

ELLIS COUNTY, TEXAS
Comprehensive Annual Financial
Report

**For the Year Ended
September 30, 2006**

Prepared by: Ellis County Auditor's Office



**ELLIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2006**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
County Auditor's Letter of Transmittal	I
GFOA Certificate of Achievement	VI
Organizational Chart	VII
Principal Officials	VIII
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Combined Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15
Statement of Fiduciary Net Assets	16
Notes to the Basic Financial Statements	17
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	35
COMBINING STATEMENTS AND BUDGETARY COMPARISONS	
Combining Balance Sheet - Nonmajor Governmental Funds	47
Combining Statement of Revenue, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	53
Schedules of Revenues, Expenditures and Changes in Fund Balance -	
Budget (GAAP Basis) and Actual:	
Road and Bridge Fund - Precinct #1	59
Road and Bridge Fund - Precinct #2	60
Road and Bridge Fund - Precinct #3	61
Road and Bridge Fund - Precinct #4	62
Farm to Market Fund, Precinct #1	63
Farm to Market Fund, Precinct #2	64
Farm to Market Fund, Precinct #3	65
Farm to Market Fund, Precinct #4	66
Lateral Roads	67

**ELLIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2006**

TABLE OF CONTENTS

	<u>Page</u>
District Clerk Archives	68
Justice Court Technology Fund	69
Jury Fund	70
Law Library Fund	71
District Attorney's Hot Check Fund	72
District Attorney Seizure Fund	73
District Attorney Drug Forfeiture Fund	74
Sheriff Seizure Fund	75
Sheriff Forfeiture Fund	76
Constable, Precinct #1 Forfeiture Fund	77
Constable, Precinct #2 Forfeiture Fund	78
Constable, Precinct #4 Forfeiture Fund	79
Records Management Fund	80
General Records Management and Preservation Fund	81
Courthouse Security Fund	82
Sheriff HIDTA Fund	83
Solid Waste	84
Reconstruction Grant	85
Law Enforcement Block Fund	86
County Clerk Archives Management	87
Sheriff Federal Forfeiture	88
Debt Service Fund	89
Capital Projects Funds - Right-of-Way Available Funds	90
Capital Projects Funds - Road District #1 Available Funds	91
Capital Projects Funds - Road District #5 Available Funds	92
Capital Projects Funds - Road District #16 Available Funds	93
 Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	94

**STATISTICAL SECTION
(Unaudited)**

Net Assets by Component	98
Changes in Net Assets	99
Fund Balances of Governmental Funds	101
Changes in Fund Balances of Governmental Funds	102
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	104
Property Tax Rates Direct and Overlapping Governments - Last Ten Years	105
Principal Taxpayers	107
Budgeted Property Tax Levies and Collections - Last Ten Years	108
Ratio of Net General Bonded Debt to Assessed Values and Net Bonded Debt	
Per Capita - Last Ten Fiscal Years	109
Computation of Direct and Overlapping Debt	110
Computation of Legal Debt Margin	111
Demographic Statistics - Last Ten Years	112
Principal Employers	113

**ELLIS COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2006**

TABLE OF CONTENTS

	<u>Page</u>
COMPLIANCE SECTION	
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	114
Independent Auditors' Report on Compliance with Requirements Applicable To Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	116
Schedule of Findings and Questioned Costs	118
Summary Schedule of Prior Audit Findings	119
Schedule of Expenditures of Federal Awards	120
Notes to the Schedule of Expenditure of Federal Awards	121





ELLIS COUNTY AUDITOR'S OFFICE

Michael S. Navarro, CPA
County Auditor

June 29, 2007

Audit Division

Cheryl Chambers
1st Assistant

Beth Allen
Assistant

Linda Lake
Assistant

MIS Division

Teral Crawford
MIS Director

Matt Edington
MIS Technician

Jocelyn King
MIS Technician

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, 2006 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 Comprehensive Annual Financial Report is presented in three sections; introductory, financial, and statistical. The introductory section includes this transmittal letter, a copy of the Certificate of Achievement, an organizational chart of the County, and a directory of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), the basic financial statements including notes thereto which present an overview of the County's financial operations, and more detailed combining and supplementary statements. The basic financial statements include the government-wide financial statements. In addition, the fund financial statements present financial information of each of the County's major funds as well as non-major funds, fiduciary funds, and other funds. The statistical section includes unaudited data depicting certain financial history of the county for the past ten years and demographic information. The County is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Since the County received over \$500,000 in federal funds, a compliance section has been included and is mandatory to conform to the provisions of the Single Audit Act of 1994 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.

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.

Address

101 West Main, Suite 301
Waxahachie, Texas 75165

Phone

Audit (972) 825-5120

MIS (972) 825-5018

Fax (972) 825-5124

Economic Condition and Outlook

According to the US Census Bureau, the estimated population of Ellis County is 139,300. This represents a 5.67% increase from the prior year. At the last official census, Ellis County experienced a 30.8% increase from 1990 to 2000. The most recent data from the US Census Bureau 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 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 \$50,439 compared to the state median of \$41,645. The per capita money income is \$20,212 compared to the state average of \$19,617. The home ownership rate in Ellis County is 76.2% compared to the state rate of 63.8%. In Ellis County, 10.6% of the population is below the poverty level compared to the state rate of 16.2%. The median value of owner-occupied housing units is \$91,400 compared to the median value in Texas of \$82,500. These statistics clearly show that the economic condition in Ellis County makes the area attractive.

Taxable property value increased from \$7,315,183,878 in 2004 to \$7,964,625,979 in 2005. Past aggressive tax abatement policies will continue to pay dividends for the taxing jurisdictions in the future. The tax abatement on the 2005 assessed value is \$400,109,828.

Based on current projections by the North Central Texas Council of Governments, the County is once again expected to continue to grow. They estimate the population in 2010 to be 180,617, in 2015 to be 241,778, in 2020 to be 329,476, in 2025 to be 378,161 and in 2030 to be 448,588. 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 increasing revenues as well as finding more efficient ways to operate 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.

Long term financial planning

Ellis County, because of its continued growth, is faced with many challenges in delivering services to its citizens, while maintaining a conservative financial approach. County administration has been committed to meeting increasing needs for services and facilities as well as making its revenue collection process more efficient. As part of this commitment to make services more accessible, the Commissioners Court has provided for a new financial accounting system, human resources system, and purchasing system, as well as new software systems for Justice Courts and Department of Development. The County believes that these new systems will better streamline its operations as well as make data and services more readily accessible to citizens. On facilities issues, the citizens of the County passed a \$53,875,000 bond issue on May 12, 2007. Proceeds from this issue will be used to fund a detention center, a parking garage, and a justice center to house courts and related functions. This is phase 1 of a planned 3 phase capital improvement program that will take the County through the year 2025. The County has retained the services of The Staubach Group, to provide guidance and assistance throughout this process. The County is also in the process of putting together a citizens' oversight committee to insure the process is thorough and efficient. On revenue collections, the Court has entered into an agreement with a third party collection firm, to assist the County in collecting on outstanding fines, and the County and District Clerk are beginning collection programs within their respective offices, to insure that the County is

maximizing its collections. The County has also begun to accept credit card payments over the internet in the Tax Office, County Clerk, and Justice Court locations. This will make it easier for the citizens to conduct business during non-traditional office hours. The County has also started the process of developing and implementing fund balance and debt management policies which can be used to help guide decisions of future Commissioners Courts.

Financial Information

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognized that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Budgeting

The County Judge, the Budget Officer, prepares the County's budget with the assistance of the County Auditor's office. Each department submits a budget request to the County Judge. Formal public hearings are held by the Commissioners Court and department heads are encouraged to attend to explain their requests. The County Judge compiles these requests and presents his recommendations to the Commissioners Court. Before determining the final budget, the Commissioners Court may increase or decrease the amounts requested by the various departments. Budgeted expenditures may not exceed the estimate of revenues and available fund balance. Appropriations lapse at the end of the fiscal year.

Budgeting Controls

Budgetary control is maintained at the fund level. Estimated amounts in departmental requests for purchases are verified against available amounts in departmental budgets before purchase orders are issued. Requests that would result in budget overruns at the fund level are not approved until additional budgetary appropriations are made, either by transfer or formal budget amendment. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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.

Cash Management

Ellis County invests deposits to meet cash flow needs. Most cash on hand is held in interest bearing checking accounts at the County's depository bank. Interest rates on bank deposits are governed by the depository bank bid contract, which last for a period of two years. All funds not held at the depository bank are invested in accordance with the County's Investment Policy. Currently the funds are diversified among several Local Government Investment Pools (LGIP's), S&P aaam rated money market mutual funds, and certificates of deposit. The LGIP's currently used by the County are the Lone Star Investment Pool sponsored by the Texas Association of School Boards, and the CLASS Pool managed by MBIA, and Texstar. The aaam money market mutual funds used are Investors Cash Trust from the Fund's Management Group, and T-Fund from Provident Distributors. All pools and mutual funds used by the county invest in direct obligations for the U.S. Treasury, such as Treasury bills and notes and repurchase agreements relating to direct Treasury obligations. Certificates of deposit are purchased from the County's depository, Comerica Bank of Texas. All securities purchased meet the Ellis County Investment Policy. Any residual money held at Merrill Lynch is invested into the Merrill Lynch Institutional Fund, which is a mutual fund investing in repurchase agreements, U.S. government Agency issues and commercial paper.

The County's Investment Policy is to assure safety of principle while maintaining liquidity and deriving a competitive yield on its investments. This has all been accomplished by diversifying the portfolio so that no more than 40% of the County's money is held at any one investment location. All County investments meet the current Texas law for public funds investing, and meet the investment criteria established by the Ellis County's Investment Policy.

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, 2006, 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, 2006, 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, 2005. This was the tenth 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 Cheryl Chambers, Beth Allen, and Linda Lake. 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 auditing firm, Pattillo, 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.

A special thanks is extended to my staff that worked so diligently throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Navarro". The signature is fluid and cursive, with a long horizontal stroke at the end.

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, 2005

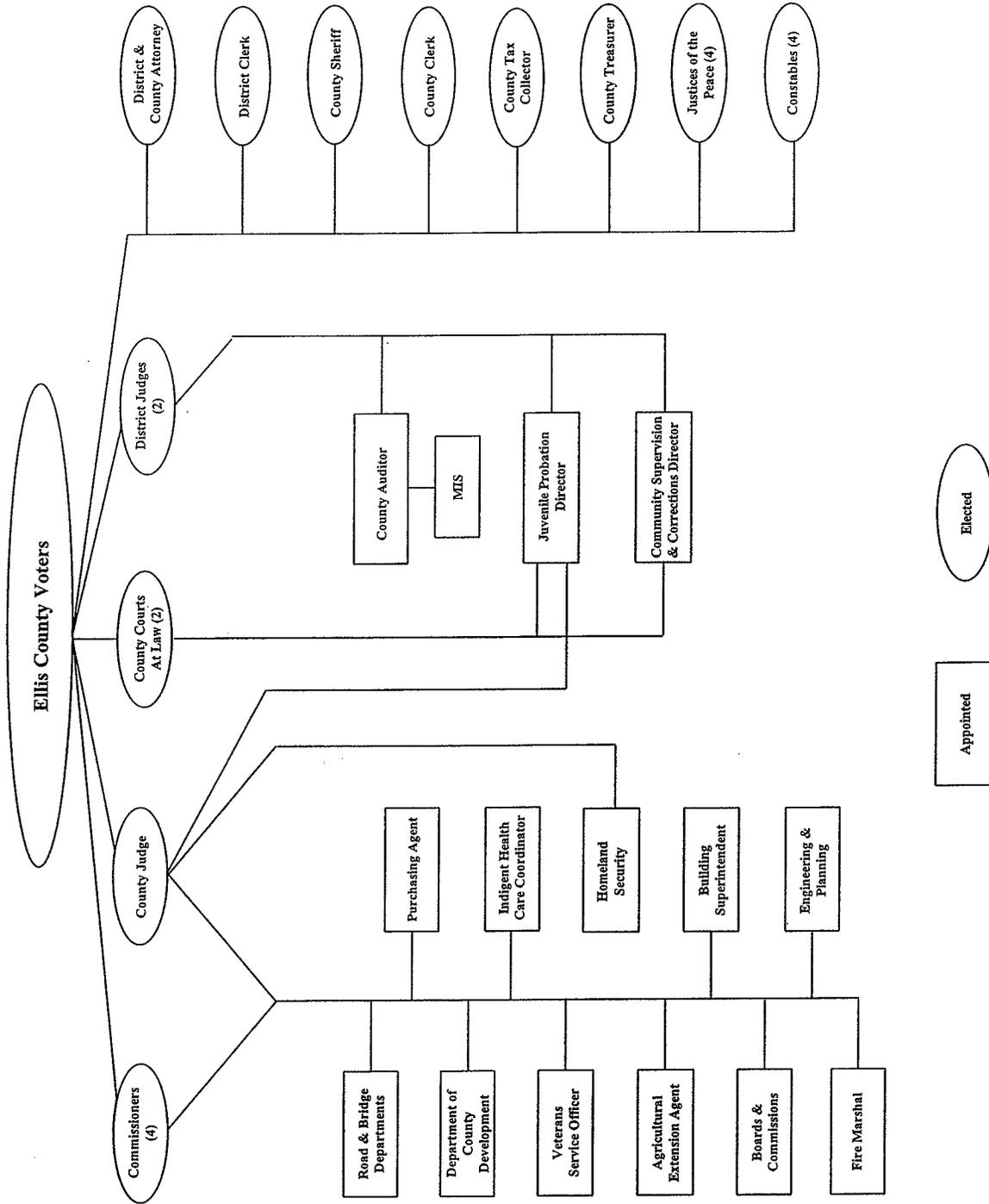
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

ELLIS COUNTY, TEXAS ORGANIZATIONAL CHART



DIRECTORY OF PUBLIC OFFICIALS

COMMISSIONERS COURT

COUNTY JUDGE

Chad Adams

COUNTY COMMISSIONERS

Precinct 1

Dennis Robinson

Precinct 2

Larry Jones

Precinct 3

Heath Sims

Precinct 4

Ron Brown

JUDICIAL

DISTRICT JUDGE

40th Judicial District

Gene Knize

378th Judicial District

Al Scoggins

COUNTY COURT AT LAW JUDGE I

Bob Carroll

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

Linda Sibley

LAW ENFORCEMENT AND LEGAL

SHERIFF

Ray Stewart

COUNTY ATTORNEY

Joe Grubbs

CONSTABLES

Precinct 1

Ben Fry

Precinct 2

Terry Nay

Precinct 3

Jimmie Ray

Precinct 4

Perry Curry

ADULT PROBATION OFFICER*

Alfred Mims

JUVENILE PROBATION OFFICER*

Chris Aldama

FINANCIAL ADMINISTRATION

COUNTY AUDITOR*

Michael S. Navarro

COUNTY TREASURER

Ron Langenheder

TAX COLLECTOR

John Bridges

PURCHASING AGENT*

Richard Denniston

RECORDING OFFICIALS

DISTRICT CLERK

Billie Fuller

COUNTY CLERK

Cindy Polley

*Denotes appointed officials. All others are elected officials.

INDEPENDENT AUDITORS' 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, 2006, 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, 2006, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 35 through 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ellis County, Texas's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Nonprofit Organizations*," and is also not a required part of the basic financial statements of Ellis County, Texas. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

June 6, 2007

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, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

FINANCIAL HIGHLIGHTS

The assets of the Ellis County exceeded its liabilities at the close of the most recent fiscal year by \$29,591,824 (*net assets*). Of this amount, \$25,535,552 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets decreased by \$2,276,499.
- As of the close of the current fiscal year, Ellis County's governmental funds reported combined ending fund balances of \$25,053,475, an increase of \$8,355,111 in comparison with the prior year. The majority of this increase was due to the revenue from the sale of the Supercollider land. \$24,315,417 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,950,191 and 24.96% of total General Fund expenditures.
- The Ellis County's total debt decreased by \$875,476 (4.27%) during the current fiscal year.

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, public safety, 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 38 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 and the Permanent Improvement Fund, which are considered to be major funds. Data from the other 36 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 its general fund and permanent improvement fund. A budgetary comparison statement has been provided for the General Fund and Permanent Improvement Fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 13 – 15 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 statement 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 16 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 17 – 34 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 progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 35 – 46 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 47 – 97 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 \$29,591,824 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 11.21% 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	
	2006	2005
Current and other assets	\$ 28,651,420	\$ 20,167,799
Capital assets	<u>22,974,274</u>	<u>38,914,858</u>
Total assets	<u>51,625,694</u>	<u>59,082,657</u>
Long-term liabilities	20,509,138	21,384,614
Other liabilities	<u>1,524,732</u>	<u>5,877,854</u>
Total liabilities	<u>22,033,870</u>	<u>27,262,468</u>
Net assets:		
Invested in capital assets, net of related debt	3,318,214	18,225,600
Restricted	738,058	655,299
Unrestricted	<u>25,535,552</u>	<u>12,939,290</u>
Total net assets	<u>\$ 29,591,824</u>	<u>\$ 31,820,189</u>

An additional portion of Ellis County’s net assets (2.49%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$25,535,552) 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 decreased Ellis County's net assets by \$2,276,499, thereby accounting for 7.15% of the total net assets of Ellis County.

Ellis County's Changes in Net Assets

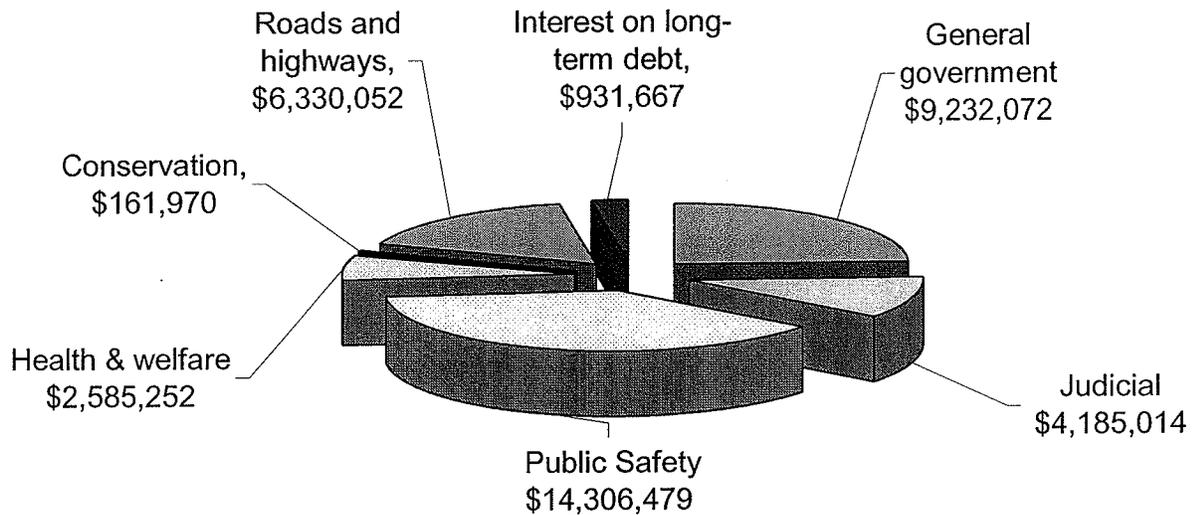
	Governmental Activities	
	2006	2005
REVENUES		
Program revenues:		
Charges for services	\$ 8,258,546	\$ 9,450,824
Operating grants and contributions	1,414,288	82,427
General revenues:		
Property taxes	27,387,525	24,856,094
Investment earnings	1,190,279	921,390
Miscellaneous	1,575,759	-
Other taxes	69,299	80,289
Total Revenues	39,895,696	35,391,024
EXPENSES		
General government	9,232,072	8,845,589
Judicial	4,185,014	4,046,313
Public safety	14,306,479	12,452,447
Health and welfare	2,585,252	2,445,497
Conservation	161,970	142,802
Roads and highways	6,330,052	5,241,732
Interest on long-term debt	907,828	931,667
Total Expenses	37,708,667	34,106,047
Loss on disposal of assets	(4,463,528)	-
INCREASE(DECREASE) IN NET ASSETS	(2,276,499)	1,284,977
NET ASSETS, BEGINNING	31,820,189	30,535,212
PRIOR PERIOD ADJUSTMENT	48,134	-
NET ASSETS, ENDING	\$ 29,591,824	\$ 31,820,189

Property taxes increased by \$2,531,431 (10.18%) during the year. This is the result of two factors: 1) an increase in homestead values; and 2) new property on the tax rolls due to growth.

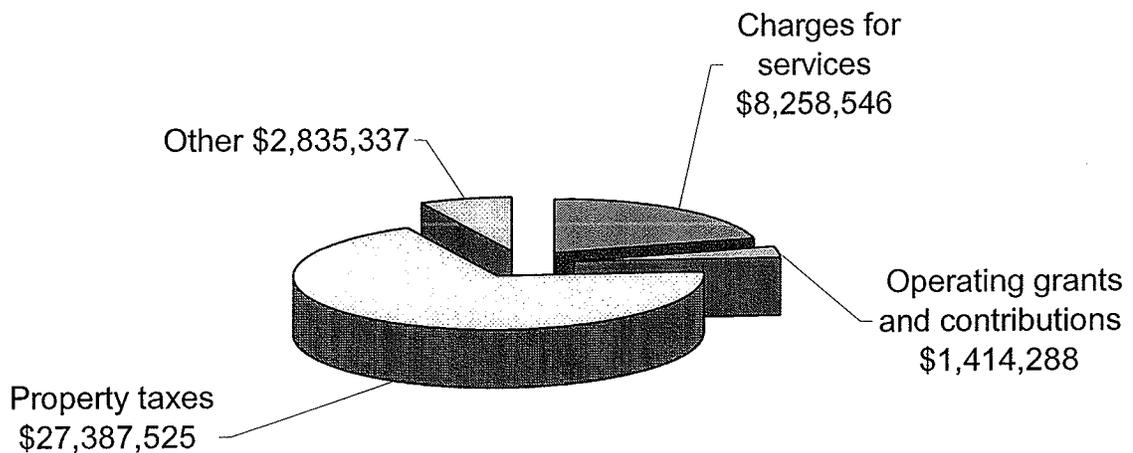
Investment income increased due to several reasons. First the County's cash increased due to the receipts from the lawsuit settlement and the sale of the semi-conducting super collider land and buildings. The increase in miscellaneous revenue is from various reimbursement including insurance reimbursements. This increase is also related to the decrease in charges for services due to the reclassification of certain revenues.

Expenses increased in 2006, due to increases in public safety and roads and highways expenses. The increase in public safety was due to the hiring of new staff and the sheriff's department and increased depreciation due to significant purchases. The increase in roads and highways expense was due to salary increases, an 18% increase in material costs and additional purchases or right of ways.

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 \$6,950,191. 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 24.96% of total General Fund expenditures.

The fund balance of Ellis County's General Fund increased by \$1,611,814 during the current fiscal year. Key factors in this growth are primarily due to tax revenue along with other revenues exceeding projections.

The Permanent Improvement Fund has an ending fund balance of \$11,699,150, an increase of \$6,654,066 from the prior year. This increase is a result from the County receiving proceeds from the sale of the semi-conducting super collider land.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$729,059 increase in appropriations) and can be briefly summarized as follows:

- The County had increased expenses in the elections, juvenile services, sheriff's department and emergency services. This increase was funded by larger than expected fees from offices and miscellaneous revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Ellis County's investment in capital assets for its governmental activities as of September 30, 2006, amount to \$22,974,274 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, highways, and bridges.

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

	Governmental Activities	
	2006	2005
Land	\$ 598,249	\$ 6,596,384
Construction work in progress	121,109	9,300,200
Buildings and improvements	19,054,179	19,942,824
Machinery and equipment	3,200,737	3,075,450
Total	\$ 22,974,274	\$ 38,914,858

The County had the following additions to capital asset:

Purchase of vehicles, machinery and equipment	\$ 896,943
---	------------

Additional information on Ellis County's capital assets can be found in note 4 on pages 28 – 29 of this report.

Long-term debt. At the end of the current fiscal year, Ellis County had total debt outstanding of \$20,509,138.

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

Certificates of Obligation	
Bonds	\$ 3,470,000
Refunding Bonds 2002	15,913,875
Capital Leases	160,311
Total	\$ 19,544,186

The County also had vacation payable of \$964,952.

The County's overall debt decreased from the prior year. This was due to the regular principal payments of \$1,426,264. The decrease was made smaller by an increase in debt amounts as interest accrued on capital appreciation bonds held by the County in the amount of \$201,138. The County also issued a new capital lease for \$201,575 during the fiscal year.

Ellis County maintains an "A+" rating from Standard & Poor's and Fitch and an "A1" rating from Moody's for general obligation debt.

Additional information on Ellis County's long-term debt can be found in note 4 on pages 29 – 31 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Continued population growth will have a positive economic impact on the next fiscal year.
- Estimated Revenue for fiscal year 2007 is \$30,273,251 for the General Fund, and estimated expenditures are \$30,273,251. There will be an increase in the tax rate due to the passage of the May 12 bond election with the first payments due on February 1 and August 1, 2008. The amount will be determined based on the amortization period of the bonds and the exact amount received from the bonds.

All of these factors were considered in preparing Ellis County's budget for the 2007 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 the Auditor's office, 101 West Main, Suite 301, Waxahachie, Texas 75165.

ELLIS COUNTY, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2006

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 26,252,549
Receivables, net of allowances for uncollectibles	
Taxes	1,262,518
Other	1,136,353
Capital assets:	
Land	598,249
Buildings and improvements	37,416,573
Furniture and equipment	10,206,398
Construction in progress	121,109
Accumulated depreciation	<u>(25,368,055)</u>
Total capital assets, net of accumulated depreciation	<u>22,974,274</u>
 Total assets	 <u>51,625,694</u>
LIABILITIES	
Accounts payable	1,060,685
Accrued liabilities	352,173
Accrued interest	111,874
Noncurrent liabilities:	
Due within one year	1,723,101
Due in more than one year	<u>18,786,037</u>
Total liabilities	<u>22,033,870</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,318,214
Restricted for:	
Debt service	738,058
Unrestricted	<u>25,535,552</u>
 Total net assets	 <u>\$ 29,591,824</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, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 9,232,072	\$ 3,626,361	\$ 983,810	\$ -	\$(4,621,901)
Judicial	4,185,014	2,174,685	18,802	-	(1,991,527)
Public safety	14,306,479	405,024	350,144	-	(13,551,311)
Health and welfare	2,585,252	-	-	-	(2,585,252)
Conservation	161,970	-	-	-	(161,970)
Roads and highways	6,330,052	2,052,476	61,532	-	(4,216,044)
Interest on long-term debt	907,828	-	-	-	(907,828)
Total governmental activities	<u>37,708,667</u>	<u>8,258,546</u>	<u>1,414,288</u>	<u>-</u>	<u>(28,035,833)</u>
Total primary government	<u>\$ 37,708,667</u>	<u>\$ 8,258,546</u>	<u>\$ 1,414,288</u>	<u>\$ -</u>	<u>\$(28,035,833)</u>
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 25,252,587
Property taxes, levied for debt service					2,134,938
Other taxes					69,299
Miscellaneous					1,575,759
Investment earnings					1,190,279
Total general revenues					<u>30,222,862</u>
Loss on disposal of assets					(4,463,528)
Change in net assets					(2,276,499)
Net assets, beginning					<u>31,820,189</u>
Prior Period Adjustment					48,134
Net assets, ending					<u>\$ 29,591,824</u>

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



ELLIS COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2006

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 7,814,357	\$ 11,700,448	\$ 6,737,744	\$ 26,252,549
Receivables, net of allowances for uncollectibles:				
Taxes receivable	962,809	6,687	293,022	1,262,518
Accounts receivable	<u>36,800</u>	<u>-</u>	<u>12,699</u>	<u>49,499</u>
Total assets	<u>\$ 8,813,966</u>	<u>\$ 11,707,135</u>	<u>\$ 7,043,465</u>	<u>\$ 27,564,566</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 719,696	\$ 2,181	\$ 338,808	\$ 1,060,685
Accrued liabilities	308,082	-	44,091	352,173
Due to other governments	-	-	-	-
Deferred revenue	<u>835,997</u>	<u>5,804</u>	<u>256,432</u>	<u>1,098,233</u>
Total liabilities	<u>1,863,775</u>	<u>7,985</u>	<u>639,331</u>	<u>2,511,091</u>
Fund balances:				
Reserved for debt service	-	-	738,058	738,058
Unreserved, reported in:				
General fund	6,950,191	-	-	6,950,191
Capital projects	-	11,699,150	1,496,995	13,196,145
Special revenue funds	<u>-</u>	<u>-</u>	<u>4,169,081</u>	<u>4,169,081</u>
Total fund balances	<u>6,950,191</u>	<u>11,699,150</u>	<u>6,404,134</u>	<u>25,053,475</u>
Total liabilities and fund balances	<u>\$ 8,813,966</u>	<u>\$ 11,707,135</u>	<u>\$ 7,043,465</u>	<u>\$ 27,564,566</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	27,234,274
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	(2,065,266)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(20,630,659)
Net assets of governmental activities	<u>\$ 29,591,824</u>

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



ELLIS COUNTY, TEXAS

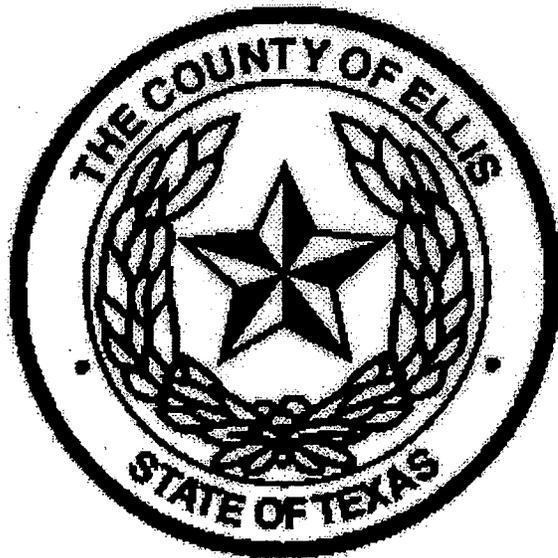
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 21,269,833	\$ 144,047	\$ 5,933,174	\$ 27,347,054
Intergovernmental	981,301	-	432,987	1,414,288
Licenses and permits	-	-	2,052,476	2,052,476
Fees of office	3,776,329	-	442,190	4,218,519
Fines and forfeitures	1,856,135	-	77,335	1,933,470
Interest earnings	651,852	264,288	274,139	1,190,279
Other	<u>806,642</u>	<u>6,843,613</u>	<u>387,020</u>	<u>8,037,275</u>
Total revenues	<u>29,342,092</u>	<u>7,251,948</u>	<u>9,599,321</u>	<u>46,193,361</u>
EXPENDITURES				
Current:				
General government	7,808,465	-	497,524	8,305,989
Judicial	3,834,741	-	318,812	4,153,553
Public safety	13,442,675	-	416,163	13,858,838
Health and welfare	2,579,856	-	-	2,579,856
Conservation	177,041	-	-	177,041
Roads and highways	-	-	6,224,065	6,224,065
Capital outlay	-	597,882	-	597,882
Debt service:				
Principal and interest	-	-	2,142,601	2,142,601
Total expenditures	<u>27,842,778</u>	<u>597,882</u>	<u>9,599,165</u>	<u>38,039,825</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,499,314</u>	<u>6,654,066</u>	<u>156</u>	<u>8,153,536</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	-	-	201,575	201,575
Transfers in	112,500	-	-	112,500
Transfers out	-	-	(112,500)	(112,500)
Total other financing sources (uses)	<u>112,500</u>	<u>-</u>	<u>89,075</u>	<u>201,575</u>
NET CHANGE IN FUND BALANCES	1,611,814	6,654,066	89,231	8,355,111
FUND BALANCES, BEGINNING	5,288,710	5,045,084	6,316,436	16,650,230
PRIOR PERIOD ADJUSTMENT	<u>49,667</u>	<u>-</u>	<u>(1,533)</u>	<u>48,134</u>
FUND BALANCES, ENDING	<u>\$ 6,950,191</u>	<u>\$ 11,699,150</u>	<u>\$ 6,404,134</u>	<u>\$ 25,053,475</u>

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



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, 2006

Amounts reported for governmental activities in the Statement of Activities (pages 24 - 25) are different because:

Net change in fund balances - total governmental funds (page 27) \$ 8,355,111

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. (11,680,584)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 163,851

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. 1,224,689

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. (339,566)

Change in net assets of governmental activities (pages 24 - 25) \$(2,276,499)

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, 2006

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>8,202,219</u>
Total assets	\$ <u><u>8,202,219</u></u>
LIABILITIES	
Due to other governments	\$ 1,969,547
Due to beneficiaries	<u>6,232,672</u>
Total liabilities	\$ <u><u>8,202,219</u></u>

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



ELLIS COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

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. Interfund activity has been eliminated from these statements. 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.

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

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The 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.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deposits and Investments (Continued)

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

Investments for the 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, 2006.

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 beginning of the current year. 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. The County has implemented the general provisions of GASB Statement No. 34 in the current year and hopes to implement the retroactive infrastructure provisions in future fiscal years.

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, 2006, 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.”

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 \$20,630,659 difference are as follows:

Capital Leases, Tax Anticipation Notes, and Certificates of Obligation	\$(20,281,446)
Accreted interest payable	(201,138)
Compensated absences	<u>(148,075)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$(<u>20,630,659</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 (\$11,680,584) difference are as follows:

Capital outlay	\$ 896,943
Disposals	(10,925,044.00)
Depreciation expense	<u>(1,652,483)</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>11,680,584</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 \$1,224,689 difference are as follows:

Capital lease and bond payments	\$ 1,426,264
Capital lease	<u>(201,575)</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>1,224,689</u>

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 fund level. The Graffiti Fund does not have a legally adopted budget. 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.

Investments are stated at fair value including the investments in the Texas Local Government Investment Pool, the MBIA Local Government Investment Pool, the Tex Star Investment Pool, the Lone Star Investment Pool, the Blackrock Investment Pool and various money market funds. The fair value of the County's investments in these pools is the same as the value of pool shares. All external investment pools in which the County participates have a credit quality rating of "AAA".

(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, 2006, all of the County's \$5,712,310 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, Blackrock Provident, Investors Cash Trust and MBIA Class.

As of September 30, 2006, the County had the following investments:

	<u>Carrying Amount</u>
General Fund	
Lone Star Pool	\$ 1,347,905
Lone Star Liquidity Pool	66,675
MBIA - Investment Pool	4,989,942
Blackrock Pool	53,281
Merrill Lynch - Institutional Fund MM	8,351
Investors' Cash Trust - MMM	98,725
TEXSTAR	254,476
Comerica Bank - MM	801,528
Total general fund	<u>7,620,883</u>
Permanent Improvement Fund	
Lone Star Pool	384,320
Lone Star Liquidity Pool	79,209
Investors' Cash Trust - MMM	438,646
TEXSTAR	10,331,418
Total nonmajor funds	<u>11,233,593</u>
Nonmajor Funds	
Lone Star Pool	955,676
Lone Star Liquidity Pool	71,996
Investors' Cash Trust - MMM	1,592,935
TEXSTAR	968,307
MBIA - Investment Pool	1,162,289
Blackrock Pool	559,355
Comerica Bank - MM	542,358
Total nonmajor funds	<u>5,852,916</u>
Agency Funds	
Lone Star Pool	1,009
Investors Cash Trust - MMM	27,882
Total Agency Funds	<u>28,891</u>
Totals	
Investments Not Subject to Categorization	
Investments Pools/MM	<u>24,736,283</u>
Totals	<u>\$ 24,736,283</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 the Municipal Finance Law of the state 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, 2006, was \$.349999 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 \$7,974,250,152 for 2005, which funds 2006 is as follows:

General Maintenance and Operations Rate:		
Interest and Sinking (Debt Rate)		\$0.027309
Operations Rate		0.291597
Farm to Market Rate		<u>0.031093</u>
Total Tax Rate		<u>\$0.349999</u>

Receivables

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

	General	Permanent Improvements	Nonmajor Funds	Total
Receivables:				
Taxes	\$ 1,283,745	\$ 8,916	\$ 390,693	\$ 1,683,354
Accounts receivable	36,800	-	12,699	49,499
Gross receivables	1,320,545	8,916	403,392	1,732,853
Less: allowance for uncollectibles	320,936	2,229	97,671	420,836
Net Total Receivables	\$ 999,609	\$ 6,687	\$ 305,721	\$ 1,312,017

(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	\$ 835,997	\$ 835,997
Permanent Improvement		
Delinquent property taxes receivable	5,804	5,804
Nonmajor funds:		
Delinquent property taxes receivable	<u>256,432</u>	<u>256,432</u>
Governmental Funds	<u>\$ 1,098,233</u>	<u>\$ 1,098,233</u>

Capital Assets

Capital asset activity for the year ended September 30, 2006, 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	\$ 6,596,384	\$ -	\$ 5,998,135	\$ 598,249
Construction work in progress	<u>9,300,200</u>	<u>-</u>	<u>9,179,091</u>	<u>121,109</u>
Total capital assets, not being depreciated	<u>15,896,584</u>	<u>-</u>	<u>15,177,226</u>	<u>719,358</u>
Capital assets, being depreciated:				
Buildings and improvements	37,411,573	-	(5,000)	37,416,573
Machinery and equipment	<u>9,484,370</u>	<u>896,943</u>	<u>174,915</u>	<u>10,206,398</u>
Total capital assets, being depreciated	<u>46,895,943</u>	<u>896,943</u>	<u>169,915</u>	<u>47,622,971</u>
Less accumulated depreciation for:				
Buildings and improvements	17,468,749	888,645	(5,000)	18,362,394
Machinery and equipment	<u>6,408,920</u>	<u>763,838</u>	<u>167,097</u>	<u>7,005,661</u>
Total accumulated depreciation	<u>23,877,669</u>	<u>1,652,483</u>	<u>162,097</u>	<u>25,368,055</u>
Total capital assets, being depreciated, net	<u>23,018,274</u>	<u>(755,540)</u>	<u>7,818</u>	<u>22,254,916</u>
Governmental activities capital assets, net	<u>\$ 38,914,858</u>	<u>\$ (755,540)</u>	<u>\$ 15,185,044</u>	<u>\$ 22,974,274</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	\$ 463,629
Judicial	9,250
Public safety	696,227
Health and welfare	5,396
Conservation	5,483
Roads and highways	<u>472,498</u>
 Total depreciation expense - governmental activities	 \$ <u>1,652,483</u>

Capital Leases

The assets acquired through capital leases are as follows:

Asset:	<u>Governmental Activities</u>
Machinery and equipment	\$ 201,575
Less: Accumulated depreciation	<u>6,719</u>
Total	<u>\$ 194,856</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2006, were as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>
2007	\$ 45,843
2008	45,843
2090	45,843
2010	<u>45,843</u>
Total minimum lease payments	183,372
Less: amount representing interest	<u>23,061</u>
Present value of minimum lease payments	<u>\$ 160,311</u>

Long-term Debt

Long-term Debt Walk-forward

	Payable Amounts Outstanding 10/01/05	Issued	Retired	Accretion	Outstanding 09/30/06
General obligation bonds	\$ 3,880,000	\$ -	\$ 410,000	\$ -	\$ 3,470,000
Refunding bonds	16,687,737	-	975,000	201,138	15,913,875
Capital leases	-	201,575	41,264	-	160,311
Compensated absences	<u>816,877</u>	<u>1,041,052</u>	<u>892,977</u>	<u>-</u>	<u>964,952</u>
Totals	<u>\$ 21,384,614</u>	<u>\$ 1,242,627</u>	<u>\$ 2,319,241</u>	<u>\$ 201,138</u>	<u>\$ 20,509,138</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, 2006, is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 10/01/05	Issued	Retired	Accretion on Bonds	Outstanding 09/30/06	Amounts Due Within One Year
General Obligation, Bonds, 1998	4.0-6.0%	\$ 5,000,000	\$ 170,848	\$ 3,880,000	\$ -	\$ 410,000	\$ -	\$ 3,470,000	\$ 430,000
General Obligation Refunding Bonds, Series 2002	3.0-5.56%	17,146,262	540,000	16,687,737	-	975,000	201,138	15,913,875	1,015,000
Compensated absences	N/A	N/A	-	816,877	1,041,052	892,977	-	964,952	241,238
Totals			\$ 710,848	\$ 21,384,614	\$ 1,041,052	\$ 2,277,977	\$ 201,138	\$ 20,348,827	\$ 1,686,238

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	
2007	\$ 1,445,000	\$ 650,947	\$ 2,095,947
2008	1,505,000	590,841	2,095,841
2009	1,570,000	527,942	2,097,942
2010	1,635,000	461,513	2,096,513
2011	1,705,000	391,183	2,096,183
2012-2016	8,900,999	1,593,098	10,494,097
2017-2021	2,622,876	2,307,124	4,930,000
Total	\$ 19,383,875	\$ 6,522,648	\$ 25,906,523

(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, 2006, are approximately \$682,612. Accordingly, accretion on these bonds of approximately \$201,138 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.

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, 2006, 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 Health Maintenance 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, 2006, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Litigation

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.

(continued)

4. DETAILED NOTES ON ALL FUNDS (Continued)

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.

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 575 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 (ADCR) 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. It was 8.52% for calendar year 2006. The contribution rate payable by employee members is the rate of 7.00% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

(continued)

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

Retirement Plan (Continued)

Annual Pension Cost

For the employer's accounting year ending September 30, 2006, the annual pension cost for the TCDRS plan for its employees was \$2,624,830 and the actual contributions were \$2,624,830.

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, 2003, the basis for determining the contribution rate for calendar year 2006. The December 31, 2005, actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial Valuation Date	12/31/03	12/31/04	12/31/05
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, open	level percentage of payroll, open
Amortization period	20	20	20
Asset valuation method	long-term appreciation with adjustment	long-term appreciation with adjustment	long-term appreciation with adjustment
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.5%	5.5%	5.3%
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
12/31/05	\$ 2,624,830	100%	\$ -
12/31/04	2,548,950	100%	-
12/31/03	2,206,716	100%	-

(continued)

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

Retirement Plan (Continued)

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

Year	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	Percentage of Covered Payroll ((b-a)/c)
12/31/03	\$ 19,367,285	\$ 22,876,874	\$ 3,509,589	84.66%	\$ 13,189,443	26.61%
12/31/04	21,837,630	25,952,676	4,115,046	84.14%	14,476,664	28.43%
12/31/05	24,597,263	29,117,727	4,520,464	84.48%	15,654,743	28.88%

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

Subsequent Event

On May 12, 2007, Ellis County citizens approved the issuance of bonds in the amount of \$53.875 million for the construction of a Justice and Detention Facility as well as the related functions of the facility.

Prior Period Adjustment

A prior period adjustment of \$49,667 was recorded to the General Fund and Road District Fund #1 to accurately reflect prior period earnings for each fund individually. An additional adjustment of \$48,134 was made to the Sheriff HIDTA Fund for amounts not presented in the prior year.

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem tax	\$ 21,182,033	\$ 21,182,033	\$ 21,200,534	\$ 18,501
Mixed drink tax	79,000	79,000	69,299	(9,701)
Total taxes	<u>21,261,033</u>	<u>21,261,033</u>	<u>21,269,833</u>	<u>8,800</u>
Intergovernmental:				
State - hazardous waste fees	140,000	140,000	113,313	(26,687)
Other	177,701	831,188	867,988	36,800
Total intergovernmental	<u>317,701</u>	<u>971,188</u>	<u>981,301</u>	<u>10,113</u>
Fees of Office:				
District Clerk	477,200	477,200	387,110	(90,090)
County Clerk	890,300	890,300	1,554,698	664,398
Sheriff	198,300	198,300	181,446	(16,854)
County Attorney	52,000	52,000	36,039	(15,961)
Tax Collector	565,000	565,000	607,788	42,788
County Court-At-Law	81,800	81,800	111,558	29,758
Justice of the Peace, Precinct #1	71,200	71,200	63,851	(7,349)
Justice of the Peace, Precinct #2	71,850	71,850	68,565	(3,285)
Justice of the Peace, Precinct #3	13,300	13,300	29,433	16,133
Justice of the Peace, Precinct #4	34,900	34,900	90,683	55,783
Constable, Precinct #1	59,000	59,000	47,811	(11,189)
Constable, Precinct #2	68,000	68,000	73,573	5,573
Constable, Precinct #3	11,500	11,500	12,368	868
Constable, Precinct #4	46,000	46,000	32,414	(13,586)
Elections	2,850	2,850	9,632	6,782
Public Works Administration	408,600	408,600	469,360	60,760
Total Fees of Office	<u>3,051,800</u>	<u>3,051,800</u>	<u>3,776,329</u>	<u>724,529</u>
Fines and forfeitures	<u>1,978,000</u>	<u>1,978,000</u>	<u>1,856,135</u>	<u>(121,865)</u>
Interest earnings	<u>375,000</u>	<u>436,160</u>	<u>651,852</u>	<u>215,692</u>
Miscellaneous:				
Jail pay phone commission	80,000	80,000	189,834	109,834
Miscellaneous	462,700	477,112	616,808	139,696
Total miscellaneous	<u>542,700</u>	<u>557,112</u>	<u>806,642</u>	<u>249,530</u>
Total revenues	<u>\$ 27,526,234</u>	<u>\$ 28,255,293</u>	<u>\$ 29,342,092</u>	<u>\$ 1,086,799</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
County Clerk:				
Salaries	\$ 451,233	\$ 451,233	\$ 433,698	\$ 17,535
Benefits	170,138	170,138	162,941	7,197
Supplies	22,000	18,000	17,047	953
Capital outlay	1,500	1,500	875	625
Other	25,180	29,180	29,180	-
Total County Clerk	670,051	670,051	643,741	26,310
County Judge:				
Salaries	113,551	95,551	78,893	16,658
Benefits	31,230	31,230	25,316	5,914
Supplies	3,500	1,185	1,185	-
Capital outlay	-	-	-	-
Other	14,730	25,045	23,694	1,351
Total County Judge	163,011	153,011	129,088	23,923
Juvenile Services:				
Salaries	130,076	105,613	105,613	-
Benefits	99,449	152,288	152,288	-
Supplies	4,500	4,469	4,469	-
Capital outlay	1,000	-	-	-
Other	43,950	41,331	41,331	-
Juvenile detention service	382,353	458,491	458,491	-
Nonresidential	33,000	41,871	41,871	-
Total Juvenile Services	694,328	804,063	804,063	-
Department of Development:				
Salaries	416,669	416,669	406,469	10,200
Benefits	144,801	144,801	141,250	3,551
Supplies	3,700	3,700	3,211	489
Capital outlay	500	1,100	972	128
Other	11,060	10,360	204	10,156
Automobile	59,000	59,100	53,237	5,863
Total Department of Development	\$ 635,730	\$ 635,730	\$ 605,343	\$ 30,387

(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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Veterans Services:				
Salaries	\$ 14,188	\$ 14,240	\$ 14,240	\$ -
Benefits	3,426	3,426	3,420	6
Supplies	350	390	375	15
Other	1,135	1,043	988	55
Total Veterans Services	<u>19,099</u>	<u>19,099</u>	<u>19,023</u>	<u>76</u>
Commissioners' Court:				
Salaries	291,303	291,303	290,654	649
Benefits	76,557	76,557	75,578	979
Supplies	600	600	388	
Other	1,100	1,100	477	623
Total Commissioners' Court	<u>369,560</u>	<u>369,560</u>	<u>367,097</u>	<u>2,463</u>
Communications:				
Salaries	28,375	28,078	28,078	-
Benefits	11,042	10,723	10,723	-
Postage	105,000	133,498	133,498	-
Other	3,300	1,136	1,136	-
Total Communications	<u>147,717</u>	<u>173,435</u>	<u>173,435</u>	<u>-</u>
Community Supervision/Corrections:				
Capital outlay	500	500	-	500
Utilities	500	500	331	169
Other	100	100	58	42
Total Community Supervision/Correction	<u>1,100</u>	<u>1,100</u>	<u>389</u>	<u>711</u>
Nondepartmental:				
Payroll insurance expense	370,000	283,818	283,818	-
Other	496,236	736,057	736,057	-
Organizational dues/subscriptions	236,500	247,759	247,759	-
Comprehensive insurance	355,000	255,877	255,877	-
Tax appraisal fee	243,000	242,306	242,306	-
Legal/professional fees	85,000	67,330	67,330	-
Lawsuit settlement	25,000	14,402	7,487	6,915
Total Nondepartmental	<u>1,810,736</u>	<u>1,847,549</u>	<u>1,840,634</u>	<u>6,915</u>
Purchasing:				
Salaries	112,475	112,475	107,245	5,230
Benefits	35,674	35,674	34,570	1,104
Capital outlay - for all departments	1,200	1,200	695	505
Other	33,500	33,500	27,827	5,673
Total Purchasing	<u>\$ 182,849</u>	<u>\$ 182,849</u>	<u>\$ 170,337</u>	<u>\$ 12,512</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Elections:				
Salaries	\$ 127,935	\$ 128,112	128,112	\$ -
Benefits	46,616	46,061	46,061	-
Capital outlay	500	675	675	-
Election workers salaries/benefits	26,000	24,122	24,122	-
Other	64,340	543,363	543,363	-
Total Elections	<u>265,391</u>	<u>742,333</u>	<u>742,333</u>	<u>-</u>
County Auditor:				
Salaries	194,323	194,758	194,758	-
Benefits	58,458	58,458	57,990	468
Supplies	3,768	4,255	4,255	-
Capital outlay	3,000	2,078	951	1,127
Other	8,557	8,557	7,654	903
Total County Auditor	<u>268,106</u>	<u>268,106</u>	<u>265,608</u>	<u>2,498</u>
Tax Assessor/Collector:				
Salaries	505,717	505,717	495,767	9,950
Benefits	191,536	191,536	186,762	4,774
Supplies	16,000	16,000	13,923	2,077
Other	33,540	13,540	3,952	9,588
Telephone	11,900	11,900	10,786	1,114
Postage	36,000	56,000	49,074	6,926
Computer	-	-	-	-
Capital outlay	1,200	1,200	242	958
Total Tax Assessor/Collector	<u>795,893</u>	<u>795,893</u>	<u>760,506</u>	<u>35,387</u>
Treasurer:				
Salaries	86,134	86,134	86,125	9
Benefits	25,526	25,526	25,054	472
Other	10,100	10,100	5,103	4,997
Capital outlay	500	500	-	500
Total Treasurer	<u>\$ 122,260</u>	<u>\$ 122,260</u>	<u>\$ 116,282</u>	<u>\$ 5,978</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Courthouse/Office Building:				
Salaries	\$ 148,588	\$ 148,595	\$ 148,595	\$ -
Benefits	59,820	59,365	59,365	-
Supplies	10,000	11,819	11,819	-
Capital outlay	2,000	2,290	2,290	-
Other	22,900	17,088	17,088	-
Utilities	230,000	318,473	318,473	-
Telephone	70,000	81,424	81,424	-
Repairs and maintenance	74,050	73,474	73,474	-
Total Courthouse/Office Buildings	<u>617,358</u>	<u>712,528</u>	<u>712,528</u>	<u>-</u>
Engineering:				
Salaries	176,412	176,412	167,650	8,762
Benefits	46,379	46,379	44,839	1,540
Supplies	850	1,716	1,716	-
Capital outlay	1,000	2,269	2,250	19
Other	16,450	15,016	11,977	3,039
Utilities	2,500	3,068	3,068	-
Total Engineering	<u>243,591</u>	<u>244,860</u>	<u>231,500</u>	<u>13,360</u>
Human Resources:				
Salaries	57,970	57,998	57,998	-
Benefits	15,520	15,492	15,427	65
Supplies	2,100	2,100	1,967	133
Capital outlay	-	1,400	1,330	70
Other	3,500	2,100	1,108	992
Utilities	200	200	56	144
Repairs and maintenance	3,500	3,500	1,296	2,204
Total Human Resources	<u>82,790</u>	<u>82,790</u>	<u>79,182</u>	<u>3,608</u>
MIS:				
Salaries	107,314	107,314	105,312	2,002
Benefits	29,247	29,247	28,733	514
Supplies	7,069	7,069	5,934	1,135
Capital outlay	5,850	5,850	5,106	744
Other	4,180	4,180	2,291	1,889
Total Computer	<u>153,660</u>	<u>153,660</u>	<u>147,376</u>	<u>6,284</u>
Total General Government	<u>\$ 7,243,230</u>	<u>\$ 7,978,877</u>	<u>\$ 7,808,465</u>	<u>\$ 170,412</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
JUDICIAL				
40th Judicial District Judge:				
Salaries	\$ 87,873	\$ 87,880	87,880	\$ -
Benefits	32,192	32,185	31,702	483
Supplies	6,500	6,500	2,889	3,611
Capital outlay	3,500	3,500	-	3,500
Other	16,400	16,400	10,334	6,066
Total 40th Judicial District Judge	<u>146,465</u>	<u>146,465</u>	<u>132,805</u>	<u>13,660</u>
378th Judicial District Judge:				
Salaries	32,532	34,231	34,231	-
Benefits	17,688	17,860	17,860	-
Supplies	6,000	6,000	1,786	4,214
Capital outlay	3,000	3,000	637	2,363
Other	12,900	11,029	6,267	4,762
Total 378th Judicial District Judge	<u>72,120</u>	<u>72,120</u>	<u>60,781</u>	<u>11,339</u>
District Clerk:				
Salaries	352,851	352,851	326,732	26,119
Benefits	129,787	129,787	122,888	6,899
Supplies	10,500	10,848	10,848	-
Capital outlay	2,300	3,054	3,031	23
Other	17,750	16,649	8,528	8,121
Total District Clerk	<u>513,188</u>	<u>513,189</u>	<u>472,027</u>	<u>41,162</u>
County Court-at-Law:				
Salaries	197,350	197,358	197,358	-
Benefits	49,723	49,723	49,477	246
Capital outlay	1,500	1,589	1,589	-
Other	26,031	25,934	16,988	8,946
Total County Court-at-Law	<u>\$ 274,604</u>	<u>\$ 274,604</u>	<u>\$ 265,412</u>	<u>\$ 9,192</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
JUDICIAL (Continued)				
County Court-at-Law #2:				
Salaries	\$ 196,807	\$ 196,807	\$ 196,605	\$ 202
Benefits	49,703	49,703	49,407	296
Other	12,825	12,896	9,765	3,131
Utilities	650	650	618	32
Supplies	5,000	3,200	2,779	421
Capital outlay	700	2,429	2,195	234
Repairs and maintenance	-	-	-	-
Total County Court-at-Law #2	<u>265,685</u>	<u>265,685</u>	<u>261,369</u>	<u>4,316</u>
Justice of the Peace #1:				
Salaries	129,715	129,716	129,716	-
Benefits	45,394	45,394	44,073	1,321
Capital outlay	1,000	566	566	-
Other	18,150	18,583	17,838	745
Total Justice of the Peace #1	<u>194,259</u>	<u>194,259</u>	<u>192,193</u>	<u>2,066</u>
Justice of the Peace #2:				
Salaries	148,681	149,658	149,658	-
Benefits	47,563	47,274	47,274	-
Capital outlay	2,500	4,015	4,015	-
Other	17,140	15,621	15,621	-
Total Justice of the Peace #2	<u>215,884</u>	<u>216,568</u>	<u>216,568</u>	<u>-</u>
Justice of the Peace #3:				
Salaries	99,373	99,373	98,401	972
Benefits	29,011	29,011	28,682	329
Capital outlay	1,000	1,616	1,616	-
Other	11,596	10,980	8,361	2,619
Total Justice of the Peace #3	<u>140,980</u>	<u>140,980</u>	<u>137,060</u>	<u>3,920</u>
Justice of the Peace #4:				
Salaries	114,742	114,390	114,390	-
Benefits	37,585	37,228	37,228	-
Capital outlay	1,000	5,655	5,655	-
Other	19,350	16,540	16,540	-
Total Justice of the Peace #4	<u>\$ 172,677</u>	<u>\$ 173,813</u>	<u>\$ 173,813</u>	<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
JUDICIAL (Continued)				
Court Reporter:				
Other	\$ 60,000	\$ 60,000	\$ 57,986	\$ 2,014
Total Court Reporter	<u>60,000</u>	<u>60,000</u>	<u>57,986</u>	<u>2,014</u>
County and District Attorney:				
Salaries	1,317,073	1,280,846	1,280,846	-
Benefits	421,420	425,032	425,032	-
Supplies	14,000	11,587	11,587	-
Capital outlay	500	333	333	-
Other	<u>109,630</u>	<u>146,929</u>	<u>146,929</u>	<u>-</u>
Total County and District Attorney	<u>1,862,623</u>	<u>1,864,727</u>	<u>1,864,727</u>	<u>-</u>
Total Judicial	<u>3,918,485</u>	<u>3,922,410</u>	<u>3,834,741</u>	<u>87,669</u>
PUBLIC SAFETY				
Sheriff:				
Salaries	3,923,533	3,903,489	3,903,489	-
Benefits	1,166,716	1,154,730	1,154,730	-
Supplies	41,600	31,470	31,470	-
Capital outlay	3,000	12,501	12,501	-
Other	259,136	255,343	255,343	-
Telephone	64,000	83,328	83,328	-
Automobile Purchases/Expenses	<u>262,600</u>	<u>621,707</u>	<u>621,707</u>	<u>-</u>
Total Sheriff	<u>5,720,585</u>	<u>6,062,568</u>	<u>6,062,568</u>	<u>-</u>
Highway Patrol:				
Salaries	56,299	56,118	56,118	-
Benefits	22,010	21,735	21,735	-
Supplies	2,780	2,647	2,647	-
Capital outlay	200	-	-	-
Other	<u>5,900</u>	<u>7,360</u>	<u>7,360</u>	<u>-</u>
Total Highway Patrol	<u>\$ 87,189</u>	<u>\$ 87,860</u>	<u>\$ 87,860</u>	<u>\$ -</u>
Fire Marshall:				
Salaries	110,992	110,992	65,431	45,561
Benefits	35,499	35,499	27,638	7,861
Auto	3,400	5,150	4,650	500
Capital outlay	1,100	2,100	1,680	420
Other	<u>8,100</u>	<u>5,350</u>	<u>4,338</u>	<u>1,012</u>
Total Fire Marshall	<u>\$ 159,091</u>	<u>\$ 159,091</u>	<u>\$ 103,737</u>	<u>\$ 55,354</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
PUBLIC SAFETY (Continued)				
Constable #1:				
Salaries	\$ 81,689	\$ 81,689	\$ 81,686	\$ 3
Benefits	24,952	24,952	24,357	595
Capital outlay	700	700	130	570
Other	8,960	8,960	6,010	2,950
Automobile	8,775	8,775	7,700	1,075
Total Constable #1	<u>125,076</u>	<u>125,076</u>	<u>119,883</u>	<u>5,193</u>
Constable #2:				
Salaries	81,690	81,921	81,921	-
Benefits	25,022	25,050	25,050	-
Capital outlay	500	5,962	5,962	-
Other	7,560	6,671	5,771	900
Automobile	10,825	5,993	5,993	-
Total Constable #2	<u>125,597</u>	<u>125,597</u>	<u>124,697</u>	<u>900</u>
Constable #3:				
Salaries	74,179	74,179	67,690	6,489
Benefits	18,115	18,115	17,967	148
Capital outlay	700	5,979	5,979	-
Other	6,860	6,970	4,621	2,349
Automobile	6,150	8,048	4,312	3,736
Total Constable #3	<u>106,004</u>	<u>113,291</u>	<u>100,569</u>	<u>12,722</u>
Constable #4:				
Salaries	81,689	80,636	80,636	-
Benefits	24,882	24,079	24,079	-
Capital outlay	2,050	1,311	1,311	-
Other	9,910	13,749	13,749	-
Automobile	9,215	9,377	9,377	-
Total Constable #4	<u>\$ 127,746</u>	<u>\$ 129,152</u>	<u>\$ 129,152</u>	<u>\$ -</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
PUBLIC SAFETY (Continued)				
Emergency Management::				
Salaries	\$ 49,315	\$ 49,315	\$ 47,292	\$ 2,023
Benefits	14,002	14,417	14,417	-
Capital outlay	2,000	960	521	439
Other	11,000	249,540	220,660	28,880
Automobile	3,650	4,275	3,097	1,178
Total Emergency Management	<u>79,967</u>	<u>318,507</u>	<u>285,987</u>	<u>32,520</u>
Jail				
Salaries	3,419,445	3,140,160	3,127,787	12,373
Benefits	1,178,203	1,178,203	1,117,516	60,687
Utilities	300,000	445,416	445,416	-
Repairs	123,900	88,872	88,872	-
Supplies	1,419,000	1,466,097	1,466,097	-
Capital outlay	17,000	73,000	47,429	25,571
Other	117,556	155,356	135,105	20,251
Total Jail	<u>6,575,104</u>	<u>6,547,104</u>	<u>6,428,222</u>	<u>118,882</u>
Total Public Safety	<u>13,106,359</u>	<u>13,668,246</u>	<u>13,442,675</u>	<u>225,571</u>
HEALTH AND WELFARE				
Indigent Health Care:				
Salaries	74,377	72,181	70,594	1,587
Benefits	25,609	25,579	24,230	1,349
Supplies	500	563	563	-
Capital outlay	500	1,013	1,013	-
Other	20,724	23,041	22,965	76
Indigent care - medical	1,541,379	473,242	473,242	-
Total Indigent Health Care	<u>\$ 1,663,089</u>	<u>\$ 595,619</u>	<u>\$ 592,607</u>	<u>\$ 3,012</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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
HEALTH AND WELFARE (Continued)				
Mental Health/Juvenile Expense:				
Other	\$ 45,000	\$ 45,000	\$ 6,649	\$ 38,351
Total Mental Health/Juvenile Expenses	45,000	45,000	6,649	38,351
Indigent Legal:				
Other	26,500	40,612	40,612	-
Legal and professional fees	1,473,500	1,939,988	1,939,988	-
Total Pauper	1,500,000	1,980,600	1,980,600	-
Total Health and Welfare	3,208,089	2,621,219	2,579,856	41,363
CONSERVATION				
Agricultural Extension Service:				
Salaries	93,696	93,663	93,663	-
Benefits	44,825	38,844	38,844	-
Supplies	5,200	6,245	6,245	-
Capital outlay	2,100	1,450	1,450	-
Other	12,600	12,248	12,248	-
Auto	1,950	22,777	22,777	-
Telephone	2,200	1,814	1,814	-
Total Agricultural Extension Service	162,571	177,041	177,041	-
Total Conservation	162,571	177,041	177,041	-
Total Expenditures	27,638,734	28,367,793	27,842,778	525,015
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(112,500)	(112,500)	1,499,314	1,611,814
OTHER FINANCING SOURCES (USES)				
Transfers in	112,500	112,500	112,500	-
Total other financing sources (uses)	112,500	112,500	112,500	-
NET CHANGE IN FUND BALANCES	-	-	1,611,814	1,611,814
FUND BALANCES, BEGINNING	5,288,710	5,288,710	5,288,710	-
PRIOR PERIOD ADJUSTMENT	-	-	49,667	49,667
FUND BALANCES, ENDING	\$ 5,288,710	\$ 5,288,710	\$ 6,950,191	\$ 1,661,481

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



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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Permanent improvement taxes	\$ 154,000	\$ 154,000	\$ 144,047	\$ (9,953)
Interest earnings	10,000	10,000	264,288	254,288
Other	<u>191,000</u>	<u>433,882</u>	<u>6,843,613</u>	<u>6,409,731</u>
Total revenues	<u>355,000</u>	<u>597,882</u>	<u>7,251,948</u>	<u>6,896,948</u>
EXPENDITURES				
Capital outlay	<u>355,000</u>	<u>597,882</u>	<u>597,882</u>	<u>-</u>
Total expenditures	<u>355,000</u>	<u>597,882</u>	<u>597,882</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	6,654,066	6,654,066
FUND BALANCE, BEGINNING	<u>5,045,084</u>	<u>5,045,084</u>	<u>5,045,084</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,045,084</u>	<u>\$ 5,045,084</u>	<u>\$ 11,699,150</u>	<u>\$ 6,654,066</u>

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





ELLIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	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	\$ 108,178	\$ 233,404	\$ 412,115	\$ 707,048	\$ 547,157
Taxes receivable	11,299	18,217	18,217	11,299	33,481
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 119,477</u>	<u>\$ 251,621</u>	<u>\$ 430,332</u>	<u>\$ 718,347</u>	<u>\$ 580,638</u>
LIABILITIES					
Accounts payable	\$ 8,287	\$ 8,308	\$ 14,150	\$ 49,898	\$ 75,094
Accrued liabilities	10,411	12,089	10,965	9,353	-
Deferred revenue	9,817	15,811	15,811	9,817	29,574
Total liabilities	<u>28,515</u>	<u>36,208</u>	<u>40,926</u>	<u>69,068</u>	<u>104,668</u>
FUND BALANCES					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	90,962	215,413	389,406	649,279	475,970
Total fund balances	<u>90,962</u>	<u>215,413</u>	<u>389,406</u>	<u>649,279</u>	<u>475,970</u>
Total liabilities and fund balances	<u>\$ 119,477</u>	<u>\$ 251,621</u>	<u>\$ 430,332</u>	<u>\$ 718,347</u>	<u>\$ 580,638</u>

Special Revenue

Farm to Market #2	Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	Jury	Law Library	District Attorney Hot Check	District Attorney Seizure
\$ 466,617	\$ 371,231	\$ 85,875	\$ 2,233	\$ 25,844	\$ 33,229	\$ -	\$ 138,358	\$ 97,672	\$ 28,232
33,481	33,481	33,481	-	-	-	3,458	-	-	-
-	-	-	-	-	-	11,322	-	-	-
<u>\$ 500,098</u>	<u>\$ 404,712</u>	<u>\$ 119,356</u>	<u>\$ 2,233</u>	<u>\$ 25,844</u>	<u>\$ 33,229</u>	<u>\$ 14,780</u>	<u>\$ 138,358</u>	<u>\$ 97,672</u>	<u>\$ 28,232</u>
\$ 39,256	\$ 71,108	\$ 53,605	\$ -	\$ -	\$ 4	\$ 2,641	\$ 4,133	\$ 1,002	\$ -
-	-	-	-	-	-	-	638	-	-
29,574	29,574	29,574	-	-	-	2,996	-	-	-
<u>68,830</u>	<u>100,682</u>	<u>83,179</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>5,637</u>	<u>4,771</u>	<u>1,002</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
<u>431,268</u>	<u>304,030</u>	<u>36,177</u>	<u>2,233</u>	<u>25,844</u>	<u>33,225</u>	<u>9,143</u>	<u>133,587</u>	<u>96,670</u>	<u>28,232</u>
<u>431,268</u>	<u>304,030</u>	<u>36,177</u>	<u>2,233</u>	<u>25,844</u>	<u>33,225</u>	<u>9,143</u>	<u>133,587</u>	<u>96,670</u>	<u>28,232</u>
<u>\$ 500,098</u>	<u>\$ 404,712</u>	<u>\$ 119,356</u>	<u>\$ 2,233</u>	<u>\$ 25,844</u>	<u>\$ 33,229</u>	<u>\$ 14,780</u>	<u>\$ 138,358</u>	<u>\$ 97,672</u>	<u>\$ 28,232</u>

(continued)

ELLIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2006

	Special Revenue				
	District Attorney Forfeiture	Sheriff Seizure	Sheriff Forfeiture	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture
ASSETS					
Cash and investments	\$ 333,833	\$ 172,399	\$ 76,940	\$ 96	\$ 1,010
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 333,833</u>	<u>\$ 172,399</u>	<u>\$ 76,940</u>	<u>\$ 96</u>	<u>\$ 1,010</u>
LIABILITIES					
Accounts payable	\$ 6,906	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>6,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Reserved for debt service	-	-	-	-	-
Unreserved, undesignated	<u>326,927</u>	<u>172,399</u>	<u>76,940</u>	<u>96</u>	<u>1,010</u>
Total fund balances	<u>326,927</u>	<u>172,399</u>	<u>76,940</u>	<u>96</u>	<u>1,010</u>
Total liabilities and fund balances	<u>\$ 333,833</u>	<u>\$ 172,399</u>	<u>\$ 76,940</u>	<u>\$ 96</u>	<u>\$ 1,010</u>

Special Revenue

Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security	Sheriff HIDTA	Graffiti	Reconstruction Grant	Solid Waste	Law Enforcement Block Fund
\$ 104	\$ 45,411	\$ 130,725	\$ 29,146	\$ 17,899	\$ 20	\$ -	\$ -	\$ 16,141
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,377	-
<u>\$ 104</u>	<u>\$ 45,411</u>	<u>\$ 130,725</u>	<u>\$ 29,146</u>	<u>\$ 17,899</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 1,377</u>	<u>\$ 16,141</u>
\$ -	\$ 3,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,377	\$ -
-	635	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,674	-	-	-	-	-	1,377	-
-	-	-	-	-	-	-	-	-
<u>104</u>	<u>41,737</u>	<u>130,725</u>	<u>29,146</u>	<u>17,899</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>16,141</u>
<u>104</u>	<u>41,737</u>	<u>130,725</u>	<u>29,146</u>	<u>17,899</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>16,141</u>
<u>\$ 104</u>	<u>\$ 45,411</u>	<u>\$ 130,725</u>	<u>\$ 29,146</u>	<u>\$ 17,899</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 1,377</u>	<u>\$ 16,141</u>

(continued)

ELLIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2006

	Special Revenue		
	County Clerk Archives Management	Sheriff Federal Forfeiture	Debt Service
ASSETS			
Cash and investments	\$ 396,004	\$ 38,494	\$ 725,334
Taxes receivable	-	-	96,608
Accounts receivable	-	-	-
Total assets	\$ 396,004	\$ 38,494	\$ 821,942
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deferred revenue	-	-	83,884
Total liabilities	-	-	83,884
FUND BALANCES			
Reserved for debt service	-	-	738,058
Unreserved, undesignated	396,004	38,494	-
Total fund balances	396,004	38,494	738,058
Total liabilities and fund balances	\$ 396,004	\$ 38,494	\$ 821,942

Capital Projects				
<u>Right of Way</u>	<u>Road District #1</u>	<u>Road District #5</u>	<u>Road District #16</u>	<u>Totals</u>
\$ 107,817	\$ 1,130,486	\$ 91,899	\$ 166,793	\$ 6,737,744
-	-	-	-	293,022
-	-	-	-	12,699
<u>\$ 107,817</u>	<u>\$ 1,130,486</u>	<u>\$ 91,899</u>	<u>\$ 166,793</u>	<u>\$ 7,043,465</u>
\$ -	\$ -	\$ -	\$ -	\$ 338,808
-	-	-	-	44,091
-	-	-	-	256,432
-	-	-	-	639,331
-	-	-	-	738,058
<u>107,817</u>	<u>1,130,486</u>	<u>91,899</u>	<u>166,793</u>	<u>5,666,076</u>
<u>107,817</u>	<u>1,130,486</u>	<u>91,899</u>	<u>166,793</u>	<u>6,404,134</u>
<u>\$ 107,817</u>	<u>\$ 1,130,486</u>	<u>\$ 91,899</u>	<u>\$ 166,793</u>	<u>\$ 7,043,465</u>

ELLIS COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Special Revenue					
	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Farm to Market #1	Farm to Market #2
REVENUES						
Taxes	\$ 248,903	\$ 401,873	\$ 401,873	\$ 248,902	\$ 605,685	\$ 604,842
Intergovernmental	-	-	-	-	-	-
Auto registration	513,119	513,119	513,119	513,119	-	-
Fees of office	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest earnings	12,181	13,448	20,424	34,467	18,081	20,827
Other	11,907	-	32,199	-	-	-
Total revenues	<u>786,110</u>	<u>928,440</u>	<u>967,615</u>	<u>796,488</u>	<u>623,766</u>	<u>625,669</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Roads and highways	755,035	834,298	841,704	805,918	603,872	654,368
Debt service:						
Principal and interest	-	-	-	-	-	-
Total expenditures	<u>755,035</u>	<u>834,298</u>	<u>841,704</u>	<u>805,918</u>	<u>603,872</u>	<u>654,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31,075</u>	<u>94,142</u>	<u>125,911</u>	<u>(9,430)</u>	<u>19,894</u>	<u>(28,699)</u>
OTHER FINANCING SOURCES (USES)						
Capital leases	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>31,075</u>	<u>94,142</u>	<u>125,911</u>	<u>(9,430)</u>	<u>19,894</u>	<u>(28,699)</u>
FUND BALANCES, BEGINNING	<u>59,887</u>	<u>121,271</u>	<u>263,495</u>	<u>658,709</u>	<u>456,076</u>	<u>459,967</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 90,962</u>	<u>\$ 215,413</u>	<u>\$ 389,406</u>	<u>\$ 649,279</u>	<u>\$ 475,970</u>	<u>\$ 431,268</u>

Special Revenue

Farm to Market #3	Farm to Market #4	Lateral Road	District Clerk Archives	Justice Court Technology Fund	Jury	Law Library	District Attorney Hot Check	District Attorney Seizure
\$ 604,842	\$ 604,841	\$ -	\$ -	\$ -	\$ 76,475	\$ -	\$ -	\$ -
-	-	61,532	-	-	18,802	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	43,979	-	-	54,198	-
-	-	-	-	-	-	-	-	12,936
19,564	7,206	1,313	9,131	1,348	1,100	2,059	1,708	1,478
-	-	-	-	-	4,950	123,238	-	-
<u>624,406</u>	<u>612,047</u>	<u>62,845</u>	<u>9,131</u>	<u>45,327</u>	<u>101,327</u>	<u>125,297</u>	<u>55,906</u>	<u>14,414</u>
-	-	-	-	73,157	-	-	-	-
-	-	-	-	-	92,184	84,053	15,818	47,694
-	-	-	-	-	-	-	-	-
889,461	777,995	61,414	-	-	-	-	-	-
45,843	-	-	-	-	-	-	-	-
<u>935,304</u>	<u>777,995</u>	<u>61,414</u>	<u>-</u>	<u>73,157</u>	<u>92,184</u>	<u>84,053</u>	<u>15,818</u>	<u>47,694</u>
(310,898)	(165,948)	1,431	9,131	(27,830)	9,143	41,244	40,088	(33,280)
201,575	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>201,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(109,323)	(165,948)	1,431	9,131	(27,830)	9,143	41,244	40,088	(33,280)
<u>413,353</u>	<u>202,125</u>	<u>802</u>	<u>16,713</u>	<u>61,055</u>	<u>-</u>	<u>92,343</u>	<u>56,582</u>	<u>61,512</u>
-	-	-	-	-	-	-	-	-
<u>\$ 304,030</u>	<u>\$ 36,177</u>	<u>\$ 2,233</u>	<u>\$ 25,844</u>	<u>\$ 33,225</u>	<u>\$ 9,143</u>	<u>\$ 133,587</u>	<u>\$ 96,670</u>	<u>\$ 28,232</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, 2006

	Special Revenue				
	District Attorney Forfeiture	Sheriff Seizure	Sheriff Forfeiture	Constable Precinct #1 Forfeiture	Constable Precinct #2 Forfeiture
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Auto registration	-	-	-	-	-
Fees of office	-	-	-	-	-
Fines and forfeitures	26,959	-	3,461	-	-
Interest earnings	16,664	6,321	3,700	45	27
Other	-	19,972	1,749	-	-
Total revenues	<u>43,623</u>	<u>26,293</u>	<u>8,910</u>	<u>45</u>	<u>27</u>
EXPENDITURES					
General government	-	-	-	-	-
Judicial	79,063	-	-	-	-
Public safety	-	12,432	-	-	-
Roads and highways	-	-	-	-	-
Debt service:					
Principal and interest	-	-	-	-	-
Total expenditures	<u>79,063</u>	<u>12,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(35,440)</u>	<u>13,861</u>	<u>8,910</u>	<u>45</u>	<u>27</u>
OTHER FINANCING SOURCES (USES)					
Capital leases	-	-	-	-	-
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>(35,440)</u>	<u>13,861</u>	<u>8,910</u>	<u>45</u>	<u>27</u>
FUND BALANCES, BEGINNING	<u>362,367</u>	<u>158,538</u>	<u>68,030</u>	<u>51</u>	<u>983</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 326,927</u>	<u>\$ 172,399</u>	<u>\$ 76,940</u>	<u>\$ 96</u>	<u>\$ 1,010</u>

Special Revenue

Constable Precinct #4 Forfeiture	Records Management	General Record Management Preservation	Courthouse Security	Sheriff HIDTA	Graffiti	Solid Waste	Reconstruction Grant	Law Enforcement Block Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	263,020	-	3,178	86,455	-
-	194,665	51,318	98,030	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3	3,434	7,539	37	4,053	-	-	-	638
-	-	-	-	-	-	-	-	-
<u>3</u>	<u>198,099</u>	<u>58,857</u>	<u>98,067</u>	<u>267,073</u>	<u>-</u>	<u>3,178</u>	<u>86,455</u>	<u>638</u>
-	223,886	78,840	-	-	-	3,178	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	297,308	-	-	86,455	15,781
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	<u>223,886</u>	<u>78,840</u>	<u>-</u>	<u>297,308</u>	<u>-</u>	<u>3,178</u>	<u>86,455</u>	<u>15,781</u>
3	(25,787)	(19,983)	98,067	(30,235)	-	-	-	(15,143)
-	-	-	-	-	-	-	-	-
-	-	-	(112,500)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(112,500)	-	-	-	-	-
3	(25,787)	(19,983)	(14,433)	(30,235)	-	-	-	(15,143)
<u>101</u>	<u>67,524</u>	<u>150,708</u>	<u>43,579</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>31,284</u>
-	-	-	-	48,134	-	-	-	-
<u>\$ 104</u>	<u>\$ 41,737</u>	<u>\$ 130,725</u>	<u>\$ 29,146</u>	<u>\$ 17,899</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,141</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, 2006

	Special Revenue		
	County Clerk Archives Management	Sheriff Federal Forfeiture	Debt Service
REVENUES			
Taxes	\$ -	\$ -	\$ 2,134,938
Intergovernmental	-	-	-
Auto registration	-	-	-
Fees of office	-	-	-
Fines and forfeitures	-	33,979	-
Interest earnings	9,034	65	17,942
Other	<u>193,005</u>	<u>-</u>	<u>-</u>
Total revenues	<u>202,039</u>	<u>34,044</u>	<u>2,152,880</u>
EXPENDITURES			
General government	118,463	-	-
Judicial	-	-	-
Public safety	-	4,187	-
Roads and highways	-	-	-
Debt service:			
Principal and interest	<u>-</u>	<u>-</u>	<u>2,096,758</u>
Total expenditures	<u>118,463</u>	<u>4,187</u>	<u>2,096,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>83,576</u>	<u>29,857</u>	<u>56,122</u>
OTHER FINANCING SOURCES (USES)			
Capital leases	-	-	-
Transfers out	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	83,576	29,857	56,122
FUND BALANCES, BEGINNING	<u>312,428</u>	<u>8,637</u>	<u>681,936</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 396,004</u>	<u>\$ 38,494</u>	<u>\$ 738,058</u>

Capital Projects

Right of Way	Road District #1	Road District #5	Road District #16	Totals
\$ -	\$ -	\$ -	\$ -	\$ 5,933,174
-	-	-	-	432,987
-	-	-	-	2,052,476
-	-	-	-	442,190
-	-	-	-	77,335
4,793	24,066	4,106	7,337	274,139
-	-	-	-	387,020
<u>4,793</u>	<u>24,066</u>	<u>4,106</u>	<u>7,337</u>	<u>9,599,321</u>
-	-	-	-	497,524
-	-	-	-	318,812
-	-	-	-	416,163
-	-	-	-	6,224,065
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142,601</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,599,165</u>
<u>4,793</u>	<u>24,066</u>	<u>4,106</u>	<u>7,337</u>	<u>156</u>
-	-	-	-	201,575
-	-	-	-	(112,500)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,075</u>
4,793	24,066	4,106	7,337	89,231
<u>103,024</u>	<u>1,156,087</u>	<u>87,793</u>	<u>159,456</u>	<u>6,316,436</u>
<u>-</u>	<u>(49,667)</u>	<u>-</u>	<u>-</u>	<u>(1,533)</u>
<u>\$ 107,817</u>	<u>\$ 1,130,486</u>	<u>\$ 91,899</u>	<u>\$ 166,793</u>	<u>\$ 6,404,134</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Road and bridge taxes	\$ 248,000	\$ 248,903	\$ 903
License and permits	542,500	513,119	(29,381)
Interest earnings	5,000	12,181	7,181
Other	<u>22,256</u>	<u>11,907</u>	<u>(10,349)</u>
Total revenues	<u>817,756</u>	<u>786,110</u>	<u>(31,646)</u>
EXPENDITURES			
Roads and highways:			
Salaries	508,556	502,416	6,140
Benefits	184,051	174,420	9,631
Other	<u>185,026</u>	<u>78,199</u>	<u>106,827</u>
Total expenditures	<u>877,633</u>	<u>755,035</u>	<u>122,598</u>
NET CHANGE IN FUND BALANCE	(59,877)	31,075	90,952
FUND BALANCE, BEGINNING	<u>59,887</u>	<u>59,887</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 10</u></u>	<u><u>\$ 90,962</u></u>	<u><u>\$ 90,952</u></u>

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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Road and bridge taxes	\$ 401,000	\$ 401,873	\$ 873
License and permits	547,500	513,119	(34,381)
Interest earnings	7,000	13,448	6,448
Other	<u>11,400</u>	<u>-</u>	<u>(11,400)</u>
Total revenues	<u>966,900</u>	<u>928,440</u>	<u>(38,460)</u>
EXPENDITURES			
Roads and highways:			
Salaries	639,560	565,423	74,137
Benefits	208,562	191,678	16,884
Other	<u>123,278</u>	<u>77,197</u>	<u>46,081</u>
Total expenditures	<u>971,400</u>	<u>834,298</u>	<u>137,102</u>
NET CHANGE IN FUND BALANCE	(4,500)	94,142	98,642
FUND BALANCE, BEGINNING	<u>121,271</u>	<u>121,271</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 116,771</u>	<u>\$ 215,413</u>	<u>\$ 98,642</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Road and bridge taxes	\$ 401,000	\$ 401,873	\$ 873
License and permits	547,500	513,119	(34,381)
Interest earnings	5,000	20,424	15,424
Other	<u>25,000</u>	<u>32,199</u>	<u>7,199</u>
Total revenues	<u>978,500</u>	<u>967,615</u>	<u>(10,885)</u>
EXPENDITURES			
Roads and highways:			
Salaries	532,689	477,990	54,699
Benefits	206,008	162,231	43,777
Other	<u>239,803</u>	<u>201,483</u>	<u>38,320</u>
Total expenditures	<u>978,500</u>	<u>841,704</u>	<u>136,796</u>
NET CHANGE IN FUND BALANCE	-	125,911	125,911
FUND BALANCE, BEGINNING	<u>263,495</u>	<u>263,495</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 263,495</u>	<u>\$ 389,406</u>	<u>\$ 125,911</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Road and bridge taxes	\$ 248,000	\$ 248,902	\$ 902
License and permits	542,500	513,119	(29,381)
Interest earnings	5,000	34,467	29,467
Other	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Total revenues	<u>803,500</u>	<u>796,488</u>	<u>(7,012)</u>
EXPENDITURES			
Roads and highways:			
Salaries	481,045	363,680	117,365
Benefits	170,705	122,727	47,978
Other	<u>810,459</u>	<u>319,511</u>	<u>490,948</u>
Total expenditures	<u>1,462,209</u>	<u>805,918</u>	<u>656,291</u>
NET CHANGE IN FUND BALANCE	(658,709)	(9,430)	649,279
FUND BALANCE, BEGINNING	<u>658,709</u>	<u>658,709</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 649,279</u>	<u>\$ 649,279</u>

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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Farm to market taxes	\$ 601,948	\$ 605,685	\$ 3,737
Interest earnings	6,000	18,081	12,081
Total revenues	<u>607,948</u>	<u>623,766</u>	<u>15,818</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	150,280	280	150,000
Other	146,441	47,106	99,335
Road repairs and materials	732,303	555,541	176,762
Bridge repairs	35,000	945	34,055
Total roads and highways	<u>1,064,024</u>	<u>603,872</u>	<u>460,152</u>
Total expenditures	<u>1,064,024</u>	<u>603,872</u>	<u>460,152</u>
NET CHANGE IN FUND BALANCE	(456,076)	19,894	475,970
FUND BALANCE, BEGINNING	<u>456,076</u>	<u>456,076</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 475,970</u>	<u>\$ 475,970</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Farm to market taxes	601948	\$ 604,842	\$ 2,894
Interest earnings	\$ 6,000	20,827	14,827
Other	<u>19,425</u>	<u>-</u>	<u>(19,425)</u>
Total revenues	<u>627,373</u>	<u>625,669</u>	<u>(1,704)</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	58,200	29,500	28,700
Other	67,000	38,954	28,046
Road repairs and materials	519,939	473,160	46,779
Bridge repairs	<u>113,234</u>	<u>112,754</u>	<u>480</u>
Total expenditures	<u>758,373</u>	<u>654,368</u>	<u>104,005</u>
NET CHANGE IN FUND BALANCE	(131,000)	(28,699)	102,301
FUND BALANCE, BEGINNING	<u>459,967</u>	<u>459,967</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 328,967</u>	<u>\$ 431,268</u>	<u>\$ 102,301</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Farm to market taxes	\$ 601,948	\$ 604,842	\$ 2,894
Interest earnings	12,000	19,564	7,564
Total revenues	<u>613,948</u>	<u>624,406</u>	<u>10,458</u>
EXPENDITURES			
Roads and highways:			
Capital outlay	317,456	317,456	-
Other	20,006	16,440	3,566
Road repairs and materials	564,777	541,100	23,677
Bridge repairs	14,500	14,465	35
Total roads and highways	<u>916,739</u>	<u>889,461</u>	<u>27,278</u>
Debt service:			
Principal and interest	45,850	45,843	7
Total expenditures	<u>962,589</u>	<u>935,304</u>	<u>27,285</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(348,641)	(310,898)	37,743
OTHER FINANCING SOURCES (USES)			
Capital leases	201,575	201,575	-
Total other financing sources (uses)	201,575	201,575	-
NET CHANGE IN FUND BALANCE	(147,066)	(109,323)	37,743
FUND BALANCE, BEGINNING	<u>413,353</u>	<u>413,353</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 266,287</u>	<u>\$ 304,030</u>	<u>\$ 37,743</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Farm to market taxes	\$ 601,948	\$ 604,841	\$ 2,893
Interest earnings	<u>8,000</u>	<u>7,206</u>	<u>(794)</u>
Total revenues	<u>609,948</u>	<u>612,047</u>	<u>2,099</u>
EXPENDITURES			
Roads and highways:			
Other	53,597	47,866	5,731
Road repairs and materials	734,477	707,920	26,557
Bridge repairs	<u>23,999</u>	<u>22,209</u>	<u>1,790</u>
Total expenditures	<u>812,073</u>	<u>777,995</u>	<u>34,078</u>
NET CHANGE IN FUND BALANCE	(202,125)	(165,948)	36,177
FUND BALANCE, BEGINNING	<u>202,125</u>	<u>202,125</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 36,177</u>	<u>\$ 36,177</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 61,414	\$ 61,532	\$ 118
Interest earnings	<u>-</u>	<u>1,313</u>	<u>(1,313)</u>
Total revenues	<u>61,414</u>	<u>62,845</u>	<u>1,431</u>
EXPENDITURES			
Roads and highways:			
Other	<u>61,414</u>	<u>61,414</u>	<u>-</u>
Total expenditures	<u>61,414</u>	<u>61,414</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	1,431	1,431
FUND BALANCE, BEGINNING	<u>802</u>	<u>802</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 802</u>	<u>\$ 2,233</u>	<u>\$ 1,431</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ <u>10,000</u>	\$ <u>9,131</u>	\$ <u>(869)</u>
Total revenues	<u>10,000</u>	<u>9,131</u>	<u>(869)</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	-	9,131	9,131
FUND BALANCE, BEGINNING	<u>16,713</u>	<u>16,713</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u><u>16,713</u></u>	\$ <u><u>25,844</u></u>	\$ <u><u>9,131</u></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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other fees	\$ 46,400	\$ 43,979	\$(2,421)
Interest	400	1,348	(948)
Total revenues	<u>46,800</u>	<u>45,327</u>	<u>(1,473)</u>
EXPENDITURES			
General government:			
Other	<u>73,157</u>	<u>73,157</u>	<u>-</u>
Total expenditures	<u>73,157</u>	<u>73,157</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(26,357)	(27,830)	(1,473)
FUND BALANCE, BEGINNING	<u>61,055</u>	<u>61,055</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 34,698</u>	<u>\$ 33,225</u>	<u>\$(1,473)</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 75,700	\$ 76,475	\$ 775
Interest earnings	500	1,100	600
Intergovernmental	113,700	18,802	(94,898)
Other fees	<u>3,500</u>	<u>4,950</u>	<u>1,450</u>
Total revenues	<u>193,400</u>	<u>101,327</u>	<u>(92,073)</u>
EXPENDITURES			
Judicial:			
Jurors fees	<u>193,400</u>	<u>92,184</u>	<u>101,216</u>
Total expenditures	<u>193,400</u>	<u>92,184</u>	<u>101,216</u>
NET CHANGE IN FUND BALANCE	-	9,143	9,143
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 9,143</u>	<u>\$ 9,143</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 200	\$ 2,059	\$ 1,859
Other fees	<u>115,100</u>	<u>123,238</u>	<u>8,138</u>
Total revenues	<u>115,300</u>	<u>125,297</u>	<u>9,997</u>
EXPENDITURES			
Legal:			
Salaries	24,431	24,431	-
Benefits	3,808	3,667	141
Other	81,561	53,630	27,931
Capital outlay	<u>5,500</u>	<u>2,325</u>	<u>3,175</u>
Total expenditures	<u>115,300</u>	<u>84,053</u>	<u>31,247</u>
NET CHANGE IN FUND BALANCE	-	41,244	41,244
FUND BALANCE, BEGINNING	<u>92,343</u>	<u>92,343</u>	-
FUND BALANCE, ENDING	<u>\$ 92,343</u>	<u>\$ 133,587</u>	<u>\$ 41,244</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 1,000	\$ 1,708	\$ 708
Other fees	<u>60,000</u>	<u>54,198</u>	<u>(5,802)</u>
Total revenues	<u>61,000</u>	<u>55,906</u>	<u>(5,094)</u>
EXPENDITURES			
Legal:			
Other	59,000	15,679	43,321
Capital outlay	<u>2,000</u>	<u>139</u>	<u>1,861</u>
Total expenditures	<u>61,000</u>	<u>15,818</u>	<u>45,182</u>
NET CHANGE IN FUND BALANCE	-	40,088	40,088
FUND BALANCE, BEGINNING	<u>56,582</u>	<u>56,582</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 56,582</u>	<u>\$ 96,670</u>	<u>\$ 40,088</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 50,000	\$ 12,936	\$(37,064)
Interest earnings	<u>1,000</u>	<u>1,478</u>	<u>478</u>
Total revenues	<u>51,000</u>	<u>14,414</u>	<u>(36,586)</u>
 EXPENDITURES			
Legal:			
Release of seized funds	<u>51,000</u>	<u>47,694</u>	<u>3,306</u>
Total expenditures	<u>51,000</u>	<u>47,694</u>	<u>3,306</u>
 NET CHANGE IN FUND BALANCE	-	(33,280)	(33,280)
 FUND BALANCE, BEGINNING	<u>61,512</u>	<u>61,512</u>	<u>-</u>
 FUND BALANCE, ENDING	<u>\$ 61,512</u>	<u>\$ 28,232</u>	<u>\$(33,280)</u>

ELLIS COUNTY, TEXAS

DISTRICT ATTORNEY DRUG FORFEITURE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Forfeitures	\$ 40,000	\$ 26,959	\$(13,041)
Other	100,000	-	(100,000)
Interest earnings	3,310	16,664	13,354
Total revenues	143,310	43,623	(99,687)
EXPENDITURES			
Legal:			
Salaries	470	470	-
Benefits	100,464	64,201	36,263
Capital outlay	5,876	441	5,435
Other	36,500	13,951	22,549
Total expenditures	143,310	79,063	64,247
NET CHANGE IN FUND BALANCE	-	(35,440)	(35,440)
FUND BALANCE, BEGINNING	362,367	362,367	-
FUND BALANCE, ENDING	\$ 362,367	\$ 326,927	\$(35,440)

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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 15,000	\$ 19,972	\$ 4,972
Interest earnings	<u>3,000</u>	<u>6,321</u>	<u>3,321</u>
Total revenues	<u>18,000</u>	<u>26,293</u>	<u>8,293</u>
EXPENDITURES			
Public safety:			
Forfeited transfers	<u>18,000</u>	<u>12,432</u>	<u>5,568</u>
Total expenditures	<u>18,000</u>	<u>12,432</u>	<u>5,568</u>
NET CHANGE IN FUND BALANCE	-	13,861	13,861
FUND BALANCE, BEGINNING	<u>158,538</u>	<u>158,538</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 158,538</u>	<u>\$ 172,399</u>	<u>\$ 13,861</u>

ELLIS COUNTY, TEXAS

SHERIFF FORFEITURE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Forfeitures	\$ 10,000	\$ 3,461	\$ (6,539)
Interest earnings	3,000	3,700	700
Other	<u>30,000</u>	<u>1,749</u>	(28,251)
Total revenues	<u>43,000</u>	<u>8,910</u>	(34,090)
EXPENDITURES			
Public safety:			
General	<u>43,000</u>	<u>-</u>	<u>43,000</u>
Total expenditures	<u>43,000</u>	<u>-</u>	<u>43,000</u>
NET CHANGE IN FUND BALANCE	-	8,910	8,910
FUND BALANCE, BEGINNING	<u>68,030</u>	<u>68,030</u>	-
FUND BALANCE, ENDING	<u>\$ 68,030</u>	<u>\$ 76,940</u>	<u>\$ 8,910</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Interest	\$ 200	\$ 45	\$(155)
Total revenues	<u>200</u>	<u>45</u>	<u>(155)</u>
EXPENDITURES			
Public safety:			
General	<u>200</u>	<u>-</u>	<u>200</u>
Total expenditures	<u>200</u>	<u>-</u>	<u>200</u>
NET CHANGE IN FUND BALANCE	-	45	45
FUND BALANCE, BEGINNING	<u>51</u>	<u>51</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 51</u>	<u>\$ 96</u>	<u>\$ 45</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ 2,000	\$ -	\$(2,000)
Interest earnings	<u>-</u>	<u>27</u>	<u>27</u>
Total revenues	<u>2,000</u>	<u>27</u>	<u>(1,973)</u>
EXPENDITURES			
Public safety:			
General	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	-	27	27
FUND BALANCE, BEGINNING	<u>983</u>	<u>983</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 983</u>	<u>\$ 1,010</u>	<u>\$ 27</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	\$ 100	\$ 3	\$(97)
Total revenues	<u>100</u>	<u>3</u>	<u>(97)</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	-	3	3
FUND BALANCE, BEGINNING	<u>101</u>	<u>101</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 101</u>	<u>\$ 104</u>	<u>\$ 3</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Records management fees	\$ 205,600	\$ 194,665	\$(10,935)
Interest earnings	<u>6,000</u>	<u>3,434</u>	<u>(2,566)</u>
Total revenues	<u>211,600</u>	<u>198,099</u>	<u>(13,501)</u>
EXPENDITURES			
General government:			
Salaries	28,375	27,812	563
Benefits	11,041	10,699	342
Capital outlay	13,581	13,581	-
Other	<u>171,794</u>	<u>171,794</u>	<u>-</u>
Total expenditures	<u>224,791</u>	<u>223,886</u>	<u>905</u>
NET CHANGE IN FUND BALANCE	(13,191)	(25,787)	(12,596)
FUND BALANCE, BEGINNING	<u>67,524</u>	<u>67,524</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 54,333</u></u>	<u><u>\$ 41,737</u></u>	<u><u>\$(12,596)</u></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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
District Clerk records management fees	\$ 16,000	\$ 17,402	\$ 1,402
County Clerk records management fees	27,000	33,916	6,916
Interest earnings	6,000	7,539	1,539
Other	<u>125,000</u>	<u>-</u>	<u>(125,000)</u>
Total revenues	<u>174,000</u>	<u>58,857</u>	<u>(115,143)</u>
EXPENDITURES			
General government:			
Capital outlay	47,000	-	47,000
Other	<u>127,000</u>	<u>78,840</u>	<u>48,160</u>
Total expenditures	<u>174,000</u>	<u>78,840</u>	<u>95,160</u>
NET CHANGE IN FUND BALANCE	-	(19,983)	(19,983)
FUND BALANCE, BEGINNING	<u>150,708</u>	<u>150,708</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 150,708</u>	<u>\$ 130,725</u>	<u>\$(19,983)</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
District clerk courthouse security fees	\$ 11,000	\$ 10,219	\$(781)
County clerk courthouse security fees	52,000	50,806	(1,194)
JP court courthouse security fees	37,500	37,005	(495)
Other	10,000	-	(10,000)
Interest earnings	<u>2,000</u>	<u>37</u>	<u>(1,963)</u>
Total revenues	<u>112,500</u>	<u>98,067</u>	<u>(14,433)</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>112,500</u>	<u>98,067</u>	<u>(14,433)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(112,500)</u>	<u>(112,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(112,500)</u>	<u>(112,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(14,433)	(14,433)
FUND BALANCE, BEGINNING	<u>43,579</u>	<u>43,579</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 43,579</u>	<u>\$ 29,146</u>	<u>\$(14,433)</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 300,000	\$ 263,020	\$(36,980)
Interest	<u>5,000</u>	<u>4,053</u>	<u>(947)</u>
Total revenues	<u>305,000</u>	<u>267,073</u>	<u>(37,927)</u>
EXPENDITURES			
Public safety:			
Other	<u>305,000</u>	<u>297,308</u>	<u>7,692</u>
Total expenditures	<u>305,000</u>	<u>297,308</u>	<u>7,692</u>
NET CHANGE IN FUND BALANCES	-	(30,235)	(30,235)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>48,134</u>	<u>48,134</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 17,899</u>	<u>\$ 17,899</u>

ELLIS COUNTY, TEXAS

SOLID WASTE

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

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 3,178	\$ 3,178	\$ -
Total revenues	<u>3,178</u>	<u>3,178</u>	<u>-</u>
EXPENDITURES			
General government:			
Other	<u>3,178</u>	<u>3,178</u>	<u>-</u>
Total expenditures	<u>3,178</u>	<u>3,178</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELLIS COUNTY, TEXAS

RECONSTRUCTION GRANT

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

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 86,455	\$ 86,455	\$ -
Total revenues	<u>86,455</u>	<u>86,455</u>	<u>-</u>
EXPENDITURES			
Public safety:			
General	<u>86,455</u>	<u>86,455</u>	<u>-</u>
Total expenditures	<u>86,455</u>	<u>86,455</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>

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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 15,781	\$ -	\$(15,781)
Interest	<u>-</u>	<u>638</u>	<u>638</u>
Total revenues	<u>15,781</u>	<u>638</u>	<u>(15,143)</u>
EXPENDITURES			
Public safety:			
Other	69	69	-
Capital outlay	<u>15,712</u>	<u>15,712</u>	<u>-</u>
Total expenditures	<u>15,781</u>	<u>15,781</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(15,143)	(15,143)
FUND BALANCE, BEGINNING	<u>31,284</u>	<u>31,284</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 31,284</u>	<u>\$ 16,141</u>	<u>\$(15,143)</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 3,000	\$ 9,034	\$ 6,034
Other	<u>200,000</u>	<u>193,005</u>	<u>(6,995)</u>
Total revenues	<u>203,000</u>	<u>202,039</u>	<u>(961)</u>
EXPENDITURES			
General government:			
Other	<u>203,000</u>	<u>118,463</u>	<u>84,537</u>
Total expenditures	<u>203,000</u>	<u>118,463</u>	<u>84,537</u>
NET CHANGE IN FUND BALANCE	-	83,576	83,576
FUND BALANCE, BEGINNING	<u>312,428</u>	<u>312,428</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 312,428</u>	<u>\$ 396,004</u>	<u>\$ 83,576</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Seizures	\$ 4,200	\$ 33,979	\$ 29,779
Interest earnings	<u>-</u>	<u>65</u>	<u>65</u>
Total revenues	<u>4,200</u>	<u>34,044</u>	<u>29,844</u>
EXPENDITURES			
Public safety:			
Capital outlay	<u>4,200</u>	<u>4,187</u>	<u>13</u>
Total expenditures	<u>4,200</u>	<u>4,187</u>	<u>13</u>
NET CHANGE IN FUND BALANCE	-	29,857	29,857
FUND BALANCE, BEGINNING	<u>8,637</u>	<u>8,637</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,637</u>	<u>\$ 38,494</u>	<u>\$ 29,857</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Taxes	\$ 2,105,681	\$ 2,134,938	\$ 29,257
Interest earnings	<u>10,000</u>	<u>17,942</u>	<u>7,942</u>
Total revenues	<u>2,115,681</u>	<u>2,152,880</u>	<u>37,199</u>
EXPENDITURES			
Debt service:			
Principal	1,385,000	1,385,000	-
Interest	710,848	710,848	-
Other	<u>19,833</u>	<u>910</u>	<u>18,923</u>
Total expenditures	<u>2,115,681</u>	<u>2,096,758</u>	<u>18,923</u>
NET CHANGE IN FUND BALANCE	-	56,122	56,122
FUND BALANCE, BEGINNING	<u>681,936</u>	<u>681,936</u>	-
FUND BALANCE, ENDING	<u>\$ 681,936</u>	<u>\$ 738,058</u>	<u>\$ 56,122</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Other	\$ 100,000	\$ -	\$ (100,000)
Interest	<u>3,500</u>	<u>4,793</u>	<u>1,293</u>
Total revenues	<u>103,500</u>	<u>4,793</u>	<u>(98,707)</u>
EXPENDITURES			
Capital outlay:			
Right-of-way purchase	<u>103,500</u>	<u>-</u>	<u>103,500</u>
Total expenditures	<u>103,500</u>	<u>-</u>	<u>103,500</u>
NET CHANGE IN FUND BALANCE	-	4,793	4,793
FUND BALANCE, BEGINNING	<u>103,024</u>	<u>103,024</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 103,024</u>	<u>\$ 107,817</u>	<u>\$ 4,793</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 35,000	\$ 24,066	\$(10,934)
Other	<u>1,045,000</u>	<u>-</u>	<u>(1,045,000)</u>
Total revenues	<u>1,080,000</u>	<u>24,066</u>	<u>(1,055,934)</u>
EXPENDITURES			
Capital outlay	<u>1,080,000</u>	<u>-</u>	<u>1,080,000</u>
Total expenditures	<u>1,080,000</u>	<u>-</u>	<u>1,080,000</u>
NET CHANGE IN FUND BALANCE	-	24,066	24,066
FUND BALANCE, BEGINNING	<u>1,156,087</u>	<u>1,156,087</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(49,667)</u>	<u>(49,667)</u>
FUND BALANCE, ENDING	<u>\$ 1,156,087</u>	<u>\$ 1,130,486</u>	<u>\$(25,601)</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, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Interest earnings	\$ 2,000	\$ 4,106	\$ 2,106
Other	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
Total revenues	<u>82,000</u>	<u>4,106</u>	<u>(77,894)</u>
EXPENDITURES			
Capital outlay	<u>82,000</u>	<u>-</u>	<u>82,000</u>
Total expenditures	<u>82,000</u>	<u>-</u>	<u>82,000</u>
NET CHANGE IN FUND BALANCE	-	4,106	4,106
FUND BALANCE, BEGINNING	<u>87,793</u>	<u>87,793</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 87,793</u>	<u>\$ 91,899</u>	<u>\$ 4,106</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, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 4,000	\$ 7,337	\$ 3,337
Other	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Total revenues	<u>154,000</u>	<u>7,337</u>	<u>(146,663)</u>
EXPENDITURES			
Capital outlay	<u>154,000</u>	<u>-</u>	<u>154,000</u>
Total expenditures	<u>154,000</u>	<u>-</u>	<u>154,000</u>
NET CHANGE IN FUND BALANCE	-	7,337	7,337
FUND BALANCE, BEGINNING	<u>159,456</u>	<u>159,456</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 159,456</u>	<u>\$ 166,793</u>	<u>\$ 7,337</u>

ELLIS COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Balance</u> September 30, 2005	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> September 30, 2006
<u>COUNTY TREASURER</u>				
Assets:				
Cash and investments	\$ 592,823	\$ 2,935,296	\$ 3,242,864	\$ 285,255
Total assets	<u>\$ 592,823</u>	<u>\$ 2,935,296</u>	<u>\$ 3,242,864</u>	<u>\$ 285,255</u>
Liabilities:				
Due to beneficiaries	\$ 592,823	\$ 2,935,296	\$ 3,242,864	\$ 285,255
Total liabilities	<u>\$ 592,823</u>	<u>\$ 2,935,296</u>	<u>\$ 3,242,864</u>	<u>\$ 285,255</u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash	\$ 1,726,116	\$ 41,498,208	\$ 41,421,438	\$ 1,802,886
Total assets	<u>\$ 1,726,116</u>	<u>\$ 41,498,208</u>	<u>\$ 41,421,438</u>	<u>\$ 1,802,886</u>
Liabilities:				
Due to other governments	\$ 1,645,673	\$ 41,539,623	\$ 41,421,438	\$ 1,763,858
Due to beneficiaries	80,443	-	41,415	39,028
Total liabilities	<u>\$ 1,726,116</u>	<u>\$ 41,539,623</u>	<u>\$ 41,462,853</u>	<u>\$ 1,802,886</u>
<u>COUNTY ATTORNEY</u>				
Assets:				
Cash	\$ 126,811	\$ 1,151,801	\$ 195,516	\$ 1,083,096
Total assets	<u>\$ 126,811</u>	<u>\$ 1,151,801</u>	<u>\$ 195,516</u>	<u>\$ 1,083,096</u>
Liabilities:				
Due to beneficiaries	\$ 126,811	\$ 1,151,801	\$ 195,516	\$ 1,083,096
Total liabilities	<u>\$ 126,811</u>	<u>\$ 1,151,801</u>	<u>\$ 195,516</u>	<u>\$ 1,083,096</u>

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Balance September 30, 2005	Additions	Deductions	Balance September 30, 2006
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>SHERIFF</u>				
Assets:				
Cash	\$ 75,582	\$ 1,308,901	\$ 1,312,479	\$ 72,004
Total assets	<u>\$ 75,582</u>	<u>\$ 1,308,901</u>	<u>\$ 1,312,479</u>	<u>\$ 72,004</u>
Liabilities:				
Due to beneficiaries	\$ 75,582	\$ 1,308,901	\$ 1,312,479	\$ 72,004
Total liabilities	<u>\$ 75,582</u>	<u>\$ 1,308,901</u>	<u>\$ 1,312,479</u>	<u>\$ 72,004</u>
<u>DISTRICT CLERK</u>				
Assets:				
Cash	\$ 1,924,926	\$ 878,424	\$ 710,019	\$ 2,093,331
Total assets	<u>\$ 1,924,926</u>	<u>\$ 878,424</u>	<u>\$ 710,019</u>	<u>\$ 2,093,331</u>
Liabilities:				
Due to beneficiaries	\$ 1,924,926	\$ 878,424	\$ 710,019	\$ 2,093,331
Total liabilities	<u>\$ 1,924,926</u>	<u>\$ 878,424</u>	<u>\$ 710,019</u>	<u>\$ 2,093,331</u>
<u>COUNTY CLERK</u>				
Assets:				
Cash	\$ 1,578,735	\$ 1,639,661	\$ 1,228,586	\$ 1,989,810
Total assets	<u>\$ 1,578,735</u>	<u>\$ 1,639,661</u>	<u>\$ 1,228,586</u>	<u>\$ 1,989,810</u>
Liabilities:				
Due to beneficiaries	\$ 1,578,735	\$ 1,639,661	\$ 1,228,586	\$ 1,989,810
Total liabilities	<u>\$ 1,578,735</u>	<u>\$ 1,639,661</u>	<u>\$ 1,228,586</u>	<u>\$ 1,989,810</u>

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Balance September 30, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2006</u>
<u>JUSTICE OF THE PEACE</u>				
Assets:				
Cash	\$ 54,025	\$ 2,158,734	\$ 2,007,070	\$ 205,689
Total assets	<u>\$ 54,025</u>	<u>\$ 2,158,734</u>	<u>\$ 2,007,070</u>	<u>\$ 205,689</u>
Liabilities:				
Due to other governments	\$ 54,025	\$ 2,158,734	\$ 2,007,070	\$ 205,689
Total liabilities	<u>\$ 54,025</u>	<u>\$ 2,158,734</u>	<u>\$ 2,007,070</u>	<u>\$ 205,689</u>
<u>JUVENILE PROBATION AND CORRECTIONS</u>				
Assets:				
Cash and investments	\$ 1,572,582	\$ 726,835	\$ 1,919,216	\$ 380,201
Total assets	<u>\$ 1,572,582</u>	<u>\$ 726,835</u>	<u>\$ 1,919,216</u>	<u>\$ 380,201</u>
Liabilities:				
Due to beneficiaries	\$ 1,572,582	\$ 726,835	\$ 1,919,216	\$ 380,201
Total liabilities	<u>\$ 1,572,582</u>	<u>\$ 726,835</u>	<u>\$ 1,919,216</u>	<u>\$ 380,201</u>
<u>ADULT COMMUNITY SUPERVISION AND CORRECTIONS</u>				
Assets:				
Cash and investments	\$ 810,229	\$ 1,845,635	\$ 2,365,917	\$ 289,947
Total assets	<u>\$ 810,229</u>	<u>\$ 1,845,635</u>	<u>\$ 2,365,917</u>	<u>\$ 289,947</u>
Liabilities:				
Due to beneficiaries	\$ 810,229	\$ 1,845,635	\$ 2,365,917	\$ 289,947
Total liabilities	<u>\$ 810,229</u>	<u>\$ 1,845,635</u>	<u>\$ 2,365,917</u>	<u>\$ 289,947</u>

(continued)

ELLIS COUNTY, TEXAS

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
(Continued)**

FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Balance September 30, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2006</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash	\$ 8,461,829	\$ 54,143,495	\$ 54,403,105	\$ 8,202,219
Total assets	\$ <u>8,461,829</u>	\$ <u>54,143,495</u>	\$ <u>54,403,105</u>	\$ <u>8,202,219</u>
Liabilities:				
Due to other governments	\$ 1,699,698	\$ 43,698,357	\$ 43,428,508	\$ 1,969,547
Due to beneficiaries	<u>6,762,131</u>	<u>10,486,553</u>	<u>11,016,012</u>	<u>6,232,672</u>
Total liabilities	\$ <u>8,461,829</u>	\$ <u>54,184,910</u>	\$ <u>54,444,520</u>	\$ <u>8,202,219</u>

ELLIS COUNTY, TEXAS
 NET ASSETS BY COMPONENT
 LAST TEN FISCAL YEARS¹

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Governmental activities:										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,783,393	\$ 18,885,572	\$ 18,225,600	\$ 3,318,214
Restricted	-	-	-	-	-	-	4,825,686	5,253,940	655,299	738,058
Unrestricted	-	-	-	-	-	-	5,578,868	6,395,700	12,939,290	25,535,552
Total governmental activities net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,187,947	\$ 30,535,212	\$ 31,820,189	\$ 29,591,824

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

ELLIS COUNTY, TEXAS

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS¹

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EXPENSES										
Governmental activities:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,662,572	\$ 9,070,809	\$ 8,845,589	\$ 9,232,072
Judicial	-	-	-	-	-	-	4,317,576	3,851,390	4,046,313	4,185,014
Public safety	-	-	-	-	-	-	8,925,462	10,740,789	12,452,447	14,306,479
Health and welfare	-	-	-	-	-	-	1,956,606	1,959,263	2,445,497	2,585,252
Conservation	-	-	-	-	-	-	145,802	142,549	142,802	161,970
Roads and highways	-	-	-	-	-	-	6,613,357	5,384,181	5,241,732	6,330,052
Interest on long-term debt	-	-	-	-	-	-	814,526	851,471	931,667	907,828
Total expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,435,901	\$ 32,000,452	\$ 34,106,047	\$ 37,708,667

PROGRAM REVENUES

Governmental activities:	
Fees, fines and charges for services:	
General government	\$ -
Judicial	-
Public safety	-
Health and welfare	-
Conservation	-
Roads and highways	-
Operating grants and contributions	-
Capital grants and contributions	-
Total governmental activities program revenues	\$ -
NET (EXPENSE) REVENUE	\$ -

	\$ 3,673,664	\$ 3,956,295	\$ 4,617,338	\$ 3,626,361
	2,255,986	2,105,947	1,984,611	2,174,685
	960,806	703,170	650,645	405,024
	-	-	-	-
	-	-	-	-
	2,189,522	2,194,936	2,198,230	2,052,476
	232,055	195,141	82,427	1,414,288
	-	-	-	-
	9,312,033	9,155,489	9,533,251	9,672,834
	\$(20,123,868)	\$(22,844,963)	\$(24,572,796)	\$(28,035,833)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS

Governmental activities:										
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$20,881,858	\$23,240,361	\$24,936,383	\$27,456,824
Investment earnings	-	-	-	-	-	-	100,294	187,035	921,390	1,190,279
Miscellaneous	-	-	-	-	-	-	-	-	-	1,575,759
Total general revenues	\$ -	\$ 20,982,152	\$ 23,427,396	\$ 25,857,773	\$ 30,222,862					
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	(4,463,528)
Change in assets before extraordinary items	\$ -	\$ 858,284	\$ 582,433	\$ 1,284,977	\$(2,276,499)					
Extraordinary items	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	\$ -	\$858,284.00	\$ 582,433	\$ 1,284,977	\$(2,276,499)					
Prior period adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,134

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

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,070,161	2,609,856	2,779,520	1,710,495	4,081,492	4,378,169	4,876,449	5,168,051	5,288,710	6,950,191
Total general fund	\$ 3,070,161	\$ 2,609,856	\$ 2,779,520	\$ 1,710,495	\$ 4,081,492	\$ 4,378,169	\$ 4,876,449	\$ 5,168,051	\$ 5,288,710	\$ 6,950,191
Road and bridge fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,827,092	1,058,054	1,430,703	1,332,671	1,929,875	1,576,878	1,108,473	1,864,675	2,635,685	2,594,738
Total road & bridge	\$ 1,827,092	\$ 1,058,054	\$ 1,430,703	\$ 1,332,671	\$ 1,929,875	\$ 1,576,875	\$ 1,108,473	\$ 1,864,675	\$ 2,635,685	\$ 2,594,738
All other governmental funds										
Reserved for:										
Debt service	\$ 121,709	\$ 147,559	\$ 202,979	\$ 521,571	\$ 520,553	\$ 588,439	\$ 528,872	\$ 515,570	\$ 681,936	\$ 738,058
Unreserved	2,288,619	7,236,262	23,360,201	21,325,075	13,384,521	4,755,360	2,624,952	2,159,952	6,551,444	13,196,145
Capital projects funds	621,269	720,731	738,120	578,186	706,815	1,418,161	1,419,634	1,439,811	1,492,455	1,574,343
Special revenue funds										
Total other government funds	\$ 3,031,597	\$ 8,104,552	\$ 24,301,300	\$ 22,424,832	\$ 14,611,889	\$ 6,761,960	\$ 4,573,458	\$ 4,115,333	\$ 8,725,835	\$ 15,508,546

Source: Comprehensive Annual Financial Report

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Property Taxes	\$ 10,178,440	\$ 10,801,932	\$ 11,438,390	\$ 13,843,959	\$ 16,581,262	\$ 18,549,364	\$ 20,871,477	\$ 23,198,533	\$ 25,251,205	\$ 27,347,054
Intergovernmental	884,083	718,736	763,899	723,374	902,187	664,249	561,643	647,686	511,101	1,414,288
License & Permits	1,613,606	1,653,315	1,850,218	1,847,656	1,721,797	2,021,017	2,025,740	2,079,994	2,104,406	2,052,476
Fees of Office	1,862,873	2,142,556	2,452,372	2,532,785	1,815,722	2,796,287	2,920,559	3,207,186	3,354,366	4,218,519
Fines & Forfeitures	1,067,051	1,112,158	1,285,852	1,529,296	1,069,897	1,483,836	2,867,310	1,998,833	2,345,817	1,933,470
Interest	532,370	802,710	1,595,273	2,049,017	1,177,323	514,410	228,415	193,702	589,713	1,190,279
Other	904,030	1,583,937	3,645,615	2,721,884	4,511,234	2,317,419	834,994	961,323	5,601,175	8,037,275
Total revenues	\$ 17,042,453	\$ 18,815,344	\$ 23,031,619	\$ 25,247,971	\$ 27,779,422	\$ 28,346,582	\$ 30,310,138	\$ 32,287,257	\$ 39,757,783	\$ 46,193,361
EXPENDITURES										
Gen Government	\$ 4,599,369	\$ 5,092,766	\$ 5,962,126	\$ 6,188,614	\$ 5,292,408	\$ 6,961,557	\$ 6,238,717	\$ 7,002,691	\$ 7,960,428	\$ 8,305,989
Judicial	938,022	1,007,718	1,084,002	1,208,377	923,732	1,306,215	4,341,153	3,825,724	4,052,289	4,153,553
Public Safety	4,607,130	5,195,380	5,687,885	7,023,925	5,632,453	8,707,048	8,958,038	10,531,010	12,035,044	13,858,838
Health & Welfare	784,332	964,118	1,492,717	1,899,643	1,314,790	1,774,010	1,953,746	1,956,403	2,437,956	2,579,856
Conservation	93,820	96,317	97,330	111,510	67,994	118,515	145,802	142,549	142,802	177,041
Road & Bridge	5,235,462	6,107,660	5,111,424	3,946,182	3,955,645	6,002,873	6,010,235	4,984,460	5,263,697	6,224,065
Capital Outlay	191,001	878,215	3,528,513	5,925,534	13,432,353	9,729,813	2,778,590	1,099,397	251,260	597,882
Debt Service	790,171	859,896	1,179,119	2,138,443	2,147,897	19,174,297	2,139,107	2,155,344	2,112,136	2,142,601
Total expenditures	\$ 17,259,307	\$ 20,202,070	\$ 24,143,116	\$ 28,442,228	\$ 32,767,272	\$ 53,774,328	\$ 32,565,388	\$ 31,697,578	\$ 34,255,612	\$ 38,039,825

ELLIS COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(216,854)	(1,386,726)	(1,111,497)	(3,194,257)	(4,987,850)	(25,427,746)	(2,255,250)	589,679	5,502,171	8,153,536
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 350,000	\$ 350,000	\$ 2,000	\$ 1,738,558	\$ 106,174	\$ 112,487	\$ 455,817	\$ 112,500	\$ 112,500	\$ 112,500
Transfers out	(350,000)	(350,000)	(2,000)	(1,738,558)	(106,174)	(112,487)	(455,817)	(455,817)	(455,817)	(112,500)
Debt proceeds/ other	290,000	4,982,338	18,075,490	176,331	114,525	17,620,615	96,623			201,575
		248,000	(200,273)	176,331	114,525					
Total other financing sources (uses)	290,000	5,230,338	17,875,217	176,331	114,525	17,620,615	96,623	-	-	201,575
EXTRAORDINARY ITEMS	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 73,146	\$ 3,843,612	\$ 16,763,720	\$(3,017,926)	\$(4,873,325)	\$(7,807,131)	\$(2,158,627)	\$ 589,679	\$ 5,502,171	\$ 8,355,111
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.6%	4.4%	5.7%	9.5%	11.1%	43.5%	7.2%	7.0%	6.2%	5.7%

Source: Comprehensive Annual Financial Reports

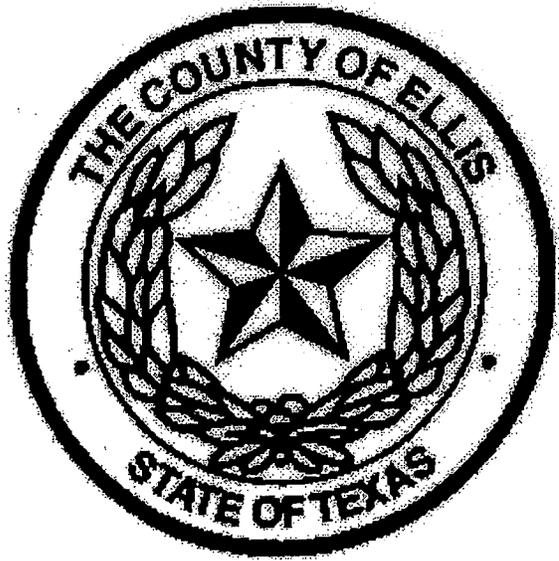


TABLE 5

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

Tax Year	Real Property	Personal Property	Total Assessed Valuation	Assessment Ratio	Estimated Actual Value
1997	3,286,804,096	1,004,937,250	4,291,741,346	100.0%	4,291,741,346
1998	3,318,380,767	1,086,938,330	4,405,319,097	100.0%	4,405,319,097
1999	3,749,437,660	1,135,918,450	4,885,356,110	100.0%	4,885,356,110
2000	4,799,001,853	1,328,638,192	6,127,640,045	100.0%	6,127,640,045
2001	5,746,067,565	1,502,086,422	7,248,153,987	100.0%	7,248,153,987
2002	6,879,481,633	1,402,222,040	8,281,703,673	100.0%	8,281,703,673
2003	7,293,902,060	1,596,064,070	8,889,966,130	100.0%	8,889,966,130
2004	7,659,168,117	1,815,048,890	9,474,217,007	100.0%	9,474,217,007
2005	8,207,129,335	1,956,636,165	10,163,765,500	100.0%	10,163,765,500
2006	8,949,770,368	1,947,251,600	10,897,021,968	100.0%	10,897,021,968

TABLE 6

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

TAXING JURISDICTION	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>DIRECT</u>										
COUNTY-WIDE:										
Ellis County	\$0.25314	\$0.25314	\$0.28374	\$0.29719	\$0.30202	\$0.31017	\$0.31464	\$0.31599	\$0.31891	\$0.32049
Farm to Market	0.04662	0.04662	0.047596	0.054304	0.049400	0.041230	0.036656	0.034006	0.031093	0.02901
<u>OVERLAPPING GOVERNMENTS</u>										
CITIES:										
Bardwell	0.15840	0.15494	0.14818	0.15230	0.16250	0.16975	0.16975	0.18536	0.18625	0.18580
Cedar Hill	0.64269	0.64269	0.64269	0.64269	0.64140	0.64140	0.64140	0.64140	0.64140	0.54140
Ennis	0.60000	0.60000	0.60000	0.60000	0.60000	0.63000	0.63000	0.63000	0.73000	0.71000
Ferris	0.78000	0.78000	0.75000	0.71000	0.63793	0.60000	0.58554	0.59275	0.60000	0.60000
Garrett	0.37000	0.35285	0.34000	0.33000	0.31000	0.31000	0.31000	0.31000	0.29991	0.31984
Italy	0.76999	0.76999	0.73700	0.67000	0.64785	0.74500	0.59453	0.59453	0.68000	0.69300
Maypearl	0.62188	0.64106	0.78000	0.78000	0.78000	0.76735	0.75642	0.73716	0.73716	0.73716
* Midlothian	0.17452	0.17452	0.25366	0.29604	0.41346	0.41113	0.41182	0.42404	0.64038	0.65795
Milford	0.63367	0.61367	0.61367	0.58603	0.54935	0.52786	0.49967	0.49967	0.49547	0.50157
Oak Leaf	0.19600	0.19600	0.19600	0.19600	0.21127	0.26000	0.26174	0.35000	0.34156	0.33144
Ovilla	0.34810	0.37522	0.38129	0.39649	0.38780	0.55856	0.66675	0.68250	0.68250	0.68250
Palmer	0.61877	0.59877	0.59878	0.59880	0.59880	0.55893	0.55893	0.57165	0.57165	0.62920
Pecan Hill	0.25934	0.24610	0.23581	0.22498	0.22800	0.23154	0.23937	0.25462	0.25108	0.24066
Red Oak	0.69000	0.67000	0.65000	0.64000	0.61500	0.61500	0.61500	0.61500	0.61380	0.64000
Waxahachie	0.63242	0.64240	0.61250	0.61750	0.61750	0.61250	0.61750	0.61750	0.61500	0.61500
SCHOOL DISTRICTS:										
Avalon	1.22000	1.36000	1.32000	1.36000	1.43300	1.34833	1.34400	1.41910	1.49380	1.37600
Ennis	1.36000	1.50000	1.46000	1.49000	1.59000	1.65190	1.65190	1.65190	1.65190	1.57000
Ferris	1.53000	1.53000	1.49000	1.49000	1.51000	1.53950	1.53700	1.77190	1.77190	1.57070
Italy	1.50000	1.50000	1.46470	1.56000	1.56000	1.50000	1.56000	1.56000	1.56000	1.43300
Maypearl	1.58540	1.58540	1.53000	1.53000	1.55000	1.55000	1.58000	1.77900	1.76900	1.64800
Midlothian	1.65870	1.64000	1.65990	1.70970	1.72000	1.72000	1.72000	1.76450	1.78750	1.69750
Milford	1.40860	1.45860	1.66120	1.66120	1.62398	1.62398	1.62398	1.62398	1.62400	1.49400
Palmer	1.39000	1.50000	1.40068	1.44650	1.56209	1.56209	1.61700	1.61700	1.61000	0.14800
Red oak	1.57000	1.57000	1.53800	1.53800	1.53000	1.54500	1.57000	1.64000	1.64000	0.15100
Waxahachie	1.41110	1.50110	1.45580	1.54670	1.68000	1.71000	1.63900	1.71650	1.72080	0.15973

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

TAXING JURISDICTION	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
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	0.03000	0.03000	0.03000	0.03000	0.05000	0.05000	0.05750	0.05750	0.06500	0.06750
EC ESD #1	0.03000	0.03000	0.06000	0.06300	0.06500	0.06700	0.06700	0.06700	0.07000	0.07000
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	0.03000	0.03000	0.03000	0.03000
EC ESD #7	-	-	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	0.03000	0.08000	0.08000
EC ESD #9	-	-	-	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
Ellis Co. W C & ID	0.03000	0.03000	0.06000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
* Midlothian Water Co.	0.24000	0.22000	0.19416	0.19416	0.19416	0.19416	0.19416	0.19416	0.00000	0.00000

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
SEPTEMBER 30, 2006**

<u>Name</u>	<u>Type of Business</u>	<u>2006 Assessed Valuations</u>	<u>Percentage of Total Assessed Valuation</u>
Chapparral Steel Company	Steel Mill	\$ 247,572,780	2.27%
Midlothian Energy Limited	Utility	382,015,260	3.51%
Walgreen Company	Distribution Center	253,485,170	2.33%
Holnam Texas LTD Partnership	Cement Plant	213,656,770	1.96%
Texas Industries, Inc.	Cement Plant	253,093,580	2.32%
TXU Electric Delivery Company	Utility	122,384,400	1.12%
CVS Texas Distribution LP	Distribution Center	117,301,730	1.08%
Target Corporation	Retail	115,126,490	1.06%
Elk Roofing Products	Roofing Products	68,413,580	0.63%
Giraffe Properties LLC	Distribution Center	<u>76,430,940</u>	0.70%
		<u>\$ 1,849,480,700</u>	<u>16.97%</u>

Note: Total Assessed Valuation of \$ 10,897,021,968

Source: Ellis County Appraisal District

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

<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>
1997	10,102,936	9,943,312	98.42%	177,927	10,121,239	100.18%
1998	10,479,575	10,219,446	97.51%	550,351	10,769,797	102.76%
1999	11,221,309	10,923,161	97.34%	526,315	11,449,476	102.03%
2000	13,648,716	13,239,870	97.00%	604,089	13,843,959	101.43%
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%

(a) Delinquent Tax Collections includes penalty and interest.

* 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
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Values</u>	<u>General Bonded Debt</u>	<u>Less Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Values</u>	<u>Net Bonded Debt Per Capita</u>
1997	103,000	4,291,741,346	4,088,473	103,656	3,984,817	0.09%	38.69
1998	103,000	4,405,319,097	8,554,029	147,559	8,406,470	0.19%	81.62
1999	105,000	4,885,356,110	25,849,112	202,979	25,646,133	0.52%	244.25
2000	111,360	6,127,640,045	25,169,325	521,207	24,648,118	0.40%	221.34
2001	111,360	7,248,153,987	24,219,027	520,553	23,698,474	0.33%	212.81
2002	116,555	8,281,703,673	24,282,813	588,439	23,694,374	0.29%	203.29
2003	129,250	8,889,966,130	22,801,333	528,872	22,272,461	0.25%	172.32
2004	129,250	9,474,217,007	21,707,073	515,570	21,191,503	0.22%	163.96
2005	131,826	10,163,765,500	20,567,737	681,936	19,885,801	0.20%	150.85
2006	139,300	10,897,021,968	19,383,875	738,058	18,645,817	0.17%	133.85

**ELLIS COUNTY, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2006**

<u>Taxing Jurisdiction</u>	<u>Total Funded Debt</u>	<u>Percentage Applicable To Named Government</u>	<u>Overlapping Funded Net Debt</u>
SPECIAL DISTRICTS:			
Ellis County WC&ID #1	\$ 1,914,991	100.00%	\$ 1,914,991
Midlothian Water District	28,630,407	100.00%	28,630,407
CITIES:			
Bardwell	179,000	100.00%	179,000
Ennis	34,461,666	100.00%	34,461,666
Ferris	3,625,000	100.00%	3,625,000
Italy	5,910,000	100.00%	5,910,000
Maypearl	500,000	100.00%	500,000
Midlothian	62,066,516	100.00%	62,066,516
Milford	635,000	100.00%	635,000
Ovilla	7,033,165	100.00%	7,033,165
Palmer	1,371,599	100.00%	1,371,599
Red Oak	9,126,436	100.00%	9,126,436
Waxahachie	20,747,002	100.00%	20,747,002
COUNTY-LINE CITIES:			
Cedar Hill	54,165,688	2.35%	1,272,894
Glenn Heights	4,346,944	29.09%	1,264,526
Grand Prairie	133,956,996	5.71%	7,648,944
Mansfield	89,968,400	4.14%	3,724,692
SCHOOL DISTRICTS:			
Avalon ISD	1,365,000	100.00%	1,365,000
Italy ISD	1,735,000	100.00%	1,735,000
Maypearl ISD	17,059,349	100.00%	17,059,349
Midlothian ISD	170,549,333	100.00%	170,549,333
Palmer ISD	4,969,789	100.00%	4,969,789
Red Oak ISD	27,567,142	100.00%	27,567,142
Waxahachie ISD	47,187,812	100.00%	47,187,812
COUNTY-LINE SCHOOL DISTRICTS:			
Ennis ISD	131,183,220	92.48%	121,318,242
Ferris ISD	25,663,000	94.94%	24,364,452
Frost ISD	1,296,000	6.67%	86,443
Milford ISD	542,347	77.05%	417,878
TOTAL NET OVERLAPPING DEBT			\$ 606,732,278
Ellis County			\$ 19,404,326

Source: Texas Municipal Reports

ELLIS COUNTY, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2006

Assessed Value of Real Property	\$ 8,949,770,368
Assessed Value of Personal and Other Property	<u>1,947,251,600</u>
Total Assessed Value	<u>\$ 10,897,021,968</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	\$ 2,237,442,592
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Amount of Debt Applicable to Debt Limit:

Debt Limit:		
Total Bonded Debt Applicable	\$ 19,383,875	
Less: Assets in Debt Service Fund available for payment of principal	<u>738,058</u>	<u>18,645,817</u>

Legal Debt Margin, Bonds Issued Under Article III, Section 52 of the Texas Constitution	<u>\$ 2,218,796,775</u>
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**ELLIS COUNTY, TEXAS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(1) Population	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(2) Unemployment Rate
1997	92,113	18,826	31.9	19,101	6.0%
1998	94,223	19,781	32.2	19,539	6.0%
1999	97,054	20,843	32.6	20,126	5.4%
2000	103,000	21,796	32.8	21,359	4.9%
2001	103,000	24,307	32.9	22,670	3.2%
2002	105,000	24,876	33.0	22,910	2.6%
2003	111,360	25,114	33.1	23,105	4.4%
2004	111,360	27,316	33.2	24,645	5.4%
2005	116,555	28,416	33.2	25,591	5.4%
2006	120,052	20,212	33.2	25,866	6.0%

Data Sources:

- (1) Bureau of the Census
- (2) Bureau of Labor Statistics
- (3) State Department of Commerce
- (4) Texas Education Association

ELLIS COUNTY, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR

<u>Employer</u>	<u>2006</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>
Chaparral Steel Company	1,200	1.87%
Ellis County Government	501	0.78%
Dartco of Texas, LP	430	0.67%
Ennis Automotive, Inc.	406	0.63%
International Extrusion	350	0.54%
Atlas/Soundolier	325	0.51%
Ennis Extruded Products	320	0.50%
Ennis Business Forms, Inc.	316	0.49%
Better Bath Company	300	0.47%
Elk Corporation of Texas	260	0.40%
Total	<u>4,408</u>	<u>6.86%</u>
Total County Employment	64,280	

Sources: Texas Workforce Commission
First Southwest Company



**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 of Ellis County, Texas
Waxahachie, Texas

We have audited the 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, 2006, which collectively comprise Ellis County, Texas' basic financial statements and have issued our report thereon dated June 6, 2007. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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*.

We noted certain matters that we reported to management of Ellis County, Texas, in a separate letter dated June 6, 2007.

This report is intended solely for the information and use of management, others within the organization and the Honorable County Judge and County Commissioners of Ellis County, Texas, and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown + Hill, L.L.P.

June 6, 2007



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

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

To the Honorable County Judge
and Commissioners' of Ellis County, Texas
Waxahachie, Texas

Compliance

We have audited the compliance of Ellis County, Texas with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. Ellis County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ellis County, Texas' management. Our responsibility is to express an opinion on Ellis County, Texas' compliance based on our audit.

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

In our opinion, Ellis County, Texas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of Ellis County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ellis County, Texas' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Honorable County Judge and County Commissioners of Ellis County, Texas, and appropriate federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

June 6, 2007

ELLIS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Summary of Auditors' Results

Type of report on financial statements	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Reportable condition(s) identified that are not considered to be material weakness(es)?	None reported
Internal control over major programs: Material weakness(es) identified?	No
Reportable condition(s) identified that are not considered to be material weakness(es)?	None reported
Noncompliance which is material to the basic financial statements	None
Type of report on compliance with major programs	Unqualified
Findings and questioned costs for federal awards as defined in Section 501(a), OMB Circular A-133	None
Dollar threshold considered between Type A and Type B federal programs	\$300,000
Low risk auditee statement	The County was classified as a low-risk auditee in the context of OMB Circular A-133
Major federal program	HAVA Grant-Compliance, CFDA # 90.401

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

None

Findings and Questioned Costs for Federal Awards

None

ELLIS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

None

ELLIS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2006

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Program:			
Law Enforcement Terrorism Prevention Program	97.074	48139	239,809
Passed through the Federal Emergency Management Agency:			
Hurricane Katrina Assistance	97.036	139-99139-00	93,860
Wildfire Disaster	97.036	N/A	<u>6,508</u>
Total Department of Homeland Security			<u>340,177</u>
<u>DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)</u>			
Passed through the Office of Rural Community Affairs:			
Community Development Block Grant	14.228	724261	<u>86,455</u>
Total Department of Housing & Urban Development (HUD)			<u>86,455</u>
<u>ELECTION COMMISSION</u>			
Direct Program:			
HAVA Voting System Accessibility	90.401	78800	180,000
HAVA Compliance	90.401	78545	<u>313,500</u>
Total Election Commission			<u>493,500</u>
Total Expenditure of Federal Awards			<u>\$ 920,132</u>

ELLIS COUNTY, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

1. GENERAL

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

2. BASIS OF ACCOUNTING

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