	-	-
Auto registration	569,999	565,884	565,885	565,885	-
Fees of office	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest earnings	455	1,282	506	1,899	512
Other	5,476	45,180	144,457	153,526	27,580
Total revenues	<u>898,272</u>	<u>1,178,352</u>	<u>1,270,081</u>	<u>1,034,933</u>	<u>859,954</u>
EXPENDITURES					
General government	-	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Roads and highways	900,024	1,580,885	1,175,661	1,351,469	930,881
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>900,024</u>	<u>1,580,885</u>	<u>1,175,661</u>	<u>1,351,469</u>	<u>930,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,752)</u>	<u>(402,533)</u>	<u>94,420</u>	<u>(316,536)</u>	<u>(70,927)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	-	-
Transfers out	-	-	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,752)</u>	<u>(402,533)</u>	<u>94,420</u>	<u>(316,536)</u>	<u>(70,927)</u>
FUND BALANCES, BEGINNING	<u>304,216</u>	<u>771,728</u>	<u>283,090</u>	<u>689,550</u>	<u>352,275</u>
FUND BALANCES, ENDING	<u>\$ 302,464</u>	<u>\$ 369,195</u>	<u>\$ 377,510</u>	<u>\$ 373,014</u>	<u>\$ 281,348</u>

Special Revenue

Farm to Market #2	Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	County & District Court Technology	District Court Records Technology	Jury
\$ 831,862	\$ 831,862	\$ 831,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,603
-	-	-	61,425	-	-	-	-	50,150
-	-	-	-	10,160	24,908	684	7,525	-
-	-	-	-	-	-	-	-	-
492	237	663	28	-	4	-	-	117
<u>37,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,721</u>
<u>869,977</u>	<u>832,099</u>	<u>832,525</u>	<u>61,453</u>	<u>10,160</u>	<u>24,912</u>	<u>684</u>	<u>7,525</u>	<u>137,591</u>
-	-	-	-	-	25,236	-	-	-
-	-	-	-	-	-	-	-	137,464
-	-	-	-	-	-	-	-	-
853,785	739,026	991,546	84,605	-	-	-	-	-
-	85,899	-	-	-	-	-	-	-
-	<u>7,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>853,785</u>	<u>832,108</u>	<u>991,546</u>	<u>84,605</u>	<u>-</u>	<u>25,236</u>	<u>-</u>	<u>-</u>	<u>137,464</u>
<u>16,192</u>	<u>(9)</u>	<u>(159,021)</u>	<u>(23,152)</u>	<u>10,160</u>	<u>(324)</u>	<u>684</u>	<u>7,525</u>	<u>127</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
16,192	(9)	(159,021)	(23,152)	10,160	(324)	684	7,525	127
<u>342,221</u>	<u>282,156</u>	<u>376,013</u>	<u>61,688</u>	<u>28,003</u>	<u>4,617</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 358,413</u>	<u>\$ 282,147</u>	<u>\$ 216,992</u>	<u>\$ 38,536</u>	<u>\$ 38,163</u>	<u>\$ 4,293</u>	<u>\$ 684</u>	<u>\$ 7,525</u>	<u>\$ 127</u>

(continued)

ELLIS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue				
	Law Library	District Attorney Hot Check	District Attorney Seizure	District Attorney Forfeiture	District Attorney Asset Sharing
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Auto registration	-	-	-	-	-
Fees of office	-	34,356	-	-	-
Fines and forfeitures	-	-	141,218	63,924	-
Interest earnings	180	358	358	441	-
Other	100,373	979	-	-	-
Total revenues	<u>100,553</u>	<u>35,693</u>	<u>141,576</u>	<u>64,365</u>	<u>-</u>
EXPENDITURES					
General government	-	-	-	-	-
Judicial	110,054	4,657	89,593	65,439	48,012
Public safety	-	-	-	-	-
Roads and highways	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>110,054</u>	<u>4,657</u>	<u>89,593</u>	<u>65,439</u>	<u>48,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,501)</u>	<u>31,036</u>	<u>51,983</u>	<u>(1,074)</u>	<u>(48,012)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	-	-
Transfers out	-	-	-	(48,012)	-
Transfers in	-	-	-	-	48,012
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,012)</u>	<u>48,012</u>
NET CHANGE IN FUND BALANCES	<u>(9,501)</u>	<u>31,036</u>	<u>51,983</u>	<u>(49,086)</u>	<u>-</u>
FUND BALANCES, BEGINNING	<u>103,785</u>	<u>226,963</u>	<u>145,348</u>	<u>394,040</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 94,284</u>	<u>\$ 257,999</u>	<u>\$ 197,331</u>	<u>\$ 344,954</u>	<u>\$ -</u>

Special Revenue

Sheriff Seizure	Sheriff Drug Forfeiture	Emissions Enforcement	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture	Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	46,476	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	143,888	45,936	70,644
28,512	47,819	-	-	-	-	-	-	-
880	175	42	-	1	2	84	124	127
-	-	-	-	-	370	-	9,793	-
<u>29,392</u>	<u>47,994</u>	<u>46,518</u>	<u>-</u>	<u>1</u>	<u>372</u>	<u>143,972</u>	<u>55,853</u>	<u>70,771</u>
-	-	-	-	-	-	140,473	43,361	-
-	-	-	-	-	-	-	-	-
54,655	10,000	45,778	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>54,655</u>	<u>10,000</u>	<u>45,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,473</u>	<u>43,361</u>	<u>-</u>
(25,263)	37,994	740	-	1	372	3,499	12,492	70,771
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(85,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(85,000)
(25,263)	37,994	740	-	1	372	3,499	12,492	(14,229)
331,122	36,089	-	181	365	110	-	146,009	15,990
<u>\$ 305,859</u>	<u>\$ 74,083</u>	<u>\$ 740</u>	<u>\$ 181</u>	<u>\$ 366</u>	<u>\$ 482</u>	<u>\$ 3,499</u>	<u>\$ 158,501</u>	<u>\$ 1,761</u>

(continued)

ELLIS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue					
	Sheriff Federal Forfeiture	Court Records Preservation	County Clerk Archives Management	Sheriff HIDTA	Law Enforcement Block Fund	Constable Precinct #4 Seizure
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Auto registration	-	-	-	-	-	-
Fees of office	-	2,956	-	-	-	-
Fines and forfeitures	75,026	-	-	-	-	-
Interest earnings	993	-	418	41	39	16
Other	-	-	142,370	-	-	-
Total revenues	<u>76,019</u>	<u>2,956</u>	<u>142,788</u>	<u>41</u>	<u>39</u>	<u>16</u>
EXPENDITURES						
General government	-	-	117,822	-	-	-
Judicial	-	-	-	-	-	-
Public safety	119,067	-	-	-	-	-
Roads and highways	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>119,067</u>	<u>-</u>	<u>117,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(43,048)</u>	<u>2,956</u>	<u>24,966</u>	<u>41</u>	<u>39</u>	<u>16</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers out	-	-	-	(74,926)	-	-
Transfers in	74,926	-	-	-	-	-
Total other financing sources (uses)	<u>74,926</u>	<u>-</u>	<u>-</u>	<u>(74,926)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>31,878</u>	<u>2,956</u>	<u>24,966</u>	<u>(74,885)</u>	<u>39</u>	<u>16</u>
FUND BALANCES, BEGINNING	<u>336,480</u>	<u>-</u>	<u>847,516</u>	<u>74,885</u>	<u>17,588</u>	<u>3,092</u>
FUND BALANCES, ENDING	<u>\$ 368,358</u>	<u>\$ 2,956</u>	<u>\$ 872,482</u>	<u>\$ -</u>	<u>\$ 17,627</u>	<u>\$ 3,108</u>

Debt Service		Capital Projects					
Debt Service	2007 Debt Service	Right of Way	2008 Right of Way	Road District #1	Road District #5	Road District #16	Totals
\$ 1,831,769	\$ 3,847,545	\$ -	\$ 19,962	\$ -	\$ -	\$ -	\$ 10,870,531
-	-	-	-	-	-	-	158,051
-	-	-	-	-	-	-	2,267,653
-	-	-	-	-	-	-	341,057
-	-	-	-	-	-	-	356,499
756	7,949	293	-	1,334	244	329	21,379
-	-	-	-	-	-	-	672,448
<u>1,832,525</u>	<u>3,855,494</u>	<u>293</u>	<u>19,962</u>	<u>1,334</u>	<u>244</u>	<u>329</u>	<u>14,687,618</u>
-	-	-	-	-	-	-	326,892
-	-	-	-	-	-	-	455,219
-	-	-	-	-	-	-	229,500
-	-	-	-	-	35,001	-	8,642,883
3,260,000	1,315,000	-	-	-	-	-	4,660,899
<u>472,666</u>	<u>2,444,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,924,549</u>
<u>3,732,666</u>	<u>3,759,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,001</u>	<u>-</u>	<u>17,239,942</u>
(1,900,141)	95,794	293	19,962	1,334	(34,757)	329	(2,552,324)
1,635,000	-	-	-	-	-	-	1,635,000
-	-	-	-	-	-	-	(207,938)
-	-	-	-	-	-	-	122,938
<u>1,635,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550,000</u>
(265,141)	95,794	293	19,962	1,334	(34,757)	329	(1,002,324)
<u>1,460,975</u>	<u>1,025,205</u>	<u>118,689</u>	<u>19,383</u>	<u>1,179,642</u>	<u>101,207</u>	<u>183,120</u>	<u>10,263,341</u>
\$ <u>1,195,834</u>	\$ <u>1,120,999</u>	\$ <u>118,982</u>	\$ <u>39,345</u>	\$ <u>1,180,976</u>	\$ <u>66,450</u>	\$ <u>183,449</u>	\$ <u>9,261,017</u>

ELLIS COUNTY, TEXAS

ROAD AND BRIDGE FUND, PRECINCT #1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Road and bridge taxes	\$ 327,105	\$ 322,342	\$(4,763)
Auto registration	567,000	569,999	2,999
Interest earnings	1,000	455	(545)
Other	-	5,476	5,476
Total revenues	895,105	898,272	3,167
EXPENDITURES			
Roads and highways:			
Salaries	579,020	570,431	8,589
Benefits	220,870	213,898	6,972
Other	388,139	115,695	272,444
Total expenditures	1,188,029	900,024	288,005
NET CHANGE IN FUND BALANCE	(292,924)	(1,752)	291,172
FUND BALANCE, BEGINNING	304,216	304,216	-
FUND BALANCE, ENDING	\$ 11,292	\$ 302,464	\$ 291,172

ELLIS COUNTY, TEXAS

ROAD AND BRIDGE FUND, PRECINCT #2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Road and bridge taxes	\$ 572,705	\$ 566,006	\$(6,699)
Auto registration	566,500	565,884	(616)
Interest earnings	3,000	1,282	(1,718)
Other	<u>45,180</u>	<u>45,180</u>	<u>-</u>
Total revenues	<u>1,187,385</u>	<u>1,178,352</u>	<u>(9,033)</u>
EXPENDITURES			
Roads and highways:			
Salaries	719,352	626,831	92,521
Benefits	268,354	243,434	24,920
Other	438,429	400,192	38,237
Capital outlay	<u>336,716</u>	<u>310,428</u>	<u>26,288</u>
Total expenditures	<u>1,762,851</u>	<u>1,580,885</u>	<u>181,966</u>
NET CHANGE IN FUND BALANCE	(575,466)	(402,533)	172,933
FUND BALANCE, BEGINNING	<u>771,728</u>	<u>771,728</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 196,262</u>	<u>\$ 369,195</u>	<u>\$ 172,933</u>

ELLIS COUNTY, TEXAS

ROAD AND BRIDGE FUND, PRECINCT #3

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Road and bridge taxes	\$ 566,165	\$ 559,233	\$(6,932)
License and permits	566,500	565,885	(615)
Interest earnings	1,200	506	(694)
Other	-	144,457	144,457
Total revenues	<u>1,133,865</u>	<u>1,270,081</u>	<u>136,216</u>
EXPENDITURES			
Roads and highways:			
Salaries	633,933	620,460	13,473
Benefits	244,703	235,784	8,919
Other	<u>361,429</u>	<u>319,417</u>	<u>42,012</u>
Total expenditures	<u>1,240,065</u>	<u>1,175,661</u>	<u>64,404</u>
NET CHANGE IN FUND BALANCE	(106,200)	94,420	200,620
FUND BALANCE, BEGINNING	<u>283,090</u>	<u>283,090</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 176,890</u>	<u>\$ 377,510</u>	<u>\$ 200,620</u>

ELLIS COUNTY, TEXAS

ROAD AND BRIDGE FUND, PRECINCT #4

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Road and bridge taxes	\$ 318,280	\$ 313,623	\$(4,657)
License and permits	567,500	565,885	(1,615)
Interest earnings	4,200	1,899	(2,301)
Other	91,961	153,526	61,565
Total revenues	981,941	1,034,933	52,992
EXPENDITURES			
Roads and highways:			
Salaries	549,551	532,321	17,230
Benefits	202,589	196,265	6,324
Other	919,351	622,883	296,468
Total expenditures	1,671,491	1,351,469	320,022
NET CHANGE IN FUND BALANCE	(689,550)	(316,536)	373,014
FUND BALANCE, BEGINNING	689,550	689,550	-
FUND BALANCE, ENDING	\$ -	\$ 373,014	\$ 373,014

ELLIS COUNTY, TEXAS

FARM TO MARKET FUND, PRECINCT #1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Farm to market taxes	\$ 831,655	\$ 831,862	\$ 207
Interest earnings	1,500	512	(988)
Other	<u>3,012</u>	<u>27,580</u>	<u>24,568</u>
Total revenues	<u>836,167</u>	<u>859,954</u>	<u>23,787</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	175,000	118,506	56,494
Other	155,488	59,263	96,225
Road repairs and materials	797,954	753,112	44,842
Bridge repairs	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total roads and highways	<u>1,188,442</u>	<u>930,881</u>	<u>257,561</u>
Total expenditures	<u>1,188,442</u>	<u>930,881</u>	<u>257,561</u>
NET CHANGE IN FUND BALANCE	(352,275)	(70,927)	281,348
FUND BALANCE, BEGINNING	<u>352,275</u>	<u>352,275</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 281,348</u>	<u>\$ 281,348</u>

ELLIS COUNTY, TEXAS

FARM TO MARKET FUND, PRECINCT #2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Farm to market taxes	\$ 831,655	\$ 831,862	\$ 207
Interest earnings	1,200	492	(708)
Other	<u>11,028</u>	<u>37,623</u>	<u>26,595</u>
Total revenues	<u>843,883</u>	<u>869,977</u>	<u>26,094</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	83,484	83,484	-
Other	134,838	68,384	66,454
Road repairs and materials	688,300	673,775	14,525
Bridge repairs	<u>59,234</u>	<u>28,142</u>	<u>31,092</u>
Total roads and highways	<u>965,856</u>	<u>853,785</u>	<u>112,071</u>
Debt service:			
Interest and fiscal charges	<u>58,027</u>	<u>-</u>	<u>58,027</u>
Total expenditures	<u>1,023,883</u>	<u>853,785</u>	<u>170,098</u>
NET CHANGE IN FUND BALANCE	(180,000)	16,192	196,192
FUND BALANCE, BEGINNING	<u>342,221</u>	<u>342,221</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 162,221</u>	<u>\$ 358,413</u>	<u>\$ 196,192</u>

ELLIS COUNTY, TEXAS

FARM TO MARKET FUND, PRECINCT #3

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Farm to market taxes	\$ 831,655	\$ 831,862	\$ 207
Interest earnings	<u>1,000</u>	<u>237</u>	<u>(763)</u>
Total revenues	<u>832,655</u>	<u>832,099</u>	<u>(556)</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	60,115	60,103	12
Other	62,940	59,613	3,327
Road repairs and materials	620,000	608,212	11,788
Bridge repairs	<u>11,500</u>	<u>11,098</u>	<u>402</u>
Total roads and highways	<u>754,555</u>	<u>739,026</u>	<u>15,529</u>
Debt service:			
Principal	85,899	85,899	-
Interest and fiscal charges	<u>7,201</u>	<u>7,183</u>	<u>18</u>
Total expenditures	<u>847,655</u>	<u>832,108</u>	<u>15,547</u>
NET CHANGE IN FUND BALANCE	(15,000)	(9)	14,991
FUND BALANCE, BEGINNING	<u>282,156</u>	<u>282,156</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 267,156</u>	<u>\$ 282,147</u>	<u>\$ 14,991</u>

ELLIS COUNTY, TEXAS

FARM TO MARKET FUND, PRECINCT #4

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Farm to market taxes	\$ 831,655	\$ 831,862	\$ 207
Interest earnings	<u>1,400</u>	<u>663</u>	<u>(737)</u>
Total revenues	<u>833,055</u>	<u>832,525</u>	<u>(530)</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	67,392	67,392	-
Other	209,263	118,303	90,960
Road repairs and materials	837,413	723,305	114,108
Bridge repairs	<u>95,000</u>	<u>82,546</u>	<u>12,454</u>
Total expenditures	<u>1,209,068</u>	<u>991,546</u>	<u>217,522</u>
NET CHANGE IN FUND BALANCE	(376,013)	(159,021)	216,992
FUND BALANCE, BEGINNING	<u>376,013</u>	<u>376,013</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ 216,992</u></u>	<u><u>\$ 216,992</u></u>

ELLIS COUNTY, TEXAS

LATERAL ROADS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 61,425	\$ 61,425	\$ -
Interest earnings	<u>17</u>	<u>28</u>	<u>(11)</u>
Total revenues	<u>61,442</u>	<u>61,453</u>	<u>11</u>
 EXPENDITURES			
Roads and highways:			
Other	<u>123,130</u>	<u>84,605</u>	<u>38,525</u>
Total expenditures	<u>123,130</u>	<u>84,605</u>	<u>38,525</u>
 NET CHANGE IN FUND BALANCE	 (61,688)	 (23,152)	 38,536
 FUND BALANCE, BEGINNING	 <u>61,688</u>	 <u>61,688</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ -</u>	 <u>\$ 38,536</u>	 <u>\$ 38,536</u>

ELLIS COUNTY, TEXAS

DISTRICT CLERK ARCHIVES

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Fees of office	\$ 10,000	\$ 10,160	\$ 160
Total revenues	<u>10,000</u>	<u>10,160</u>	<u>160</u>
EXPENDITURES			
Judicial:			
Other	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	-	10,160	10,160
FUND BALANCE, BEGINNING	<u>28,003</u>	<u>28,003</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 28,003</u>	<u>\$ 38,163</u>	<u>\$ 10,160</u>

ELLIS COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other fees	\$ 39,400	\$ 24,908	\$(14,492)
Interest earnings	<u> -</u>	<u> 4</u>	<u> 4</u>
Total revenues	<u>39,400</u>	<u>24,912</u>	<u>(14,488)</u>
 EXPENDITURES			
General government:			
Other	<u>39,400</u>	<u>25,236</u>	<u>14,164</u>
Total expenditures	<u>39,400</u>	<u>25,236</u>	<u>14,164</u>
 NET CHANGE IN FUND BALANCE	 -	 (324)	 (324)
 FUND BALANCE, BEGINNING	 <u>4,617</u>	 <u>4,617</u>	 <u> -</u>
 FUND BALANCE, ENDING	 <u>\$ 4,617</u>	 <u>\$ 4,293</u>	 <u>\$(324)</u>

ELLIS COUNTY, TEXAS

COUNTY & DISTRICT COURT TECHNOLOGY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other fees	\$ 6,100	\$ 684	\$(5,416)
Total revenues	<u>6,100</u>	<u>684</u>	<u>(5,416)</u>
EXPENDITURES			
General government:			
Other	<u>6,100</u>	<u>-</u>	<u>6,100</u>
Total expenditures	<u>6,100</u>	<u>-</u>	<u>6,100</u>
NET CHANGE IN FUND BALANCE	-	684	684
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 684</u>	<u>\$ 684</u>

ELLIS COUNTY, TEXAS

DISTRICT COURT RECORDS TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other fees	\$ <u>4,500</u>	\$ <u>7,525</u>	\$ <u>3,025</u>
Total revenues	<u>4,500</u>	<u>7,525</u>	<u>3,025</u>
EXPENDITURES			
General government:			
Other	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total expenditures	<u>4,500</u>	<u>-</u>	<u>4,500</u>
NET CHANGE IN FUND BALANCE	-	7,525	7,525
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 7,525</u>	<u>\$ 7,525</u>

ELLIS COUNTY, TEXAS

JURY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 84,400	\$ 82,603	\$(1,797)
Intergovernmental	80,000	50,150	(29,850)
Interest earnings	100	117	17
Other fees	<u>5,000</u>	<u>4,721</u>	<u>(279)</u>
Total revenues	<u>169,500</u>	<u>137,591</u>	<u>(31,909)</u>
EXPENDITURES			
Judicial:			
Jurors fees	<u>169,500</u>	<u>137,464</u>	<u>32,036</u>
Total expenditures	<u>169,500</u>	<u>137,464</u>	<u>32,036</u>
NET CHANGE IN FUND BALANCE	-	127	127
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 127</u>

ELLIS COUNTY, TEXAS

LAW LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 600	\$ 180	\$(420)
Other fees	118,900	100,373	(18,527)
Other	<u>29,704</u>	<u>-</u>	<u>(29,704)</u>
Total revenues	<u>149,204</u>	<u>100,553</u>	<u>(48,651)</u>
EXPENDITURES			
Legal:			
Salaries	61,971	31,185	30,786
Benefits	21,891	15,433	6,458
Other	64,342	63,436	906
Capital outlay	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>149,204</u>	<u>110,054</u>	<u>39,150</u>
NET CHANGE IN FUND BALANCE	-	(9,501)	(9,501)
FUND BALANCE, BEGINNING	<u>103,785</u>	<u>103,785</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 103,785</u>	<u>\$ 94,284</u>	<u>\$(9,501)</u>

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY'S HOT CHECK FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 700	\$ 358	\$(342)
Other fees	33,300	34,356	1,056
Miscellaneous	<u>979</u>	<u>979</u>	<u>-</u>
Total revenues	<u>34,979</u>	<u>35,693</u>	<u>714</u>
EXPENDITURES			
Legal:			
Other	32,979	3,949	29,030
Capital outlay	<u>2,000</u>	<u>708</u>	<u>1,292</u>
Total expenditures	<u>34,979</u>	<u>4,657</u>	<u>30,322</u>
NET CHANGE IN FUND BALANCE	-	31,036	31,036
FUND BALANCE, BEGINNING	<u>226,963</u>	<u>226,963</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 226,963</u>	<u>\$ 257,999</u>	<u>\$ 31,036</u>

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY SEIZURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 89,500	\$ 141,218	\$ 51,718
Interest earnings	<u>500</u>	<u>358</u>	<u>(142)</u>
Total revenues	<u>90,000</u>	<u>141,576</u>	<u>51,576</u>
 EXPENDITURES			
Legal:			
Release of seized funds	<u>90,000</u>	<u>89,593</u>	<u>407</u>
Total expenditures	<u>90,000</u>	<u>89,593</u>	<u>407</u>
 NET CHANGE IN FUND BALANCE	 -	 51,983	 51,983
 FUND BALANCE, BEGINNING	 <u>145,348</u>	 <u>145,348</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 145,348</u>	 <u>\$ 197,331</u>	 <u>\$ 51,983</u>

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY FORFEITURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Forfeitures	\$ 12,851	\$ 63,924	\$ 51,073
Other	90,800	-	(90,800)
Interest earnings	<u>1,200</u>	<u>441</u>	<u>(759)</u>
Total revenues	<u>104,851</u>	<u>64,365</u>	<u>(40,486)</u>
EXPENDITURES			
Legal:			
Benefits	3,000	-	3,000
Capital outlay	52,144	49,795	2,349
Other	<u>49,707</u>	<u>15,644</u>	<u>34,063</u>
Total expenditures	<u>104,851</u>	<u>65,439</u>	<u>39,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,074)</u>	<u>(1,074)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(48,012)</u>	<u>(48,012)</u>	<u>-</u>
Total other financing sources (uses)	<u>(48,012)</u>	<u>(48,012)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(48,012)</u>	<u>(49,086)</u>	<u>(1,074)</u>
FUND BALANCE, BEGINNING	<u>394,040</u>	<u>394,040</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 346,028</u>	<u>\$ 344,954</u>	<u>\$(1,074)</u>

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY FEDERAL ASSET SHARING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Forfeitures	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Legal:			
Other	<u>48,012</u>	<u>48,012</u>	<u>-</u>
Total expenditures	<u>48,012</u>	<u>48,012</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(48,012)</u>	<u>(48,012)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>48,012</u>	<u>48,012</u>	<u>-</u>
Total other financing sources (uses)	<u>48,012</u>	<u>48,012</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ELLIS COUNTY, TEXAS

SHERIFF SEIZURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 15,000	\$ 28,512	\$ 13,512
Interest earnings	<u>500</u>	<u>880</u>	<u>380</u>
Total revenues	<u>15,500</u>	<u>29,392</u>	<u>13,892</u>
 EXPENDITURES			
Public safety:			
Forfeited transfers	<u>55,500</u>	<u>54,655</u>	<u>845</u>
Total expenditures	<u>55,500</u>	<u>54,655</u>	<u>845</u>
 NET CHANGE IN FUND BALANCE	 (40,000)	 (25,263)	 14,737
 FUND BALANCE, BEGINNING	 <u>331,122</u>	 <u>331,122</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 291,122</u>	 <u>\$ 305,859</u>	 <u>\$ 14,737</u>

ELLIS COUNTY, TEXAS

SHERIFF DRUG FORFEITURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Forfeitures	\$ 10,000	\$ 47,819	\$ 37,819
Interest earnings	1,000	175	(825)
Other	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total revenues	<u>41,000</u>	<u>47,994</u>	<u>6,994</u>
EXPENDITURES			
Public safety:			
General	<u>41,000</u>	<u>10,000</u>	<u>31,000</u>
Total expenditures	<u>41,000</u>	<u>10,000</u>	<u>31,000</u>
NET CHANGE IN FUND BALANCE	-	37,994	37,994
FUND BALANCE, BEGINNING	<u>36,089</u>	<u>36,089</u>	-
FUND BALANCE, ENDING	<u>\$ 36,089</u>	<u>\$ 74,083</u>	<u>\$ 37,994</u>

ELLIS COUNTY, TEXAS

EMISSIONS ENFORCEMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 46,476	\$ 46,476	\$ -
Interest earnings	<u>-</u>	<u>42</u>	<u>42</u>
Total revenues	<u>46,476</u>	<u>46,518</u>	<u>42</u>
EXPENDITURES			
Public safety:			
General	<u>46,476</u>	<u>45,778</u>	<u>698</u>
Total expenditures	<u>46,476</u>	<u>45,778</u>	<u>698</u>
NET CHANGE IN FUND BALANCE	-	740	740
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 740</u>	<u>\$ 740</u>

ELLIS COUNTY, TEXAS

CONSTABLE, PRECINCT #1 FORFEITURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ <u>150</u>	\$ <u>-</u>	\$ <u>(150)</u>
Total revenues	<u>150</u>	<u>-</u>	<u>(150)</u>
EXPENDITURES			
Public safety:			
General	<u>150</u>	<u>-</u>	<u>150</u>
Total expenditures	<u>150</u>	<u>-</u>	<u>150</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, BEGINNING	<u>181</u>	<u>181</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>181</u></u>	\$ <u><u>181</u></u>	\$ <u><u>-</u></u>

ELLIS COUNTY, TEXAS

CONSTABLE, PRECINCT #2 FORFEITURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ 300	\$ -	\$(300)
Interest earnings	<u>-</u>	<u>1</u>	<u>1</u>
Total revenues	<u>300</u>	<u>1</u>	<u>(299)</u>
 EXPENDITURES			
Public safety:			
General	<u>300</u>	<u>-</u>	<u>300</u>
Total expenditures	<u>300</u>	<u>-</u>	<u>300</u>
 NET CHANGE IN FUND BALANCE	 -	 1	 1
 FUND BALANCE, BEGINNING	 <u>365</u>	 <u>365</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 365</u>	 <u>\$ 366</u>	 <u>\$ 1</u>

ELLIS COUNTY, TEXAS

CONSTABLE, PRECINCT #4 FORFEITURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ 100	\$ 370	\$ 270
Interest	<u>-</u>	<u>2</u>	<u>2</u>
Total revenues	<u>100</u>	<u>372</u>	<u>272</u>
EXPENDITURES			
Public safety:			
General	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>-</u>	<u>100</u>
NET CHANGE IN FUND BALANCE	-	372	372
FUND BALANCE, BEGINNING	<u>110</u>	<u>110</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 110</u>	<u>\$ 482</u>	<u>\$ 372</u>

ELLIS COUNTY, TEXAS

RECORDS MANAGEMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Records management fees	\$ 150,000	\$ 143,888	\$(6,112)
Interest earnings	<u>100</u>	<u>84</u>	<u>(16)</u>
Total revenues	<u>150,100</u>	<u>143,972</u>	<u>(6,128)</u>
EXPENDITURES			
General government:			
Other	<u>150,100</u>	<u>140,473</u>	<u>9,627</u>
Total expenditures	<u>150,100</u>	<u>140,473</u>	<u>9,627</u>
NET CHANGE IN FUND BALANCE	-	3,499	3,499
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 3,499</u>	<u>\$ 3,499</u>

ELLIS COUNTY, TEXAS

GENERAL RECORDS MANAGEMENT AND PRESERVATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
District Clerk records management fees	\$ 20,000	\$ 5,105	\$(14,895)
County Clerk records management fees	30,000	40,831	10,831
Interest earnings	300	124	(176)
Other	-	9,793	9,793
Total revenues	<u>50,300</u>	<u>55,853</u>	<u>5,553</u>
EXPENDITURES			
General government:			
Capital outlay	25,000	4,709	20,291
Other	<u>40,300</u>	<u>38,652</u>	<u>1,648</u>
Total expenditures	<u>65,300</u>	<u>43,361</u>	<u>21,939</u>
NET CHANGE IN FUND BALANCE	(15,000)	12,492	27,492
FUND BALANCE, BEGINNING	<u>146,009</u>	<u>146,009</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 131,009</u>	<u>\$ 158,501</u>	<u>\$ 27,492</u>

ELLIS COUNTY, TEXAS

COURTHOUSE SECURITY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
District clerk courthouse security fees	\$ 11,000	\$ 10,024	\$(976)
County clerk courthouse security fees	46,000	39,790	(6,210)
JP court courthouse security fees	32,800	20,830	(11,970)
Interest earnings	<u>200</u>	<u>127</u>	<u>(73)</u>
Total revenues	<u>90,000</u>	<u>70,771</u>	<u>(19,229)</u>
EXPENDITURES			
General government:			
Salaries	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>90,000</u>	<u>70,771</u>	<u>(19,229)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(90,000)</u>	<u>(85,000)</u>	<u>5,000</u>
Total other financing sources (uses)	<u>(90,000)</u>	<u>(85,000)</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	-	(14,229)	(14,229)
FUND BALANCE, BEGINNING	<u>15,990</u>	<u>15,990</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 15,990</u>	<u>\$ 1,761</u>	<u>\$(14,229)</u>

ELLIS COUNTY, TEXAS

SHERIFF FEDERAL FORFEITURE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 49,800	\$ 75,026	\$ 25,226
Other	50,000	-	(50,000)
Interest earnings	<u>1,500</u>	<u>993</u>	<u>(507)</u>
Total revenues	<u>101,300</u>	<u>76,019</u>	<u>(25,281)</u>
EXPENDITURES			
Public safety:			
Other	111,005	59,057	51,948
Capital outlay	<u>119,810</u>	<u>60,010</u>	<u>59,800</u>
Total expenditures	<u>230,815</u>	<u>119,067</u>	<u>111,748</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(129,515)</u>	<u>(43,048)</u>	<u>86,467</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>74,926</u>	<u>74,926</u>
Total other financing sources (uses)	<u>-</u>	<u>74,926</u>	<u>74,926</u>
NET CHANGE IN FUND BALANCE	<u>(129,515)</u>	<u>31,878</u>	<u>161,393</u>
FUND BALANCE, BEGINNING	<u>336,480</u>	<u>336,480</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 206,965</u>	<u>\$ 368,358</u>	<u>\$ 161,393</u>

ELLIS COUNTY, TEXAS

COURT RECORDS PRESERVATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Records management fees	\$ 3,000	\$ 2,956	\$(44)
Total revenues	<u>3,000</u>	<u>2,956</u>	<u>(44)</u>
EXPENDITURES			
General government:			
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,000	2,956	(44)
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,000</u>	<u>\$ 2,956</u>	<u>\$(44)</u>

ELLIS COUNTY, TEXAS

COUNTY CLERK ARCHIVES MANAGEMENT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 1,000	\$ 418	\$(582)
Other	<u>150,000</u>	<u>142,370</u>	<u>(7,630)</u>
Total revenues	<u>151,000</u>	<u>142,788</u>	<u>(8,212)</u>
 EXPENDITURES			
General government:			
Other	<u>151,000</u>	<u>117,822</u>	<u>33,178</u>
Total expenditures	<u>151,000</u>	<u>117,822</u>	<u>33,178</u>
 NET CHANGE IN FUND BALANCE	 -	 24,966	 24,966
 FUND BALANCE, BEGINNING	 <u>847,516</u>	 <u>847,516</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 847,516</u>	 <u>\$ 872,482</u>	 <u>\$ 24,966</u>

ELLIS COUNTY, TEXAS

SHERIFF HIDTA FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 25,000	\$ -	\$(25,000)
Interest	500	41	(459)
Total revenues	<u>25,500</u>	<u>41</u>	<u>(25,459)</u>
EXPENDITURES			
Public safety:			
Other	25,500	-	25,500
Total expenditures	<u>25,500</u>	<u>-</u>	<u>25,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>41</u>	<u>41</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(74,926)	(74,926)
Total other financing sources (uses)	<u>-</u>	<u>(74,926)</u>	<u>(74,926)</u>
NET CHANGE IN FUND BALANCES	-	(74,885)	(74,885)
FUND BALANCES, BEGINNING	<u>74,885</u>	<u>74,885</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 74,885</u>	<u>\$ -</u>	<u>\$(74,885)</u>

ELLIS COUNTY, TEXAS

LAW ENFORCEMENT BLOCK FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	\$ <u>100</u>	\$ <u>39</u>	\$ <u>(61)</u>
Total revenues	<u>100</u>	<u>39</u>	<u>(61)</u>
EXPENDITURES			
Public safety:			
Other	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>-</u>	<u>100</u>
NET CHANGE IN FUND BALANCE	-	39	39
FUND BALANCE, BEGINNING	<u>17,588</u>	<u>17,588</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>17,588</u></u>	\$ <u><u>17,627</u></u>	\$ <u><u>39</u></u>

ELLIS COUNTY, TEXAS

CONSTABLE, PRECINCT #4 SEIZURE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Other	\$ 3,089	\$ -	\$(3,089)
Interest earnings	<u>-</u>	<u>16</u>	<u>16</u>
Total revenues	<u>3,089</u>	<u>16</u>	<u>(3,073)</u>
 EXPENDITURES			
Public safety:			
Other	<u>3,089</u>	<u>-</u>	<u>3,089</u>
Total expenditures	<u>3,089</u>	<u>-</u>	<u>3,089</u>
 NET CHANGE IN FUND BALANCE	 -	 16	 16
 FUND BALANCE, BEGINNING	 <u>3,092</u>	 <u>3,092</u>	 <u>-</u>
 FUND BALANCE, ENDING	 <u>\$ 3,092</u>	 <u>\$ 3,108</u>	 <u>\$ 16</u>

ELLIS COUNTY, TEXAS

DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 1,665,513	\$ 1,831,769	\$ 166,256
Interest earnings	<u>1,000</u>	<u>756</u>	(244)
Total revenues	<u>1,666,513</u>	<u>1,832,525</u>	<u>166,012</u>
EXPENDITURES			
Debt service:			
Principal	3,260,000	3,260,000	-
Interest	461,513	454,629	6,884
Other debt service	<u>21,000</u>	<u>18,037</u>	<u>2,963</u>
Total expenditures	<u>3,742,513</u>	<u>3,732,666</u>	<u>9,847</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,076,000)</u>	<u>(1,900,141)</u>	<u>175,859</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of debt	<u>1,635,000</u>	<u>1,635,000</u>	-
Total other financing sources (uses)	<u>1,635,000</u>	<u>1,635,000</u>	-
NET CHANGE IN FUND BALANCE	(441,000)	(265,141)	(706,141)
FUND BALANCE, BEGINNING	<u>1,460,975</u>	<u>1,460,975</u>	-
FUND BALANCE, ENDING	<u>\$ 1,019,975</u>	<u>\$ 1,195,834</u>	<u>\$ 175,859</u>

ELLIS COUNTY, TEXAS

2007 DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 3,510,200	\$ 3,847,545	\$ 337,345
Interest earnings	<u>1,000</u>	<u>7,949</u>	<u>6,949</u>
Total revenues	<u>3,511,200</u>	<u>3,855,494</u>	<u>344,294</u>
 EXPENDITURES			
Debt service:			
Principal	1,315,000	1,315,000	-
Interest	<u>2,455,200</u>	<u>2,444,700</u>	<u>10,500</u>
Total expenditures	<u>3,770,200</u>	<u>3,759,700</u>	<u>10,500</u>
 NET CHANGE IN FUND BALANCE	(259,000)	95,794	(163,206)
 FUND BALANCE, BEGINNING	<u>1,025,205</u>	<u>1,025,205</u>	<u>-</u>
 FUND BALANCE, ENDING	<u>\$ 766,205</u>	<u>\$ 1,120,999</u>	<u>\$ 354,794</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

RIGHT-OF-WAY AVAILABLE FUNDS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	\$ <u>600</u>	\$ <u>293</u>	\$ <u>(307)</u>
Total revenues	<u>600</u>	<u>293</u>	<u>(307)</u>
EXPENDITURES			
Capital outlay:			
Right-of-way purchase	<u>600</u>	<u>-</u>	<u>600</u>
Total expenditures	<u>600</u>	<u>-</u>	<u>600</u>
NET CHANGE IN FUND BALANCE	-	293	293
FUND BALANCE, BEGINNING	<u>118,689</u>	<u>118,689</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>118,689</u>	\$ <u>118,982</u>	\$ <u>293</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

RIGHT-OF-WAY 2008 AVAILABLE FUNDS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Taxes	\$ 20,000	\$ 19,962	\$(38)
Total revenues	<u>20,000</u>	<u>19,962</u>	<u>(38)</u>
EXPENDITURES			
Capital outlay:			
Right-of-way purchase	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	-	19,962	19,962
FUND BALANCE, BEGINNING	<u>19,383</u>	<u>19,383</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 19,383</u>	<u>\$ 39,345</u>	<u>\$ 19,962</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

ROAD DISTRICT #1 AVAILABLE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ <u>1,800</u>	\$ <u>1,334</u>	\$ <u>(466)</u>
Total revenues	<u>1,800</u>	<u>1,334</u>	<u>(466)</u>
EXPENDITURES			
Other	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total expenditures	<u>1,800</u>	<u>-</u>	<u>1,800</u>
NET CHANGE IN FUND BALANCE	-	1,334	1,334
FUND BALANCE, BEGINNING	<u>1,179,642</u>	<u>1,179,642</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>1,179,642</u></u>	\$ <u><u>1,180,976</u></u>	\$ <u><u>1,334</u></u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

ROAD DISTRICT #5 AVAILABLE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ <u>500</u>	\$ <u>244</u>	\$ <u>(256)</u>
Total revenues	<u>500</u>	<u>244</u>	<u>(256)</u>
EXPENDITURES			
Other	<u>35,501</u>	<u>35,001</u>	<u>500</u>
Total expenditures	<u>35,501</u>	<u>35,001</u>	<u>500</u>
NET CHANGE IN FUND BALANCE	(35,001)	(34,757)	244
FUND BALANCE, BEGINNING	<u>101,207</u>	<u>101,207</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>66,206</u>	\$ <u>66,450</u>	\$ <u>244</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

ROAD DISTRICT #16 AVAILABLE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ <u>700</u>	\$ <u>329</u>	\$ <u>(371)</u>
Total revenues	<u>700</u>	<u>329</u>	<u>(371)</u>
EXPENDITURES			
Capital outlay	<u>700</u>	<u>-</u>	<u>700</u>
Total expenditures	<u>700</u>	<u>-</u>	<u>700</u>
NET CHANGE IN FUND BALANCE	-	329	329
FUND BALANCE, BEGINNING	<u>183,120</u>	<u>183,120</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>183,120</u></u>	\$ <u><u>183,449</u></u>	\$ <u><u>329</u></u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

PERMANENT IMPROVEMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 42,000	\$ 20,093	\$ (21,907)
Other	<u>9,084,055</u>	<u>216,173</u>	<u>(8,867,882)</u>
Total revenues	<u>9,126,055</u>	<u>236,266</u>	<u>(8,889,789)</u>
EXPENDITURES			
General Government:			
Other	1,200,000	1,126,756	73,244
Capital outlay	<u>7,926,055</u>	<u>4,114,089</u>	<u>3,811,966</u>
Total expenditures	<u>9,126,055</u>	<u>5,240,845</u>	<u>3,885,210</u>
NET CHANGE IN FUND BALANCE	-	(5,004,579)	(5,004,579)
FUND BALANCE, BEGINNING	<u>11,358,113</u>	<u>11,358,113</u>	-
FUND BALANCE, ENDING	<u>\$ 11,358,113</u>	<u>\$ 6,353,534</u>	<u>\$ (5,004,579)</u>

ELLIS COUNTY, TEXAS

CAPITAL PROJECTS FUNDS

2007 CONSTRUCTION PROJECT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 76,335	\$ 76,335	\$ -
Total revenues	<u>76,335</u>	<u>76,335</u>	<u>-</u>
EXPENDITURES			
Capital outlay	<u>20,598,335</u>	<u>20,598,335</u>	<u>-</u>
Total expenditures	<u>20,598,335</u>	<u>20,598,335</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(20,522,000)	(20,522,000)	-
FUND BALANCE, BEGINNING	<u>20,522,000</u>	<u>20,522,000</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AGENCY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individual organizations, other governments and/or other funds.

COUNTY TREASURER

This fund is used to account for County and employee deposits for health care premiums.

TAX COLLECTOR

This fund is used to record tax collections which are deposited and distributed to other county funds, the State and other taxing authorities.

COUNTY ATTORNEY

This fund is used to account for funds received in criminal investigations awarded by court order and supplemental funds from the State of Texas for use in the County Attorney's office.

SHERIFF COMMISSARY

This fund is used to account for inmate deposits, which may be used by inmates to purchase miscellaneous personal items.

DISTRICT CLERK

This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the District Court.

COUNTY CLERK

This fund is used to account for monies held on behalf of individuals in accordance with court ordered decrees by the County Court.

JUSTICE OF THE PEACE

This fund is used to account for assets and liabilities of cash remitted to them in an agency capacity and related disbursements made by them.

JUVENILE PROBATION CORRECTION

This fund is used to account for funds received from various sources for supervision, rehabilitation and placement of juvenile probationers.

ADULT COMMUNITY SUPERVISION

This fund is used to account for funds received from various sources for supervision, rehabilitation and placement of adult probationers.

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Balance September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<u>COUNTY TREASURER</u>				
Assets:				
Cash and investments	\$ 58,180	\$ 4,700,387	\$ 4,400,114	\$ 358,453
Total assets	\$ <u>58,180</u>	\$ <u>4,700,387</u>	\$ <u>4,400,114</u>	\$ <u>358,453</u>
Liabilities:				
Due to beneficiaries	\$ 58,180	\$ 4,700,387	\$ 4,400,114	\$ 358,453
Total liabilities	\$ <u>58,180</u>	\$ <u>4,700,387</u>	\$ <u>4,400,114</u>	\$ <u>358,453</u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash	\$ 2,015,020	\$ 211,992,015	\$ 212,066,955	\$ 1,940,080
Total assets	\$ <u>2,015,020</u>	\$ <u>211,992,015</u>	\$ <u>212,066,955</u>	\$ <u>1,940,080</u>
Liabilities:				
Due to other governments	\$ 1,999,153	\$ 211,976,080	\$ 212,051,088	\$ 1,924,145
Due to beneficiaries	15,867	15,935	15,867	15,935
Total liabilities	\$ <u>2,015,020</u>	\$ <u>211,992,015</u>	\$ <u>212,066,955</u>	\$ <u>1,940,080</u>
<u>COUNTY ATTORNEY</u>				
Assets:				
Cash	\$ 84,372	\$ 556,480	\$ 555,788	\$ 85,064
Total assets	\$ <u>84,372</u>	\$ <u>556,480</u>	\$ <u>555,788</u>	\$ <u>85,064</u>
Liabilities:				
Due to beneficiaries	\$ 84,372	\$ 556,480	\$ 555,788	\$ 85,064
Total liabilities	\$ <u>84,372</u>	\$ <u>556,480</u>	\$ <u>555,788</u>	\$ <u>85,064</u>

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Balance September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<u>SHERIFF</u>				
Assets:				
Cash	\$ 37,220	\$ 794,354	\$ 792,519	\$ 39,055
Total assets	\$ 37,220	\$ 794,354	\$ 792,519	\$ 39,055
Liabilities:				
Due to beneficiaries	\$ 37,220	\$ 794,354	\$ 792,519	\$ 39,055
Total liabilities	\$ 37,220	\$ 794,354	\$ 792,519	\$ 39,055
<u>DISTRICT CLERK</u>				
Assets:				
Cash	\$ 2,962,492	\$ 1,056,529	\$ 1,635,268	\$ 2,383,753
Total assets	\$ 2,962,492	\$ 1,056,529	\$ 1,635,268	\$ 2,383,753
Liabilities:				
Due to beneficiaries	\$ 2,962,492	\$ 1,056,529	\$ 1,635,268	\$ 2,383,753
Total liabilities	\$ 2,962,492	\$ 1,056,529	\$ 1,635,268	\$ 2,383,753
<u>COUNTY CLERK</u>				
Assets:				
Cash	\$ 1,864,341	\$ 2,071,903	\$ 1,640,975	\$ 2,295,269
Total assets	\$ 1,864,341	\$ 2,071,903	\$ 1,640,975	\$ 2,295,269
Liabilities:				
Due to beneficiaries	\$ 1,864,341	\$ 2,071,903	\$ 1,640,975	\$ 2,295,269
Total liabilities	\$ 1,864,341	\$ 2,071,903	\$ 1,640,975	\$ 2,295,269

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Balance September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<u>JUSTICE OF THE PEACE</u>				
Assets:				
Cash	\$ 110,320	\$ 421,087	\$ 456,759	\$ 74,648
Total assets	<u>\$ 110,320</u>	<u>\$ 421,087</u>	<u>\$ 456,759</u>	<u>\$ 74,648</u>
Liabilities:				
Due to other governments	\$ 110,320	\$ 421,087	\$ 456,759	\$ 74,648
Total liabilities	<u>\$ 110,320</u>	<u>\$ 421,087</u>	<u>\$ 456,759</u>	<u>\$ 74,648</u>
<u>JUVENILE PROBATION AND CORRECTIONS</u>				
Assets:				
Cash and investments	\$ 165,126	\$ 1,133,860	\$ 778,519	\$ 520,467
Total assets	<u>\$ 165,126</u>	<u>\$ 1,133,860</u>	<u>\$ 778,519</u>	<u>\$ 520,467</u>
Liabilities:				
Due to beneficiaries	\$ 165,126	\$ 1,133,860	\$ 778,519	\$ 520,467
Total liabilities	<u>\$ 165,126</u>	<u>\$ 1,133,860</u>	<u>\$ 778,519</u>	<u>\$ 520,467</u>
<u>ADULT COMMUNITY SUPERVISION AND CORRECTIONS</u>				
Assets:				
Cash and investments	\$ 287,636	\$ 2,188,424	\$ 1,952,162	\$ 523,898
Total assets	<u>\$ 287,636</u>	<u>\$ 2,188,424</u>	<u>\$ 1,952,162</u>	<u>\$ 523,898</u>
Liabilities:				
Due to beneficiaries	\$ 287,636	\$ 2,188,424	\$ 1,952,162	\$ 523,898
Total liabilities	<u>\$ 287,636</u>	<u>\$ 2,188,424</u>	<u>\$ 1,952,162</u>	<u>\$ 523,898</u>

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Balance September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2010</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ <u>7,584,707</u>	\$ <u>224,915,039</u>	\$ <u>224,279,059</u>	\$ <u>8,220,687</u>
Total assets	\$ <u>7,584,707</u>	\$ <u>224,915,039</u>	\$ <u>224,279,059</u>	\$ <u>8,220,687</u>
Liabilities:				
Due to other governments	\$ 2,109,473	\$ 212,397,167	\$ 212,507,847	\$ 1,998,793
Due to beneficiaries	<u>5,475,234</u>	<u>12,517,872</u>	<u>11,771,212</u>	<u>6,221,894</u>
Total liabilities	\$ <u>7,584,707</u>	\$ <u>224,915,039</u>	\$ <u>224,279,059</u>	\$ <u>8,220,687</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the County of Ellis' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being has changed over time.	109
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue sources.	115
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	120
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	123
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	125

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

ELLIS COUNTY, TEXAS

NET ASSETS BY COMPONENT
(Unaudited)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010		
Governmental activities:										
Invested in capital assets, net of related debt	\$ 16,783,393	\$ 18,885,572	\$ 18,225,600	\$ 3,318,214	\$ 4,243,073	\$ 7,037,029	\$ 13,138,945	\$ 15,185,935		
Restricted	4,825,686	5,253,940	655,299	738,058	820,200	1,939,499	2,486,180	2,316,833		
Unrestricted	5,578,868	6,395,700	12,939,290	25,535,552	28,550,362	28,951,526	23,232,954	21,694,182		
Total governmental activities net assets	<u>\$ 27,187,947</u>	<u>\$ 30,535,212</u>	<u>\$ 31,820,189</u>	<u>\$ 29,591,824</u>	<u>\$ 33,613,635</u>	<u>\$ 37,928,054</u>	<u>\$ 38,858,079</u>	<u>\$ 39,196,950</u>		

Ten years of information is not available; the County did not implement GASB 34 until 2003

TABLE 2

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS
(Unaudited)
LAST TEN FISCAL YEARS¹

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES										
Governmental activities:										
General government	\$ -	\$ -	\$ 6,662,572	\$ 9,070,809	\$ 8,845,589	\$ 9,232,072	\$ 9,457,567	\$ 11,027,372	\$ 12,576,295	\$ 12,521,992
Judicial	-	-	4,317,576	3,851,390	4,046,313	4,185,014	4,584,015	5,242,394	5,505,751	5,586,861
Public safety	-	-	8,925,462	10,740,789	12,452,447	14,306,479	15,924,850	17,125,896	17,957,887	18,169,820
Health and welfare	-	-	1,956,606	1,959,263	2,445,497	2,585,252	2,363,193	1,869,806	1,995,092	1,599,566
Conservation	-	-	145,802	142,549	142,802	161,970	169,892	196,106	189,700	184,818
Roads and highways	-	-	6,613,357	5,384,181	5,241,732	6,330,052	5,576,443	7,474,568	8,621,000	8,632,387
Interest on long-term debt	-	-	814,526	851,471	931,667	907,828	941,235	3,398,336	3,236,353	3,131,237
Total expenses	\$ -	\$ -	\$ 29,435,901	\$ 32,000,452	\$ 34,106,047	\$ 37,708,667	\$ 39,017,195	\$ 46,334,478	\$ 50,082,078	\$ 49,826,681

PROGRAM REVENUES

Governmental activities:										
Fees, fines and charges for services:										
General government	\$ -	\$ -	\$ 3,673,664	\$ 3,956,295	\$ 4,617,338	\$ 3,626,361	\$ 3,555,362	\$ 3,207,150	\$ 2,840,425	\$ 2,873,269
Judicial	-	-	2,255,986	2,105,947	1,984,611	2,174,685	2,236,916	2,324,047	2,266,515	1,923,763
Public safety	-	-	960,806	703,170	650,645	405,024	744,251	663,817	650,674	605,550
Health and welfare	-	-	-	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-	-	-	-
Roads and highways	-	-	2,189,522	2,194,936	2,198,230	2,052,476	2,211,088	2,214,945	2,272,425	2,288,106
Operating grants and contributions	-	-	232,055	195,141	82,427	1,414,288	1,474,198	1,132,539	1,408,369	662,432
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	-	-	9,312,033	9,155,489	9,533,251	9,672,834	10,221,815	9,542,498	9,438,408	8,353,120
NET (EXPENSE) REVENUE	\$ -	\$ -	\$ (20,123,868)	\$ (22,844,963)	\$ (24,572,796)	\$ (28,035,833)	\$ (28,795,380)	\$ (36,791,980)	\$ (40,643,670)	\$ (41,473,561)

Continued

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS
(Unaudited)
LAST TEN FISCAL YEARS¹

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Property taxes	\$ -	\$ -	\$ 20,881,858	\$ 23,240,361	\$ 24,936,383	\$ 27,456,824	\$ 29,439,346	\$ 36,056,133	\$ 38,644,038	\$ 39,347,184
Investment earnings	-	-	100,294	187,035	921,390	1,190,279	1,911,951	2,999,772	769,177	157,483
Loss on disposal of assets	-	-	-	-	-	(4,463,528)	-	-	-	-
Miscellaneous	-	-	-	-	-	1,575,759	1,465,894	2,050,494	2,160,005	2,307,765
Total general revenues	\$ -	\$ -	\$ 20,982,152	\$ 23,427,396	\$ 25,857,773	\$ 25,759,334	\$ 32,817,191	\$ 41,106,399	\$ 41,573,220	\$ 41,812,432
Change in assets before extraordinary items	\$ -	\$ -	\$ 858,284	\$ 582,433	\$ 1,284,977	\$(2,276,499)	\$ 4,021,811	\$ 4,314,419	\$ 929,550	\$ 338,871
Extraordinary items	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	\$ -	\$ -	\$ 858,284	\$ 582,433	\$ 1,284,977	\$(2,276,499)	\$ 4,021,811	\$ 4,314,419	\$ 929,550	\$ 338,871
Prior period adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,134	\$ -	\$ 475	\$ -
										<i>Concluded</i>

Source: Comprehensive Annual Financial Report

¹Ten years of information is not available; the county did not implement GASB 34 until 2003

ELLIS COUNTY, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS
(Unaudited)
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,081,492	4,378,169	4,876,449	5,168,051	5,288,710	6,950,191	8,666,051	8,731,805	8,195,164	7,771,665
Total general fund	\$ 4,081,492	\$ 4,378,169	\$ 4,876,449	\$ 5,168,051	\$ 5,288,710	\$ 6,950,191	\$ 8,666,051	\$ 8,731,805	\$ 8,195,164	\$ 7,771,665
Road and bridge fund										
Reserved										
Unreserved	\$ 1,929,875	\$ 1,576,878	\$ 1,108,473	\$ 1,864,675	\$ 2,635,685	\$ 2,594,738	\$ 3,632,211	\$ 3,692,602	\$ 3,462,937	\$ 2,599,619
Total road & bridge	\$ 1,929,875	\$ 1,576,875	\$ 1,108,473	\$ 1,864,675	\$ 2,635,685	\$ 2,594,738	\$ 3,632,211	\$ 3,692,602	\$ 3,462,937	\$ 2,599,619
All other governmental funds										
Reserved for:										
Debt service	\$ 520,553	\$ 588,439	\$ 528,872	\$ 515,570	\$ 681,936	\$ 738,058	\$ 820,200	\$ 1,939,499	\$ 2,486,180	\$ 2,316,833
Unreserved										
Capital projects funds	13,384,521	4,755,360	2,624,952	2,159,952	6,551,444	13,196,145	67,027,599	63,149,058	33,482,154	7,942,736
Special revenue funds	706,815	1,418,161	1,419,634	1,439,811	1,492,455	1,574,343	2,120,482	2,337,017	2,712,183	2,755,363
Total other government funds	\$ 14,611,889	\$ 6,761,960	\$ 4,573,458	\$ 4,115,333	\$ 8,725,835	\$ 15,508,546	\$ 69,968,281	\$ 67,425,574	\$ 38,680,517	\$ 13,014,932

Source: Comprehensive Annual Financial Report

ELLIS COUNTY, TEXAS
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 (Unaudited)
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Property Taxes	\$ 16,581,262	\$ 18,549,364	\$ 20,871,477	\$ 23,198,533	\$ 25,251,205	\$ 27,347,054	\$ 29,465,001	\$ 35,931,673	\$ 38,869,215	\$ 39,409,397
Intergovernmental	\$ 902,187	\$ 664,249	\$ 561,643	\$ 647,686	\$ 511,101	\$ 1,414,288	\$ 1,474,198	\$ 1,132,717	\$ 1,498,727	\$ 638,103
License & Permits	\$ 1,721,797	\$ 2,021,017	\$ 2,025,740	\$ 2,079,994	\$ 2,104,406	\$ 2,052,476	\$ 2,211,088	\$ 2,214,945	\$ 2,171,078	\$ 2,267,653
Fees of Office	\$ 1,815,722	\$ 2,796,287	\$ 2,920,559	\$ 3,207,186	\$ 3,354,366	\$ 4,218,519	\$ 4,175,817	\$ 4,148,627	\$ 3,858,318	\$ 3,765,194
Fines & Forfeitures	\$ 1,069,897	\$ 1,483,836	\$ 2,867,310	\$ 1,998,833	\$ 2,345,817	\$ 1,933,470	\$ 2,536,161	\$ 2,298,259	\$ 2,135,013	\$ 1,723,555
Interest	\$ 1,177,323	\$ 514,410	\$ 228,415	\$ 193,702	\$ 589,713	\$ 1,190,279	\$ 1,911,951	\$ 2,999,772	\$ 769,177	\$ 157,483
Other	\$ 4,511,234	\$ 2,317,419	\$ 834,994	\$ 961,323	\$ 5,601,175	\$ 8,037,275	\$ 1,465,894	\$ 2,050,494	\$ 2,160,005	\$ 2,337,888
Total revenues	\$ 27,779,422	\$ 28,346,582	\$ 30,310,138	\$ 32,287,257	\$ 39,757,783	\$ 46,193,361	\$ 43,240,110	\$ 50,776,487	\$ 51,461,533	\$ 50,299,273
EXPENDITURES										
Gen Government	\$ 5,292,408	\$ 6,961,557	\$ 6,238,717	\$ 7,002,691	\$ 7,960,428	\$ 8,305,989	\$ 8,535,648	\$ 10,557,978	\$ 11,790,452	\$ 12,696,707
Judicial	\$ 923,732	\$ 1,306,215	\$ 4,341,153	\$ 3,825,724	\$ 4,052,289	\$ 4,153,553	\$ 4,556,045	\$ 5,177,314	\$ 5,386,006	\$ 5,579,419
Public Safety	\$ 5,632,453	\$ 8,707,048	\$ 8,958,038	\$ 10,531,010	\$ 12,035,044	\$ 13,858,838	\$ 15,721,318	\$ 16,776,899	\$ 17,375,345	\$ 17,888,656
Health & Welfare	\$ 1,314,790	\$ 1,774,010	\$ 1,953,746	\$ 1,956,403	\$ 2,437,956	\$ 2,579,856	\$ 2,357,797	\$ 1,864,410	\$ 1,989,696	\$ 1,599,566
Conservation	\$ 67,994	\$ 118,515	\$ 145,802	\$ 142,549	\$ 142,802	\$ 177,041	\$ 164,409	\$ 189,595	\$ 182,587	\$ 181,572
Road & Bridge	\$ 3,955,645	\$ 6,002,873	\$ 6,010,235	\$ 4,984,460	\$ 5,263,697	\$ 6,224,065	\$ 5,686,867	\$ 7,216,815	\$ 8,354,654	\$ 8,642,883
Capital Outlay	\$ 13,432,353	\$ 9,729,813	\$ 2,778,590	\$ 1,099,397	\$ 251,260	\$ 597,882	\$ 787,964	\$ 5,737,209	\$ 30,100,343	\$ 24,712,424
Debt Service										
Principal	\$ 1,074,761	\$ 17,764,635	\$ 1,270,047	\$ 1,334,208	\$ 1,344,597	\$ 1,430,843	\$ 2,058,674	\$ 2,848,629	\$ 2,923,749	\$ 4,660,899
Interest	\$ 1,073,136	\$ 1,409,622	\$ 869,060	\$ 821,136	\$ 767,539	\$ 711,758	\$ 663,974	\$ 2,824,200	\$ 3,038,471	\$ 2,924,549
Total expenditures	\$ 32,767,272	\$ 53,774,288	\$ 32,565,388	\$ 31,697,578	\$ 34,255,612	\$ 38,039,825	\$ 40,532,696	\$ 53,193,049	\$ 81,141,303	\$ 78,886,675

Continued

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

(Unaudited)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,987,850)	(25,427,706)	(2,255,250)	589,679	5,502,171	8,153,536	2,707,414	(2,416,562)	(29,679,770)	(28,587,402)
OTHER FINANCING SOURCES (USES)	\$ 1,738,558	\$ 106,174	\$ 112,487	\$ 455,817	\$ -	\$ 112,500	\$ 111,100	\$ 116,415	\$ 230,108	\$ 207,938
Transfers in	(1,738,558)	(106,174)	(112,487)	(455,817)	-	(112,500)	(111,100)	(116,415)	(230,108)	(207,938)
Transfers out	-	17,620,615	-	-	-	-	53,875,000	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	1,635,000
Refunding bonds issued	114,525	-	96,623	-	-	201,575	164,574	-	168,407	-
Capital leases	-	-	-	-	-	-	466,080	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	114,525	17,620,615	96,623	-	-	201,575	54,505,654	-	168,407	1,635,000

**EXTRAORDINARY
ITEMS**

NET CHANGE IN FUND BALANCES	\$(4,873,325)	\$(7,807,091)	\$(2,158,627)	\$ 589,679	\$ 5,502,171	\$ 8,355,111	\$ 57,213,068	\$(2,416,562)	\$(29,511,363)	\$(26,952,402)
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**DEBT SERVICE AS A PERCENTAGE
OF NONCAPITAL
EXPENDITURES**

	11.1%	43.5%	7.2%	6.9%	6.3%	5.8%	7.0%	12.2%	11.9%	15.8%
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Source: Comprehensive Annual Financial Reports

Concluded

**ELLIS COUNTY, TEXAS
 ASSESSED AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 (Unaudited)
 LAST TEN YEARS**

TABLE 5

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Valuation</u>	<u>Total Direct Rate*</u>	<u>Estimated Actual Value</u>
2001	5,746,067,565	1,502,086,422	7,248,153,987	0.3515	7,248,153,987
2002	6,879,481,633	1,402,222,040	8,281,703,673	0.3514	8,281,703,673
2003	7,293,902,060	1,596,064,070	8,889,966,130	0.3514	8,889,966,130
2004	7,659,168,117	1,815,048,890	9,474,217,007	0.3513	9,474,217,007
2005	8,207,129,335	1,956,636,165	10,163,765,500	0.35	10,163,765,500
2006	8,949,770,368	1,947,251,600	10,897,021,968	0.35	10,897,021,968
2007	9,879,959,212	2,067,783,745	11,947,742,957	0.3495	11,947,742,957
2008	10,753,312,471	2,227,142,721	12,980,455,192	0.3936	12,980,455,192
2009	10,845,390,864	2,241,049,843	13,086,440,707	0.3936	13,086,440,707
2010	10,832,779,964	2,264,703,551	13,097,483,515	0.3936	13,097,483,515

*The total direct rate applied to Ellis County's revenue base

**ELLIS COUNTY, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Unaudited)
LAST TEN YEARS**

TABLE 6

TAXING JURISDICTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>DIRECT</u>										
COUNTY-WIDE:										
Ellis County	\$0.30202	\$0.31017	\$0.31464	\$0.31599	\$0.31891	\$0.32049	\$0.36460	\$0.360091	\$0.360091	\$0.360091
Farm to Market	0.049400	0.041230	0.036656	0.034006	0.031093	0.029009	0.02901	0.033508	0.033508	0.033508
<u>OVERLAPPING GOVERNMENTS</u>										
CITIES:										
Bardwell	0.16250	0.16975	0.16975	0.18536	0.18625	0.18580	0.18580	0.18580	0.195000	0.219000
Cedar Hill	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.64140	0.641400	0.067000
Ennis	0.60000	0.63000	0.63000	0.63000	0.73000	0.71000	0.71000	0.69500	0.695000	0.695000
Ferris	0.63793	0.60000	0.58554	0.59275	0.60000	0.60000	0.60000	0.65000	0.648087	0.687134
Garrett	0.31000	0.31000	0.31000	0.31000	0.29991	0.31984	0.33239	0.32880	0.356600	0.395259
Italy	0.64785	0.74500	0.59453	0.59453	0.68000	0.69300	0.77111	0.93673	0.934800	0.943573
Maypearl	0.78000	0.76735	0.75642	0.73716	0.73716	0.73716	0.69217	0.68440	0.688880	0.688756
* Midlothian	0.41346	0.41113	0.41182	0.42404	0.64038	0.65795	0.65000	0.65000	0.650000	0.650000
Milford	0.54935	0.52786	0.49967	0.49967	0.49547	0.50157	0.48550	0.50000	0.505800	0.409146
Oak Leaf	0.21127	0.26000	0.26174	0.35000	0.34156	0.33144	0.34854	0.34854	0.355400	0.350785
Ovilla	0.38780	0.55856	0.66675	0.68250	0.68250	0.68250	0.66800	0.66800	0.667900	0.067460
Palmer	0.59880	0.55893	0.55893	0.57165	0.57165	0.62920	0.62920	0.62920	0.629200	0.629200
Pecan Hill	0.22800	0.23154	0.23937	0.25462	0.25108	0.24066	0.25065	0.30000	0.304700	0.311275
Red Oak	0.61500	0.61500	0.61500	0.61500	0.61380	0.64000	0.63500	0.63500	0.635000	0.649000
Waxahachie	0.61750	0.61250	0.61750	0.61750	0.61500	0.61500	0.61500	0.61500	0.611208	0.680000
SCHOOL DISTRICTS:										
Avalon	1.36000	1.43300	1.34833	1.34400	1.41910	1.49380	1.37600	1.09958	1.24613	1.23655
Ennis	1.49000	1.59000	1.65190	1.65190	1.65190	1.65190	1.57000	1.40000	1.51000	1.54000
Ferris	1.49000	1.51000	1.53950	1.53700	1.77190	1.77190	1.57070	1.26970	1.27720	1.31785
Italy	1.56000	1.56000	1.50000	1.56000	1.56000	1.56000	1.43300	1.11105	1.24100	1.24100
Maypearl	1.53000	1.55000	1.55000	1.58000	1.77900	1.76900	1.64800	1.34000	1.35900	1.35900
Midlothian	1.70970	1.72000	1.72000	1.72000	1.76450	1.78750	1.69750	1.36750	1.39750	1.39750
Milford	1.66120	1.62398	1.62398	1.62398	1.62398	1.62400	1.49400	1.19000	1.18830	1.17170
Palmer	1.44650	1.56209	1.56209	1.61700	1.61700	1.61000	1.48000	1.50000	1.27730	1.26761
Red Oak	1.53800	1.53000	1.54500	1.57000	1.64000	1.64000	1.51000	1.30000	1.54000	1.54000
Waxahachie	1.54670	1.68000	1.71000	1.63900	1.71650	1.72080	1.59730	1.36000	1.36000	1.42890

Continued

**ELLIS COUNTY, TEXAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Unaudited)
LAST TEN YEARS**

TAXING JURISDICTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SPECIAL DISTRICTS:										
EC ESD #3	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000	\$0.03000
EC ESD #2	0.05000	0.05000	0.05750	0.05750	0.06500	0.06750	0.07025	0.07229	0.08450	0.09100
EC ESD #1	0.06500	0.06700	0.06700	0.06700	0.07000	0.07000	0.07350	0.07350	0.07350	0.07350
EC ESD #4	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
EC ESD #5	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
EC ESD #6	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.06000	0.06000	0.06000	0.06000
EC ESD #7	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
EC ESD #8	0.03000	0.03000	0.03000	0.03000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000
EC ESD #9	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
Ellis Co. W C & ID	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.00000	0.00000	0.00000
* Midlothian Water Co.	0.19416	0.19416	0.19416	0.19416	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000 <i>Concluded</i>

Note: Tax rates are stated per \$100 assessed valuation.

Source: Central Appraisal District of Ellis County

* Midlothian Water Co. tax rate included with City of Midlothian beginning 2005.

TABLE 7

**ELLIS COUNTY, TEXAS
PRINCIPAL TAXPAYERS
(Unaudited)
SEPTEMBER 30, 2010**

<u>Name</u>	<u>Type of Business</u>	<u>2010 Assessed Valuations</u>	<u>Percentage of Total Assessed Valuation</u>
Midlothian Energy LP	Utility	\$ 360,605,710	2.75%
Walgreen Company	Distribution Center	263,346,060	2.01%
TXI Operations LP	Cement Plant	235,526,640	1.80%
Chaparral Steel Company	Steel Mill	217,240,290	1.66%
HOLCIM (US), Inc.	Cement Plant	197,790,070	1.51%
Energy Transfer Fuel LP	Pipeline Construction	132,679,040	1.01%
Oncor Electric Delivery Company	Utility	121,421,950	0.93%
CVS Texas Distrubution LP	Distribution Center	99,124,500	0.76%
Dartco of Texas LTD LP	Manufacturing Facility	95,688,470	0.73%
Ennis-Tractebel Power Co LP	Utility	95,184,470	0.73%
		<u>\$ 1,818,607,200</u>	<u>13.89%</u>

Note: Total Assessed Valuation of \$ 13,097,483,515

Source: Ellis County Appraisal District

TABLE 8

ELLIS COUNTY, TEXAS
BUDGETED PROPERTY TAX LEVIES AND COLLECTIONS
(Unaudited)
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>% OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>% OF TOTAL TAX COLLECTION TO TAX LEVY</u>
2001	16,778,500	16,136,412	96.17%	444,850	16,581,262	98.82%
2002	* 18,390,426	18,074,500	98.28%	474,864	18,549,364	100.86%
2003	* 20,308,800	19,843,239	97.71%	962,460	20,805,699	102.45%
2004	* 22,639,359	22,031,384	97.31%	1,131,482	23,162,866	102.31%
2005	* 24,485,051	23,673,110	96.68%	1,182,984	24,856,094	101.52%
2006	* 26,832,506	25,965,504	96.77%	1,379,945	27,345,449	101.91%
2007	* 28,609,607	27,966,441	97.75%	863,202	28,829,643	100.77%
2008	* 35,334,581	34,609,030	97.95%	736,070	35,345,099	100.03%
2009	* 38,175,425	37,430,852	98.05%	735,217	38,166,069	99.98%
2010	* 38,756,643	38,126,672	98.37%	582,826	38,709,498	99.88%

(a) In years prior to 2009, penalty and interest was included in the column delinquent tax collections. This leads to potential erroneous assumptions that more than 100% of the tax levy was collected. Beginning in 2009, the column no longer includes penalty and interest in an effort to avoid potential confusion.

* Does not include Tax Increment Reinvestment Zone levy and collection

ELLIS COUNTY, TEXAS
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUES AND NET BONDED DEBT PER CAPITA
(Unaudited)
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year	Population	Assessed Values	General Bonded Debt	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Values	Net Bonded Debt Per Capita	Ratio of Bonded Debt to Personal Income
2001	111,360	7,248,153,987	24,219,027	520,553	23,698,474	0.33%	212.81	0.88%
2002	116,555	8,281,703,673	24,282,813	588,439	23,694,374	0.29%	203.29	0.82%
2003	129,250	8,889,966,130	22,801,333	528,872	22,272,461	0.25%	172.32	0.69%
2004	129,250	9,474,217,007	21,707,073	515,570	21,191,503	0.22%	163.96	0.60%
2005	131,826	10,163,765,500	20,567,737	681,936	19,885,801	0.20%	150.85	0.53%
2006	139,300	10,897,021,968	18,701,262	738,058	17,963,204	0.16%	128.95	0.64%
2007	143,468	11,947,742,957	72,492,135	820,200	71,671,935	0.60%	499.57	2.23%
2008	147,850	12,980,455,192	69,982,330	1,939,499	68,042,831	0.53%	460.22	1.97%
2009	152,750	13,086,440,707	67,369,818	2,486,180	64,883,638	0.50%	424.77	1.81%
2010	149,610	13,097,483,515	64,660,277	2,316,833	62,343,444	0.48%	416.71	1.78%

Notes:

Details regarding the County's outstanding debt can be found in the note to the financial statements.

(1) See Table 12 for population data.

(2) See Table 7 for taxable value of property data.

ELLIS COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
(Unaudited)
SEPTEMBER 30, 2010

TABLE 10

<u>Taxing Jurisdiction</u>	<u>Total Funded Debt</u>	<u>Percentage Applicable To Named Government</u>	<u>Overlapping Funded Net Debt</u>
CITIES:			
Bardwell	164,000	100.00%	\$ 164,000
Ennis	49,145,000	100.00%	\$ 49,145,000
Ferris	2,820,000	92.73%	\$ 2,614,986
Italy	5,920,000	100.00%	\$ 5,920,000
Maypearl	310,000	100.00%	\$ 310,000
Midlothian	50,405,296	100.00%	\$ 50,405,296
Milford	475,000	100.00%	\$ 475,000
Ovilla	7,103,000	90.94%	\$ 6,459,468
Palmer	1,364,055	100.00%	\$ 1,364,055
Red Oak	24,385,000	100.00%	\$ 24,385,000
Venus	1,724,322	13.94%	\$ 240,370
Waxahachie	52,258,276	100.00%	\$ 52,258,276
COUNTY-LINE CITITES:			
Cedar Hill	74,139,249	3.50%	\$ 2,594,874
Glenn Heights	5,497,808	33.30%	\$ 1,830,770
Grand Prairie	146,664,907	0.17%	\$ 249,330
Mansfield	99,054,627	0.36%	\$ 356,597
SCHOOL DISTRICTS:			
Avalon ISD	1,275,000	100.00%	\$ 1,275,000
Italy ISD	1,570,000	100.00%	\$ 1,570,000
Maypearl ISD	17,051,245	100.00%	\$ 17,051,245
Midlothian ISD	162,304,953	100.00%	\$ 162,304,953
Palmer ISD	4,560,522	100.00%	\$ 4,560,522
Red Oak ISD	113,847,696	100.00%	\$ 113,847,696
Waxahachie ISD	95,675,251	100.00%	\$ 95,675,251
COUNTY-LINE SCHOOL DISTRICTS:			
Ennis ISD	169,791,950	98.94%	\$ 167,992,155
Ferris ISD	30,568,879	95.99%	\$ 29,343,067
Frost ISD	1,059,000	3.52%	\$ 37,277
Milford ISD	413,751	69.26%	\$ 286,564
TOTAL NET OVERLAPPING DEBT			\$ 792,716,752
Ellis County			64,660,277

Overlapping debt is developed by taking the percentage of land mass of an entity within Ellis County, and then applying that percentage to the outstanding debt of that entity.

Source: Texas Municipal Reports

TABLE 11

ELLIS COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
(Unaudited)
September 30, 2010

Assessed Value of Real Property	10,832,779,964
Assessed Value of Personal and Other Property	2,264,703,551
 Total Assessed Value	 <u><u>\$ 13,097,483,515</u></u>

Bonds Issued Under Article III,
Section 52 of the Texas Constitution:

The County is authorized under Article III, Section 52, of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to the rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the county.

Debt limit, 25% of Real Property Assessed Value	\$ 2,708,194,991
---	------------------

Amount of Debt Applicable to Debt Limit:

Debt Limit:	
Total Bonded Debt Applicable	64,660,277
Less: Assets in Debt Service Fund available for payment of principal	2,316,833
	<u>62,343,444</u>

Legal Debt Margin, Bonds Issued Under
Article III, Section 52 of the Texas
Constitution

\$ 2,645,851,547

TABLE 12

**ELLIS COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
(Unaudited)
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(2) Personal Income	(3) Median Age	(4) School Enrollment	(4) Unemployment Rate
2001	103,000	2,503,621	24,307	32.9	22,670	4.6%
2002	105,000	2,611,980	24,876	33.0	22,910	5.6%
2003	111,360	2,796,695	25,114	33.1	23,105	6.1%
2004	111,360	3,041,910	27,316	33.2	24,645	5.3%
2005	116,555	3,312,027	28,416	33.2	25,591	5.1%
2006	120,052	2,426,491	20,212	33.2	25,866	5.3%
2007	143,468	3,216,839	22,422	33.0	29,464	4.4%
2008	147,850	2,461,464	23,412	33.2	30,678	7.0%
2009	152,750	3,276,946	21,453	33.2	30,652	8.4%
2010	149,610	4,734,492	31,646	33.2	30,652	8.5%

Data Sources:

- (1) North Central Council of Governments
- (2) U.S. Census Bureau
- (3) U.S. Bureau of Economic Analysis
- (4) Texas Comptroller

ELLIS COUNTY, TEXAS

PRINCIPAL EMPLOYERS
(Unaudited)
CURRENT YEAR

<u>Employer</u>	<u>2010</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>
Wal-Mart Supercenters	1,129	1.68%
Waxahachie ISD	1,060	1.58%
Midlothian ISD	996	1.49%
Chaparral Steel	860	1.28%
Walgreen's Distribution Center	785	1.17%
Ennis ISD	778	1.16%
Red Oak ISD	761	1.14%
Dart Container Corp.	627	0.94%
Ellis County Government	555	0.83%
Target Distribution Center	500	0.75%
Total	<u>8,051</u>	<u>12.01%</u>
Total County Employment	67,023	

Sources: North Central Texas Council of Governments and employers

Data from 1999 is not available

TABLE 14

ELLIS COUNTY, TEXAS
COUNTY FULL TIME EMPLOYEES BY FUNCTION
(Unaudited)
LAST FOUR FISCAL YEARS

Function/Program	2007	2008	2009	2010
General government	96	94	156	163
Judicial	74	76	77	83
Public safety	231	248	239	231
Health and welfare	8	7	1	2
Conservation	5	5	5	1
Roads and highways	64	72	70	75
Total	<u>478</u>	<u>502</u>	<u>548</u>	<u>555</u>

Source: Ellis County Human Services

Years prior to 2007 not available

ELLIS COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
(Unaudited)
LAST FOUR FISCAL YEARS

Table 15

Function/Program	2007	2008	2009	2010
General Government				
Number of A/P Transactions	13,789	14,253	18,072	18,492
Flood Plain/Building Permits	951	982	558	553
Aerobic Septic Permits	690	702	244	180
Other Septic Permits	108	118	129	19
Nuisance Complaints	645	680	801	569
New Subdivisions	61	50	21	13
Judicial				
Hot Check cases				
Number of checks processed	2,787	2,284	1,286	1,254
Number of theft by check cases filed	479	468	200	190
Public Safety				
Number of 911 calls received	32,149	33,217	32,792	19,299
Average Jail daily population	460	462	347	320
Jail bookings	5,993	6,012	5,993	5,693
Jail releases	6,016	6,021	6,039	5,365
Jail inmates at September 30	385	397	302	350
Violations reported by Sheriff office	5,652	5,812	3,100	4,735
Transportation				
Roadway resurfacing (miles)	95.8	108	132.0	121.1
Mowing along roadways (equipment miles)	6,826	6,897	4,091	1,938
Ditch and culvert cleaning (miles)	110	112	102	99
Conservation				
Number of people served in programs	106,779	109,432	121,592	88,680
Health and Welfare				
Number of applications filed	350	403	573	880
Number of cases approved	57	66	94	182

COMPLIANCE SECTION



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

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

To the Honorable County Judge
And Commissioners' Court
Ellis County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ellis County, Texas (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management, others within the County, and appropriate federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 28, 2011